PUBLIC DISCLOSURE STATEMENT

WESFARMERS KLEENHEAT GAS PTY LTD

PRODUCT CERTIFICATION
FY2023–24

Australian Government

Climate Active
Public Disclosure Statement

Kleenheat

An Australian Government Initiative

Climate Active

NAME OF CERTIFIED ENTITY	Wesfarmers Kleenheat Gas Pty Ltd
REPORTING PERIOD	1 July 2023 – 30 June 2024
DECLARATION	*To the best of my knowledge, the information provided in this public disclosure statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.*
	Alex Willcocks Chief Financial Officer 11 February 2025 

Australian Government
Department of Climate Change, Energy, the Environment and Water

Version 9.

1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	1,506 tCO_2-e
CARBON OFFSETS USED	100% ACCUs
RENEWABLE ELECTRICITY	18.7%
CARBON ACCOUNT	Prepared by: Wesfarmers Kleenheat Gas Pty Ltd
TECHNICAL ASSESSMENT	04/04/2022 Ndevr Environmental Next technical assessment due: FY2025-26 report

Contents

2. CERTIFICATION INFORMATION

Description of product certification

This product certification is for the carbon neutral, natural gas product sold by Kleenheat, which is delivered as carbon neutral through the use of offsets.

The Carbon Offset program (product) is offered to residential customers as an opt-in product to offset greenhouse gas emissions associated with their use of natural gas purchased from Kleenheat.

For the purposes of certification:

- Functional unit: equals 1 gigajoule (GJ) of opt-in natural gas consumed, with emissions expressed as tonnes of carbon dioxide emissions (CO_2-e) per GJ.
- Life cycle: is considered as cradle-to-grave, assuming combustion of natural gas by the end user.
- Offering: is as an opt-in product.

This Public Disclosure Statement (PDS) includes information for the FY2023/24 reporting period.

The responsible entity for this product certification is Wesfarmers Kleenheat Gas Pty Ltd ABN 40 008 679 543 (Kleenheat).

Description of business

Kleenheat is part of Wesfarmers Chemicals, Energy and Fertilisers (WesCEF), a division of Wesfarmers Limited, which is registered at Level 14, Brookfield Place Tower 2, 123 St Georges Terrace, PERTH, WA 6000.

Kleenheat operates a Liquified Petroleum Gas (LPG) and Liquefied Natural Gas (LNG) production facility in Kwinana, Western Australia. In December 2024, Kleenheat sold its LPG and LNG distribution businesses.

In addition, Kleenheat operates as a retailer of natural gas, serving residential and commercial markets in Western Australia. Kleenheat offers residential natural gas customers an opt-in product to offset greenhouse gas emissions associated with their use of natural gas purchased from Kleenheat.

Kleenheat commenced offering this product on 9 August 2022.

3.EMISSIONS BOUNDARY

Inside the emissions boundary

All emission sources listed in the emissions boundary are part of the carbon neutral claim.

Quantified emissions have been assessed as 'attributable processes' of a product or service. These attributable processes are services, materials and energy flows that become the product or service, make the product or service and carry the product or service through its life cycle. These attributable emissions have been quantified in the carbon inventory.

Non-quantified emissions have been assessed as attributable and are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. All material emissions are accounted for through an uplift factor. Further detail is available at Appendix C.

Outside the emissions boundary

Non-attributable emissions have been assessed as not attributable to a product or service. They can be **optionally included** in the emissions boundary and therefore have been offset, or they can be listed as outside of the emissions boundary (and are therefore not part of the carbon neutral claim). Further detail is available at Appendix D.

Inside emissions boundary

Quantified

Natural gas sold

Advertising services

Business services

Computer and technical services

Computer hardware

Cleaning services

Electricity

Electronic office equipment

Fleet of vehicles

Postal and courier services

Printing and stationery

Telecommunications

Subscriptions

Staff commuting

Water usage

Waste

Working from home

Non-quantified

n/a

Optionally included

n/a

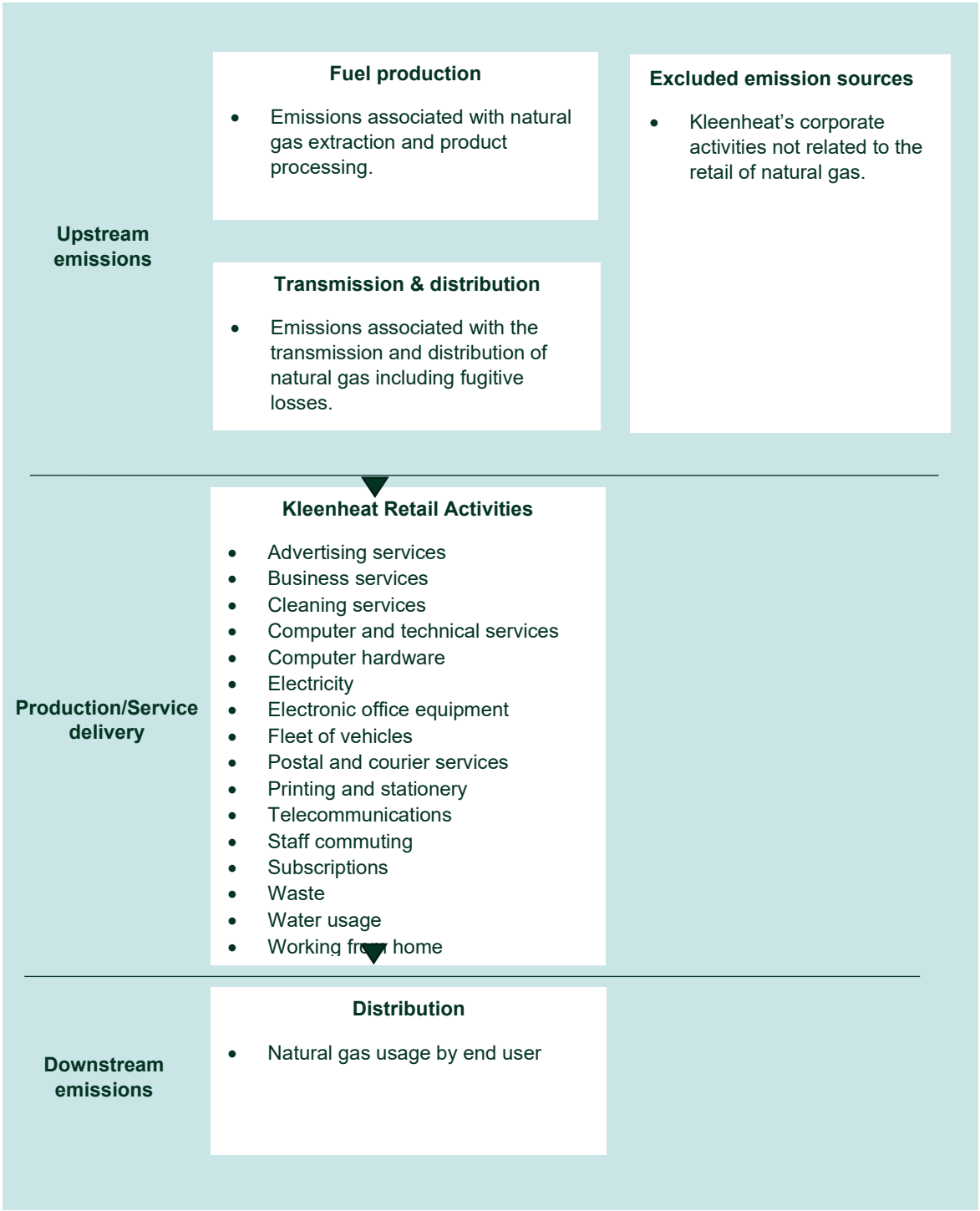
Outside emission boundary

Non-attributable

Corporate activities not related to the retail of natural gas

Product process diagram

Cradle-to-grave boundary



4. EMISSIONS REDUCTIONS

Emissions reduction strategy

Kleenheat is exploring a pathway to net zero by 2050 for scope 1 and scope 2 emissions. This may include introducing renewable gases into the retail natural gas network, sourcing renewable electricity, and developing alternative and new products to support our customers' transition to low-carbon energy sources.

Kleenheat continues to work towards formulating strategies to target emission reductions from its retailing activities. Specific targets for reducing emissions intensity were not set during the reporting period. Setting targets with certainty and accuracy is complex due to the nature of the emissions and the relatively small contribution they make to Kleenheat's overall emissions.

More than 99% of emissions associated with natural gas products occur in the extraction, production, transportation, and combustion of natural gas, which are outside the direct control of Kleenheat and, therefore form part of its scope 3 emissions.

Kleenheat will investigate the viability of setting targets to reduce emissions from its retail activities during FY25.

In the meantime, providing households with the choice to offset greenhouse gas emissions from their natural gas use provides consumers with an option for offsetting their emissions impact while technologies that lower the emissions intensity of natural gas are developed, scaled and become more widely available at an appropriate cost.

Kleenheat's natural gas retailing business is part of WesCEF, which also includes CSBP Chemicals and Fertilisers, Australian Vinyls, and ModWood. Additionally, WesCEF holds a 50 per cent interest in Queensland Nitrates and Covalent Lithium as well as a 75 per cent interest in Australian Gold Reagents. WesCEF has a 2050 net zero roadmap[1] which includes an interim target to reduce operational emissions by 30 per cent by 2030, relative to its 2020 baseline. This interim target is largely expected to be achieved through investments in additional catalytic abatement in WesCEF's three nitric acid plants at CSBP Kwinana.

In setting its 2050 net zero target and roadmap, WesCEF assumes low-emissions technologies such as carbon capture, utilisation and storage (CCUS) will advance and become commercially viable and operate at scale well before 2050. WesCEF also assumes government policy will remain supportive of climate action and technologies required to decarbonise. The assumptions underpinning WesCEF's targets will be regularly tested to ensure they are reasonable.

[1] Further information on WesCEF's net zero roadmap is available at **Wescef.com.au/Wescefs-roadmap-to-net-zero/**

Emissions reduction actions

Emissions reduction activities to date:

Work is underway, and Kleenheat has dedicated resources to, understanding the viability of a new offering designed to support our customers in their transition to low-carbon energy sources.

As part of the gas procurement process, Kleenheat has begun engaging with key gas suppliers to learn more about their emissions. It is encouraging that the majority of Kleenheat's key gas suppliers have public net-zero scope 1 and scope 2 targets. While obtaining detailed emissions data can be complex due to joint venture structures and approval requirements, Kleenheat will continue to collaborate with suppliers to gather the information they are able to share to enhance transparency in its supply chain.

Kleenheat is also exploring steps it can take to reduce its scope 2 and scope 3 emissions. Among those is a pending office re-location from Murdoch to the Perth CBD, with the move scheduled for completion by the end of 2025. The relocation involves a lease at 11 Mounts Bay Road. The building offers modern end-of-trip amenities and convenient access to public transport. The location aligns with Kleenheat's objective to encourage sustainable commuting options for its team members. The project is at the end of the preliminary design phase, and timelines remain on schedule.

Kleenheat considered exploring electrification or hydrogen for vehicle fleets; however, the focus has now shifted towards reducing the overall size of the fleet.

5.EMISSIONS SUMMARY

Emissions over time

Emissions since base year			
		Total tCO_2-e	Emissions intensity of the functional unit
Base year:	2020-21	282,577 tCO_2-e	0.06 tCO2-e/GJ
Year 1:	2022-23	317,584 tCO_2-e	0.06 tCO2-e/GJ
Year 2:	2023-24	278,127 tCO_2-e	0.06 tCO2-e/GJ

Significant changes in emissions

Significant changes in emissions			
Emission source	**Previous year emissions (t CO_2-e)**	**Current year emissions (t CO_2-e)**	**Reason for change**
Natural Gas WA (metro) (GJ)	315,885	276,193	Fall in gas usage by natural gas customers.

Use of Climate Active carbon neutral products, services, buildings or precincts

Certified brand name	Product/Service/Building/Precinct used
N/A	

Emissions summary

Life cycle stage / Attributable process / Emission source	tCO_2-e
Extraction, production, and transportation of natural gas and combustion by end user	276,193
Kleenheat retail activities (relating to the sales of residential natural gas)	1,934
Attributable emissions (tCO_2-e) *(including 1,506 tCO_2-e of offset emissions from opt-in customers)*	278,127

Product / Service offset liability	
Emissions intensity per functional unit	0.06 tCO2-e/GJ
Emissions intensity per functional unit, including uplift factors	N/A
Number of functional units covered by the certification	26,877
Total emissions (tCO_2-e) to be offset	**1,506**

6. CARBON OFFSETS

Eligible offsets retirement summary

Offsets retired for Climate Active certification

Type of offset unit	Quantity used for this reporting period	Percentage of total units used
Australian Carbon Credit Units (ACCUs)	1,506	100%

Project name	Type of offset unit	Registry	Date retired	Serial number	Vintage	Total quantity retired	Quantity used in previous reporting periods	Quantity banked for future reporting periods	Quantity used for this reporting period	Percentage of total used this reporting period
Carbon Conscious Carbon Capture Project 1	ACCU	ANREU	10/06/2022	3,766,055,686 - 3,766,008,185	2017-18	2,500	534	460	1,506	60.2%

Co-benefits project

This project establishes permanent plantings of mallee eucalypt tree species on land that was predominantly used for agricultural purposes for at least five years prior to project commencement.[2] The 5,700ha of reforestation is contained on 14 properties within the Central and Northern Agricultural Regions of WA. From 2009 to 2010, more than 6,000,000 native species mallee trees were planted on land previously cleared for dryland cropping and grazing. Registration as a Carbon Farming Initiative Project included a commitment to maintain the project forest for a minimum 100 years.

The regions that contain the project areas are recognised as significantly over-cleared, and the reforestation is providing protective habitat for native flora and fauna, reducing wind and water erosion, in some cases reducing soil salinity, and some cases providing a useful environment for sheep and honeybees.

[2] Clean Energy Regulator

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) Summary

The following RECs have been surrendered to reduce electricity emissions under the market-based reporting method.

1. Large-scale Generation certificates (LGCs)*	N/A
2. Other RECs	N/A

* LGCs in this table only include those surrendered voluntarily (including through PPA arrangements), and does not include those surrendered in relation to the LRET, GreenPower, and jurisdictional renewables.

Project supported by LGC purchase	Project location	Eligible unit type	Registry	Surrender date	Accreditation code	Certificate serial number	Generation year	Fuel source	Quantity (MWh)
N/A									
Total LGCs surrendered this report and used in this report									N/A

APPENDIX A: ADDITIONAL INFORMATION

Voluntary Cancellation Transaction

Transaction ID	AU22545
Current Status	Completed (4)
Status Date	10/06/2022 12:44:48 (AEST) 10/06/2022 02:44:48 (GMT)
Transaction Type	Cancellation (4)
Transaction Initiator	Egan, Matthew James David
Transaction Approver	Argall, Peter Edward
Comment	Voluntary surrender on behalf of Kleenheat for its carbon neutral natural gas certification under the Climate Active Program.

Transferring Account

Account Number	AU-2171
Account Name	Wesfarmers Kleenheat Gas Pty Ltd
Account Holder	Wesfarmers Kleenheat Gas Pty Ltd

Acquiring Account

Account Number	AU-1068
Account Name	Australia Voluntary Cancellation Account
Account Holder	Commonwealth of Australia

Transaction Blocks

Party	Type	Transaction Type	Original CP	Current CP	ERF Project ID	NGER Facility ID	NGER Facility Name	Safeguard	Kyoto Project #	Vintage	Expiry Date	Serial Range	Quantity
AU	KACCU	Voluntary ACCU Cancellation			EOP100636					2017-18		3,766,005,686 - 3,766,008,185	2,500

Transaction Status History

Status Date	Status Code
10/06/2022 12:44:48 (AEST) 10/06/2022 02:44:48 (GMT)	Completed (4)
10/06/2022 12:44:48 (AEST) 10/06/2022 02:44:48 (GMT)	Proposed (1)
10/06/2022 12:44:48 (AEST) 10/06/2022 02:44:48 (GMT)	Account Holder Approved (97)
10/06/2022 12:41:01 (AEST) 10/06/2022 02:41:01 (GMT)	Awaiting Account Holder Approval (95)

APPENDIX B: ELECTRICITY SUMMARY

There are two international best-practice methods for calculating electricity emissions – the location-based method and the market-based method. Reporting electricity emissions under both methods is called dual reporting.

Dual reporting of electricity emissions is useful, as it provides different perspectives of the emissions associated with a business's electricity usage.

Location-based method

The location-based method provides a picture of a business's electricity emissions in the context of its location, and the emissions intensity of the electricity grid it relies on. It reflects the average emissions intensity of the electricity grid in the location (State) in which energy consumption occurs. The location-based method does not allow for any claims of renewable electricity from grid-imported electricity usage.

Market-based method

The market-based method provides a picture of a business's electricity emissions in the context of its renewable energy investments. It reflects the emissions intensity of different electricity products, markets and investments. It uses a residual mix factor (RMF) to allow for unique claims on the zero emissions attribute of renewables without double-counting.

For this certification, electricity emissions have been set by using the market-based approach.

Market-based approach summary

Market-based approach	Activity Data (kWh)	Emissions ($kgCO_2$-e)	Renewable percentage of total
Behind the meter consumption of electricity generated	0	0	0%
Total non-grid electricity	**0**	**0**	**0%**
LGC Purchased and retired (kWh) (including PPAs)	0	0	0%
GreenPower	0	0	0%
Climate Active precinct/building (voluntary renewables)	0	0	0%
Precinct/Building (LRET)	0	0	0%
Precinct/Building jurisdictional renewables (LGCS surrendered)	0	0	0%
Electricity products (voluntary renewables)	0	0	0%
Electricity products (LRET)	0	0	0%
Electricity products jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	130,940	0	19%
Residual Electricity	568,527	517,360	0%
Total renewable electricity (grid + non grid)	**130,940**	**0**	**19%**
Total grid electricity	**699,468**	**517,360**	**19%**
Total electricity (grid + non grid)	**699,468**	**517,360**	**19%**
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	**568,527**	**517,360**	

Scope 2	506,052	460,507	
Scope 3 (includes T&D emissions from consumption under operational control)	62,476	56,853	
Residual electricity consumption not under operational control	**0**	**0**	
Scope 3	0	0	.
Total renewables (grid and non-grid)			**18.72%**
Mandatory			**18.72%**
Voluntary			**0.00%**
Behind the meter			**0.00%**
Residual scope 2 emissions (t CO_2-e)			**460.51**
Residual scope 3 emissions (t CO_2-e)			**56.85**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)			**460.51**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)			**56.85**
Total emissions liability (t CO_2-e)			**517.36**
Figures may not sum due to rounding. Renewable percentage can be above 100%			

Location-based approach summary

Location-based approach	Activity Data (kWh) total	Under operational control			Not under operational control	
Percentage of grid electricity consumption under operational control	**100%**	**(kWh)**	**Scope 2 Emissions ($kgCO_2$-e)**	**Scope 3 Emissions ($kgCO_2$-e)**	**(kWh)**	**Scope 3 Emissions ($kgCO_2$-e)**
ACT	0	0	0	0	0	0
NSW	0	0	0	0	0	0
SA	0	0	0	0	0	0
VIC	0	0	0	0	0	0
QLD	0	0	0	0	0	0
NT	0	0	0	0	0	0
WA	699,468	699,468	370,718	27,979	0	0
TAS	0	0	0	0	0	0
Grid electricity (scope 2 and 3)	**699,468**	**699,468**	**370,718**	**27,979**	**0**	**0**
ACT	0	0	0	0		
NSW	0	0	0	0		
SA	0	0	0	0		
VIC	0	0	0	0		
QLD	0	0	0	0		
NT	0	0	0	0		
WA	0	0	0	0		
TAS	0	0	0	0		
Non-grid electricity (behind the meter)	**0**	**0**	**0**	**0**		
Total electricity (grid + non grid)	**699,468**					

Residual scope 2 emissions (t CO_2-e)	**370.72**
Residual scope 3 emissions (t CO_2-e)	**27.98**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**370.72**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**27.98**
Total emissions liability	**398.70**

Operations in Climate Active buildings and precincts

Operations in Climate Active buildings and precincts	Electricity consumed in Climate Active certified building/precinct (kWh)	Emissions (kg CO_2-e)
NA	0	0
Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their building or precinct certification. This electricity consumption is also included in the market based and location-based summary tables. Any electricity that has been sourced as renewable electricity by the building/precinct under the market-based method is outlined as such in the market based summary table.		

Climate Active carbon neutral electricity products

Climate Active carbon neutral product used	Electricity claimed from Climate Active electricity products (kWh)	Emissions (kg CO_2-e)
NA	0	0
Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their electricity product certification. This electricity consumption is also included in the market based and location-based summary tables. Any electricity that has been sourced as renewable electricity by the electricity product under the market-based method is outlined as such in the market based summary table.		

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following emissions sources have been assessed as attributable, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. These emissions are accounted for through an uplift factor. They have been non-quantified due to one of the following reasons:

1. **Immaterial** <1% for individual items and no more than 5% collectively
2. **Cost effective** Quantification is not cost effective relative to the size of the emission but uplift applied.
3. **Data unavailable** Data is unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.
4. **Maintenance** Initial emissions non-quantified but repairs and replacements quantified.

N/A – no attributable processes have been non-quantified in this reporting period.

Excluded emission sources

Attributable emissions sources can be excluded from the carbon inventory, but still considered as part of the emissions boundary if they meet **all three of the below criteria**. An uplift factor may not necessarily be applied.

1. A data gap exists because primary or secondary data cannot be collected **(no actual data).**
2. Extrapolated and proxy data cannot be determined to fill the data gap (**no projected data**).
3. An estimation determines the emissions from the process to be **immaterial**).

N/A – no attributable processes have met all three exclusion criteria.

Data management plan for non-quantified sources

There are no non-quantified sources in the emission boundary that require a data management plan.

APPENDIX D: OUTSIDE EMISSION BOUNDARY

Non-attributable emissions have been assessed as not attributable to a product or service (do not carry, make or become the product/service) and are therefore not part of the carbon neutral claim. To be deemed attributable, an emission must meet two of the five relevance criteria. Emissions which only meet one condition of the relevance test can be assessed as non-attributable and therefore are outside the carbon neutral claim. Non-attributable emissions are detailed below.

1. **Size** The emissions from a particular source are likely to be large relative to other attributable emissions.
2. **Influence** The responsible entity could influence emissions reduction from a particular source.
3. **Risk** The emissions from a particular source contribute to the responsible entity's greenhouse gas risk exposure.
4. **Stakeholders** The emissions from a particular source are deemed relevant by key stakeholders.
5. **Outsourcing** The emissions are from outsourced activities that were previously undertaken by the responsible entity or from outsourced activities that are typically undertaken within the boundary for comparable products or services.

Non-attributable emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Kleenheat's corporate activities not related to the retail of natural gas.	N	N	N	N	N	Outside the scope of Kleenheat's product boundary

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