5.2 CLIMATE MITIGATION

Case study 1: Decarbonising logistics – a climate-related opportunity example

Important notice

This unit is part of a package of learning materials designed to support understanding of foundational concepts relating to climate-related financial disclosures. These learning materials do not constitute application or regulatory guidance for the preparation of climate-related financial disclosures and are not intended to represent legal or professional advice. We encourage you to seek your own professional advice to find out how the *Corporations Act 2001* (Corporations Act) and other relevant laws may apply to you and your circumstances, as it is your responsibility to determine your obligations and comply with them.

The company featured in this case study is entirely fictional and presented for illustrative purposes only. It is not intended to represent any real business, past or present. Any resemblance to actual entities is purely coincidental. Different entities have different climate-related risks and opportunities, and so this scenario may not be relevant for your entity.

Key topics

- Climate-related opportunities from mitigation
- Greenhouse gas emissions inventory

Relevance for climate-related disclosures

This unit's case study will help you understand how actions to mitigate climate change may present climate-related opportunities for your entity.

Overview

This unit explores a case study designed to illustrate some key concepts related to opportunities arising from climate mitigation measures. It is a hypothetical example, grounded in a real-world scenario, involving a South Australian transport and logistics company. It may give you practical insights into:

- assessing climate-related risks
- identifying climate-related opportunities
- leveraging financial support for mitigation measures.

Introduction

This case study may help you reflect on how an entity can assess potential climate-related opportunities and how climate mitigation measures may create new climate-related opportunities. The scenario does not describe real events or a real entity but is grounded in real-world decarbonisation pathways for Australian transport.

Sector: Transport and logistics
Entity: Mid-size logistics company

ASIC Australian Securities & Investments Commission
Australian Government Australian Accounting Standards Board
UTS
STUDIO THREE LEARNING

Location: South Australia
Climate mitigation opportunity: Decarbonising transport

What is the scenario?

Green Movers is a mid-sized regional logistics company that provides freight and logistics services to industry and retail customers. Many of Green Movers' customers have set greenhouse gas emissions reductions targets. To understand performance against these targets, these customers are seeking to collect information across their value chain on their Scope 3 emissions. To support achieving their targets, they are looking for ways to reduce emissions in their supply chain.
Green Movers' customers recently indicated that they were looking for ways to respond to climate-related concerns.

What is the response strategy?

The management team decided to assess Green Movers' own climate risks and opportunities. They took stock of their emissions by developing a greenhouse gas inventory. From this, they identified their ageing truck fleet as a material source of emissions and saw an opportunity to reposition themselves as a cleaner supplier of logistics services to major companies in their area.
Management has set a specific target to decarbonise its truck fleet by 2030 by reducing or eliminating greenhouse gas emissions and has committed to an ambitious organisation-wide net zero goal. Net zero is achieved when greenhouse gas emissions released into the atmosphere are balanced by those removed from it.
However, the transition to a low-emissions fleet required significant upfront capital investment. Replacing diesel trucks with battery electric vehicles, installing charging infrastructure, and integrating renewable energy systems posed financial challenges. Management weighed these costs against the potential long-term benefits, including operational savings, improved customer retention, and access to new markets.
Green Movers was able to take advantage of a range of government grants, incentives and programs designed to support the roll-out of electric vehicles, charging infrastructure and renewable energy, as well as green financing at favourable rates. These measures helped offset some of the initial investment costs and made the transition more viable.
As of 2025, almost half of Green Movers' truck fleet is comprised of efficient, battery electric trucks that are charged from rooftop solar panels and batteries at the company's main depot. Green Movers has won new customers who are keen to 'green' their supply chain through suppliers offering low-carbon services.
Green Movers is growing, and its employees are motivated to help achieve its climate goals. Management is also exploring whether they may be able to sell electricity back to the grid when vehicle-to-grid technology is available.

What are some potential business impacts?

Financial

- Cost of investment in electric vehicles, charging infrastructure and on-site renewable energy
- Increased revenue and new customers looking to decarbonise their supply chains
- Cost savings on fuel and electricity through fleet electrification
- Lower vehicle service costs for electric vehicles compared to internal combustion engine vehicles

Operational

- Need to develop a greenhouse gas emissions inventory to inform company targets and monitor progress
- Resilience to power blackouts due to onsite renewable energy
- Reduced greenhouse gas emissions through transitioning Green Mover's vehicle fleet to electric vehicles and uptake of renewable energy and storage at their depot

Reputational

- Customer loyalty and growth due to Green Movers' proactive approach to managing climate risks and opportunities
- High employee motivation to achieve the company's climate goals
- Brand recognition as a sustainability leader, with a clear goal and implementation plan to reduce emissions.