



Gambling with Gas

The risky energy bet by ASX companies

Acknowledgement of Country

SIX would like to acknowledge the Traditional Custodians of the land on which this report was researched and written, the Gadigal, and those on whose land this report was edited and designed, the Wurundjeri people.

Who is SIX?

SIX is Australia's first share trading platform designed specifically for ethical investors and shareholder advocacy.

Australia's corporation laws are some of the world's most prohibitive when it comes to shareholder rights to engage with the companies they are invested in. SIX breaks down those barriers for investors and advocacy groups, allowing shareholders to access shareholder rights that are part of the normal corporate landscape overseas. This means many ASX companies are, for the first time, required to be more accountable to engaging with all of their shareholders and addressing their ESG risks.

SIX leads shareholder campaigns that seek to push Australia's biggest companies to do better on the big issues, from workers' rights to climate, gender equity and nature protection. These campaigns insist on companies adequately addressing these issues and being accountable to shareholders on how they are managing these ESG risks.

About the author



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Executive summary

The gas industry has been threatening shortages and price volatility for years. Some of these threats came to a head with the energy crisis of 2022, where gas prices spiked¹. Since then, prices have stabilised. But the narrative driven by the gas industry since this crisis gives little confidence in the industry's behaviour and longevity.

The Future Gas Strategy Report acknowledges that the gas industry, globally, is characterised by volatility, uncertainty, and risk². This volatility, uncertainty, and risk is passed on to Australian companies that continue to rely on gas for power and processes. If these companies do not have clear, published plans for transition away from gas use, these risks are also passed on to their shareholders.

This report will highlight the significant risks that come from the reliance on gas by Australia's largest listed companies. The cost of providing sufficient supply to avoid shortfalls and shortages is huge: pipeline construction, upstream infrastructure development, potential relocation of industries, and LNG import terminal construction. All of this is somehow being touted as the only reliable solution to the gas shortage crisis.

As a representative of shareholder interests, we believe that this is not compelling enough to retain such an industrial reliance on gas use. From gas used for power, to process heat, and to feedstock, alternatives are available, increasingly emerging, and ultimately more attractive for both businesses and investors. Pivoting toward these alternatives will reduce the business and financial risks that characterise the volatile gas industry.

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Introduction

Despite the strongest efforts of gas producers and retailers, and even the Australian Government itself, the business case for continued – or even increased – use of gas in Australian industry is risky at best.

The Future Gas Strategy Report does not outline a strong case for maintaining, let alone increasing, gas use. The projected shortfalls and the suggested measures to cope with them do not make logical sense when – at least for many industries – there are commercially viable alternatives available and emerging.

It also doesn't make sense to invest so heavily into managing short term gas crises by investing more into gas and its related infrastructure when over the medium–long term there will be steadily increased investment moving away from gas use.

All of this uncertainty, and its related costs, are passed on to shareholders, including to almost all Australians through their superannuation funds. Shareholders are being asked to shoulder this risk with a lack of adequate information from the listed companies we are investors of.

State of the gas industry

While gas prices have stabilised since peaking during the energy crisis of 2022, they still sit above 2021 levels³. Even according to the Australian Government's own Future Gas Strategy, gas prices will likely never fall below this again.

The current energy landscape in Australia, in the light of multiple factors, is uncertain, and its future even more so. This is a difficult position for Australian industry to operate from, with Australia's two major energy markets, the National Energy Market (NEM) and the Western Australian energy market, facing projected shortfalls from 2028 and 2030^{3,4} respectively. This comes about from a combination of projected increased demand and decreasing supply.

The solutions that are proposed by the Federal Government in its Future Gas Strategy report focus on diverting gas supplies from regions that have sufficient supply, such as Queensland and the Northern Territory, to southeastern states facing shortages. This is proposed to take place through the construction of additional pipelines and building LNG import terminals to sell Australian LNG back to Australian gas users. While there is a small nod to the need to significantly abate gas use emissions, this is not the majority of the focus of this strategy.

The costs and emissions involved in such long-winded solutions to a mismatch in gas supply and demand are incongruous, in particular because alternatives for most uses of gas are currently and increasingly commercially viable for industrial users.

All of this uncertainty, and the related costs, are passed on to shareholders, including to almost all Australians through their superannuation funds. Shareholders are being asked to shoulder this risk with a lack of adequate information from the listed companies we are investors of. With opacity in regard to gas contracts and pricing, what gas is used for, and how much gas costs make up of total expenses, shareholders are in the dark about what this is costing our businesses.

Many investors will rightfully be concerned by the emerging evidence that, whole-lifecycle considered, gas is as potent and dangerous a fossil fuel as coal. They will also be concerned that gas use has to decrease for emission reduction targets to be met, which is reiterated in the Future Gas Strategy. However, even without consideration of these issues, the business case for relying on gas does not stack up for companies or their investors.

Industrial Gas use in Australia

Industry accounts for 44% of Australia's energy use⁵. 52% of this is used for process heat which is primarily supplied by gas combustion⁵. Gas is also used for power generation and, to a lesser extent, as a chemical feedstock.

Process heat is the application of heat during industrial processes. It is used in the manufacturing process for many common products. The industries that dominate process heat use are alumina and other non-ferrous metals refining, food and beverage (F&B), iron and steel, oil and gas extraction, petroleum refining, ammonia and other chemicals, cement and lime products, and pulp and paper⁶. Of these, F&B and pulp and paper already use a significant amount of renewable energy for heat. Pulp and paper and the sugar mills included in F&B make use of their byproducts to provide fuel for process heat⁵. Most Australian industries use gas in their process heat applications, from low to high temperature requirements.

Gas is also used in industry for power generation, with 33% of Australia's total gas use in 2021-22 going towards gas-powered generation (GPG)⁷. Projections assume that this will increase – even if the volume of gas used for process heat decreases – as gas is used for firming and peaking to complement renewable energy supply⁶.

Approximately 17% of industrial gas use in Australia is for feedstock⁷, which involves chemically transforming natural gas molecules into another intermediate or finished product. The production of ammonia and other chemicals dominates industrial use of gas as a feedstock⁵. Currently there are a number of renewable options for feedstock that can be used, and green hydrogen is emerging as a possibility for ammonia production, with a number of feasibility studies being undertaken in Australian industry to understand the viability of this option.

Industrial Gas use in Australia

There are already a number of examples of companies leading their industries in this space, including Rio Tinto, Fortescue, Sumerset, and a number of smaller distilleries and food processing plants. However, the majority of these leaders are overseas companies and privately-owned companies, or companies with a mix of private- and public-ownership.

There is significant risk posed to shareholders if Australian-listed companies fall behind and become laggards in the transition away from gas. These risks include potential loss of capital, lower financial returns, and inability to meet liabilities.

The business case for continued – or even increased – use of gas in Australian industry is risky at best. Australian publicly-owned companies that are serious about their longevity must transition away from gas. If companies are serious about their emissions reductions targets and meeting the requirements of recent legislation, they must have detailed transition plans with specific actions and timelines.

Investor relations

Case study

The logo for Future Super, featuring the words "SUPER" and "FUTURE" in a circular arrangement, with "SUPER" on the left and "FUTURE" on the right, both in white capital letters on a dark background.

Future Super, a case study in how a super fund considers transition risks relating to gas

Since inception, Future Super has understood that climate change presents strong material financial risk to our members and that it must be considered when making investment decisions.

As the global economy accelerates toward net zero emissions, Australian super funds face growing risks if the companies they invest in remain heavily reliant on gas and fail to adopt Paris-aligned transition strategies. Regulators like APRA and ASIC have made it clear that climate change is a material financial risk, and trustees need to consider it alongside other investment risks.

One key financial threat is the risk of stranded assets—investments that lose value or become obsolete before the end of their expected economic life due to the transition to a low-carbon economy. For example, gas infrastructure, reserves, and associated operations may become economically unviable as cleaner technologies, stricter climate regulations, and shifting market preferences reduce demand for fossil fuels.

Future Super case study continued

At the same time, companies that remain heavily dependent on gas without credible transition strategies risk becoming financially unviable in a carbon-constrained world. Across the board, as gas use declines, the Australian Energy Regulator (AER) has raised the risk of a 'gas network death spiral' occurring, where remaining gas users within the system become subject to higher and higher prices as gas use continues to decline.

In addition, regulatory frameworks are tightening globally and domestically, with rising global carbon prices and border adjustment mechanisms, stricter emissions standards, and mandatory climate disclosures—all of which further penalise companies that lag behind in decarbonisation.

For super funds, failing to assess and act on these transition risks could lead to reputational damage, higher portfolio financial risks, and loss of member confidence—particularly among younger generations demanding climate-aligned investing. Furthermore, capital that remains tied up in outdated business models may miss the growth opportunities emerging in renewables, green technology, and circular economy solutions.

To protect long-term returns, super funds must critically assess portfolio exposure to gas-dependent companies and prioritise investment in those with credible, science-based transition plans. As long-term investors, we expect our investees to adequately respond to the environmental, transition, and financial risks that gas use presents. At a minimum this should include:

- Detailed, science-based transition plans for how they expect to transition away from gas, including short-, medium-, and long-term targets;
- Information on how their capital expenditure aligns with their transition plans;
- Articulation of how their climate policy engagement efforts align with their climate targets and transition plans.



2

Problem

The business case for continued use of gas in Australian industry is risky at best. Reliance on gas poses problems for companies across three main areas: the efficiency of their processes, their business costs, and their emissions reductions targets. Existing legislation, such as the Safeguard Mechanism, in conjunction with upcoming disclosure requirements exacerbate this risk.

For companies to assure their shareholders that their investments are sound, they must disclose and mitigate the multiple risks they face due to relying on such a volatile industry. Companies that are serious about managing their gas risks will show investors how they plan to tackle the volatility and threats of gas shortages on their operations.

For efficiency of processes

Due to the low energy density by volume, natural gas is expensive to transport, rendering it a localised commodity⁸. Not only that, but significant amounts of gas are lost in its extraction, transfer to target, and combustion⁹. Additionally, poor monitoring results in many companies being unaware – or at the very least, unsure – of the real efficiency of their gas systems¹⁰.

For big industrial gas users in Western Australia, the majority of whom are alumina refiners, this is less of an issue. However, for the food and beverage industry concentrated in Victoria, the distances between the end-use locations and the gas fields supplying the process heat are significant. While the Gippsland gas field and Longford gas plant supply gas to industries based in Victoria, they are slowly drying up¹¹. With shortages expected in the southeastern states from 2028, these Victorian-based companies will need to start relying on gas transported from the northern states.

If these companies do not transition away from gas reliance, extra pipelines will need to be constructed between the Northern Territory and Queensland where the gas fields are, and New South Wales and Victoria, where the industry is⁸. Pipelines are multi-billion dollar projects¹², and gas still gets lost in them, further reducing their efficiency as a solution. To propose that extensive pipeline construction is the solution to gas shortages for industries in the southeastern states is absurd, when alternative technologies are already and increasingly available.

Further discussion about the efficiency savings of these alternative technologies will continue in the second section of this report. What is clear is that the transition away from gas is not a technology problem. It's an operational risk problem. However, remaining dependent on gas when the solutions to projected shortfalls are less efficient than alternative technologies poses more significant risk.

8. Future Gas Strategy. Office of the Chief Economist. May 2024.

9. Renewable Energy Options for Industrial Process Heat. Australian Renewable Energy Agency. November 2019.

10. Industrial Heat Pumps Key to Addressing Excess Gas Demand. Institute for Energy Economics and Financial Analysis. October 2024.

11. East Coast Gas Outlook 2024. EnergyQuest. November 2024.

12. APA Group: Beetaloo pipelines jeopardising climate commitments. Market Forces. February 2025.

For efficiency of processes

Case study



St John of God Hauora Trust, Christchurch, New Zealand

Operators at the St John of God (SJOG) Hauora Trust residential care home in Christchurch, New Zealand sought to increase the efficiency of their domestic hot water system and reduce operational costs. While maintaining some of their existing gas boilers, SJOG decided to complement this system by installing a centralised heat pump system¹³. This allowed them to retain some redundancy in heating, but the increased efficiency has helped the facility achieve annual emission reductions of 19%¹⁴. Annual cost savings have also been greater than expected, with the project delivered under budget and reduced electricity and maintenance costs¹⁴.

For business costs

Research by the Australian Renewable Energy Agency (ARENA) has shown that industrial players are concerned by the increased gas prices in recent years, which has led to some interest in renewable options¹⁵.

While many renewable energy options are unlikely to lead to a return to the low energy costs of the past, they do allow for both increased certainty and improved environmental outcomes¹⁵ – unlike gas. The increased efficiency of these alternative technologies means that they are able to more reliably cap business costs¹⁵. This is particularly true for technologies that replace the need for gas for process heat, as will be explained in Section 2.1.

In addition, companies who are laggards by not adopting the technologies that will be most cost-effective over the short to medium term will see higher costs eat into their profit margins. If the gas industry narrative proves true and shortages do occur, companies that have not made the transition away from gas will likely find themselves unable to keep up their operations.

In the context of gas shortages, the suggestions made by the Future Gas Strategy are incongruous¹⁶:

- Northern gas to supply southeastern states necessitates increased pipeline and storage facilities, which are costly.
- Supplementing gas supply with LNG imports is at the mercy of international LNG prices, which, despite having stabilised after the 2022 energy crisis, are still higher than pre-2021 lows and remain highly susceptible to volatility.

With trends in increasing industrial gas prices, companies risk not being able to manufacture products at prices that remain competitive with those companies that are transitioning away from this volatile product. Companies must prove to their investors that they are taking the price volatility of gas seriously and have plans to manage it.

For business costs

Case study



Nestlé UK, Halifax, UK

Nestlé UK's confectionary production facility in Halifax, West Yorkshire, sought to reduce its environmental footprint by capturing waste heat from its refrigeration systems¹⁷. The Halifax facility was using a central coal-fired steam generation plant to power its refrigeration and heat requirements, but Nestlé wanted to capture waste heat in order to replace the need for gas-fired equipment¹⁸. The alternative solution needed to have the highest efficiency possible, with low annual operating and maintenance costs. Nestlé worked with project partners to implement a dual-purpose heat pump system that uses waste heat to deliver heating and refrigeration, at much higher efficiencies than the previous coal-fired steam generator, and the proposed gas-fired alternatives¹⁷. This facility has been built to run for 20 years without costly maintenance, and has resulted in a reduction of approximately USD394,000 in annual utility costs¹⁸.

For emissions reductions targets

In the wake of the Paris Agreement and Federal emissions reductions targets, many Australian companies have adopted their own targets. Maintained or increased gas use is not compatible with these targets. Companies face financial and reputational risk for not having tangible action plans to meet these targets, and therefore a transition away from gas must be adopted in order to get there.

With the introduction of mandatory reporting legislation, companies' Scope 1 and 2 emissions data will be publicly available¹⁹. In conjunction with the Safeguard Mechanism legislation, companies will be facing increased public scrutiny for their lack of action towards meaningful emissions reductions. Investors must be provided information about how companies are going to meet the requirement of Safeguard Mechanism²⁰ and if companies are prepared for the rate of reductions required under this legislation. Investors in Australian listed companies who are laggards in this area face the risk of reduced returns as these companies will be competing with others who are working towards reducing these risks and transitioning quickly.

The business case for continued use of gas in Australian industry is risky at best. If companies are serious about their emissions reductions targets, they must have detailed transition plans with specific actions and timelines and show their shareholders how they plan to tackle these issues.

Many ASX-listed companies fall outside the scope of the Safeguard Mechanism, but still need to comply with the same emissions reductions targets. These companies are often laggards when it comes to reporting on their gas exposure risks to investors.



3

Opportunity

It is up to the individual ASX-listed companies to make disclosures and planning that are appropriate to their specific industry and company. No single gas transition plan will work for all. However, what is clear is that alternative technologies are available, and companies can choose any combination of them to begin or complete their transition away from gas.

For process heat

For gas used as process heat, there are a number of primary technologies being posited as alternatives. This report will explore the advantages of two of them, industrial heat pumps (IHPs) and mechanical vapour recompression (MVR). We also note that electro-thermal energy storages (ETES) systems are also readily available and commercially viable.

Industrial Heat Pumps (IHPs)

The Institute for Energy Economics and Financial Analysis (IEEFA) released a report in 2024 documenting the critical role that IHPs will play in the transition away from gas. In comparison to gas, which has an approximate efficiency of 30-80%, IHPs have very high efficiency at 250-400%²¹. The range of efficiency depends on the output heat required, which varies between industries.

This efficiency could deliver energy savings of 68-90%²¹. The Australian IHP development market is still in its early stages and access to the necessary specialised technology is limited²², especially in comparison to the European market. Industry commitment to research and development and feasibility studies would help this burgeoning market develop and mature. The costs related to these processes would largely be made up for in the efficiency savings of IHPs²¹, as this transition off gas and toward electrification reduces reliance on volatile supply and uncertain prices.

The heat required for alumina companies is often too high for what existing IHP technologies can provide²¹. However, food and beverage (F&B) companies that have much lower temperatures for their process heat requirements are well poised to adopt this technology²¹. This is a strong argument for Australian F&B companies to begin planning their transition off gas for process heat. F&B companies based in Victoria contribute to approximately 50% of the industry's gas use²¹. According to IEEFA, the adoption of IHP technology by these F&B companies could deliver a 38% decrease in Victoria's overall industrial gas use²¹. In Australia overall, a move toward IHP in the F&B industry could result in energy savings of 80-90% due to the significant efficiency improvements of IHP versus gas for process heat²¹.

For process heat

Case study



Hardwick Processors, Kyneton, Australia

Hardwick Processors is a meat processing site that conducted a feasibility study into installing a heat pump and associated heat recovery infrastructure to displace 75% of the site's gas use²¹. The study revealed that a smaller heat pump run continuously would be more efficient and less expensive for the company, which was installed. The study also found that installation of the heat pump would lead to a 44% decrease in overall energy consumption and 16% net energy cost savings²¹. Since installation, the project has exceeded financial expectations with the original estimate of a five-year payback period reduced to only two years²¹. This is a result of the higher gas price than expected over this period. Hardwick Processors is considering installing a second pump, powered by renewable energy, following the success of this first pump.

For process heat

Mechanical Vapour Recompression (MVR)

MVR is a prospective energy recovery technology which, much like IHPs (or any technology that isn't gas), is highly efficient, only requiring 1GJ of electricity to replace approximately 5GJ of gas²². With temperature outputs of up to 250°C, MVR is well-placed to be explored as an alternative for gas use in the alumina industry²³.

In fact, a study for the Australian Renewable Energy Agency (ARENA) found that MVR could replace two thirds of the gas used in the alumina industry within the next decade²⁴. In WA, where the majority of alumina companies are based and where significant gas shortages are expected in the next 5 to 10 years, alumina constitutes 16% (110PJ) of the state's gas use annually²⁴. Widespread adoption of MVR in alumina companies could replace 74PJ annually, approximately 10% of WA's total gas consumption²⁴.

While the emissions reductions of the major alumina players will be largely covered by the Safeguard Mechanism legislation, shareholders in these companies need to be assured that transition plans are comprehensive, in place, and do not rely on ineffective abatement technologies or offsets to achieve targets. Commitment to R&D and feasibility studies into MVR will ensure that emissions reductions are meaningful, and the transition away from gas is competitive and cost-effective.

For process heat

Case study



Chivas Brothers Distillery, Speyside, Scotland

This project saw the installation of MVR technology in the heat recovery system at their Glentauchers malt whisky distillery. In conjunction with their existing thermal vapour recompression (TVR) technology, their bespoke MVR set-up delivered significant energy savings – reducing energy use by 48% – and emissions reductions of 53%²⁵. Following the success of the Glentauchers trial, Chivas Brothers invested another £60 million to install MVR technology at all of its suitable distilleries²⁵. This is projected to reduce the company's total onsite emissions by 38% annually²⁵.

For power

Overall domestic use of gas power generation (GPG) is set to increase from 2030, especially on the west coast as coal-fired power retires²⁶. As both major parties insist on its crucial role in the energy transition, this increase of gas use for power generation could be significant. It is important to remember that gas is not a lower emissions option than coal when the whole lifecycle of the product is considered²⁷, and that insisting on its increased use of gas as the world aligns around emission reductions is folly.

From an economic perspective, industrial reliance on gas for power, especially for smaller players, is a risky decision. Domestic gas prices are tied to international and LNG prices, both factors that are highly susceptible to disruption²⁸. A move toward power supplied by renewable energy is the obvious solution to moving away from a reliance on gas for power.

When considering emissions reductions targets, relying on gas for power also doesn't add up. While the Future Gas Strategy Report claims that increasing GPG can help reduce emissions in the electricity sector, the research is clear: gas is no better, and in fact could be worse, than coal when the whole lifecycle is considered.

For power

Case study



Rio Tinto, Gladstone, Australia

Rio Tinto has indicated a strong focus on securing competitively-priced, reliable renewable power for its aluminium operations. In 2024, the company signed the largest renewable power purchase agreement (PPA) in Australia to power its aluminium operations in Gladstone²⁹. Purchasing electricity from Windlab's prospective Bungaban wind project and agreeing to assist with the development of the Upper Calliope solar farm with European Energy makes Rio Tinto the biggest industrial buyer of renewable power in Australia²⁹. This is a strong signifier that big industry players are looking to move away from the risks associated with a reliance on gas for power supply and make significant investments in renewable energy instead.

For feedstock

Technology in the renewable or non-gas feedstock space is consistently developing, with feasibility tests being undertaken for industrial options like green hydrogen and biofuels.

Green Hydrogen

Hydrogen is already used as a feedstock on a large scale, particularly for petroleum refining and ammonia production³⁰. While the majority of this hydrogen is produced by reforming methane from natural gas sources³⁰, it is possible for hydrogen to be produced renewably. Hydrogen can also be produced by electrolysis, with large electrolysis systems now commercially available. If the electricity powering this system is renewable, the hydrogen is also renewable.

For use as feedstock, green hydrogen is already as cost-effective as steam methane reforming from natural gas³⁰. Resistance toward a transition away from gas is not about technological risk, because the technology is there. In the face of the never-ending threats of volatility and uncertainty from the gas industry, the risks from continuing to rely on gas far outweigh the operational risks of walking away.

For feedstock

Case study



Fortescue, Gibson Island, Australia

Fortescue Metals has ambitious plans to use green hydrogen to reach their goal of real zero by 2030³¹. They undertook a feasibility report into a green hydrogen and ammonia project on Gibson Island in Queensland and showed that it was technically viable. With completed technical and execution planning work, in addition to government and community support, Fortescue remains committed to progressing the project. While its current economics continue to be the primary challenge to achieving commercial viability, the project's prospects are significant. The Gibson Island renewable ammonia facility could make Queensland a key player in Australia's domestic and international export markets for renewable hydrogen and ammonia, which would have knock-on economic, environmental and technological benefits.



4

Conclusion

Despite the strongest efforts of the gas producers and retailers, and even the Australian Government itself, the business case for continued – or even increased – use of gas in Australian industry is risky at best.

Continued investment into gas and its infrastructure is risky in the face of threatened shortages, price volatility, and a move towards strong emissions reductions targets. These uncertainties are ultimately passed on to investors, who are being asked to shoulder this risk without sufficient information from the companies we are invested in.

Appendix

ASX leaders and laggards

Leading companies are those we have identified as being more progressed in identifying and understanding their gas risks, and having made some progress in reducing their gas dependencies. However, many of these leaders are unlikely to transition away from gas on a timeline that avoids exposure to the shortages threatened by the gas industry. Additionally, the analysis is focused on the companies' own operations, and it is likely even leading companies will be negatively impacted by gas shortages affecting their supply chain or customers. All information was gathered from the companies' most recently published Sustainability and/or Annual Reports.

Food and beverage

The leaders

Company Name	Transparency around specific gas exposure	Exposure to gas risk	Targets for reducing gas use over short-medium term*	Plan for reducing gas use over short-medium term
Bega Cheese Limited	Yes	Very high	Yes	Yes
The a2 Milk Company Limited	Yes	Low	Yes	Yes
Inghams Group Limited	No	Uncertain	No	Yes

*short-medium term being 3-5 years, covering the timeline to avoid greatest risk of experiencing gas shortages.

Containers & Packaging

The leaders

Orora Limited

As of FY24, on track to achieve their interim goal of a 40% reduction in Scope 1 and 2 emissions by 2035. Orora are committed to improving the efficiencies of their energy use, and considering renewable alternatives to gas.

The laggards

Company Name	Exposure to gas risk	Targets for reducing gas use over short-medium term*	Plan for reducing gas use over short-medium term
Amcor plc	High	No	No

*short-medium term being 3-5 years, covering the timeline to avoid greatest risk of experiencing gas shortages.

Health Care (Biotechnology, Equipment & Supplies, Services)

The leaders

CSL Limited

Have identified the risk that gas poses for their energy efficiency measures and emissions reductions targets. They are actively transitioning away from gas.

The laggards

Company Name	Exposure to gas risk	Targets for reducing gas use over short-medium term*	Plan for reducing gas use over short-medium term
Ebos Limited	High	No	No
Pro Medicus	Unclear	No	No
Resmed Inc	Medium	No	No
Sonic Healthcare Limited	Medium	No	Some

*short-medium term being 3-5 years, covering the timeline to avoid greatest risk of experiencing gas shortages.

Residential

The leaders

Summerset Holdings

As New Zealand’s first Net Zero retirement village operator, Summerset has a staged transition plan to move existing villages away from gas to more sustainable and renewable alternatives.

The laggards

Company Name	Exposure to gas risk	Targets for reducing gas use over short-medium term*	Plan for reducing gas use over short-medium term
Ingenia Communities Group	Medium	Yes	No
Regis Healthcare Limited	Medium	No	No

*short-medium term being 3-5 years, covering the timeline to avoid greatest risk of experiencing gas shortages.

Construction Materials and Building Products

The leaders

Fletcher Building Limited

Have prioritised moving away from using natural gas for process heat, particularly in their New Zealand operations. There is still more work to be done but Fletcher Building is committed to identifying and exploring alternatives.

The laggards

Company Name	Exposure to gas risk	Targets for reducing gas use over short-medium term*	Plan for reducing gas use over short-medium term
Brickworks Limited	Very high	No	Planning to increase gas use
James Hardie Industries plc	High	No	Planning to increase gas use
Reliance Worldwide Corporation Limited	Medium	No	No

*short-medium term being 3-5 years, covering the timeline to avoid greatest risk of experiencing gas shortages.

Metals & Mining

The leaders

Fortescue Limited

Dedicated to reaching 'real' zero Scope 1 and 2 emissions by 2030, and are entirely committed to researching, developing, and adopting renewable alternatives to gas.

The laggards

Company Name	Exposure to gas risk	Targets for reducing gas use over short-medium term*	Plan for reducing gas use over short-medium term
Capricorn Metals	Very high	No	Planning to increase gas use
Gold Road Resources	High	No	Planning to increase gas use
Lynas Rare EARTHS Limited	Very high	No	Planning to increase gas use
Pilbara Minerals Limited	Very high	No	Planning to increase gas use

*short-medium term being 3-5 years, covering the timeline to avoid greatest risk of experiencing gas shortages.

REITs

The leaders

Mirvac

They have achieved their goal of Scope 1 and Scope 2 emissions all electric. No new builds are to be connected to gas supply.

Growthpoint Properties Australia

While gas and diesel constitute approximately one-third of their Scope 1 emissions, Growthpoint has been looking at replacing their gas boilers with electric options. In FY24, they reduced their gas use by 20%.

The laggards

Company Name	Exposure to gas risk	Targets for reducing gas use over short-medium term*	Plan for reducing gas use over short-medium term
Goodman Group	Medium	No	No
GPT Group	Medium	No	Some

*short-medium term being 3-5 years, covering the timeline to avoid greatest risk of experiencing gas shortages.

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