

CLIMATE ACTIVE GUIDE





An Australian Government Initiative

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1 Introduction

“Westpac Group knows investing in making the environmental impacts of our activities more efficient delivers long-term savings and enables us to bring to life our commitment to environmental responsibility and sustainability”

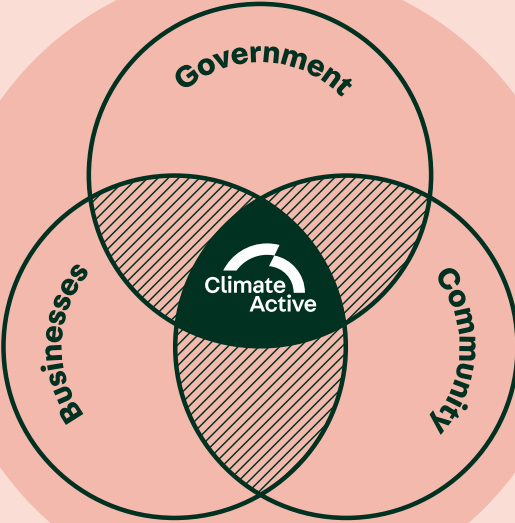
– Westpac

Climate Active is Australia’s collective initiative for climate action. Driven by members and activated by consumers, Climate Active is a unique Government backed program that enables businesses, government and the community to reduce carbon emissions.

By becoming Climate Active, Australian businesses and organisations are positioning themselves for success in a low carbon economy. The Climate Active trade mark confirms that a carbon neutral claim has met a robust standard and is a legitimate and visible stamp of approval.

This Guide is an overview for businesses and other organisations seeking to be Climate Active for their operations, events, buildings, precincts, products or services. It outlines the benefits certification brings, the process of becoming carbon neutral, and the costs.

**A collective
action to
drive impact.**

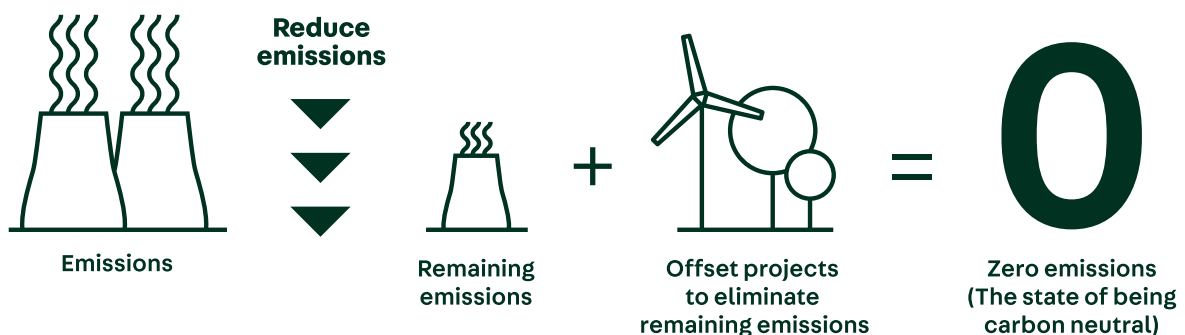


2 Climate Active and carbon neutrality

Climate Active certification is awarded to businesses and organisations that have reached a state of achieving net zero emissions, otherwise known as carbon neutrality. While we believe that Climate Active certification is the most credible way to prove a carbon neutral claim it is possible to be carbon neutral without being certified. Businesses are free to use the Climate Active Carbon Neutral Standard to achieve carbon neutrality.

To become carbon neutral, organisations calculate the emissions generated by their activity (such as driving or flying or electricity use), reduce these emissions as much as possible, and then compensate for the remaining unavoidable emissions by purchasing carbon offsets or carbon credits. Offsets are generated from an activity that prevents, reduces or removes greenhouse gas emissions from being released into the atmosphere.

What does it mean to be carbon neutral.



The Climate Active Carbon Neutral Standard

The Standard is administered by the Australian Government and underpins Climate Active certification. It is based on international standards tailored to Australia and is reviewed and improved regularly to ensure its integrity and that it remains aligned with best practice. The Standard:

- Provides guidance and sets minimum requirements for calculating, reducing, offsetting, validating and publishing emissions.
- Details how to credibly claim or become certified carbon neutral.
- Is available for a range of categories including organisations, products and services, buildings, precincts and events.

The Standard is available at www.climateactive.org.au



3 The benefits of being carbon neutral

“We are acutely aware of the emerging impacts of climate change and our responsibility in taking action in the interests of our clients, staff, volunteers and the broader community. The process of becoming a carbon neutral organisation has led to significant operational savings, improved efficiencies and positive recognition for the leadership we have taken. We are proud of our investment in the future of Uniting Communities, the South Australian community we serve and our planet”

– Uniting Communities Chief Executive, Simon Schrapel

Future-proof your organisation

A carbon neutral commitment today will ensure your organisation is equipped to readily adapt to a changing regulatory landscape and a low carbon economy in the future.

The more businesses that commit to reducing their emissions, the better chance they have collectively of limiting the impacts of climate change on business, including negative effects on supply chains, customer bases and insurance premiums.

Attract and retain talent

Research indicates that sustainability is an increasingly important factor in attracting and retaining talent. Several peer-reviewed studies show that many job seekers are attracted to organisations with sustainable practices, and that they feel more engaged and purpose-driven when their employer has a meaningful social and environmental strategy.

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Meet growing expectations from stakeholders

The private sector is facing mounting pressure from consumers and investors to show that they are taking action on climate change. A commitment to carbon neutrality demonstrates that your organisation is serious about operating sustainably. Not taking action represents significant legal, financial and reputational risks.

Stand out from competitors

Environmental performance of an organisation is becoming a valuable source of competitive advantage. Carbon neutrality is a genuine and demonstrable contribution to the environment that goes beyond an organisation's corporate social responsibility.

Organisations that go carbon neutral can purchase offset units from projects that align with their organisational values and brand purpose, further highlighting their commitment to sustainability.

Enter the carbon neutral supply chain

Carbon neutral businesses have an advantage over other businesses when it comes to supply chains. Increasingly

governments, councils and businesses are embedding sustainability policies in their procurement processes, and businesses that have accounted for, and offset, their emissions will be first in line in low carbon procurement processes.

Save energy and reduce costs

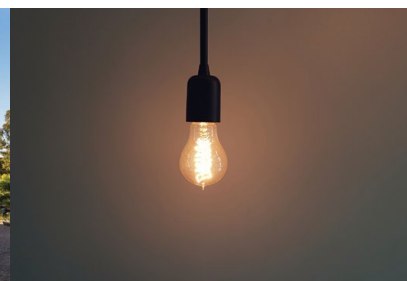
Reducing emissions as part of becoming carbon neutral, commonly involves making operational changes that reduce energy or fuel use. Many organisations see significant savings during this process.

Develop carbon management expertise

Becoming carbon neutral helps organisations to build internal carbon accounting competence and management processes to meet compliance and voluntary emission reduction commitments.

Connect with the community

Many community-facing organisations and businesses enjoy greater recognition and engagement in their community as a result of their carbon neutrality.



4 How to become carbon neutral

“One of the key challenges to carbon neutrality is the collection of robust data and metrics to accurately account for all emissions under the organisation’s operational control. Whilst this has been challenging, it has also identified further opportunities for cutting costs and emissions from within our operations”

– Jordan Australia



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Calculating emissions

The first step in going carbon neutral is to calculate the amount of greenhouse gases emitted within a defined boundary. The boundary will depend on whether you are seeking to become carbon neutral for your operations, the products you make, the services you provide, the event you host or the building or precinct that you operate.

Within this boundary, all activities or sources that lead to greenhouse gas emissions need to be identified. These include sources that you have direct or indirect control over, such as transport fuels, purchased electricity, waste generated in operations, business travel and other purchased goods and services.

Emission factors, including factors publicly available from the Australian Government, are used to convert the data from the emission sources into carbon dioxide equivalent (CO₂e) or greenhouse gas emissions. The carbon account or footprint is the sum of all the emissions.

Understanding emission sources and calculating your carbon footprint helps identify operational or production efficiencies leading to energy and cost savings.

Reducing emissions

Having identified the emissions sources, it may be possible for you to make simple changes to your operations that can lead to emission reductions. For example, an organisation may:

- Improve energy efficiency by upgrading equipment
- Reduce electricity or fuel use by changing staff behaviour
- Purchase electricity from renewable energy sources
- Use certified carbon neutral products and services
- Reduce or avoid travel where possible.

Reducing emissions also means that less money is spent purchasing offset units required to achieve carbon neutrality.

Offsetting emissions

Offset units or carbon credits can be used to compensate for emissions you cannot reduce and to bring your carbon footprint down to zero.

The purchase of carbon credits supports projects that reduce or remove emissions from the atmosphere, such as reforestation, renewable energy or energy efficiency.

For example, a project may reduce emissions by changing the timing of savanna burning in Northern Australia or by building wind farms in China. One carbon credit is issued for each tonne of emissions avoided or removed from the atmosphere.

The projects and credits are verified through private and international standards. These standards ensure that the projects are implemented, run and managed properly and the credits they generate represent real and actual emissions sequestered or avoided.

Carbon credits or offset units can be bought from various service providers that manage the interaction between you and the offset project. This might include credit verification, issuance, registration and cancellation on an official register.

To offset your emissions and make a claim of carbon neutrality, you need to cancel eligible offset units equivalent to your carbon footprint. Cancellation is done through an official credit register which ensures the credit cannot be sold or used again.

Carbon neutral certification for buildings can be sought through:

- NABERS Energy (NABERS National Administrator)
- Green Star - Performance (Green Building Council of Australia).

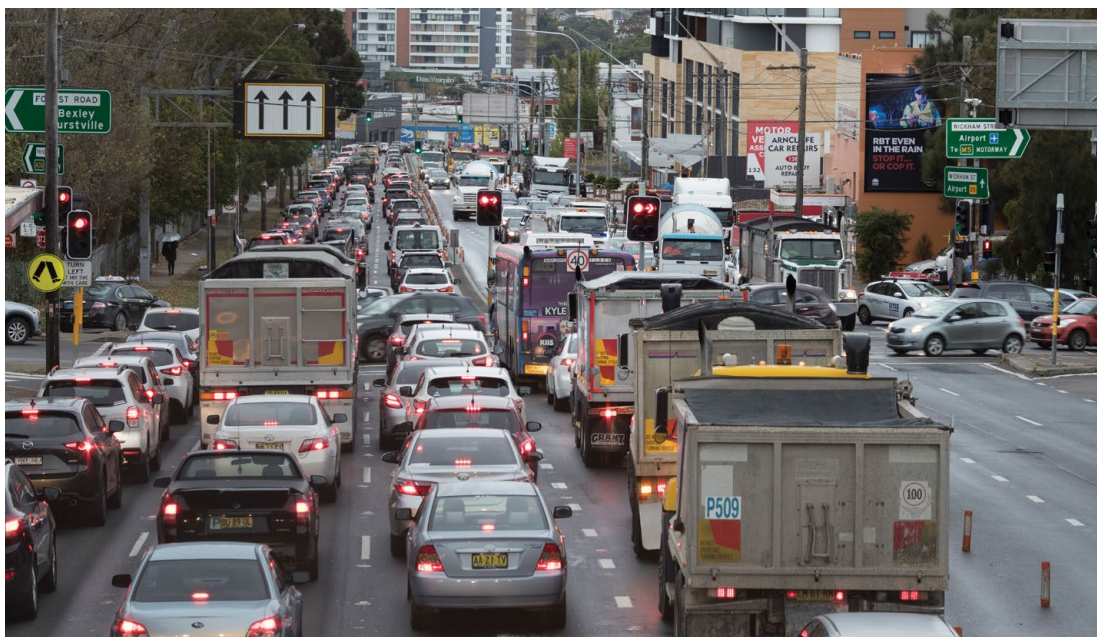
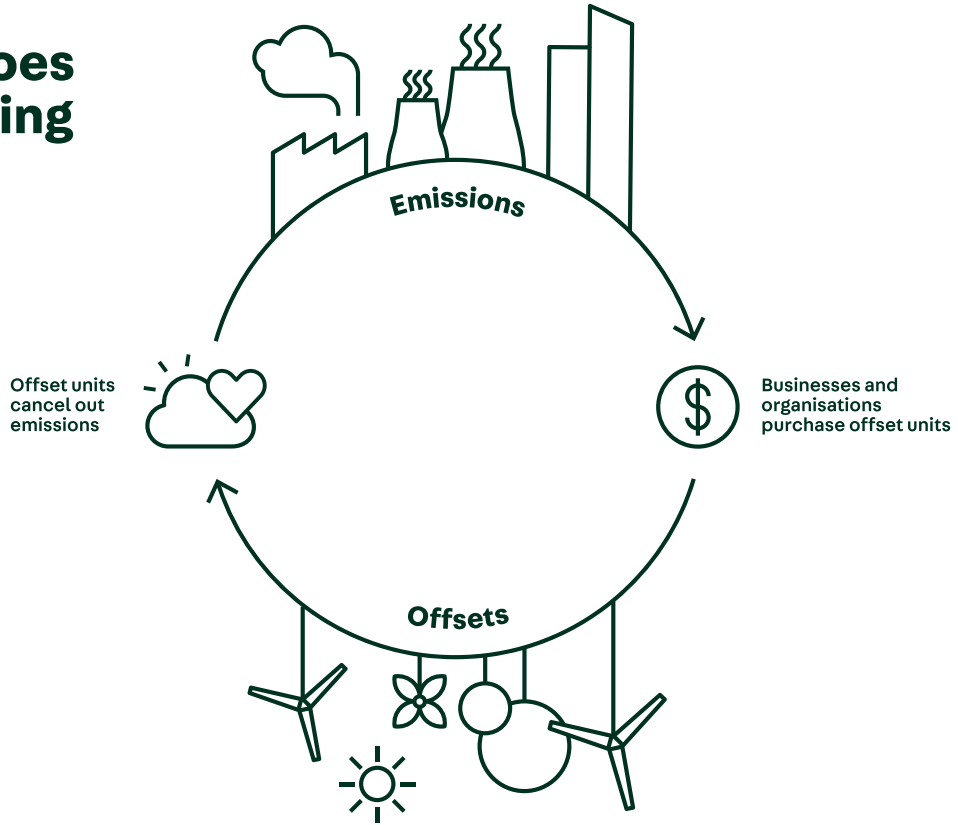


Image credit: copyright Department of the Environment and Energy - Arncliffe

Image credit right: copyright Department of the Environment and Energy - Arncliffe; Right - copyright Department of the Environment and Energy - Botany Bay area; Infographic: Offset units are used to compensate for emissions a business produces in order to bring their carbon footprint down to zero



How does offsetting work?

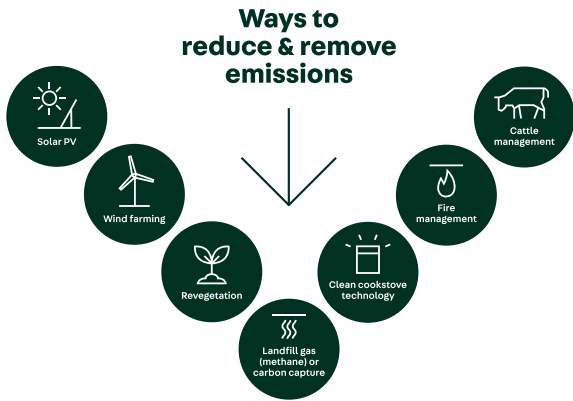


5 Carbon Offsets

Offset units can be purchased from a range of domestic and overseas projects that reduce or remove emissions from the atmosphere. The Climate Active Carbon Neutral Standard sets the requirements that must be met for an offset unit to be eligible for use as part of a carbon neutral claim. Integrity principles of the Standard ensure that any units used to offset emissions are genuine and credible.



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Offset units are generated by projects that reduce, remove or capture emissions from the atmosphere such as reforestation, renewable energy or energy efficiency

Co-benefits of offsetting

Many offset projects deliver social, economic or environmental outcomes in addition to emission reductions.

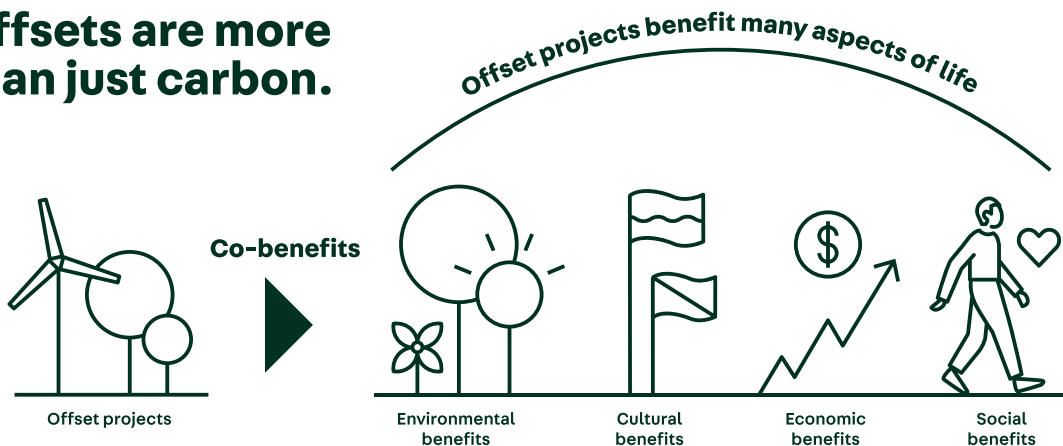
Environmental benefits include increased biodiversity, maintaining habitat for native animal and plant species, improved local air and water quality, avoiding vegetation clearance, re-establishing vegetation on previously cleared areas, and improved environmental management.

Social and cultural benefits are the positive aspects for communities where a project is based such as employment for local people, living and working on country, capacity building, improved health and education, and access to clean and affordable energy.

Economic benefits occur when income from the sale of offset credits flows to the community where a project is located and often translates into employment and community support, improved infrastructure, technology transfer, and increased economic activity.

When considering offsets, many organisations choose to support projects that align with their corporate values. They may look for projects that help people and communities, conserve natural resources or support moves from conventional to renewable energy.

Offsets are more than just carbon.



Many organisations choose offset units that support co-benefits which align with their organisational values

6 Climate Active certification

Climate Active certifies carbon neutral claims for organisations, products and services, events, buildings and precincts. Meeting the requirements of the Standard is essential for certification.

Climate Active provides a simple framework of what is required for making a carbon neutral claim. This is based on measuring emissions, reducing emissions, offsetting and public reporting.



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Benefits of certification

A genuine stamp of approval against your carbon neutral claim: Certified organisations can use the Climate Active trade mark to support a genuine claim to be carbon neutral against a robust and authoritative standard.

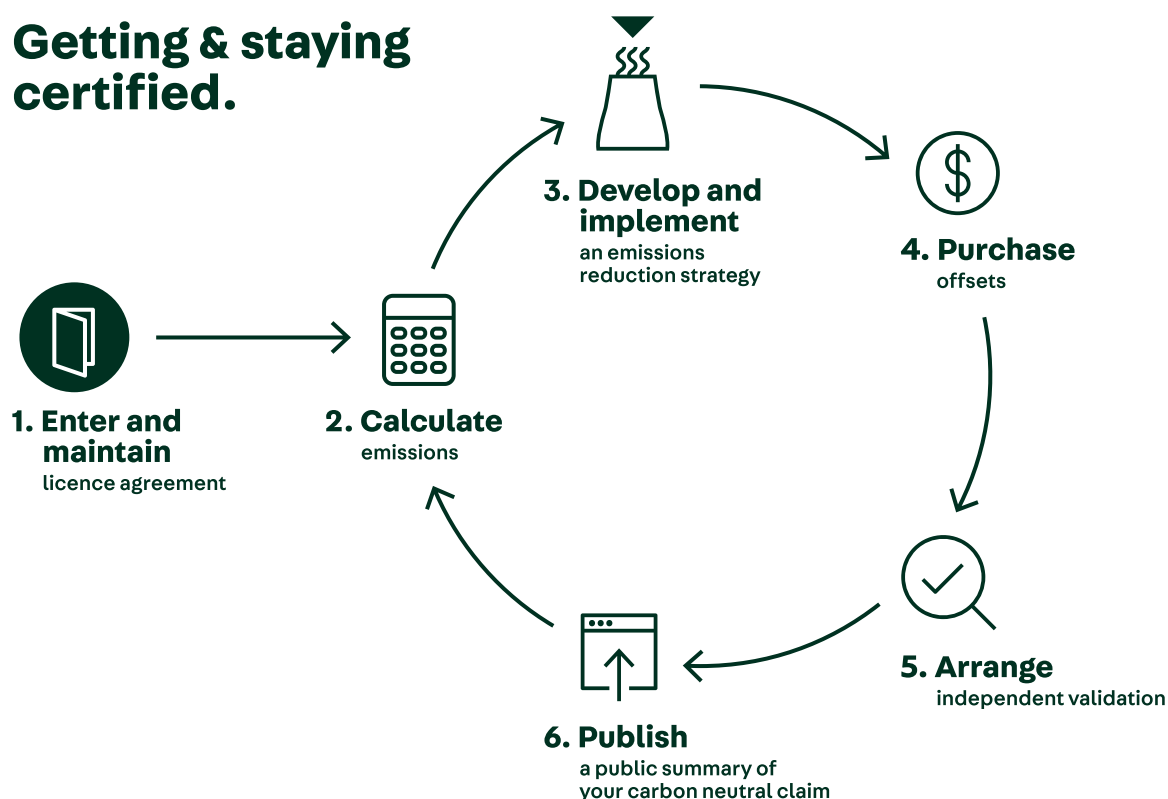
Promotion by the Climate Active team: Certified organisations are showcased on the Climate Active website and acknowledged through media releases, magazine articles, case studies and social media.

Membership to the Climate Active Network: Certified organisations join a growing network of carbon neutral leaders that are invited to attend sector insight and networking sessions.

Guidance, advice and administration support: Certified organisations receive guidance and administrative support required to maintain carbon neutral status.

Six steps to certification

Getting & staying certified.



Step 1 – Enter and maintain a licence agreement

Entering into a licence agreement confirms your commitment to achieving carbon neutrality and ensures you are aware of your obligations for certification. A licence agreement lasts for two years; however, you will have the opportunity to re-commit to a new agreement every year.

Step 2 – Calculate your emissions

Calculating emissions ensures you are taking responsibility for all emissions produced from a certified activity. Emissions can come from many sources, including electricity use, transport fuels, waste and business travel. Emissions from all relevant sources are added up to give the total emissions in a carbon account. A base year is set to allow for emission comparisons over time.

Step 3 – Develop and implement an emission reduction strategy

A key component of certification is to make emission reductions ahead of offsetting. An emission reduction strategy identifies the activities you plan to undertake to reduce your emissions over a defined period. This often includes changes to your business operations such as reducing electricity or purchasing it from renewable sources, limiting or avoiding travel, and using certified carbon neutral products and services. You will need to report publicly on your emissions each year and identify where reduction activities have contributed to lower emissions.

Step 4 – Purchase offsets

Offsets are purchased to compensate for emissions that cannot be reduced or avoided. To ensure all offsets used under Climate Active are genuine abatement, only offsets that have met strict integrity criteria are allowed.

Step 5 – Arrange independent validation

Independent validation helps provide assurance that a carbon neutral claim is credible. Independent validations vary depending on the certification type and size of your total emissions. It may include arranging a source data audit when you apply and periodic technical assessments of your carbon neutral claim.

Step 6 – Publish a public statement

A public disclosure statement allows interested parties to interrogate your carbon neutral claim. It ensures transparency and helps build trust and public confidence in the claim. A statement is required every year for ongoing certifications.

Cost of certification

The cost of going carbon neutral depends largely on the type and operation of your organisation, on the level of in-house expertise and on the size of the carbon footprint needing to be offset.

Annual licence fee

There is an annual licence fee for Climate Active certification based on the size of an organisation's carbon account and type and number of certifications. It pays for licence administration, trade mark compliance and support services for certified organisations. This includes promoting an organisation's carbon neutral status and membership to the Climate Active Network.

For more information and current fees contact the Climate Active team via the Climate Active website (www.climateactive.org.au).

Carbon account consultants and offset providers

Calculating the carbon inventory of an organisation or the life cycle of a product can be a complex process and may require the technical expertise of a consultant. Consultants can also maintain carbon inventories and undertake annual reporting on behalf of your organisation.

Some organisations are already reporting their carbon impact to other programs, and can draw and expand on existing in-house skills to take on carbon neutrality. Others use the services of a carbon consultant to assist with calculating at least the initial carbon inventory.

A consultant or offset provider may also be engaged to assist with the purchase and cancellation of offset units.

The Department manages a list of Registered Consultants.

Offset units

Achieving carbon neutrality usually requires the purchase and cancellation of carbon credits or offset units. While some organisations are very successful in significantly reducing their carbon footprint, in most cases some emissions remain to be offset.

The cost of offset units fluctuates with the market. However, the price is also largely dependent on the type of abatement project from which the offset unit is sought and whether it supports additional outcomes (co-benefits).

Independent validation

Independent validation and public reporting ensures transparency and rigour around carbon neutrality. Climate Active certification generally requires that the emissions inventory or life cycle assessment, and public report of a certification is independently validated.

The cost of this validation therefore should be built into considerations of any planning for carbon neutrality consideration.



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Climate Active trade mark

Organisations that achieve certification are provided a licence to use the Climate Active trade mark. The certification trade mark provides a legitimate and visual stamp of approval. It gives the community confidence that a carbon neutral claim has met all requirements of a robust standard. For many businesses, the Climate Active trade mark helps to promote products and services and is an integral part of their marketing strategy. The trade mark can be applied to business activities, products or services, buildings, precincts, or events.

The certification trade mark is a trusted symbol for genuine claims of carbon neutrality and positive action on climate change.



The trade mark can only be used by entities that have entered into a licence agreement. A set of rules governs how and when it can be used.

Ready to be certified?

Visit our website for more information and to start the certification process.
www.climateactive.org.au



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