

FREQUENTLY ASKED QUESTIONS

October 2024

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Publication Disclaimer

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Version history

Version	Date	Summary of changes
1	October 2024	Initial document



Program general

Climate Active

What is Climate Active?

Climate Active is an Australian Government program that supports national climate policy by driving voluntary climate action by Australian businesses. The brand represents Australia's collective effort to calculate, reduce and offset carbon emissions to lessen our negative impact on the environment.

Climate Active certification is awarded to businesses and organisations that have credibly reached a state of carbon neutrality.

Who can become certified?

Climate Active certifies organisations, products, services, events, buildings and precincts. Large, medium and small businesses, and other non-government organisations have achieved Climate Active certification. Local government and not-for-profit organisations have also been certified.

Program consultation and reforms

What is the Climate Active reform and consultation process?

The department held a public consultation process on a paper that outlined potential reforms to Climate Active and sought input on the future of the program (consultation page here). The consultation period commenced on 20 October 2023 and closed on 15 December 2023. The department received 158 submissions, feedback from which is being considered alongside the future direction of the Climate Active program.

When will the outcomes of the consultation process be announced?

The future direction of Climate Active is being finalised and is subject to government consideration. Program reforms will be announced in due course.

Will the reform and consultation process impact my ongoing financial year 2023-24 or calendar year 2024 annual reporting?

Reporting for the 2023-24 financial year or 2024 calendar year will not be impacted by the future direction of the program reform process.

I'm looking to achieve a new Climate Active certification. Will the program reforms impact me?

If you are exploring Climate Active certification, you may wish to consider that there will be changes to the future direction of the program and this could impact your ability to achieve certification.

Carbon Neutral Standards

What Carbon Neutral Standards are available?

Organisations, Product and Service, Precincts, Event and Buildings.

If I'm not certified, can I use the Climate Active Carbon Neutral Standard to self-declare carbon neutrality?

Anyone can self-assess their activities against the Climate Active Carbon Neutral Standard. However, only entities who have met certification requirements and executed a Licence Agreement are able to claim they are certified Climate Active and use the trade mark.



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Certification

How do I apply for certification?

Applications for organisation, product, service, event or precinct certification can be made via the <u>Climate Active user Portal</u>. You can view a <u>sample</u> of the application form to see what details will be required to get started with an application.

If you are interested in achieving an Upfront Carbon for Buildings certification following the department's pathway, you can download the <u>application form</u> from our website and email it to climate.active@industry.gov.au.

NABERS and GBCA are our delivery partners for providing the Climate Active Buildings certification.

What do I need to complete to achieve certification?

There are several steps that require completion to achieve certification.

The <u>Technical Guidance Manual</u> outlines the steps required for each certification type offered by the department.

The first step is to prepare and submit an application form via the Climate Active user portal.

How long does it take to become certified?

The length of time to achieve certification will depend on the type of certification you are seeking and the complexity of your carbon account. You may need to collect a year's worth of data to prepare the carbon account and get it independently validated.

All relevant documentation needs to be completed and submitted to the Climate Active team who will review your carbon neutral claim. Once an application is reviewed, a decision will be made as to whether certification has been granted. The review and decision can take up to 8 weeks, or longer, depending on the complexity of your claim.

How long does my certification last?

Certification for organisations, products, services and precincts is ongoing as long as you maintain an active Licence Agreement and comply with the terms and conditions to maintain certification, such as providing your annual report and paying your certification fee. If you no longer wish to maintain certification once it has been granted you must notify the department as soon as possible. You may be required to provide a final annual report.

Certification for events lasts for 12 months after the event ends.

Upfront Carbon for Buildings certifications are ongoing.

Buildings certifications are for 12 months or less from the date granted and will require renewal to maintain the certification.

When is my annual report due?

Organisation, product & services and precinct certifications must report annually.

Businesses can choose to report on a Financial Year cycle or a Calendar Year cycle.

The cycle your business choses when applying for certification determines when your annual report is due.

- The Financial Year cycle is 1 July 30 June, with annual reports due by 31 October
- The Calander Year cycle is 1 January 31 December, with annual reports due by 30 April

Further information on the reporting schedule is outlined in the Licence Agreement.



What do I do if I want to stop being certified?

If your business wishes to withdraw its certification prior to the expiry of its Licence Agreement, it may do so by providing Climate Active with written notice. Notice can be provided via email to climate.active@industry.gov.au, with withdrawal from the program taking effect 30 business days later.

Climate Active will provide a notice of withdrawal letter which will outline any remaining program obligations your business has upon termination of the Licence Agreement. Obligations could include providing a final annual report, payment of any outstanding certification fees and ceasing use of the trade mark.

See Licence Agreement: Guidance and FAQs for more information.

Can a business go back and certify previous years' inventories if it has enough data to do so, and purchase the required offsets at today's value?

A business can certify up to 2 years prior to the current reporting period, provided they can meet all the requirements of certification. For example, if the business was looking to certify their calendar year 2024 emissions, they could also certify (and offset) the emissions from calendar year 2023 and calendar year 2022.

Please note that in doing so you will incur an invoice for certification fees associated with each reporting year you are certifying upon application.

Certification fees

How much does it cost to get certified?

Refer to the <u>Licence Agreement</u> which outlines the certification fee schedule, noting that fees increase by 2.5% each 1 July.

Other costs associated with certification vary depending on the use of technical experts, the types of offsets used and the auditing services used. Technical advice may include developing a carbon account and having your carbon neutral claim and data independently validated. Offset costs will depend on how many are required and the types of offset units purchased. These costs are separate to the certification fee, are set by the market and vary across the industry.

How is the Climate Active certification fee calculated?

The Climate Active annual certification fee is based on net emissions before offsetting and the number of certifications held.

Refer to the <u>Licence Agreement</u> which outlines the certification fee schedule, noting that fees increase by 2.5% each 1 July.

What do I get for my certification fee?

Certification provides a licence to use the Climate Active certification trade mark to showcase your organisation's carbon neutral status. You also become a member of the Climate Active Network.

Certification fees cover administration of certification (i.e. review and approval of your annual report), technical support, and certification trade mark use support.

Is there a certification fee discount for multiple certifications?

Discounts are applied to members with multiple certifications. The certification with the largest emissions profile is charged 100% of the fee payable. Each certification following, up until the 5th certification, is charged 25% of the fee payable. No fees are payable for any certifications above a total of 5 for a single Responsible Entity.

The multiple certification fee discount is only applicable to organisation, product, service or precinct certifications. The member must be the responsible entity for all certifications to receive the discount.



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Members who hold multiple events within a 12-month period are entitled to a discount. One event certification is charged 100% of the fee payable (must be the large event if there is 1 in the portfolio). Each event certification following the first are charged at 50% of the fee payable.

Do charities and not-for-profits receive a certification fee discount?

Organisations listed on the Australian Charities and Not-for-profits Commission charity register receive a discount of 20% on the fee payable per certification.

Can I pay off my Climate Active fees over time?

Climate Active cannot offer payment plans. All fees must be paid within the payment terms noted on the invoice.



Licence Agreement

Licence Agreement - general

Can I view a copy of the Licence Agreement?

A sample copy of the Licence Agreement is available on our website.

Licence Agreement Frequently Asked Questions (FAQ)

See Licence Agreement Guidance and FAQ document.

Affiliate Agreement

What is an affiliate agreement?

An affiliate agreement is a legal document that allows a business to use the Climate Active certification trade mark in connection to another business's certification under certain conditions. An affiliate agreement does not always mean the emissions generated by the affiliate are certified. There are some conditions to consider:

- If the emissions of the affiliate are explicitly covered by a certification and if the affiliate is legally connected to the responsible entity's certification, an affiliate agreement is not needed. For example, this would include any subsidiary ABNs that form part of a corporation, where the corporation has certified the entirety of its organisational emissions.
- If however, the affiliate is a legal entity that is not legally connected to the responsible entity, even if their emissions are covered within the certification, they would need to sign an affiliate agreement.

How can I become an Affiliate user of the Climate Active certification trade mark under a Licence Agreement?

See Licence Agreement Guidance and FAQ document.

Compliance

When would a business need to notify Climate Active of any changes that may affect its ability to comply with the terms of its Licence Agreement?

To ensure the integrity of carbon neutral claims that have been certified by Climate Active, we require that responsible entities notify us of any significant changes that would affect their compliance with the Licence Agreement.

This notification must be provided as soon as reasonably possible and within 10 business days. 'As soon as reasonably possible' means that if there is an opportunity to notify us earlier that opportunity should be taken.

Climate Active acknowledges that in some circumstances it may be difficult to notify us before the 10-day limit, for example, because a responsible entity may be determining the extent to which changes would affect compliance with the Licence Agreement, or for other practical or administrative reasons. Therefore, we appreciate notice as soon as practical should any changes affect compliance with the agreement.

Is a business required to fulfil reporting obligations even if it withdraws from the Licence Agreement?

Yes. Under clause 17.5 of the Licence Agreement, obligations to report in accordance with the Reporting Schedule (clause 8.1 of the Licence Agreement), and any clause necessary to implement this clause, survive withdrawal from a Licence Agreement.

The obligations of the Reporting Schedule are applicable for the entire Certification Period of the Licence Agreement, being the period between the Certification Date and the Expiry Date of the agreement. This means a business must provide reporting to Climate Active for the entire Certification



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Period, which only ceases upon the Expiry Date of the Licence Agreement, or the effective date of withdrawal (30 business days after Notice of withdrawal from the agreement is issued by the business to Climate Active).

Reporting for the applicable period noted in a Licence Agreement provides a business with an accurate representation of the certification status it has maintained. By fulfilling the reporting obligations, a business ensures its compliance with the terms of the Licence Agreement and the Climate Active Carbon Neutral Standard.

Are there external implications for not complying with reporting obligations of the Licence Agreement?

Any past claim of being carbon neutral made under a Climate Active certification may be considered misleading in accordance with Australian Competition and Consumer Commission (ACCC) guidelines if reporting obligations are not satisfied.

To best understand the compliance and enforcement actions your business may face if it chooses not to complete reporting requirements, please refer to the ACCC directly.

I am seeking/or hold certification. What documents could be requested by Climate Active?

After you sign the Licence Agreement, Climate Active has the right to obtain from you copies of documentation that you, your subcontractors and Affiliate Entities hold, which relate to the carbon neutral certification, assessment, monitoring and independent validation of the certification.

You must maintain appropriate records for a validation trail of how the carbon account was created. Records should be kept for 7 years after the end of the carbon neutral period.

For example, Climate Active might request copies of documents relating to the following:

- Utility metering records
- Utility billing data
- Bills for deliveries of any discrete (batch) supplies, showing quantities and how they were measured
- Documentation of GreenPower purchases
- Documentation of Climate Active carbon neutral purchases in a supply chain
- Documentation of any LGCs sold or voluntarily surrendered
- Financial data
- · Inventories for travel and commuting survey data

Climate Active will treat information consistently with the confidentiality conditions as set out in the Licence Agreement.



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Certification Trade mark

Can a business use the Climate Active certification trade mark if it's not certified?

No. The Climate Active certification trade mark (CTM) can only be used for organisations, products, services, buildings, events and precincts that are certified, where a Licence Agreement has been signed and the responsible entity has received a Notice of Certification.

How can a business access and use the Climate Active certification trade mark once certified?

Businesses who achieve certification can use the CTM subject to the requirements of the <u>Licence Agreement</u> and <u>User Guide</u>. Any proposed use of the trade mark must be approved by Climate Active before use.

How can I get approval to use the Climate Active certification trade mark?

If your business has received a Notice of Certification letter which states that certification has been granted, then you can seek approval to use the relevant CTM to advertise your certification.

CTM use must meet the requirements of the <u>Licence Agreement</u> and <u>User Guide</u>. A mock-up of the proposed CTM use must be provided to Climate Active for review prior to use. CTM approval requests can be sent to climateactivecomms@industry.gov.au.

Can a business use the trade mark on a product if it has an organisation certification?

No. The Climate Active trade mark licence is provided only in relation to type of certification held. For a product to display the product certification trade mark, the product needs to have undergone its own certification.

What is a business's responsibility under consumer law when using the Climate Active certification trade mark?

As the CTM is designed to be used by members on a range of applications to highlight a business's certification, businesses have a responsibility to ensure that carbon neutral claims are not misleading or inaccurate. Further advice can be found at the Australian Competition and Consumer Commission's (ACCC) website and the Australian Securities & Investments Commission's website. The ACCC's guidance for business making environmental claims should also be used.

Does Climate Active need samples of material bearing the certification trade mark?

To ensure that the CTM is used in a way that upholds the integrity of the Climate Active brand, we may request sample products, packaging, promotional and advertising material bearing the CTM from members and Affiliate Entities for examination. These requests allow us to ensure that the CTM is being used as approved and in a manner that does not misrepresent the nature of the carbon neutral claim. Generally, we will accept digital mock-ups via email.

If hard copy material is requested, the material must be provided to Climate Active within 20 Business Days after our written request in a manner and form reasonably specified by us.

When would a business need to cease using the Climate Active certification trade mark?

CTM use must cease when the business's Licence Agreement expires, is terminated early (either by the business or Climate Active), or the terms of the Licence Agreement change (as notified by Climate Active) and the business does not agree to the change.

Products that have been manufactured and packaged before the expiry or termination of the Licence Agreement do not need to be repackaged or recalled – they can continue to be sold until those existing packaged products have been exhausted.



If you access the CTM after you have been notified of a change to the Licence Agreement terms, we will take it you have agreed with the change.

Can I use the Climate Active trade mark overseas?

Maybe. Organisations that have achieved Climate Active certification may be able to use the CTM overseas. We ask that you contact us, outlining your specific circumstances, to find out more information.



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Offsets

Eligibility

What carbon offsets are eligible to use for a Climate Active certified claim?

Businesses can use Australian Carbon Credit Units (ACCUs), most Certified Emissions Reductions (CERs), Removal Units (RMUs), most Verified Emissions Reductions (VERs) and Verified Carbon Units (VCUs). All units must have a vintage year later than 2012, i.e. 2013+.

More information on unit eligibility, including specific exceptions in which the above units are not eligible, is provided in Appendix A of the Climate Active Carbon Neutral Standard.

Do I have to use offsets from Australian projects to get Climate Active certification?

No. There is no requirement to use one type of eligible offset unit over another.

Businesses can use Australian Carbon Credit Units (ACCUs), most Certified Emissions Reductions (CERs), Removal Units (RMUs), most Verified Emissions Reductions (VERs) and Verified Carbon Units, All units must have a vintage year later than 2012, i.e. 2013+.

More information on unit eligibility, including specific exceptions in which the above units are not eligible, is provided in Appendix A of the <u>Climate Active Carbon Neutral Standard</u>.

What are the specific project-type exclusions for Certified Emission Reductions (CERs)?

Most CERs are eligible, with the exception of:

- long-term (ICERs) and temporary (tCERs); and
- CERs from nuclear projects, the destruction of trifluoromethane, the destruction of nitrous oxide from adipic acid plants, or from large-scale hydro-electric projects not consistent with criteria adopted by the EU (based on the World Commission on Dams guidelines).

More information on unit eligibility is provided in Appendix A of the <u>Climate Active Carbon Neutral</u> Standard.

How does Climate Active determine offset unit eligibility?

All offsets eligible for use under Climate Active must meet best-practice offset integrity principles to ensure abatement is robust and genuine. They must be additional, permanent, measurable, transparent, address carbon leakage (account for any material increases in emissions elsewhere), be independently audited, and registered.

More information on these principles is available in section 1.3.2 of the <u>Climate Active Carbon Neutral Standard</u>.

Will the current Climate Active rules on offset unit eligibility change?

Offset unit eligibility is subject to Australian Government policy. In late 2023, the Government consulted on potential updates to the Climate Active program, including a proposal to introduce a 5-year rolling vintage requirement on international offsets.

The Government is currently considering reforms to the Climate Active program. Any potential changes are subject to Government decision.

In the event of any changes to unit eligibility, you will have 3 years to use up any remaining units that were previously eligible when you retired them.

More information on the offset banking policy is provided in the Climate Active <u>Technical Guidance Manual</u>.



Purchasing

How can I purchase carbon offsets?

Some carbon offset units are available via an online marketplace, while others can be purchased through licenced intermediate parties, advisers, or brokers.

More information about purchasing offsets is provided in the Climate Active <u>Technical Guidance</u> Manual.

Can I buy carbon offsets from Climate Active?

No. We do not develop offset projects, issue or sell offset units. We also don't accredit companies seeking to develop projects or trade carbon credits.

Reporting

What does 'retired' mean in the context of carbon offsets?

Retiring a carbon offset unit in an offset registry takes the unit out of circulation, meaning that the unit can no longer be sold, traded and subsequently used by other parties. By retiring an offset unit, it allows the person retiring the unit to make an exclusive claim over the emissions reduction outcome associated with the unit.

For the purposes of Climate Active certification, eligible offset units must be retired in an appropriate registry prior to submitting annual reporting documents to Climate Active for review.

The Australian National Registry of Emissions Units (ANREU) does not provide unique hyperlinks for offset retirement transactions. How does a business deal with that when Climate Active requires proof of retirement?

You must provide evidence that the offset units have been retired in the relevant registry. This can be in the form of:

- a clear screenshot of the completed transaction in the ANREU
- a letter from the Clean Energy Regulator stating that the offsets have been retired for your organisation's Climate Active certification

Both forms of evidence must clearly display the quantity of offset units retired, the offset unit project name/ID, vintage, unit serial numbers, and reason for retirement.

Does it matter when carbon offset units are retired, as opposed to when they are used in a report?

Offsets that have been retired do not necessarily have to be used in one go – they can be 'banked' and used in future reporting years. For example, if a business retired 1,000 eligible units in anticipation of their expected emissions, but in reality only needed 800, they could use the remaining 200 units as part of their report in the next year. The business must publicly disclose which units are being claimed in each year.

More information about offset unit banking is provided in the Climate Active <u>Technical Guidance Manual</u>.

Banking

How long can purchased/banked offsets be used if there is a policy change that alters the eligible offset unit list?

In the event of any changes to offset unit eligibility, you will have 3 years to use up any remaining units that were previously eligible when you retired them.

More information about offset unit banking is provided in the Climate Active <u>Technical Guidance</u> Manual.



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Offset projects

Can you help me set up a carbon project?

Climate Active does not develop carbon offset projects.

For guidance on developing carbon abatement projects in Australia, visit the Clean Energy Regulator's webpage on participating in the ACCU Scheme.

Can an organisation create an offset project and then use the offsets generated from that project to offset their Climate Active certification?

If your business runs a project that is issued eligible carbon offset units, you can only claim the associated emissions reduction within your own climate report if you voluntarily retire those units. This rule is in place to prevent double counting, whereby another person (e.g. someone who buys the units from you) also makes a claim over the carbon abatement achieved from your project.

Will you make other carbon offset schemes and units eligible under Climate Active?

Offset unit eligibility is subject to Australian Government policy. We are not considering adding new types of units at the moment, although we may review the list of eligible offsets in the future.

Why can't a business plant trees on their property and count them as offsets?

To be issued carbon offset units, you would need to register your planned tree planting project with the relevant carbon crediting scheme, such as the Clean Energy Regulator for Australian Carbon Credit Units (ACCUs). You would also need to meet other scheme requirements, such as regular reporting and arranging independent audits over carbon sequestration calculations.

Climate Active released a draft guideline and consultation paper on <u>Accounting for Carbon Sequestration from Tree Plantings</u> in September 2022. The draft guideline outlines how businesses could measure carbon sinks from trees and shrubs they have planted, without the creation of offset units for use under organisation and product certifications. Consultation closed in October 2022. Climate Active will provide updates as necessary.

How does Climate Active certify that carbon is stored effectively in the long-term? Do you check?

Climate Active sets offset integrity principles and determines which offset units are eligible. It is not Climate Active's role to ensure the permanence of carbon storage occurring at individual offset projects. We assess the general eligibility of different offset units against best-practice criteria (Section 1.3.2 of the Standard), of which permanence is one.

The administrator of each eligible offset scheme, such as the Clean Energy Regulator for the ACCU Scheme, has various mechanisms in place to ensure the permanence of offset projects and to ensure remedial action is taken if any carbon reversals occur.



Certification - general

Annual reporting

What is included in the required public reporting?

Transparency of information is important for maintaining consumer confidence in Climate Active claims. Public reporting ensures the public can understand what an organisation has done to achieve carbon neutrality. This must include:

- information on emissions sources included in a carbon account
- what emissions sources have been excluded or not estimated
- actions taken to reduce total emissions or emissions intensity over time, and
- the number and type of eligible offset units that have been purchased and retired to achieve carbon neutrality.

This information is posted on the Climate Active website and must also be available on a certified organisation's website.

Will all data be made public?

The Climate Active team needs to be able to check that data used to compile your carbon account is accurate and complete. Not all data needs to be published. Submitting a carbon account and the public report to the Climate Active team as part of your application means data that is made public is controlled. There must, however, be enough detail in a public report for readers to be able to understand what emissions have been offset as part of your carbon neutral claim.

Where can I get help?

Climate Active has a register of consultants that can provide technical assistance with your certification. Consultants with relevant expertise help streamline carbon neutral applications and reporting. Registered consultants:

- help with preparing applications for carbon neutral certification
- help with ongoing reporting for carbon neutral certification, and
- undertake technical assessments of carbon neutral applications and reports.

For most certification types, you will be required to use a registered consultant to do at least some of the above. View our list of registered consultants for further details.

How long does the department need to review my business's annual report?

The Climate Active team require at least 8 weeks to review your annual reporting documents.

We may ask you for additional information or to amend your reporting documents if they do not meet the relevant Standard or criteria of the template. If this occurs, expect your review to take longer than 8 weeks.

Review of reporting documents (new and continuing certifications) are managed via a queue system. Review occurs in order of the date your documents are submitted via your user Portal. This ensures fairness and equity among all members.



How can I check on the status of my application or annual report?

You can check the status of your application or annual reporting documents via the Climate Active user portal.

Status label	Status meaning
Draft	Your application or annual reporting document submission is in draft and has not been submitted to Climate Active.
Submitted	Your application or annual reporting documents were successfully submitted to Climate Active.
In Review	Your application or annual reporting documents have been assigned to a Climate Active team member for review.
Approved	Your application or annual reporting documents have been approved by Climate Active.
Completed	Your notice of certification letter for your approved annual reporting documents has been sent to you by Climate Active.

If the above timeframes have passed significantly and your application or reporting documents are still listed as "Submitted" please get in contact with us for an update.

Building certification

Can I certify a building?

There are two types of Climate Active certified buildings.

1. Operational phase: Carbon Neutral Standard for Buildings

The Climate Active Carbon Neutral Standard for Buildings covers the operational emissions of a building (e.g. electricity, waste, refrigerants). There is the option to certify base building operations and whole buildings (base building plus building emissions from tenants).

2. Delivery phase (Upfront Carbon): Carbon Neutral Standard for Products and Services

The Climate Active <u>Guideline: Upfront Carbon for Buildings</u> covers the delivery phase of a building. It is designed to be applied to new construction projects. The delivery phase includes emissions from the materials, manufacturing, transport and construction activities associated with a building.

How do I certify the operations of a building?

There are two pathways for certifying the operational phase of a building. These are streamlined through the ratings programs of, and administered by, our delivery partners – Green Building Council of Australia (GBCA) and the National Australian Built Environment Rating System (NABERS).

All applications for, or enquiries regarding, certification for the operations of a building should be directed to the relevant delivery partner.

GBCA: info@gbca.org.au

NABERS: nabers@environment.nsw.gov.au

How do I certify the delivery of a building?

There are two pathways for certifying the upfront carbon (delivery phase) of a building.

1. The Climate Active pathway.

There are two options to progress certification under the Climate Active pathway – by certifying the 'Commitment' phase prior to project completion later followed by the 'As Built' phase, or by waiting to achieve certification for the 'As Built' phase only.



Enquiries and applications for the Climate Active pathway can be explored by emailing Climate. Active @industry.gov.au.

2. The Green Building Council of Australia (GBCA) pathway.

All applications for, or enquiries regarding, certification through the GBCA should be directed to GBCA.

GBCA: info@gbca.org.au

Information on certification for the delivery phase of a building is detailed in the <u>Guideline: Upfront</u> Carbon for Buildings.

Upfront Carbon for Buildings certification

My project does not cover the entire building. Can I only certify what my project is limited to (e.g. an extension)?

Yes. You can seek certification for a whole building project, or a refurbishment, extension, addition, renovation or fitout project.

What tool can I use to complete the life cycle assessment for my building?

Climate Active does not provide calculators specific to upfront carbon for buildings to develop your carbon inventory. You should instead use industry specific tools and calculators. For example, participating businesses often use eTool.

Can I certify an existing building?

Yes, so long as the 'as built' certification is achieved within 2 years of the date of practical completion of the project. Existing buildings only require 'as built' certification.

Do I need to recertify an Upfront Carbon for Building certification?

No. The Upfront Carbon for Building certification is submitted on a one-off basis and once approved it remains effective.

Event certification

How does event certification work?

An event certification is a one-off certification for a specific event held within Australia only. The certification lasts for one year after the end of the event.

Events must be certified before they take place. Businesses submit a pre-event report, which includes carbon inventory that estimates the expected emissions of the upcoming event.

After the event has concluded, businesses prepare a post-event carbon inventory within 4 months of the event's end date. The information gathered at the event is published in the post-event public report.

How do I estimate emissions before my event takes place?

Where actual measured data is not available, you will need to make reasonable and conservative assumptions about the likely activities to be undertaken during the event (e.g. expected attendees and travel distances, food and beverage consumption, security costs). These assumptions can be based on previous occurrences of the event or similar events.

For further information on approaches to activity data, refer to the 'Activity data hierarchy' section in the Technical Guidance Manual.



How far in advance do I need to submit my reporting documents for event certification?

First you will need to ensure that you have received in-principle approval of your application to seek event certification. If you have not submitted an application form, you must complete this step first. Climate Active may require up to 4 weeks to consider an application form.

Once in-principle approval of the application has been given and you have completed your pre-event reporting requirements, Climate Active requires a minimum of 28 days to review the pre-event reporting documents. Businesses should take this timing into account when planning an announcement for their event. You cannot announce certification until it has been granted.

Pre-event reports submitted to Climate Active within 28 days of the event start date may be refused review.

If the pre-event emissions were over-estimated and offsets are purchased and retired at the pre-event stage, do the offsets carry over to next year's event?

Yes. If the same event will happen again in the future, the event organisers (must be the same responsible entity) can use the remaining offsets to compensate for their emissions in the next year.

What happens if the post-event emissions end up being greater than initially estimated in the pre-event report?

You will need to source and retire more eligible offset units to cover any remaining emissions that were not offset initially and communicate this information in the post-event Product Disclosure Statement.

Organisation certification

I am a subsidiary business. Does my parent company have to be certified?

No. However, you must ensure your certification claim is clearly and transparently communicated (i.e. not claimed by your parent company).

Please refer to the <u>User Guide for the Climate Active Carbon Neutral Certification Trade Mark</u> (CTM) for guidance on how you can use the CTM in this case.

I am a company with a subsidiary business(es). Do I have to include the subsidiary's emissions in my emissions boundary?

Yes.

Can I claim products or services from a Climate Active certified organisation as zero emissions liability in my carbon account (i.e. not a certified product or service)?

No. A product or service is considered to contribute zero emissions to your inventory where it has been certified against the Climate Active Carbon Neutral Standard for Products and Services. This is due to the emissions boundary; an organisation certification may not cover all emissions of the product or service.

What supports does Climate Active provide small organisations?

Organisations which meet the <u>small organisation eligibility criteria</u> can pursue an organisation certification through the small organisation pathway. This pathway provides a simplified approach to establishing your emissions boundary and provides a reduced certification fee.



Can I follow the small organisation pathway if I am also seeking certification for a product and/or service?

No. Organisations which meet the Climate Active small organisation criteria follow a simplified process for preparing their organisations emissions boundary. If a business with a small organisation certification was to also seek a product or service certification, this would have an impact on the complexity of their carbon account, making them ineligible to use the simplified small organisation pathway.

Under the small organisation pathway, do I have to include automatically deemed relevant emissions sources in my boundary if they do not occur?

Yes. If these emissions do not occur, they must still be listed as quantified in your emissions boundary and recorded as zero in the carbon inventory and emissions summary.

Product and Service certification

Does my organisation need to be Climate Active certified to be able to have a Climate Active certified product/service?

No.

Do I have to report on my product/services electricity emissions using the Climate Active electricity calculator and dual reporting method?

No. Electricity emissions are accounted for in the life cycle assessment (LCA) and do not need to be transferred to the Climate Active electricity calculator or disclosed using the dual reporting method. This is due to the nature of how the carbon account is prepared through a LCA and challenges with isolating emissions associated with electricity in upstream and downstream emissions sources.

However, we encourage product/service certifications to use the Climate Active electricity calculator and dual reporting method where possible.

Can I combine two or more similar products into one product certification?

Potentially. Products with shared or very similar attributable processes, and the same functional unit, may seek to be certified under a single certification. For example, different suits or different furniture brackets. Please discuss this option with the Climate Active team at Climate.Active@industry.gov.au prior to seeking to apply for certification.

I want to use a cradle-to-gate emissions boundary, rather than cradle-to-grave. Is this okay?

If the function of the final product is not known, or there are significant barriers to collecting data, a cradle-to-gate boundary can be used. Otherwise, a cradle-to-grave life cycle assessment must be used.

You should consider whether extrapolated data can be used or refer to other industry standard life cycle assessments, prior to determining if a cradle-to gate emissions boundary is appropriate.

Do I need to do a new life cycle assessment each year?

Generally, you are not required to undertake a new life cycle assessment (LCA) each year. The LCA must be recalculated at least once every 3 years, provided there are no significant changes to the emissions boundary of the product or service, or major seasonal changes or events that have a significant impact on the carbon account.

If there are significant changes, the underlying LCA should be recalculated for the corresponding reporting period.

You must still undertake annual reporting for the Climate Active certification (including for years in which you have not recalculated the LCA) and you will need to account for increases or decreases in volumes of products or services sold.



Do you recognise Environmental Product Declarations (EPD)?

Yes. We provide a streamlined pathway for product certifications which meet all of the following:

- a current registered Australasian EPD
- EN15804 compliant (and in some instances, ISO 14025 compliant)
- specific to your manufacturing process (i.e. you have significant control of the process and attributable emissions).

Unfortunately, we do not currently recognise non-Australian registered EPDs (e.g. registered International EPDs).

I don't want to certify my entire product or service range. Can I offer it on a limited basis?

Yes, this is called an opt-in product or service certification. Under this option you must still follow the measure, reduce, offset, validate and report requirements of the <u>Climate Active Carbon Neutral</u> Standard for Products and Services.

It is integral that you clearly communicate your opt-in product or service certification (i.e. that your certification is for a limited product/service range only). Climate Active can assist you with your communications. Any proposed use of the certification trade mark must be approved by Climate Active before use.

If a business is certifying a product or service certification on an opt-in basis, how does it offset these emissions?

An opt-in certification means that the Climate Active certified product or service is not provided to customers by default (i.e. the customer must 'tick a box' or pay an additional fee to take up this option).

The total emissions to be offset from a product/service is determined by the customer uptake of the opt-in product or service in the year (i.e. sales or production volumes).

You must purchase and retire eligible offsets to cover the emissions attributable to the number of functional units sold.

For example, if you run a dog walking service, and the calculated emissions are 0.5 tCO₂-e per average dog walk, and 150 customers opt-in to the 'certified service offering' in the year, then the total emissions to be offset would be 75 tCO₂-e.

Precinct certification

Do precincts need to be adjoining or could they be separated areas – for example, university campus A and university campus B, separated by 2km?

A precinct must be geographically adjoining for the purposes of a Climate Active carbon neutral precinct certification.

In this example the 2 campuses cannot be considered a singular precinct due to the separation between them.

For completeness, could upfront carbon and construction emissions be included in a precinct certification?

No. The precinct certification relates to precinct operations only.

Upfront carbon is not considered part of a precinct's operational carbon account and is not covered by the Climate Active Carbon Neutral Standard for Precincts (this includes energy embodied in materials used to construct, fit out, renovate, maintain or upgrade the precinct).

<u>The Guideline: Upfront Carbon for Buildings</u> is available for entities seeking Climate Active certification for the delivery phase of a building project.



If my organisation operates from an office in a certified precinct, do I need to account for emissions from electricity we consume there in our organisation's certification?

If your organisation operates in a Climate Active certified precinct you do not need to offset emissions that have already been offset as part of the precinct certification.

You will still need to enter activity data (i.e. MWh of electricity consumption in the precinct) in the Climate Active electricity calculator. This will calculate the physical emissions associated with this electricity and automatically deduct the emissions from the gross offset liability. It provides output summary tables that help you disclose this in the Public Disclosure Statement.

If my organisation operates from an office in a certified precinct, do I need to account for other emissions which have been offset by the precinct in our organisation's certification?

If your organisation operates in a Climate Active certified precinct you do not need to offset emissions that have already been offset as part of the precinct certification.

Your organisation must still prepare its carbon account using activity data for its emissions sources, however, those which have already been covered by the certified precinct are assigned an emissions factor of zero. This activity data is entered into your carbon inventory, using the Climate Active carbon inventory tool which is provided to all reporting businesses.

Does a carbon neutral precinct take responsibility for the scope 1, 2 and 3 emissions of all its tenants?

The emissions boundary of a certified precinct is set in relation to operational emissions over its defined geographic boundary.

Stationary energy, fuels and electricity used within the geographic boundary of the precinct are automatically deemed relevant and must be included in the precinct's emissions boundary. All other emissions that arise as a consequence of the precinct operating must be assessed for relevance and included in the precinct's emissions boundary if relevant.

Can the geographic area of a precinct change? What happens if the planned footprint changes or additional land for development becomes available? What happens if the community views the size of the precinct to have expanded?

The certifying entity should contact the Climate Active team at Climate.Active@industry.gov.au in the first instance. They must also disclose any changes to the geographic area and/or community expectations of the precinct in its associated Public Disclosure Statement.



Certification - rules, requirements and guidance

Emissions reductions

Does my business need to have reduced its emissions before we can apply for certification?

No. Climate Active certification is based on making a defensible claim of carbon neutrality by preparing a carbon inventory, reducing emissions where possible and using carbon offsets equivalent to your remaining emissions.

While you do not need to provide evidence of historical emissions reductions, you do need to produce a plan to reduce emissions in the future. Your emissions reduction strategy will be included in your Public Disclosure Statement which is published on the Climate Active website. Your strategy must include organisation-wide reduction targets, along with specific actions that you intend to take to help achieve those targets.

If your business has previously implemented certain actions to reduce its emissions, they can be mentioned in the broader context of your emissions reduction strategy.

Does my business have to reduce my emissions every year to remain certified?

No. It is not always possible for a business to reduce its total emissions every year. Businesses can still achieve certification even if their total emissions increase in a year, however their Public Disclosure Statement will need to explain why the increase occurred and how the business intends to reduce their emissions in the near term.

Emissions boundaries

How do I set an emissions boundary?

Emissions boundaries must be consistent with the requirements of the 'Measure' section of the Climate Active Carbon Neutral Standard. The process for establishing an emissions boundary will vary depending on what you want to certify (e.g. an organisation or a product).

More information is available:

- in the Climate Active Carbon Neutral Standard refer to the 'Measure' section
- in the Climate Active <u>Technical Guidance Manual</u> refer to 'Setting the emissions boundary' section

by contacting a Climate Active <u>registered consultant</u> – registered consultants are trained in the rules, processes and techniques for establishing emissions boundaries for Climate Active.

Can Climate Active certification cover international business operations?

Any international emissions sources from the operations of an Australian business (that are deemed or assessed as relevant) must be included in the emissions boundary of an organisation certification.

International emissions from a product or service provided by an Australian business must be included in the emissions boundary for a product or service certification. If the emissions are not relevant or attributable, they cannot be included.

The Climate Active team does not provide international emissions factors. You will need to source bespoke emission factors for international emissions. Any international bespoke emission factors will need to reflect regional circumstances. Their suitability would be subject to a technical assessment, where applicable.



Should emissions from an organisation's investments be included in the emissions boundary?

Public disclosure of investments is important, even if excluded, as stakeholders may assume that an organisation's financed emissions are part of the certification.

To determine if the investments should be included, you will need to identify all emission sources that arise from your organisation's activities. For any emissions that arise from your business activities, you must apply the relevance test (see section 2.3.1 of the <u>Climate Active Carbon Neutral Standard</u>).

Why do emissions boundaries vary so much across different organisations?

All organisations are different. There is no one way to set a boundary.

The emissions boundary must include all relevant emissions sources. This includes all emissions under the direct control or ownership of an organisation (e.g. stationary energy, fuels and electricity). The relevance test must be applied to all other identified emission sources (e.g. those that occur from an organisation's activities but are outside its direct ownership or control, see section 2.3.1 of the Climate Active Carbon Neutral Standard).

Climate Active relies on the principle of public disclosure. We require organisations to be transparent in deciding their boundary exclusions and encourage members to disclose any exclusions that the public could reasonably assume are part of the certification claim.

Can Climate Active pre-approve a specific emissions boundary or advise on the best method for calculating a specific emission?

No. We can help clarify our policy and our guidance and talk through the process for setting an emissions boundary with you. However, we cannot pre-approve or endorse judgements about your emissions reporting. These judgements are subject to review by a Climate Active registered consultant as part of the technical assessment. Climate Active registered consultants can provide additional guidance during this process.

Electricity

Are Large-scale Generation Certificates (LGCs) offsets?

LGCs are not considered offsets under Climate Active and cannot be used to reduce or offset non-electricity-related emissions.

LGCs can be voluntarily surrendered under Climate Active's electricity accounting framework to reduce electricity-related emissions under the market-based reporting method. Each LGC voluntarily surrendered (consistently with our electricity accounting rules) is treated as 1 MWh of zero emissions renewable electricity in a business's electricity account.

For more information refer to Climate Active's Electricity Accounting rules.

Should I use the market-based or location-based method to set my electricity emissions liability?

It is a decision for businesses which method they choose to set as their primary method. The primary method is used to determine the emissions liability of electricity consumption (i.e. how many offsets are required to account for any remaining emissions).

For information on each method, refer to the other electricity FAQs or Climate Active's <u>Electricity Accounting rules</u>.

How is Climate Active certified electricity treated under the location- and market-based methods?

The physical emissions from consuming Climate Active certified carbon neutral electricity are disclosed under both the market- and location-based methods. The emissions from this electricity should be deducted from the business's gross offset liability (as they have already been compensated for, through retiring eligible carbon offset units).



How is electricity from working from home accounted for?

To calculate the emissions from working from home, Climate Active provides a working from home calculator. The calculator is given to all reporting businesses.

How is exported electricity accounted for?

Renewable system owners that export electricity to the grid cannot claim that this electricity reduces emissions in their carbon account, except under the market-based method where LGCs have been created and voluntarily surrendered.

If I am not claiming a reduction from this exported electricity, who is?

The zero emissions benefit of exported electricity can be claimed by all consumers of grid-based electricity through the National Greenhouse Accounts (NGA) national scope 2 and scope 3 location-based emissions factors and the national Residual Mix Factor.

What is the difference between the location-based method and the market-based method?

The location-based method reflects the electricity emissions intensity of the state or territory where the electricity is consumed. This gives an overall picture of a business's electricity emissions in the context of its location(s). Businesses calculate their emissions using relevant state or territory electricity emission factors.

The market-based method reflects the emissions intensity of different electricity products, markets and choices. Businesses can account for eligible renewable electricity sources (as MWh of zero emissions renewable electricity). Emissions for any remaining electricity are calculated by applying a national (scope 2 and scope 3) Residual Mix Factor.

Carbon inventory

What is the difference between scope 1, 2 and 3 emissions?

We assign emission sources into different scopes depending on where they sit in the value chain of a business, product, service, precinct or event:

- scope 1: direct emissions from sources that you own and/or control
- scope 2: indirect emissions from purchased energy, such as electricity, heating, cooling or steam
- scope 3: other emissions in the value chain not included in scopes 1 or 2.

Does my carbon inventory need to include scope 1, 2 and 3 emissions?

For organisations, you must include all sources of scope 1 and scope 2 emissions. You also need to include any relevant scope 3 emission sources that arise as a consequence of your business operations.

Please see the <u>Climate Active Technical Guidance Manual</u> for more information about the carbon accounting procedures for each certification type.

How do I account for business use of Climate Active certified products and services?

If your business purchases or uses a Climate Active certified product or service, it is considered to contribute zero emissions to your own carbon inventory. This is because another company has already retired carbon offsets to cover the emissions associated with the product or service.

I don't know how to prepare a carbon inventory. Where can I get help?

There are trained carbon accounting professionals who can assist. See our <u>webpage on Climate</u> Active registered consultants for more information.



Base year

How should I set a base year?

To establish a base year, the most recent year for which carbon emissions data is available (and can be validated) should be selected, so long as it is representative.

Does the base year have to come from a full set of data?

Yes. A full year's worth of data must be collected to set the base year.

To establish the base year, the most recent year for which carbon emissions data is available (and able to be validated) should be selected, so long as it is representative.

Where no relevant data exists or where data does not provide a meaningful comparison, base year data can be estimated or projected. Any estimated data must be representative.

Do emissions from the base year have to be offset?

It depends on whether the business is being certified for the base year.

If a business is not seeking certification for the base year, then it does not need to offset the base year emissions. However, if a business is seeking certification for the base year, the emissions from that year must be offset using eligible offset units.

What is the difference between a base year recalculation and reset?

A base year recalculation involves an entity recalculating its carbon account for its base year. Significant changes to the emissions boundary and calculation methodologies of an entity may trigger a base year recalculation. More information about the triggers for a base year recalculation is available in the Technical Guidance Manual.

A base year reset is when a business selects a new year as its base year.

I think I need to do a base year recalculation. What do I need to do?

Significant changes to the emissions boundary and calculation methodologies of an entity may trigger a base year recalculation. These triggers are described in the Technical Guidance Manual.

When triggers for a base year recalculation are met, you must notify the Climate Active team at <u>Climate.Active@industry.gov.au</u> who will assess the significance of the changes to the carbon inventory. If the change has a significant impact to part or all of the carbon inventory, you may be required undertake an additional technical assessment and/or third-party validation.



Templates & calculators

Climate Active calculators

How can I calculate my greenhouse gas emissions?

Businesses seeking Climate Active certification will receive a package of tools and templates to help them calculate the greenhouse gas emissions from a range of activities, including:

- energy use (electricity, gas, fuels)
- business travel
- employees working from home
- waste
- various purchased goods and services (e.g. IT, construction, freight etc.).

You may need to use specialist modelling and carbon footprinting software for some certification types, such as products and complex services.

You may wish to engage carbon accounting professionals to help calculate your emissions. See our webpage on Climate Active registered consultants for more information.

How can I get access to the Climate Active tools and calculators?

Our tools and calculators are only made available to businesses seeking Climate Active certification. You will receive these materials if your application for certification has been approved and you have signed a licence agreement with us.

If you have engaged a Climate Active registered consultant to assist with your certification submission, they will also have access to these materials.

Can registered consultants provide emissions factors and Climate Active calculators to clients who are not seeking certification?

No. The Climate Active calculators and templates have been developed only for the benefit of businesses seeking certification under the program. Distributing, using or modifying our materials for non-certification purposes is not allowed.

For emission factors not in the Climate Active inventory, is a business required to account for regional differences for factors that are self-sourced?

You can add bespoke emission factors to the Climate Active carbon inventory if an existing factor is not available or suitable. You should seek to understand the methodologies and data that have informed the creation of the bespoke emission factor, to ensure that it is representative of your particular circumstances.

How often does Climate Active update the carbon inventory calculator and other reporting templates?

We update our tools, calculators and templates once a year. This process includes a review of available emission factors, as well as user feedback.

How does a business quantify professional services, for example marketing, especially if the business outsources them?

The emissions from professional services can be calculated based on the total amount spent on such services during the reporting period. For example, emissions from marketing services can be calculated using a specific expenditure-based emission factor available in the Climate Active inventory. The emission factor is framed as 'tonnes CO2-e/\$ spent on marketing'.

How are emissions from waste calculated?

The emissions from waste are calculated by a range of emission factors relating to various waste sources, such as general waste, paper and cardboard, textiles, and garden/green waste.



How are emissions from food and drinks quantified?

Climate Active provides emission factors for various food and drink items, so quantification is possible via the amount of money spent on those items.

Third-party tools

Does Climate Active accept the use of third-party carbon accounting tools?

Climate Active does not currently accept the use of any third-party tools for preparing a carbon inventory. Climate Active provides all reporting businesses with a range of in-house tools and calculators that must be used for reporting.



User Portal

Accessing the user Portal

What is the Climate Active user Portal?

The <u>Climate Active user Portal</u> allows businesses to apply for and manage their Climate Active certification(s).

The user Portal guide provides instructions on how to access and use the portal.

What is a Digital Identity?

A Digital Identity is used to access Australian Government services online.

You can create a Digital Identity using the Australian Government's <u>myGovID</u>. The Climate Active user Portal requires an identity strength of 'Standard'.

<u>NOTE:</u> myGovID will soon have a new name and look – but you'll continue to use it in the same way to access the Climate Active user Portal. Find out more: www.myGovID.gov.au/DiscovermyID.

I have a Digital Identity, how do I log in to the user Portal?

Your business's principal authority or authorisation administrator will need to authorise your access to the Climate Active user Portal. The portal is hosted by the Department of Industry, Science and Resources.

The <u>user Portal guide</u> provides further instructions on how to obtain a Digital Identity and gain authorisation to access the user Portal.

Who is my business's principal authority or authorisation manager?

Climate Active does not know who your business's principal authority or authorisation administrator is.

We suggest you speak with someone in your business's finance area or to your business's tax accountant.

I am a principal authority or authorisation manager, how do I provide access to my employee?

If you are a principal authority or authorisation administrator, you can <u>create authorisations</u> for employees and other individuals to work on behalf of your business. It is your responsibility to maintain the integrity of your business records.

What happens to our business's user Portal account if the responsible employee leaves the business?

The Climate Active user Portal account is based on the business's ABN (Australian Business Number).

If the primary employee responsible for your business's Climate Active certification moves on, the business's principal authority or authorisation administrator can provide the new responsible employee authorisation to access the user Portal.

The new responsible employee will need to obtain a Digital Identity and be authorised via the Relationship Authorisation Manager to access your business's user Portal.

The <u>User Portal guide</u> provides further instructions on how to obtain a Digital Identity and gain authorisation to access the user Portal.

It is advised to have more than one employee authorised by the business to access the user Portal.



Our legal entity name looks incorrect. Can you change it?

The user Portal retrieves the legal entity name assigned to the ABN from the <u>ABR look up</u> register. We are unable to amend this for you.

If you have an updated entity name or trading name, please use the 'Trading name' field via the Business information form to inform us of this.

Managing your business's user Portal

How do I make updates to our business's contact or business information?

You can manage your business's contact details or business information via your business's user Portal at any time, allowing you to keep the details up to date as changes occur within your business.

When logged into the user Portal, select the menu icon (top right of the page) and select either 'Manage contact information' or 'Manage business information' to update the relevant details.

Please note any third party that has been provided access to act on behalf of your business is unable to update your business's contact or business information due to privacy and security reasons.

See the User Portal guide for further information.

We have an approved application, but we would like to change some details. How do we do this?

If your business's certification application has been approved, but you now want to change some details you will need to email climate.active@industry.gov.au outlining the details you want to change.

Depending on the details to be changed a new application may be required.

Our approved application form for our first certification year doesn't match the reporting documents we completed. Can we still submit our documents against our current application?

No. If the application form for your first certification year was approved for FY2022-23 (for example), but you have compiled your reporting documents for a different year (FY2023-24 for example), you will need to submit a new application form to correct this. If this is not corrected, all future generated reporting forms will be incorrect.

Reports will not be processed if they are not submitted against the correct reporting year.

I want to submit my business's annual reports, but I can't as it says the due date has passed. What do I do?

If you do not have an approved due date extension in place, you will not be able to submit your business's annual reports.

Please submit a due date extension request and provide a reason as to why you need to submit after the formal reporting due date as outlined in your business's licence agreement.

See the 'Apply for Reporting Extension' section in the Portal guidance document.

I want to provide a third-party business with access to our Portal account, but I'm concerned about what they can access.

When you provide a third-party business access to your business's Portal account, the third-party can submit new certification application forms and upload and submit annual reporting documents.

The third party is unable to amend your business's information, amend your business's contact information or add or amend third-party portal access.



Third party validation

Technical Assessment

What is a technical assessment?

A technical assessment is a check undertaken by a <u>registered consultant</u> which ensures that certification claims are prepared in accordance with the rules of the Climate Active Carbon Neutral Standard. The technical assessor makes a yes/no judgement (with justification) against a list of questions.

More information is available in the Climate Active Technical Assessment document.

How often are technical assessments required?

For certifications where a technical assessment applies, technical assessments are required on the initial certification, and then every 3 years or whenever a base year recalculation is required. The 3-year period starts from the most recently certified reporting year.

For example, if the most recent technical assessment was undertaken on the 2023-24 financial year, then the next technical assessment would be required for the 2026-27 financial year report (unless a base year recalculation triggered an earlier technical assessment).

Please refer to the <u>Technical Guidance Manual</u> for more information about base year recalculations.

Third party validation

What is the difference between type 1, type 2 and type 3 validations?

There are three types of third party validations:

- a type 1 validation is a source data check
- a type 2 validation is an assurance engagement
- a type 3 validation is a critical review of a life cycle assessment and source data check.

Each has a separate methodology. For more information, including eligibility criteria for who can undertake third party validations, please refer to the Climate Active Third Party Validation document.

Can I get a registered consultant to complete the third party validation for my business?

A registered consultant can undertake a third party validation for a Climate Active certification if <u>both</u> the following conditions are met:

- they meet the eligibility criteria for who can undertake a third party validation, as set out in Table 3 of the <u>Third Party Validation</u> document, for the particular type of third party validation required for the certification, <u>and</u>
- they meet the independence requirements as described in the 'Independence requirements for third party validations' section of the same document.

Does a small organisation certification require a third party validation?

Yes. Small organisation certifications require a Type 1 third party validation. The requirements and procedure for a Type 1 third party validation are set out in the Third-Party-Validation document. Small organisation certifications do not require a technical assessment.



After the initial certification, is the third party validation ever required again?

After an initial certification has been achieved, additional third party validations can be required if a base year recalculation is required. Please refer to the <u>Technical Guidance Manual</u> for more information about base year recalculations.

Businesses may also be selected for an additional validation in any given year by a Climate Active appointed external assurance practitioner.

How much does a third party validation cost?

Climate Active does not set costs associated with third party validations. Costs associated with third party validations are agreed between businesses and those they engage to undertake the third party validation.

Requirements for who can undertake third party validations are set out in the <u>Third Party Validation</u> document.

What are the independence requirements for undertaking third party validations?

The <u>Third Party Validation</u> document sets out independence requirements for a third party validation in the 'Independence requirements for third party validations' section. Also, for each third party validation, the validation practitioner must make a declaration regarding any actual or perceived conflicts of interest (and how they are addressed).



Registered consultants

Who are registered consultants?

Climate Active registered consultants are carbon and energy professionals who can help businesses achieve Climate Active certification. They have completed training and assessment on the technical policies and procedures underpinning Climate Active certification.

You can find more information on the Register of consultants for Climate Active certification webpage.

How can a registered consultant help my business achieve certification?

All Climate Active certifications require a technical assessment (except for small events and businesses applying under the streamlined small organisation pathway). This technical assessment must be completed by a registered consultant who is trained in the certification type you are seeking.

Registered consultants may also be able to provide other services to support your Climate Active certification submission, such as preparing your carbon inventory.

Where can I find a list of Climate Active registered consultants?

Visit the Register of consultants for Climate Active certification webpage.

How do I become a Climate Active registered consultant?

Applications for registered consultant training are closed while we consider the future direction of the Climate Active program. The <u>Register of consultants for Climate Active certification</u> webpage will be updated when applications for training re-open. You can also keep up to date with the Climate Active News for updates on program reforms and registered consultant training.

