



GAIA

NATURAL CAPITAL

CLIMATE ACTIVE

AUSTRALIAN CARBON
NEUTRAL CERTIFICATION

8 September 2022

AUSTRALIAN GOVERNMENT CARBON NEUTRAL CERTIFICATION

WHAT IS CLIMATE ACTIVE?

Climate Active is the Australian Government’s carbon neutral certification awarded to Australian businesses, products, services and events that achieve carbon neutrality. Carbon neutrality can be achieved through implementing technology and new production methods to reduce emissions, and by purchasing carbon credits. The Climate Active certification is considered one of the most rigorous carbon neutral certifications globally. Once Climate Active certified, participants can utilise the Climate Active trademark to demonstrate their carbon neutrality.



The Climate Active certification is a rebrand of the Australian Government’s old ‘Carbon Neutral’ certification which has been available to businesses since 2010. The rebranding also occurred concurrently with an update on the cost and certification structure of the program, making the certification more accessible to Australian businesses.

WHO CAN BE CERTIFIED?

Businesses, buildings, products, events, precincts and services that credibly reach carbon neutrality can be certified as carbon neutral under Climate Active.

We expect the number of entities that are Climate Active certified to materially increase as companies implement their net zero commitments.

How Climate Active works.



FIVE STEPS TO CERTIFICATION

Phase One - Measure

The first phase is to measure the carbon footprint of the brand. Emissions are calculated by using factors provided by Climate Active that convert a unit of activity to an emissions equivalent. Once all emission sources are identified, the total emissions and carbon footprint is calculated.

Phase Two - Reduce

The second phase is to develop and implement a carbon emission reduction strategy. The goal is to determine the most cost-effective method to reduce a carbon footprint.

There are a variety of actions available to achieve this - including organisational change, process adjustments and technical upgrades.

This is a collaborative process whereby a carbon reduction plan is developed and implemented. This may include a site visit, employee education, business case development and support services.

Phase Three - Offset

Phase three is to buy a portfolio of carbon credits to offset unavoidable emissions. The best way to purchase carbon credits is through a portfolio of credits that have each been researched to avoid any brand and reputational damage from the use of poor-quality credits in the future.

Phase Four - Validate

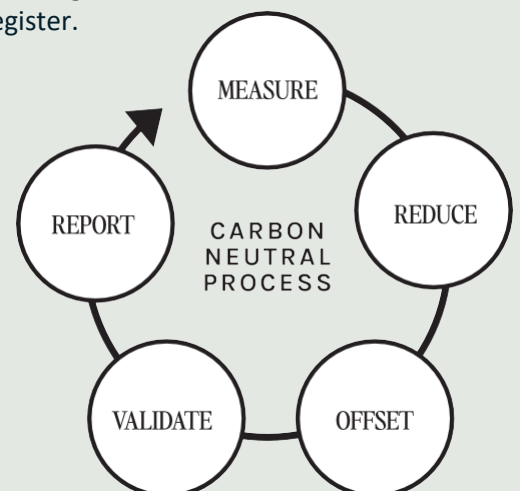
The next step involves independent third-party verification to confirm that emissions have been calculated correctly and the emission reduction strategy adheres to Climate Active guidelines. The verification must be completed by an auditor on the Greenhouse and Energy auditor register.

Phase Five - Report

The last step in the process is to send all documentation to Climate Active for assessment and final certification.

Climate Active then provides both certification and a public disclosure statement that will be published on their website. The statement shows the carbon footprint, carbon reduction strategy and the offsets bought to achieve carbon neutrality. This proves to the customers the commitment the brand has made to reduce its environmental impact and carbon neutral status.

Each year the five steps must be completed to maintain Climate Active certification.





CLIMATE ACTIVE

WHO IS CERTIFIED?

There are 305 organisations, 62 products, 31 services, 14 events, two precincts and 30 buildings with current Climate Active certification. The professional, scientific and technical services industry accounts for 35% of all certified businesses making it the most well represented industry.

98 of the ASX 300 have committed to net zero by 2030, however, less than 20 of the ASX300 have had their business certified to date.¹ As more of these companies implement their net zero commitments, the number of certifications is expected to increase materially. The full list of Climate Active certifications can be found [here](#).

ELIGIBLE CARBON CREDITS

There are five types of voluntary carbon credits that can be used to offset emissions and reach carbon neutrality, being:

1. Australian Carbon Credit Units (ACCUs);
2. Verified Carbon Units (VCUs);
3. Verified Emissions Reductions (VERs);
4. Removal Units (RMUs); and
5. Certified Emissions Reductions (CERs)

Climate Active will require at least 20% of credits used to offset to be ACCUs in the near term. This change was made to drive demand and action in Australia's Carbon credit Market, which Climate Active view as being of superior integrity.

HOW DO I GET CERTIFIED?

Gaia Natural Capital provides advisory services to brands seeking Climate Active Certification. We work with our clients from measurement all the way through to reporting and provide access to our carbon credit model portfolios.

If you would like to learn more about attaining Climate Active Certification with Gaia Natural Capital, please email us at info@gaiacap.com.au.

¹ Source: Gaia Natural Capital Analysis

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