



# Certification Scheme Rules

2023

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# INTRODUCTION

Climate Active is an Australian Government initiative that provides certification for carbon neutral claims in Australia. Climate Active provides certification for entities that have credibly reached a state of carbon neutrality by measuring, reducing, offsetting, validating and reporting on greenhouse gas emissions against the requirements of the Climate Active Carbon Neutral Standard.

The Department of Climate Change, Energy, the Environment and Water (the Department) and other entities approved by the Department (Certifiers) are responsible for certification. Certification is only provided if the requirements of the Carbon Neutral Standard are met.

Following certification, businesses are granted use of a Climate Active Carbon Neutral Certification Trade Mark which they can use, subject to rules governing use as described in this document, to promote their carbon neutral credentials.

## ***Climate Active Carbon Neutral Standard and supporting documents***

The Carbon Neutral Standard sets rules for measuring, reducing, offsetting, validating and reporting on greenhouse gas emissions for the Certification Categories. The Carbon Neutral Standard is built around integrity, credibility and draws upon international best-practice protocols and standards, including the Greenhouse Gas (GHG) Protocol and ISO 14040 series.

There are five variants of the Carbon Neutral Standard, corresponding to the Certification Categories, which are:

- [The Carbon Neutral Standard for Organisations](#)
- [The Carbon Neutral Standard for Product and Services](#)
- [The Carbon Neutral Standard for Events](#)
- [The Carbon Neutral Standard for Precincts](#)
- [The Carbon Neutral Standard for Buildings](#)

The Carbon Neutral Standard is supported by legal, administrative and technical tools and documents detailed below.

- [The Licence Agreement](#)

The Licence Agreement sets obligations and rules between a Certified User and the Department to use the Certification Trade Mark. The Licence Agreement includes a Fee Schedule, which sets annual certification fees for organisation, product, service, precinct and event certifications; a Reporting Schedule, which sets requirements for the timing of reports from applicants for carbon neutral certification to be received by the Department; and a Validation Schedule, which sets requirements regarding timing of, and eligibility criteria for who can undertake, validation procedures required by the Carbon Neutral Standard.

The Licence Agreement also sets out other obligations and rules, including requirements for notifying the Department of changes associated with a certification, obligations relating to the permissible use of the Certification Trade Mark, a requirement to uphold the reputation of the Certification Trade Mark, a licence to use the Certification Trade Mark, arrangements for undertaking audits, suspension and termination, and protections around confidential information. The Licence Agreement must be signed by a Responsible Entity on behalf of a Certified User prior to the Department providing carbon neutral certification.

Alternatively, Terms and Conditions may be agreed to via a functionally equivalent digital interface supplied by the Department.

Fees and other administration arrangements for building certifications are administered by the National Australian Built Environment Rating System (NABERS) or the Green Building Council Australia (GBCA) as approved Certifiers for Climate Active Carbon Neutral building certification.

- [The Technical Guidance Manual](#)

The Technical Guidance Manual provides detailed technical information for entities seeking certification to guide them in meeting the requirements of the Carbon Neutral Standard. This technical information includes additional guidance on how to establish an emissions boundary, calculating a carbon inventory, criteria for acceptable emissions reduction strategies, offsetting residual emissions with eligible offset units, compliance procedures, and outlines the certification process for the various Certification Categories.

- [The Electricity Accounting Rules](#)

Climate Active's Electricity Accounting Rules are adapted from the best-practice GHG Protocol Scope 2 Guidance document and informed by stakeholder consultation within Climate Active. The Electricity Accounting Rules set out a dual reporting framework in which organisations must report electricity consumption and emissions via a location-based method (in which emissions are calculated from the emissions intensity of the grid in which an organisation operates) and a market-based electricity accounting method (in which emissions are calculated from an organisation's investments in electricity sources). The choice of which method is set as the primary method determines the emissions liability associated with electricity consumption.

- [The User Guide](#)

The User Guide sets out requirements regarding the permissible use of the Certification Trade Mark, including that the Certification Trade Mark can only be used in connection with a specific certification, to avoid the potential for misleading claims.

For example, if the Department provides an entity with certification as a carbon neutral organisation, that entity cannot use the Certification Trade Mark to claim that it has achieved certification for its products or services (unless that entity has also received certification separately for the specific product or service). The User Guide also sets out aesthetic requirements regarding the Certification Trade Mark, including that Certified Users must not modify the Certification Trade Mark, change its shape or colour, or bend it around surfaces. Those requirements are also provided in this Certification Scheme Rules document in section 2.

- Other documents

Other documents provided by the Department to entities seeking certification are a range of reporting documents, including reporting templates used to prepare Public Disclosure Statements for each Certified User, an inventory which includes current and reputable emissions factors for preparing a carbon inventory (for example, from the National Greenhouse Account Factors publication), an electricity calculator for calculating electricity emissions under the dual reporting framework, and a calculator for estimating emissions from employees who work at home. Entities may also be supplied with a functionally equivalent digital interface that assists with reporting.

# 1. RULES FOR USE


## 1.1. Definitions

- a. **Affiliate Entity** means an entity nominated by a Certified User and approved in writing by the Department.
- b. **Certified** means, in relation to an Item, being the subject of a current Notice of Certification that has not been terminated, revoked or suspended.
- c. **Certified User** means an entity that has been approved by a Certifier as having achieved carbon neutrality for the relevant Certification Category and has agreed to the Terms and Conditions by executing the Licence Agreement.
- d. **Certification Category** means the categories that can be certified. The following certification categories are currently available:
  - i. Organisations
  - ii. Products and Services
  - iii. Buildings
  - iv. Precincts
  - v. Events

New Certification Categories may be added in the future; and current Certification Categories may be amended.

- e. **Certifier** means the Department and other entities approved by the Department that can certify organisations, products, services, buildings, precincts and events (or other variants) as carbon neutral. The Department keeps a list of approved Certifiers.
- f. **Certification** means certification in accordance with the Climate Active Carbon Neutral Standard.
- g. **Certification Scheme** means the scheme operated by the Department in respect of certifying carbon neutrality and governed by the Certification Scheme Rules.
- h. **Certification Scheme Rules** means this Certification Scheme Rules document incorporating its appendices.



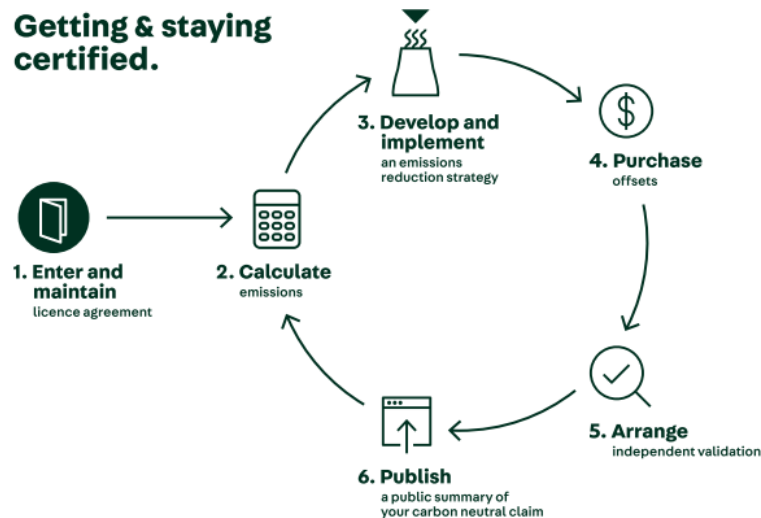
- i. **Certification Trade Mark**  means the subject of Trade Mark Application 2042153, including the Certification Trade Mark Variants, and International Registration 1624048 filed under the Madrid Protocol, which is based on Australian Trade Mark Application 2042153.
- j. **Certification Trade Mark Variants** means the variations of the Certification Trade Mark outlined at Section 2: Visual Style Guide 2.3 and 2.4 or such additional and substantially identical variants approved from time to time by the Department.
- k. **Climate Active** means the Certification Scheme operated by the Department, also referred to as the Climate Active program or Climate Active initiative.
- l. **Climate Active team** means a team within the Department responsible for administering Climate Active.
- m. **Climate Active Carbon Neutral Standard (the Carbon Neutral Standard)**: A standard which sets out the requirement for making and certifying carbon neutral claims against the Certification Categories, as amended from time to time and published on the Department's website.

- n. **Department** means the Australian Government Department of Climate Change, Energy, the Environment and Water or its administrative successor.
- o. **Item** includes an organisation, product, service, event, precinct, building or other thing in which Certification can be sought or which is Certified under the Carbon Neutral Standard.
- p. **Licence Agreement** means the licence entered into with the Department containing the Terms and Conditions. This may be in the form of a digital interface which sets out Terms and Conditions.
- q. **Notice of Certification** means a document provided by a Certifier stating that an entity has become a Certified User.
- r. **Notice of Ongoing Certification** means a document provided by a Certifier stating that an entity has maintained their certification in the subsequent reporting year.
- s. **Responsible Entity** means the legal entity that has sought a Notice of Certification in relation to an Item against the Carbon Neutral Standard and which is agreeing to or has agreed to the Terms and Conditions and is entering or has entered the Licence Agreement and all person(s) duly authorised to act on the legal entity's behalf.
- t. **Trade Mark Owner** - the owner of the **Certification Trade Mark** is The Commonwealth of Australia, as represented by the Department of Climate Change, Energy, the Environment and Water or its administrative successor.
- u. **Terms and Conditions** means the terms in the licence between a Certified User and the Department to use the Certification Trade Mark.
- v. **User Guide** means the document 'user guide for the Climate Active Carbon Neutral Standard Certification Trade Mark' available on the Department's [Climate Active website](#).

## 1.2. The certification process

All entities that seek certification must establish that they have achieved carbon neutrality for the Certification Category for which they apply. To become carbon neutral, an entity must apply for certification and sign a Licence Agreement, calculate their emissions consistently with the requirements of the applicable Carbon Neutral Standard to the Certification Category, develop and implement an emissions reduction strategy, purchase and retire eligible offset units to compensate for residual emissions (those that remain after emissions reduction actions have been implemented), satisfy any independent validation requirements, and publish a freely available public report on the Department's Climate Active website which discloses the basis of the carbon neutral claim.

### Six steps to certification



Where an application is for a carbon neutral claim that extends over multiple calendar or financial year periods, that entity must repeat the above steps on an annual reporting basis to maintain their certification, be provided with a Notice of Ongoing Certification (or equivalent), and be granted continued use of the Certification Trade Mark.

The specifics of these requirements vary depending on the particular Certification Category and whether the certification is for the first year or for subsequent years as part of ongoing re-certification through annual reporting. The specific steps to achieving certification for each Certification Category are described below.

### Organisation certifications

The Carbon Neutral Standard for Organisations sets out the specific requirements for carbon neutral organisation certifications. Additional information to guide entities in satisfying these requirements is set out in the other supporting documents referred to in the Introduction section of this document.

1. Apply for certification (for new certifications only)

All entities seeking an organisation certification must contact the Department and express their interest in seeking organisation certification. The Department will provide them with an application form, which requests relevant details, such as the organisation name, contact details, anticipated emissions boundary size, and their choice of calendar or financial year reporting. The completed application form must be returned to the Department. The Department will then will approve the registration if all necessary

information has been provided. The application form can be provided in the form of a digital interface which records the required information.

## 2. Sign the Licence Agreement

The Department will then provide a copy of the Licence Agreement to the organisation's nominated contact. The Licence Agreement must be signed by an entity with the legal ability to enter into the Terms and Conditions on behalf of the organisation seeking certification. The entity which signs the Licence Agreement is called the 'Responsible Entity'. The Responsible Entity and the entity seeking certification can be the same organisation. The signed Licence Agreement must be provided to the Department for the Department's records. Alternatively, the Department may provide the organisation's nominated contact with a link to a functionally equivalent online digital interface which records the Responsible Entity's agreement to the Terms and Conditions.

## 3. Measure emissions

The organisation must measure and calculate their emissions, and complete a carbon inventory, consistently as set out in the Carbon Neutral Standard for Organisations (Section 2.3). To calculate their emissions, organisations must:

- define the organisation through its Australian Business Number (ABN) or Australian Company Number (ACN);
- identify all emissions that the organisation has direct control of or ownership of using a selected control approach – i.e. that are in their operational control, financial control, or in relation to their equity share of operations;
- identify all emissions that are a consequence of the organisation's activities but are outside of its direct ownership or control;
- determine which emissions are relevant (including all emissions deemed relevant by the Carbon Neutral Standard for Organisations) by applying the relevancy test to all identified emissions; and
- consider if any emission sources should be identified within the emissions boundary but not quantified in the carbon account.

The carbon account must include emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

To assist the organisation, the Department will provide the organisation (or their nominated contacts) with supporting documents. These documents may include:

- an inventory by which an organisation can measure their emissions by multiplying activity data by credible emissions factors;
- an electricity calculator by which an organisation can measure their electricity emissions by inputting electricity consumption and eligible renewable sources consistent with the requirements of the Electricity Accounting Rules;
- a working from home calculator by which an organisation can calculate emissions associated with employees who work from home;
- a template Public Disclosure Statement which is used to disclose the basis for the organisation's carbon neutral certification, including disclosure of the organisation's emissions sources and emissions liability, emissions reduction strategy, and details of all offset units retired to compensate for the full emissions liability.



Alternatively, or additionally, the Department may provide the organisation (or their nominated contacts) with a link to an online digital interface which is functionally equivalent to some or all of the supporting documents.

#### 4. Reduce emissions

An organisation seeking to become certified must develop and maintain an emissions reduction strategy, consistent with the requirements of the Carbon Neutral Standard for Organisations (Section 2.4). The emissions reduction strategy must identify the emissions reduction measures to be undertaken over a specified timeframe and should quantify expected emissions reductions, where possible. At the end of each reporting year, the responsible entity should review its success in achieving emissions reductions. A summary or outline of the emissions reduction strategy must be included in the annual Public Disclosure Statement or other public report.

#### 5. Offset emissions

Any remaining emissions must be compensated for each year through retiring (also known as cancelling) an equivalent number of eligible offset units, consistent with the requirements of the Carbon Neutral Standard for Organisations (Section 2.5).

There are two approaches:

- Forward offsetting: this involves estimating emissions for the coming reporting year and cancelling that number of eligible offset units at the start of the year. This must be followed by an annual true-up process to ensure that the number of retired eligible offset units is at least equal to actual emissions;
- Offsetting in arrears: this involves retiring offset units for the claim period after it has finished.

Eligible offset units are defined in Appendix A of the Carbon Neutral Standard for Organisations.

#### 6. Validate

An organisation seeking to become certified must achieve independent third party validation of their initial report. The requirements and timing for independent third party validation are set out in the Carbon Neutral Standard (Section 2.6), the Validation Schedule of the Licence Agreement, and additional information is provided in the Technical Guidance Manual. A range of integrity checks can be required, and vary depending on specific features of the organisation, and may also include a Technical Assessment.

The Department will also undertake a spot check of a proportion of all certifications in a year to undergo an additional independent third party validation.

#### 7. Report

An annual report must be made publicly available to communicate progress on emissions reduction activities and offsetting as part of a carbon neutral claim, consistent with the requirements of the Carbon Neutral Standard for Organisations (Section 2.7). Annual reporting keeps the public and other interested parties informed in an open and transparent manner and communicates achievements in managing emissions. The public report is published on the Department's Climate Active website.

### ***Product and Service certifications***

The Carbon Neutral Standard for Products and Services sets out the specific requirements for carbon neutral product and service certifications. Additional information to guide entities in satisfying these requirements is set out in the other supporting documents referred to in the Introduction section of this document.

### 1. Apply for certification (for new certifications only)

All entities seeking a product or service certification must contact the Department and express their interest in seeking certification. The Department will provide the entity with an application form, which requests relevant details of the product or service such as its name, functional unit (a means of expressing emissions per relevant unit of a product or service), anticipated emissions boundary size, and their choice of calendar or financial year reporting. The completed application form must be provided back to the Department. The Department will then will approve the registration if all necessary information has been provided. The application form can be provided in the form of a digital interface which records the required information.

### 2. Sign the Licence Agreement

The Department will then provide a copy of the Licence Agreement to the entity's nominated contact. The Licence Agreement must be signed by an entity with the legal ability to enter into terms and conditions on behalf of the entity seeking certification. The entity which signs the Licence Agreement is called the 'Responsible Entity'. The Responsible Entity and the entity seeking certification can be the same entity. The signed Licence Agreement must be provided to the Department for the Department's records. Alternatively, the Department may provide the entity's nominated contact with a link to a functionally equivalent online digital interface which records the Responsible Entity's agreement to the Terms and Conditions.

### 3. Measure emissions

The entity must measure and calculate emissions, and complete a carbon inventory, consistently as set out in the Carbon Neutral Standard for Products and Services (Section 2.3). To calculate the product or service's emissions, the entity must:

- define a functional unit (for example, 'tonnes of CO<sub>2</sub>-e per bottle sold');
- identify the attributable processes along the life cycle of a product or service;
- group the attributable processes into life cycle stages;
- identify the service, material and energy flows needed for each attributable process;
- illustrate the product or service's life cycle processes through a process map.

A life cycle assessment is conducted on either a cradle-to-grave or cradle-to-gate basis. A cradle-to-grave life cycle assessment considers the entire life cycle of a product or service, from raw material extraction and acquisition, through to energy and material production and manufacturing, to use and end of life treatment and disposal.

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 defined. Cradle-to-gate is a partial life cycle inventory, including all emissions and removals from material acquisition through to when the product leaves the responsible entity's gate (typically immediately following its production) and excluding final product use and end-of-life. If a cradle-to-gate boundary is defined, responsible entities must disclose this in the public report.

The carbon account must include emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

As the carbon account is developed via a lifecycle assessment, undertaken by a qualified lifecycle practitioner, the Department does not require use of the Climate Active team's supplied inventory or electricity calculator. The Department may provide some supporting documents including a template for the public report. The Department may provide the organisation (or their nominated contacts) with a link to an online digital interface which is functionally equivalent to some or all of the supporting documents.

#### 4. Reduce emissions

An entity seeking product or service certification must develop and maintain an emissions reduction strategy, consistent with the requirements of the Carbon Neutral Standard for Products and Services (Section 2.4). The emissions reduction strategy must identify the emissions reduction measures to be undertaken and the quantity of emissions expected to be reduced over a specified timeframe, where this can be quantified. At the end of each reporting year, the responsible entity should review its success in achieving emissions reductions. A summary or outline of the emissions reduction strategy must be included in the annual Public Disclosure Statement or other public report.

#### 5. Offset emissions

Any remaining emissions must be compensated for each year through retiring an equivalent number of eligible offset units, consistent with the requirements of the Carbon Neutral Standard for Products and Services (Section 2.5). There are two approaches:

- Forward offsetting: this involves estimating emissions for the coming reporting year and cancelling that number of eligible offset units at the start of the year. This must be followed by an annual true-up process to ensure that the number of retired eligible offset units is at least equal to actual emissions;
- Offsetting in arrears: this involves retiring offset units for the claim period after it has finished.

Eligible offset units are defined in Appendix A of the Carbon Neutral Standard for Products and Services.

#### 6. Validate

An entity seeking product or service certification must achieve independent third party validation of their initial report. The requirements and timing for independent third party validation are set out in the Carbon Neutral Standard for Products and Services (Section 2.6), the Validation Schedule of the Licence Agreement, and additional information is provided in the Technical Guidance Manual.

Integrity checks will include a Technical Assessment and an independent third party validation. A third party validation for a product or service will require a source data check and may also require an expert review of the life cycle methodology by a practitioner who meets requirements set out in the Licence Agreement.

The Department will also undertake a spot check of a proportion of all certifications in a year to undergo an additional independent third party validation.

#### 7. Report

An annual report must be made publicly available to communicate progress on emissions reduction activities and offsetting as part of a carbon neutral claim, consistent with the requirements of the Carbon Neutral Standard for Products and Services (Section 2.7). Annual reporting keeps the public and other interested parties informed in an open and transparent manner and communicates achievements in managing emissions. The public report is published on the Department's website.

### ***Event certifications***

The Carbon Neutral Standard for Events sets out the specific requirements for carbon neutral event certifications. Additional information to guide entities in satisfying these requirements is set out in the other supporting documents referred to in the Introduction section of this document.

1. Apply for certification (for new certifications only)

All entities seeking an event certification must contact the Department and express their interest in seeking certification. The Department will provide the entity with an application form, which requests relevant details of the event such as its name, a description and location of the event, how many people are expected to attend, the anticipated emissions boundary size, and whether the event recurs yearly and the entity intends to seek certification for the event each year. The completed application form must be provided back to the Department. The Department will then will approve the registration if all necessary information has been provided. The application form can be provided in the form of a digital interface which records the required information.

## 2. Sign the Licence Agreement

The Department will then provide a copy of the Licence Agreement to the entity's nominated contact. The Licence Agreement must be signed by an entity with the legal ability to enter into terms and conditions on behalf of the entity seeking certification. The entity which signs the Licence Agreement is called the 'Responsible Entity'. The Responsible Entity and the entity seeking certification can be the same. The signed Licence Agreement must be provided to the Department for the Department's records.

Alternatively, the Department may provide the entity's nominated contact with a link to a functionally equivalent online digital interface which will record the Responsible Entity's agreement to the Terms and Conditions.

## 3. Measure emissions

The entity must measure and calculate emissions, and complete a carbon inventory, consistently as set out in the Carbon Neutral Standard for Events (Section 2.3). To calculate the event's emissions, the entity must:

- define the event;
- identify all emissions that are a consequence of the event taking place;
- determine which emissions are relevant (including all emissions deemed relevant by the Carbon Neutral Standard for Events) by applying the relevancy test to all identified emissions;
- consider if any emissions sources should be identified within the emissions boundary but not quantified in the carbon account.

The carbon account must include emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

An entity must calculate a pre-event carbon account and a post-event carbon account. The pre-event carbon account is used to estimate the expected emissions of the upcoming event and an equal or greater number of eligible offset units must be retired upfront to acquit the expected emissions. A post-event carbon account must be prepared within four months of the event's delivery. For all events, the entity must re-calculate the carbon account after the event's delivery. If the post-event carbon account exceeds the pre-event carbon account, a quantity of additional eligible offset units equal to or greater than the difference in carbon accounts is required to be retired.

To assist the entity, the Department will provide the entity (or their nominated contacts) with supporting documents as described above for organisation certifications. Alternatively, or additionally, the Department may provide the entity (or their nominated contacts) with a link to an online digital interface which is functionally equivalent to some or all of the supporting documents.

## 4. Reduce emissions

An entity seeking an event certification must develop and maintain an emissions reduction strategy, consistent with the requirements of the Carbon Neutral Standard for Events (Section 2.4). The emissions

reduction strategy must identify the emissions reduction measures to be undertaken and the quantity of emissions expected to be reduced over a specified timeframe, where this can be quantified. A summary or outline of the emissions reduction strategy must be included in the annual Public Disclosure Statement or other public report.

#### 5. Offset emissions

Any remaining emissions must be compensated for each year through retiring an equivalent number of eligible offset units, consistent with the requirements of the Carbon Neutral Standard for Events (Section 2.5).

Eligible offset units must be retired upfront with a sufficient quantity of eligible offset units equal to or greater than the pre-event carbon account.

A true-up is performed after the event to ensure that a sufficient quantity of units has been retired. The responsibly entity must calculate the difference between the post-event carbon account and the number of eligible offset units cancelled prior to the event. If more eligible offset units have already been retired than needed to acquit the carbon neutral claim for the event, the excess may be carried over to be used against other carbon neutral claims. If the post-event carbon account is greater than the number of units already cancelled, additional units will need to be purchased and retired to meet this discrepancy.

Eligible offset units are defined in Appendix A of the Carbon Neutral Standard for Events.

#### 6. Report

A report must be made publicly available to communicate progress on emissions reduction activities and offsetting as part of a carbon neutral claim, consistent with the requirements of the Carbon Neutral Standard for Events (Section 2.6). Reporting keeps the public and other interested parties informed in an open and transparent manner and communicates achievements in managing emissions. The public report is published on the Department's website. Events are required to prepare a public report prior to the event and another public report within four months of the delivery of the event.

#### 7. Validate

The requirements and timing for independent third party validation are set out in the Carbon Neutral Standard for Events (Section 2.7), the Validation Schedule of the Licence Agreement, and additional information is provided in the Technical Guidance Manual.

The Department will also undertake a spot check of a proportion of all certifications in a year to undergo an additional independent third party validation.

### ***Precinct certifications***

The Carbon Neutral Standard for Precincts sets out the specific requirements for carbon neutral precinct certifications. Additional information to guide entities in satisfying these requirements is set out in the other supporting documents referred to in the Introduction section of this document.

#### 1. Apply for certification (for new certifications only)

All entities seeking a precinct certification must contact the Department and express their interest in seeking precinct certification. The Department will provide them with an application form, which requests relevant details of the precinct such as the size and geographical location of the precinct, anticipated emissions boundary size, and their choice of calendar or financial year reporting. The completed application form must be provided back to the Department. The Department will then will approve the

registration if all necessary information has been provided. The application form can be provided in the form of a digital interface which records the required information.

## 2. Sign the Licence Agreement

The Department will then provide a copy of the Licence Agreement to the precinct's nominated contact. The Licence Agreement must be signed by an entity with the legal ability to enter into terms and conditions on behalf of the precinct seeking certification. The entity which signs the Licence Agreement is called the 'Responsible Entity'. The Responsible Entity and the entity seeking certification can be the same entity. The signed Licence Agreement must be provided to the Department for the Department's records. Alternatively, the Department may provide the precinct's nominated contact with a link to a functionally equivalent online digital interface which records the Responsible Entity's agreement to the Terms and Conditions.

## 3. Measure emissions

The precinct must measure and calculate their emissions, and complete a carbon inventory, consistently as set out in the Carbon Neutral Standard for Precincts (Section 2.3). To calculate their emissions, precincts must:

- define the precinct through its geographic boundary;
- identify all emissions that are a consequence of the precinct's operations;
- determine which emissions are relevant (including all emissions deemed relevant by the Carbon Neutral Standard for Precincts) by applying the relevancy test;
- consider if any emission sources should be identified within the emissions boundary but not quantified in the carbon account.

The carbon account must include emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

To assist the entity, the Department will provide the entity (or their nominated contacts) with supporting documents as described above for organisation certifications. Alternatively, or additionally, the Department may provide the entity (or their nominated contacts) with a link to an online digital interface which is functionally equivalent to some or all of the supporting documents.

## 4. Reduce emissions

A precinct seeking to become certified must develop and maintain an emissions reduction strategy, consistent with the requirements of the Carbon Neutral Standard for Organisations (Section 2.4). The emissions reduction strategy must identify the emissions reduction measures to be undertaken over a specified timeframe and should quantify expected emissions reductions, where possible. At the end of each reporting year, the responsible entity should review its success in achieving emissions reductions. A summary or outline of the emissions reduction strategy must be included in the annual Public Disclosure Statement or other public report.

## 5. Offset emissions

Any remaining emissions must be compensated for each year through retiring an equivalent number of eligible offset units, consistent with the requirements of the Carbon Neutral Standard for Precincts (Section 2.5). There are two approaches:

- Forward offsetting: this involves estimating emissions for the coming reporting year and cancelling that number of eligible offset units at the start of the year. This must be

followed by an annual true-up process to ensure that the number of retired eligible offset units is at least equal to actual emissions;

- Offsetting in arrears: this involves retiring offset units for the claim period after it has finished.

Eligible offset units are defined in Appendix A of the Carbon Neutral Standard for Precincts.

#### 6. Validate

A precinct seeking to become certified must achieve independent third party validation and a technical assessment of their initial report. The requirements and timing for independent third party validation are set out in the Carbon Neutral Standard for Precincts (Section 2.6), the Validation Schedule of the Licence Agreement, and additional information is provided in the Technical Guidance Manual.

The Department will also undertake a spot check of a proportion of all certifications in a year to undergo an additional independent third party validation.

#### 7. Report

An annual report must be made publicly available to communicate progress on emissions reduction activities and offsetting as part of a carbon neutral claim, consistent with the requirements of the Carbon Neutral Standard for Precincts (Section 2.7). Annual reporting keeps the public and other interested parties informed in an open and transparent manner and communicates achievements in managing emissions. The public report is published on the Department's website.

### ***Building certifications***

The Carbon Neutral Standard for Buildings sets out the specific requirements for carbon neutral building certifications. Additional information to guide entities in satisfying these requirements is set out in the other supporting documents referred to in the Introduction section of this document. Climate Active Carbon Neutral building certifications are administered via the National Australian Built Environment Rating System (NABERS) or the Green Building Council Australia (GBCA). NABERS and GBCA are approved Certifiers for Climate Active Carbon Neutral building certification.

#### 1. Apply for certification (for new certifications only)

For an entity seeking building certification, an application can be made by contacting the NABERS National Administrator at [nabers@environment.nsw.gov.au](mailto:nabers@environment.nsw.gov.au) or the Green Building Council of Australia (GBCA) at [greenstar@gbca.org.au](mailto:greenstar@gbca.org.au).

#### 2. Sign the Licence Agreement

GBCA or NABERS will provide the entity with a copy of a Sublicence. The Sublicence must be signed by an entity with the legal ability to enter into terms and conditions on behalf of the building seeking certification. The signed Sublicence must be provided to NABERS or GBCA for their records.

#### 3. Measure emissions

The building must measure and calculate their emissions consistently as set out in the Carbon Neutral Standard for Buildings (Section 2.3). To calculate their emissions, the emissions boundary of a building must be defined via its geographic boundary, building operations, and relevance test. For buildings seeking carbon neutral certification through NABERS Energy, most of the carbon account can be calculated in accordance with protocols and guidance for a NABERS Energy rating. For buildings seeking carbon neutral certification through Green Star – Performance, most of the carbon account can be calculated in accordance with Green Star – Performance submission guidelines and guides. However,

there are several additional items that must be included to complete the carbon account against the Building Standard, as specified in the Carbon Neutral Standard for Buildings.

The carbon account must include emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

#### 4. Reduce emissions

A building seeking to become certified must develop and maintain an emissions reduction strategy, or achieve (or commit to) a minimum 4 star NABERS Energy rating or a 4 Star Green Star – Performance rating, consistent with the requirements of the Carbon Neutral Standard for Buildings (Section 2.4). Where a commitment is made, the rating requirement must be achieved within three years from the carbon neutral certification. The requirements for NABERS and Green Star may be updated from time to time.

The emissions reduction strategy must identify the emissions reduction measures to be undertaken over a specified timeframe and should quantify expected emissions reductions, where possible. At the end of each reporting year, the responsible entity should review its success in achieving emissions reductions. A summary or outline of the emissions reduction strategy must be included in the annual Public Disclosure Statement or other public report.

#### 5. Offset emissions

Any remaining emissions must be compensated for each year through retiring an equivalent number of eligible offset units, consistent with the requirements of the Carbon Neutral Standard for Buildings (Section 2.5). There are two approaches:

- Forward offsetting: this involves estimating emissions for the coming reporting year and cancelling that number of eligible offset units at the start of the year. This must be followed by an annual true-up process to ensure that the number of retired eligible offset units is at least equal to actual emissions;
- Offsetting in arrears: this involves retiring offset units for the claim period after it has finished.

Eligible offset units are defined in Appendix A of the Carbon Neutral Standard for Buildings.

#### 6. Validate

Certification against the Carbon Neutral Standard for Buildings through the Green Star – Performance or NABERS Energy pathways relies primarily on the existing review and quality control processes of these pathways to provide confidence in carbon neutral reporting. The NABERS Energy and Green Star – Performance assessment processes include standardised methods for calculating the carbon account and confirming offset retirements. NABERS and Green Star's quality assurance systems ensure that these methods are applied consistently in accordance with the requirements of the Carbon Neutral Standard for Buildings. Additional information on the quality assurance processes under NABERS and Green Star are provided in the Carbon Neutral Standard for Buildings (Section 2.6).

#### 7. Report

An annual report must be made publicly available to communicate progress on emissions reduction activities and offsetting as part of a carbon neutral claim, consistent with the requirements of the Carbon Neutral Standard for Buildings (Section 2.7). Annual reporting keeps the public and other interested parties informed in an open and transparent manner and communicates achievements in managing emissions. The public report is published on the Department's website.



### ***Additional information on validation and integrity requirements***

For organisation, product, service, event and precinct Certification Categories, entities must satisfy validation and integrity requirements as set out in the applicable Carbon Neutral Standard for the relevant Certification Category and in the Validation Schedule of the Licence Agreement. The Validation Schedule in the Licence Agreements sets out what kinds of validation are required for each Certification Category, varying depending on specific features of the certification (including the size of the emissions boundary), when validation is required, and criteria for who is eligible to undertake validation of a carbon neutral claim. These requirements can include:

- A technical assessment
- A third party validation
- A Department arranged risk-based spot third party validation
- Public Disclosure
- Assessment within the Climate Active team

The role of a technical assessment is to perform a methodological check on the carbon account and reporting documents to ensure they have been prepared consistently with the requirements of the Carbon Neutral Standard. A technical assessment is undertaken by a Registered consultant, which is a consultant with carbon accounting experience who has been formally trained and approved by the Climate Active team to undertake this function. Registered consultants are required to sign a Code of Conduct which contains conditions including that registered consultants undertake to behave with integrity, act with objectivity, avoid conflicts of interest, and act with a high level of diligence, professional competence and due care.

There are three kinds of third party validation: A Type 1 third party validation is a source data check on the carbon account performed by third party with accounting experience; A Type 2 third party validation is an assurance audit undertaken by an auditor; A Type 3 third party validation is a source data check and peer review on a lifecycle assessment by a qualified lifecycle practitioner.

Technical assessments and third party validations must be undertaken consistently with procedures [published](#) on the Department's Climate Active website. As part of validation requirements, entities can be required to provide reasonable access to a range of resources, including: facilities, equipment, personnel, records, utility bills, test reports, failure reports, review records, and additional reporting or information sources used to develop the carbon account.

The Department also funds and arranges a risk-based third party validation on a proportion of all certifications in a reporting year.

The integrity of carbon neutral claims is also enhanced by a requirement for all certifications to publish a freely available public report, called a Public Disclosure Statement, on the Department's Climate Active website. For annual reporting certifications, a report is required for each calendar or financial year reporting period. The report sets out the key components of the carbon neutral claim, including a description of what has been certified as carbon neutral, the components of the emissions boundary and judgements made in relation to relevant emissions, total emissions liability, emissions reduction strategy, and specific details of offset units used to compensate for residual emissions.

A final assessment on each organisation, product, service, event, and precinct certification is undertaken within the Climate Active team. This assessment functions as a check that all the required steps of the certification process have been undertaken as required. Assessment of building certifications is undertaken by either NABERS or GBCA as approved Certifiers.

### ***Approval of other entities as certifiers***

The Department may enter into contractual arrangements to allow other entities (Certifiers) to provide certification on behalf of the Department. This administrative arrangement will only be implemented where there is a strong business case and clear alignment between the organisational objectives of the Climate Active program, the Department and the other entity.

All Certifiers must have demonstrated relevant expertise and experience in carbon accounting and verification, and in administering a certification or rating program. Certifiers, other than the Department, have contractual arrangements in place with the Department setting out the Certifier's roles and responsibilities.

## **1.3. Approval to use the Certification Trade Mark**

At the conclusion of these steps, the Department (or an approved Certifier) will undertake an assessment to determine that all the requirements of the applicable Carbon Neutral Standard have been satisfied.

If all requirements have been met, a Notice of Certification (or equivalent) will be issued to the entity and they are then entitled to use a Certification Trade Mark consistently with the requirements of the Licence Agreement, User Guide, and this document.

The Certification Trade Mark allows an entity to demonstrate that they have achieved carbon neutral certification in relation to their application and the relevant Certification Category.

There are several variants of the Certification Trade Mark that can be used depending on the Certification Category. These are discussed in Section 2 of these Certification Scheme Rules.

## **1.4. Conditions for use of the Certification Trade Mark**

Certified Users authorised to use the Certification Trade Mark must do so in accordance with:

- a. the Terms and Conditions agreed between the Certified User and the Department or via a Certifier as set out in the Licence Agreement (or Sublicence);
- b. a Certified User must use the Certification Trade Mark Variant that corresponds with the Certification Category for which it has been certified;
- c. this Document, to the extent that this is not inconsistent with the Terms and Conditions.

## **1.5. Dispute Resolution Process**

### ***Complaints about a Certifier's decision***

If an entity disagrees with a decision of a Certifier in relation to the granting and use of the Certification Trade Mark, it may request an internal review of the decision by a person who was not part of the original decision making process.

An internal review application must be made in writing within 30 days of receipt of the written notice of the Certifier's decision. The application can be made by email to [Climate.Active@industry.gov.au](mailto:Climate.Active@industry.gov.au). No fees are payable for the internal review of a decision.

There is no set form for making an application for an internal review of a decision. Nonetheless, in order to undertake the review, the written application must clearly set out both:

- a. the grounds on which the decision should be reviewed; and
- b. the evidence to support a change to the Certifier's decision.

If information exists which was not provided to the Certifier as part of the original application, it may be provided for the purposes of the internal review.

Written notification of the decision on internal review and reasons for the decision will be issued to the entity within 60 days of the receipt of the application for internal review.

### ***Other complaints***

All entities can make other complaints about any aspect of the certification process. This helps us to continuously improve the Climate Active team's business practices.

We treat all complaints seriously and handle them in a timely manner. Complaints can be made by email to [Climate.Active@industry.gov.au](mailto:Climate.Active@industry.gov.au).

All complaints will be handled in a professional and confidential manner. Making a complaint will not affect an entity's relationship with us. The Department's Privacy Policy explains how we treat any personal information received.

When we receive a complaint we will respond by email within 5 business days.

### ***Suspension and termination***

The Licence Agreement sets out that the Department may by notice immediately suspend or terminate a certification and/or an entity's right to use the Certification Trade Mark if the Department considers that:

- an entity has failed to comply with the terms of the Licence Agreement, or
- the requirements of the Carbon Neutral Standard have not been met.

The Department may also record an entity's non-compliance with the Licence Agreement on a non-compliance register that we maintain which may be made publicly available.

### ***Right of appeal***

If an entity has followed the internal review processes set out in this section 1.5 but remains unhappy with a decision of the Department or a Certifier to:

- refuse an application for certification
- refuse authorisation to use the Certification Trade Mark
- suspend or terminate a certification and/or the right to use the Certification Trade Mark

that entity is entitled to seek an independent review of the decision by the Ombudsman of the Commonwealth of Australia.

## **1.6. Register of Certified Brands**

A searchable register of the Items certified under the Carbon Neutral Standard is available on the Department's [Climate Active website](#).

## 2. VISUAL STYLE GUIDE

### 2.1. The Certification Trade Mark

The Certification Trade Mark (2042153) is displayed below:



Certified Users must only use the master artwork files of the Certification Trade Mark supplied by the Certifier. The Certification Trade Mark must never be stretched or warped, keeping with the original dimensions specified in the master artwork files.

### 2.2. First use or different uses of the Certification Trade Mark

Before using the Certification Trade Mark for the first time or in a way that has not yet been approved by the Department, the Certified User must provide drafts of any new or different materials containing the Certification Trade Mark to the Department for review and approval.

Prior to providing approval for first use, the Department will check that the proposed use of the Certification Trade Mark aligns with the requirements in this Visual Style Guide. If the use does not align with the requirements in this Visual Style Guide, the Department may withhold approval to use the Certification Trade Mark until necessary amendments are made.

### 2.3. Certification Trade Mark Variants

Certified Users may only use the Certification Trade Mark Variants that correspond to the Certification Categories as approved by the Certifier.

Certified Users must only use the master artwork files of the Certification Trade Mark Variants supplied by the Department. The Certification Trade Mark Variants must never be stretched or warped, keeping with the original dimensions as specified in the master artwork files provided by the Certifier.

The Certification Trade Mark must only be used in the colours, format and variations approved by the Department.

#### ***Variants***

- Climate Active Carbon Neutral Product
- Climate Active Carbon Neutral Service
- Climate Active Carbon Neutral Event
- Climate Active Carbon Neutral Organisation
- Climate Active Carbon Neutral Precinct
- Climate Active Carbon Neutral Building

### Horizontal variants



### Vertical variants



## 2.4. Colour options

The Certification Trade Mark must appear in highland green, white, or black as shown below.

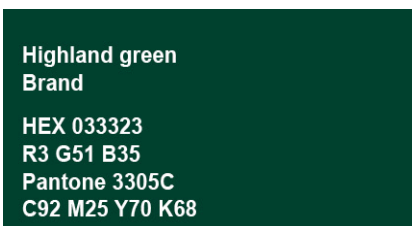
Highland green and black variants must adhere to the following:

- Highland green or black text and border on a white background; or
- White text on a highland green or black background.

White variants must be either a white text and border on a transparent background; or transparent text on a white background.

Approval for departures from these specifications must be formally requested from the Department and will be considered on a case-by-case basis.

The details of the highland green colour are as follows:



**Highland green variants**



**Black variants**



**White variants**



**2.5. Clear space**

When displaying the Certification Trade Mark on any materials, the Certified User must ensure that no other graphic, text or colour encroaches on the minimum amount of clear space required to border the Certification Trade Mark as set out below.

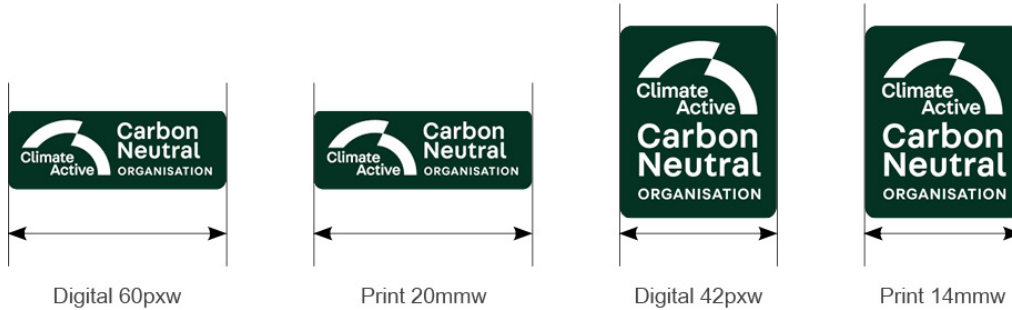
An exception to this rule is when using the white variant of the Certification Trade Mark and its variants as set out above, which may only be used over mid-tone or dark colours to ensure their legibility.



Margin is taken from the left edge of the box, not the brandmark or text.

## 2.6. Minimum size

The Certification Trade Mark and its variants may not be displayed in sizes smaller than as set out below:



## 2.7. Certification Trade Mark do's and don'ts

**Do's** The Certification Trade Mark must only be used in the correct colours, format and variants and in accordance with approval from the Department. Only use supplied master artwork files when creating artwork and adhere to the specified guidelines within this Visual Style Guide.



Do use the certification mark in the correct colours, format and variations.

**Don'ts** Don't alter the Certification Trade Mark or Certification Trade Mark Variants in any way other than provided in this User Guide.

