

Why Your Business Should Make Climate Active Certification a Priority in 2024

Canonical: <https://northmoregordon.com/articles/why-your-business-should-make-climate-active-certification-a-priority-in-2024/>

Details:

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Published: November 1, 2023.

Climate Active is an Australian Government-backed accreditation program enabling companies to certify their organisations, products, services, events, buildings or precincts as carbon neutral. The program requires measuring Scope 1, 2 and material Scope 3 emissions, reducing emissions where feasible, and offsetting the remainder through purchased and retired offsets. Annual reporting is published on the Climate Active website. For businesses, certification demonstrates alignment with national sustainability goals, enhances brand reputation, and signals commitment to environmental responsibility to customers, investors and employees. It also positions companies ahead of increasingly strict regulatory requirements around emissions reporting and decarbonisation.

Publication context: This article reflects its publication date. Market prices, program rules, reporting duties and deadlines may have changed. Confirm current official guidance before making a decision.

In the ever-evolving landscape of business and sustainability, 2024 offers an opportunity for Australian businesses to set ambitious goals and embrace positive change. One of the most impactful steps your business can take this year is to become Climate Active certified. Climate Active certification is a powerful way for businesses in Australia to demonstrate their commitment to decarbonization, energy efficiency, and environmental responsibility. In this article, we'll explore why your business should make Climate Active certification a top priority in 2024.

Aligning with National and Global Sustainability Goals

As we move further into the 21st century, the importance of addressing climate change becomes increasingly evident. Governments worldwide, including the Australian government, are setting ambitious targets to reduce carbon emissions. By pursuing Climate Active certification, your business aligns itself with these goals, signaling to stakeholders that you are actively contributing to a more sustainable future.

Enhancing Your Reputation and Brand Value

In today's competitive business landscape, your brand's reputation plays a significant role in attracting customers and investors. Climate Active certification is a powerful symbol of your commitment to sustainability. It not only sets you apart from competitors but also enhances your brand value, as consumers are increasingly favoring environmentally responsible businesses.

Meeting Regulatory Requirements

Regulatory requirements related to carbon emissions are becoming stricter. By achieving Climate Active certification, your business not only stays ahead of the regulatory curve but also avoids potential

penalties and compliance issues down the road.

Reducing Energy Costs and Increasing Efficiency

Becoming Climate Active certified involves a thorough analysis of your energy usage and emissions. This process often reveals opportunities to improve energy efficiency and reduce operational costs. By implementing energy-efficient practices, your business can enjoy substantial cost savings over time.

Attracting Investors and Partnerships

Investors and partners are increasingly interested in environmentally responsible businesses. Climate Active certification can be a valuable asset when seeking investment or forming partnerships, as it demonstrates your dedication to sustainability and responsible business practices.

Enhancing Employee Morale and Attracting Talent

Employees are increasingly looking for purpose-driven workplaces. Achieving Climate Active certification sends a strong message to your workforce that you are committed to sustainability. This can boost employee morale, engagement, and retention. Additionally, it makes your business more attractive to top talent seeking opportunities with socially and environmentally responsible organizations.

Improving Customer Relations

In an age where consumers are conscious of their carbon footprint, a Climate Active certification can be a powerful marketing tool. It shows your customers that you take their concerns seriously and are actively working to reduce your environmental impact. This can lead to increased customer loyalty and trust.

Demonstrating Long-term Vision

Committing to Climate Active certification demonstrates your business's long-term vision and dedication to remaining competitive in a changing world. It positions your company as forward-thinking and adaptable, ready to face the challenges of the future.

As we embark on a new year filled with possibilities, making Climate Active certification a cornerstone of your business goals in 2024 is a strategic decision that can bring numerous benefits. It not only aligns your business with national and global sustainability objectives but also enhances your brand, reduces operational costs, and attracts investors and talent. Most importantly, it showcases your commitment to creating a more sustainable and resilient future for Australia and the world. Don't miss the opportunity to make your business Climate Active certified in 2024 and become a leader in the fight against climate change.

Reporting and compliance context

Confirm the reporting entity and period, current thresholds, regulator guidance, evidence boundary and assurance obligations before applying the dated discussion to a live report.

Related guidance

Carbon advisory

Scope 1, 2 and 3 emissions

Contact us

Read the original article for the source publication and its full context.

What is Climate Active certification and why does it matter for Australian businesses?

Climate Active is an Australian Government-backed accreditation program enabling companies to certify their organisations, products, services, events, buildings or precincts as carbon neutral. The program requires measuring Scope 1, 2 and material Scope 3 emissions, reducing emissions where feasible, and offsetting the remainder through purchased and retired offsets. Annual reporting is published on the Climate Active website. For businesses, certification demonstrates alignment with national sustainability goals, enhances brand reputation, and signals commitment to environmental responsibility to customers, investors and employees. It also positions companies ahead of increasingly strict regulatory requirements around emissions reporting and decarbonisation.

What offset instruments are eligible under Climate Active certification?

Climate Active accepts different offset types depending on the emissions scope. For Scope 2 emissions, Large-scale Generation Certificates (LGCs) are permitted. For Scope 1 or 3 emissions, eligible offsets include Australian Carbon Credit Units (ACCUs), Certified Emission Reductions (CERs), Removal Units (RMUs), Verified Carbon Units (VCUs) or Verified Emission Reductions (VERs). Understanding which instruments apply to your emissions profile is essential, as different scopes require different instrument types. We provide environmental-attribute due diligence and instrument selection support to ensure purchased offsets meet Climate Active requirements and align with your organisation's emissions accounting framework.

How does achieving Climate Active certification help reduce operational costs?

Climate Active certification requires a thorough analysis of energy usage and emissions across the organisation. This detailed assessment typically reveals efficiency opportunities—such as improved equipment performance, optimised energy procurement, or reduced process waste—that would otherwise remain hidden. Implementing identified improvements reduces energy consumption and associated utility costs. Our energy optimisation services, including audits, benchmarking and measurement planning, help identify and quantify these savings opportunities. The emissions inventory and transition planning that support Climate Active reporting can be structured to connect directly to implementable cost-reduction projects with verified outcomes.

What role does regulatory compliance play in Climate Active certification?

Regulatory requirements around carbon emissions reporting and decarbonisation are becoming progressively stricter in Australia. Mandatory sustainability reporting under ASRS applies to large entities from 2025 onwards, and the National Greenhouse and Energy Reporting (NGER) scheme establishes facility and corporate thresholds for emissions reporting. By achieving Climate Active certification ahead of these mandatory obligations, businesses demonstrate proactive compliance, avoid penalties for non-compliance, and reduce the risk of regulatory change catching them unprepared. We support organisations in navigating NGER, ASRS and other Australian reporting frameworks alongside Climate Active requirements, ensuring emissions reporting is consistent and defensible.

How does Climate Active certification strengthen a business's ability to attract investors and talent?

Climate Active certification provides concrete, externally verified evidence of a company's commitment to sustainability and responsible business practices. For investors, it demonstrates that the organisation has undertaken genuine emissions measurement and reduction, not simply made unsubstantiated claims. This credibility is increasingly important as institutional investors incorporate sustainability into asset allocation decisions. For talent, Climate Active certification signals that the business prioritises environmental responsibility, which research shows enhances employee engagement, morale and retention—particularly among younger workers. The annual public reporting requirement also ensures accountability, strengthening trust with both investor and employee stakeholder groups.

What is involved in measuring emissions for Climate Active certification?

Climate Active requires measurement of Scope 1 (direct) emissions, Scope 2 (purchased electricity and energy) emissions, and material Scope 3 (value-chain) emissions. This requires defining organisational boundaries, identifying data sources, establishing activity data collection processes, and applying appropriate emissions factors. Our carbon advisory services include Scope 1, 2 and 3 inventory support, with documented boundaries, activity data, calculation methods and assumptions. We also provide data-readiness assessments to identify gaps before formal reporting, diagnostic workshops to clarify starting position, and reporting support to ensure emissions calculations align with relevant frameworks. Proper measurement is the foundation for both credible Climate Active claims and genuine emissions reduction.

How should businesses approach the emissions reduction requirement before purchasing offsets?

Climate Active requires organisations to reduce emissions where possible before offsetting the remainder. This means identifying and implementing genuine operational improvements—such as energy efficiency upgrades, renewable energy procurement, or process optimisation—before relying on offsets. Our six-stage delivery approach connects assessment, feasibility, procurement and performance verification. Energy audits identify reduction opportunities; investment cases compare alternatives and quantify savings; transition planning defines pathways with ownership, dependencies and timelines; and measurement and verification confirm actual outcomes. This structured approach ensures reduction efforts are credible, documented and aligned with Climate Active requirements, while also delivering operational cost benefits.

What happens after a business achieves Climate Active certification?

Climate Active certification requires annual reporting and public disclosure of emissions and offset activities on the Climate Active website. This ongoing compliance means organisations must maintain emissions measurement, continue reduction efforts, track offset retirements, and demonstrate progress year on year. The certification is not a one-time achievement but an ongoing commitment. We support the sustained compliance and improvement cycle through annual emissions reporting, energy management system maintenance, performance monitoring against established baselines, and identification of new efficiency or reduction opportunities. This continuous improvement approach helps organisations maintain certification status while progressively reducing absolute emissions and reliance on offsets.