CLIMATE DISCLOSURE

Commonwealth climate disclosure is the Australian Government's policy for Commonwealth entities to publicly disclose their exposure to climate-related risks and opportunities, as well as their actions to manage them, delivering transparent and consistent climate disclosures to the Australian public. Under the policy, non-corporate Commonwealth entities are required to complete climate disclosures. As the Australian Accounting Standards Board (AASB) and Auditing and Assurance Standards Board (AUASB) (collectively referred to as the Offices) meet the thresholds of Tranche 1 in the CCD Policy Architecture, we have commenced climate-related disclosures in our Annual Report from FY2024-25.

This disclosure has been prepared in accordance with the Year 2 Reporting Provisions for Tranche 1 entities. Our approach to climate risk and opportunity management is informed by the following policies and resources:

- Australian Government's approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026
- Climate Risk and Opportunity Management Program resources
- Commonwealth Climate Disclosure Policy and supporting requirements and application
- Commonwealth Climate Disclosure – Resource Management Guide 140
- The Net Zero in Government Operations Strategy
- Australian Government Emissions Reporting Framework.

GOVERNANCE

Climate risk governance and accountability

The AASB and the AUASB's governance structures are underpinned by a robust enterprise risk management framework established in accordance with the requirements of the *Commonwealth Risk Management Policy (2023)* and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). This framework promotes accountable and transparent decision-making, the efficient allocation of

publicly funded resources and the delivery of services to meet the Australian public's expectations.

We use our existing governance and risk systems, policies and tools to manage risks, including climate-related risks and opportunities. We see climate-related risk as a priority action area, and climate-related risk and opportunity reporting has been included in existing risk reporting arrangements and key corporate documentation, such as corporate plans, Audit and Risk Committee meetings which are held on a quarterly basis

As defined under section 12 of the PGPA Act, the Chairs of AASB and AUASB are the accountable authority. The Chairs are ultimately responsible for ensuring the Offices have effective systems of risk oversight, risk management and internal control in place, as defined under section 12 of the PGPA Act. This includes climate-related risks.

The Chairs have assigned responsibility for risk management oversight to the Managing Director and the Finance Team. The Managing Director and the Finance Team have worked closely with the Audit and Risk Committee to implement climate risk management practices and strategies aligned with Climate Risk and Opportunity Management Program (CROMP) tools and resources within the organisation, and to ensure steps are being undertaken so that climate-related risks and opportunities are appropriately identified, prioritised and managed across the organisations. To determine whether appropriate skills and competencies are available, the Chairs review the climate-related responsibilities assigned to management and staff against completed training, relevant technical experience and identified capability needs at least annually and when material reporting requirements change. Any capability gaps are addressed through targeted training, use of internal subject-matter expertise, recruitment or external advice, as appropriate.

Although the Chairs, Managing Director and the Finance Team are ultimately responsible for leading the oversight of the AASB and the AUASB's risks, including climate-related risk, we embed a culture that risk management is everyone's business. We support staff at all levels on their obligations to integrate, consider openly and actively discuss, and embed effective risk management into everyday decision-making. All employees are responsible for considering and managing risk, including climate risk, as it relates to their work. The AASB and AUASB are actively working towards being a sustainable and responsible workplace and have also issued an office sustainability policy.

Moreover, the AASB has issued Australian Sustainability Reporting Standard AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information

and AASB S2 Climate-related Disclosures. The AASB and the AUASB Staff are building relevant skills and capabilities through the development of AASB S1 and AASB S2. The Office's staff has undertaken training provided by the Department of Finance and our own expertise in building our corporate sustainability and net zero capability. The Chair's will review what training has been completed by staff to gain an understanding if the appropriate skills are available.

Consideration of climate-related risks and opportunities in strategy, risk management and resource allocation

The Chairs consider climate-related risks and opportunities as part of the AASB and AUASB's existing governance, strategic planning and enterprise risk management processes. Climate-related risks and opportunities identified through the Climate Risk and Opportunity Management Program (CROMP) are considered when developing the Corporate Plan, annual business plans, enterprise risk registers and organisational priorities. Climate-related considerations are integrated into risk reporting provided to management and the Audit and Risk Committee and are considered alongside other strategic and operational risks.

When determining the prioritisation of resources and funding, the Chairs consider the potential impacts of climate-related risks and opportunities on the Offices' ability to deliver their statutory functions, maintain business continuity, support staff wellbeing, meet Commonwealth reporting obligations and contribute to the APS Net Zero by 2030 target. Climate-related considerations may inform decisions regarding capability development, information systems, workplace operations, procurement activities, travel arrangements and implementation of emissions reduction initiatives. Progress against climate-related targets and actions contained within the AASB and AUASB Emissions Reduction Plans is monitored through existing governance and reporting arrangements.

The Chairs establish climate-related targets by considering applicable Australian Government targets, the Offices' emissions profile, the Emissions Reduction Plans, available baseline information and proportionate actions within the Offices' operational control. Management monitors progress using annual greenhouse gas emissions data, implementation status of Emissions Reduction Plan actions and relevant operational indicators. Results and significant variances are reported through existing management and Audit and Risk Committee reporting, and targets or actions are reviewed where policy requirements, available data or operating circumstances change.

Oversight of Climate-Related Risks and Opportunities

The Chairs oversees the identification, assessment and management of climate-related risks and opportunities as part of the entity's broader governance, strategy and risk management processes. Climate-related risks and opportunities are considered alongside other strategic, operational, financial, compliance and reputational matters when reviewing organisational objectives, key risks and emerging issues.

In exercising its oversight responsibilities, the Chairs considers the potential impact of climate-related risks and opportunities on the achievement of the entity's purpose, strategic priorities, operational resilience, compliance obligations and long-term sustainability. Climate-related considerations inform strategic planning, enterprise risk management, business continuity planning and organisational performance monitoring.

The Chairs receives information on significant climate-related risks and opportunities through existing governance and reporting mechanisms and considers whether additional management actions, controls or strategic responses are required. Climate-related risks are assessed using the entity's Enterprise Risk Management Framework and are prioritised according to their potential impact and likelihood, consistent with the approach applied to other enterprise risks.

Where relevant, climate-related risks and opportunities are taken into account in decisions relating to major investments, significant projects, accommodation arrangements, procurement activities, information technology initiatives and the allocation of resources. This includes consideration of opportunities to improve operational efficiency, reduce emissions, strengthen organisational resilience and support the achievement of the Australian Government's climate-related objectives.

The Chairs also oversees implementation of the entity's Emissions Reduction Plan and monitors progress against climate-related commitments through established planning, performance reporting and governance processes

Table 1 shows the governance flow chart and the role and responsibilities of the accountable authority in managing climate risks and opportunities within the AASB and the AUASB, is summarised in Table 2.

Table 1 Governance diagram

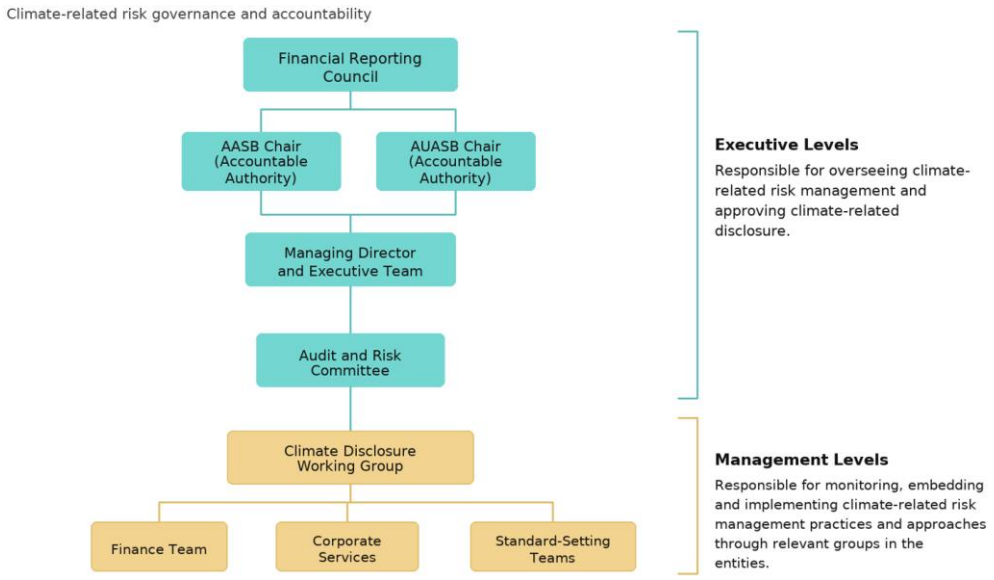


Table 2 Roles and Responsibilities

Role	Risk Responsibilities
Financial Reporting Council (FRC)	• Provides strategic oversight of the AASB and AUASB. • Monitors the effectiveness of governance arrangements supporting organisational objectives and statutory functions. • Receives information on significant strategic, organisational and emerging risks, including climate-related risks where relevant to its oversight responsibilities. • Provides oversight of arrangements supporting climate-related governance and disclosure.
AASB and AUASB Chairs	• Have ultimate accountability for the management of climate-related risks and opportunities affecting their respective Offices. • Ensure compliance with the PGPA Act and Commonwealth climate disclosure requirements. • Oversee the integration of climate-related considerations into governance, risk management and strategic planning processes. • Approve climate-related disclosures included in annual reporting.

Role	Risk Responsibilities
	• Consider the adequacy of resources, systems and controls supporting climate-related reporting. • Deputises climate risk management oversight to the Managing Director and the Finance Team. This includes the establishment and oversight of climate-related risk assessment processes and performance targets, such as (but not limited to) the development of AASB and AUASB Organisational Emissions Reduction Plans 2024. • Ensures AASB and AUASB continue to monitor emissions as and when reporting is available to ensure that we are on track to contribute towards the APS Net Zero 2030 target.
AASB and AUASB Audit and Risk Committees (ARC)	• Reviews the effectiveness of climate-related governance, risk management and internal control processes. • Monitors the adequacy and reliability of information used in climate-related disclosures. • Reviews climate-related risks within the enterprise risk management framework. • Provides independent advice and assurance to the Accountable Authorities regarding climate-related reporting and governance. • Monitors progress in implementing climate disclosure requirements against the Emissions Reduction Plan. • The Committee is not responsible for the executive management of these functions. The Committee engages with management in discharging its advisory responsibilities and formulating its advice to the Chairs.
Managing Director	• Provide executive oversight of climate-related risks and opportunities. • Monitor implementation of climate-related governance, risk management and disclosure requirements. • Review climate-related risks, controls and reporting processes. • Ensure climate-related considerations are incorporated into operational planning and decision-making where relevant. • Support the Accountable Authorities in fulfilling their climate-related responsibilities.

Role	Risk Responsibilities
	• Delivers the AASB and the AUASB's obligations under the Commonwealth Climate Disclosure Reform and Climate Risk and Opportunity Management Program (CROMP), and contributes to the AASB and AUASB's implementation of the Net Zero in Government Operations Strategy. With regard to the Commonwealth Risk management Policy. • The Managing Director and the Finance Team also currently hold the responsibilities of the Chief Sustainability Officer, the appointment of which is encouraged in the *Net Zero in Government Operations Strategy*.
Climate Disclosure Working Group	• Coordinates implementation of Commonwealth Climate Disclosure requirements. • Oversees preparation, review and compilation of climate-related disclosures. • Coordinates climate-related risk identification, assessment and reporting activities. • Monitors progress against disclosure requirements and implementation plans. • Facilitates information sharing across relevant business areas. • Escalates significant climate-related matters to the Executive Team and Audit and Risk Committee where appropriate.
Finance Team	• Responsible for designing, building and implementing the AASB and AUASB's risk management framework and developing the capability internally to manage risk. Climate-related risk is included in AASB and AUASB's enterprise risk management framework as a specialist risk category. AASB and AUASB are the Sustainability Reporting and Assurance Standards Setters for the Australian Government. As such, the AASB and AUASB possess unparalleled skills and expertise, and the market connections to evaluate risks and opportunities. The Accountable Authority supports the Finance Team to undertake any training to ensure they have the appropriate skills and competencies to undertake roles assigned to them. • Responsible for maintaining divisional risk registers that monitor climate-related risk identification, assessment and management actions.

Role	Risk Responsibilities
	• Coordinates financial reporting inputs relating to climate disclosures. • Supports preparation of climate-related information included in the annual report. • Assists with data collection, validation and quality assurance processes. • Monitors climate-related financial reporting requirements and guidance.
Corporate Services Team	• Maintains governance, risk management and internal control frameworks supporting climate-related reporting. • Supports enterprise risk management activities, including climate-related risk assessment and monitoring. • Coordinates policy, compliance and reporting activities relevant to climate disclosures. • Supports business continuity and organisational resilience considerations where relevant.
Standard-Setting Teams	• Identify and assess climate-related matters that may affect the Offices' strategic and operational activities. • Contribute information relevant to climate-related risks, opportunities and organisational impacts. • Support the identification of climate-related public policy considerations relevant to the work of the Offices. • Provide subject matter input to support climate-related disclosures and risk assessments and review of the disclosures.

STRATEGY

The AASB and AUASB participated in the Commonwealth's climate risk pilot program and this is the second year in which the Offices have undertaken an organisation-wide climate risk and opportunity assessment. During 2025–26, the Offices continued to embed climate risk and opportunity management practices within their governance, strategic planning and enterprise risk management processes, consistent with the Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026.

These matters are assessed through the CROMP-aligned risk and opportunity process and the qualitative scenario analysis described below. The analysis indicates that the Offices' current strategy and operating model remain resilient under the scenarios considered, with no material change presently required. The identified risks and opportunities nevertheless continue to inform governance, work-program prioritisation, resource allocation, capability development, business continuity, emissions reduction activities and stakeholder engagement.

The Offices have identified material climate-related transition risks, physical risks and opportunities that may reasonably affect their operational model, public policy delivery, strategy and decision-making across the short, medium and long term. Current effects include increased demand for climate-related standard-setting, assurance, stakeholder engagement, capability development and reporting, together with operational considerations associated with travel, leased accommodation and business continuity. Anticipated effects include further resource and capability pressures, policy and regulatory complexity, disruption from severe weather, and opportunities to improve digital delivery, operational efficiency, organisational resilience and the quality of climate-related reporting and assurance across the Australian economy.

Climate risks and opportunities were identified and assessed for the Offices values at risk, which were determined based on the key outcomes and enterprise risks in the Corporate Plan.

- Positive and effective stakeholder relationships.
- Appropriate management of financial processes, assets, projects, budgets and investments.
- Protecting the health, safety and wellbeing of our people.
- Managing climate-related risks that impact delivery of the Offices' operations and purposes.

Climate-related risks and opportunities

The AASB and AUASB reviewed its Climate Risk and Opportunity Management Plan (CROMP) during the reporting period to ensure it remained appropriate to the Office's operational context and climate-related risk profile. The review considered changes in climate-related risks and opportunities, reporting requirements, governance arrangements and operational activities. The review noted that the Office's operations continue to be limited primarily to leased office accommodation in Melbourne and business travel activities, with no material changes to the Offices' operational footprint or climate-related risk exposure during the reporting period.

The review concluded that the CROMP remains appropriate, with minor updates made to reflect the ongoing climate-related reporting and risk management activities.

Material risks and opportunities	Current effects FY2025-26 reporting period	Anticipated effects Short-, medium-, and long-term time horizons	Strategy & decision making Actions planned or undertaken to manage effects
Opportunity 1 - To influence higher quality climate-related reporting and assurance practices across the Australian economy through the development of sustainability reporting and assurance standards. **Time horizon: Short, medium and long term** **Concentration: Public policy delivery, standard-setting and stakeholder ecosystem** **Risk type: Transition opportunity**	Operational model: Increased demand for technical expertise, research, consultation, education and implementation support. Public policy delivery: The Boards develop and maintain sustainability reporting and assurance standards and related guidance, supporting consistent and decision-useful disclosure.	Operational model: Continued growth in climate-related work programs, capability needs and stakeholder engagement. Public policy delivery: Stronger reporting and assurance practices may improve transparency, market confidence and informed decision-making across the economy.	Actions undertaken: Developed relevant standards and guidance; maintained stakeholder outreach and implementation support; monitored domestic and international developments. Planned actions: Prioritise climate and sustainability projects through annual work planning; expand education and implementation support; maintain international engagement.

Material risks and opportunities	Current effects FY2025-26 reporting period	Anticipated effects Short-, medium-, and long-term time horizons	Strategy & decision making Actions planned or undertaken to manage effects
Opportunity 2 - Embed climate-related risk and opportunity considerations within organisational governance, planning and decision-making processes. **Time horizon: Short, medium and long term** **Concentration: Governance, enterprise risk management and resource allocation** **Risk type: Transition opportunity**	Operational model: Climate considerations are being incorporated into governance, corporate planning, enterprise risk reporting and operational decisions. Public policy delivery: Better climate information supports project prioritisation and oversight of standards-setting and assurance activities.	Operational model: More mature climate information and analysis may improve resilience, resource allocation and the quality of strategic decisions. Public policy delivery: Improved governance may support timely, coordinated and fit-for-purpose policy responses.	Actions undertaken: Integrated climate risks and opportunities into existing risk and governance processes; established management and Audit and Risk Committee oversight. Planned actions: Continue periodic review, improve management information and incorporate material climate matters into work plans and resource decisions.
Opportunity 3 - Build organisational capability in sustainability reporting and assurance **Time horizon: Short and medium term** **Concentration: Workforce capability, governance, finance, risk and policy functions** **Risk type: Transition opportunity**	Operational model: Existing technical expertise and stakeholder networks support climate disclosure work, with staff training and capability development underway. Public policy delivery: Internal expertise supports credible standards, guidance, outreach and implementation support.	Operational model: Broader capability will reduce key-person dependency and improve the quality and efficiency of climate-related analysis and reporting. Public policy delivery: Deeper expertise will strengthen responsiveness to evolving regulatory, assurance and stakeholder needs.	Actions undertaken: Used internal expertise and Department of Finance training; involved cross-functional teams in climate reporting. Planned actions: Assess capability needs annually; maintain targeted training and succession planning; embed climate responsibilities in relevant roles and work programs.

Material risks and opportunities	Current effects FY2025-26 reporting period	Anticipated effects Short-, medium-, and long-term time horizons	Strategy & decision making Actions planned or undertaken to manage effects
Risk 1 - Risk that changes to climate reporting, sustainability disclosure and assurance requirements increase operational demands and resource pressures. **Time horizon: Short and medium term** **Concentration: Work program, specialist capability, governance and stakeholder support** **Risk type: Transition risk - policy-related**	Operational model: Policy and regulatory developments increase demands on specialist staff, governance, research, consultation and implementation support. Public policy delivery: Competing priorities may affect the timeliness of standards, guidance and education activities.	Operational model: Further reform may require additional capability, systems and resources, and may create sequencing or dependency pressures. Public policy delivery: A delayed or insufficient response could reduce the relevance, timeliness or quality of standards and guidance and weaken stakeholder confidence.	Actions undertaken: Monitored Australian and international developments; incorporated climate-related work into planning and governance. Planned actions: Maintain horizon scanning; use staged project plans; prioritise material reforms; assess resourcing and capability needs; escalate significant impacts through governance channels.

Material risks and opportunities	Current effects FY2025-26 reporting period	Anticipated effects Short-, medium-, and long-term time horizons	Strategy & decision making Actions planned or undertaken to manage effects
Risk 2 - Climate-related disruptions to business operations, staff availability and service delivery. **Time horizon: Short and medium term** **Concentration: Commonwealth policy settings, legislation, international standards and implementation pathways** **Risk type: Transition risk - policy-related**	Operational model: Evolving or overlapping policy settings may require additional analysis, coordination and stakeholder engagement. Public policy delivery: Uncertainty can make it harder to set priorities and provide clear, timely implementation support.	Operational model: Divergence between domestic and international approaches could increase complexity and rework. Public policy delivery: Inconsistent requirements or sequencing may create confusion, implementation burden or reduced comparability of reporting and assurance outcomes.	Actions undertaken: Engaged with government, regulators, standard setters and stakeholders; monitored policy dependencies. Planned actions: Document key dependencies and assumptions; coordinate early with relevant agencies; undertake targeted consultation; revise work plans as policy settings become clearer.
Risk 3 - Insufficient capacity across the reporting and assurance ecosystem **Time horizon: Short and medium term** **Concentration: Preparers, assurance practitioners, public sector entities and specialist workforce** **Risk type: Transition risk - policy-related**	Operational model: High demand for education, guidance and stakeholder support increases pressure on staff and delivery schedules. Public policy delivery: Limited external capability may affect the quality and consistency of implementation.	Operational model: Sustained support needs may divert resources from other statutory priorities. Public policy delivery: Capability gaps may delay adoption, increase compliance burden, or result in inconsistent reporting and assurance practices.	Actions undertaken: Delivered outreach, education and implementation support and used stakeholder networks to identify emerging issues. Planned actions: Target support to areas of greatest need; collaborate with professional and government bodies; use scalable digital materials; monitor implementation evidence and adjust guidance.

Material risks and opportunities	Current effects FY2025-26 reporting period	Anticipated effects Short-, medium-, and long-term time horizons	Strategy & decision making Actions planned or undertaken to manage effects
Risk 4 - Climate-related disruption to operations and stakeholder participation **Time horizon: Short, medium and long term** **Concentration: Melbourne office, workforce availability, travel, telecommunications and stakeholder engagement** **Risk type: Physical risk**	Operational model: Severe weather can disrupt office access, staff availability, travel, electricity and communications. Public policy delivery: Meetings, consultations, outreach and project timelines may be interrupted.	Operational model: Increasing frequency or severity of events may raise continuity costs and reliance on remote delivery. Public policy delivery: Repeated disruption could delay standards development, consultation and implementation support, particularly where stakeholders are also affected.	Actions undertaken: Maintained business continuity arrangements, remote-working capability and digital collaboration systems. Planned actions: Periodically test continuity arrangements; monitor supplier and technology dependencies; maintain flexible consultation and delivery methods; review physical risk exposure as climate information develops.
Risk 5 - Increasing operational and capital expenditure to repair, maintain and future-proof infrastructure and assets **Time horizon: Medium and long term** **Concentration: Accommodation, energy, travel, insurance, ICT and outsourced services** **Risk type: Physical and transition risk**	Operational model: Energy prices, travel disruption and sustainability requirements may affect operating costs, despite the limited physical footprint. Public policy delivery: Additional corporate costs may reduce resources available for standards-setting and stakeholder support.	Operational model: Adaptation, resilient technology, supplier changes and emissions reduction measures may require additional expenditure. Public policy delivery: Cost pressures could affect work program choices and the pace of policy delivery if not incorporated into planning.	Actions undertaken: Considered climate impacts in operational planning, procurement and risk management; used leased accommodation and whole-of-government arrangements. Planned actions: Include climate factors in lifecycle costing and procurement; monitor cost trends; prioritise proportionate, value-for-money resilience and emissions actions.

Operational model effects

Current and Anticipated Changes to the Operational Model

The AASB and AUASB have not identified any material changes to their operating model arising from climate-related risks and opportunities during the reporting period. However, climate-related considerations continue to influence operational activities, including workplace utilisation, business travel, procurement practices, digital engagement and stakeholder consultation activities. The Offices will continue to evaluate opportunities to improve operational efficiency, reduce emissions and strengthen organisational resilience through existing governance and planning processes.

The Offices anticipate that future climate-related reporting, emissions reduction and sustainability requirements may result in ongoing enhancements to governance processes, capability development, data collection processes and organisational reporting arrangements. Any such changes will be implemented in a manner that supports the effective delivery of statutory functions and public policy objectives.

The AASB and AUASB do not presently anticipate material changes to their statutory functions arising from climate-related risks and opportunities. However, climate-related reporting and assurance developments continue to influence work program priorities, stakeholder engagement activities, educational initiatives and implementation support activities. The Offices will continue to monitor domestic and international developments in sustainability reporting and assurance and adapt work program priorities where required to ensure standards and guidance remain fit for purpose and responsive to stakeholder needs.

Public policy effects

The AASB and AUASB deliver public policy through their standard-setting functions. The AASB develops external reporting standards, including accounting and sustainability standards, and related guidance, while the AUASB develops auditing and assurance standards and guidance, including for sustainability assurance. These functions support confidence in the Australian economy, including its capital markets, and contribute to high-quality reporting and assurance outcomes for stakeholders.

For Year 2 reporting, the AASB and AUASB considered the current and anticipated effects of climate-related risks and opportunities on their ability to deliver public policy, consistent with the Commonwealth Climate Disclosure Year 2 requirements. The effects are primarily concentrated in standard-setting, stakeholder consultation, research, education, implementation support, international engagement and the ability to maintain timely, fit-for-purpose standards and guidance.

Physical climate risks may affect public policy delivery through disruption to staff availability, stakeholder engagement, travel, in-person meetings and business continuity. Transition risks and opportunities may affect the Boards' work programs by increasing demand for climate, sustainability and assurance-related standards, guidance, outreach and implementation support. These effects are particularly relevant given the AASB's role in sustainability reporting standards and the AUASB's role in sustainability assurance standards and guidance.

In assessing the current and anticipated effects of climate-related risks and opportunities on public policy delivery, the Offices have utilised all reasonable and supportable information available at the reporting date without undue cost or effort, consistent with the Commonwealth Climate Disclosure Year 2 Requirements. This assessment draws on the Offices' CROMP-aligned climate risk and opportunity assessment, qualitative scenario analysis, enterprise risk management processes, operational and work program information, relevant Australian Government policy settings and publicly available climate-related information.

The AASB and AUASB manage these effects through their existing governance, enterprise risk management, project planning and stakeholder engagement arrangements. Climate-related risks and opportunities are incorporated into existing risk reporting arrangements and key corporate documentation, with oversight by the Chairs, Managing Director, Finance Team and Audit and Risk Committee.

The AASB and AUASB will continue to monitor climate-related public policy effects as part of their CROMP-aligned climate risk assessment activities and annual work program planning. Where material risks or opportunities are identified, they will be considered through existing governance and decision-making processes, including resource planning, stakeholder engagement, capability development and project prioritisation. Noting the transition to External Reporting Australia (ERA) on 1 December 2026, climate-related risks and opportunities, including their potential effects on public policy delivery, will be reassessed in the context of ERA's functions, governance arrangements, operating model and strategic priorities. The outcomes of that assessment will inform ERA's future climate risk management, planning and disclosure activities.

Strategy and decision making

AASB and AUASB have assessed the effects of climate-related risks and opportunities on its strategy and decision-making processes. Given the nature of the Offices operations as a small non-corporate government entities, climate-related risks and opportunities are primarily associated with the operation of its leased office

accommodation, business travel activities, regulatory developments, and stakeholder expectations regarding environmental sustainability and climate-related reporting.

Climate-related considerations are incorporated into relevant operational and strategic decision-making processes where appropriate. The Offices considers opportunities to improve environmental performance and reduce greenhouse gas emissions through measures such as energy-efficient workplace practices, sustainable procurement approaches, the use of digital collaboration technologies, and the optimisation of travel arrangements.

The Offices' transition approach supports the Australian Government's broader emissions reduction objectives while maintaining the effective delivery of their statutory functions. Given the Offices limited operational emissions profile, no material changes to the operational model or approach to public policy delivery are currently considered necessary as part of the transition to a lower-emissions economy. This assessment will continue to be reviewed as climate-related risks, policy settings and available information evolve.

The Offices emissions reduction activities are primarily directed towards reducing emissions associated with office-based operations and business travel where practical and cost-effective. Actions may include reducing travel through the use of virtual meeting technologies, considering environmental factors in procurement decisions, and supporting energy-efficient practices within its leased office environment. The Offices will continue to monitor climate-related risks, opportunities and relevant government policy developments to inform future decision-making and emissions reduction activities.

Based on the current assessment, climate-related risks and opportunities have not materially affected the organisations strategy, financial position or operational objectives during the reporting period. However, the AASB and AUASB will continue to integrate climate-related considerations into their governance, risk management and planning processes as their climate-related reporting capability matures.

AASB and AUASB's planned mitigation efforts are outlined in their Emissions Reduction Plan, which supports the Australian Government's APS Net Zero by 2030 target. The Plan identifies actions to reduce operational emissions, including participation in whole-of-government renewable electricity procurement arrangements, consideration of sustainability outcomes in future accommodation decisions, promotion of hybrid working arrangements, limiting travel to essential activities and increasing the use of virtual collaboration technologies. The Plan also incorporates existing environmental initiatives, including occupancy of a high-performing sustainable office building and resource efficiency measures. These

actions are intended to reduce the entity's operational greenhouse gas emissions, particularly Scope 2 emissions, while supporting the long-term resilience and sustainability of its operations. Given the nature of the Offices operations as a small office-based Commonwealth entity, adaptation activities are primarily focused on maintaining operational continuity and organisational resilience through sustainable workplace arrangements, technology-enabled service delivery and ongoing consideration of climate-related risks within business planning and risk management processes. Progress against the Emissions Reduction Plan is monitored and reported through annual emissions and performance reporting processes.

How climate-related scenario analysis was completed

AASB and AUASB undertook a qualitative climate-related scenario analysis during the 2025-26 reporting period to assess the resilience of its strategy and operations under different climate futures. The analysis considered the potential impacts of both transition and physical climate-related risks on the Offices ability to deliver its functions and achieve its objectives.

The scenario analysis considered the Offices' operations, strategic objectives, governance arrangements, stakeholder engagement activities and service delivery functions. Consistent with the Offices' operating model, the assessment focused on operational resilience, workforce impacts, regulatory developments, stakeholder expectations and business continuity rather than material impacts on owned physical assets.

The scenarios were informed by publicly available climate pathways and assumptions published by the **Intergovernmental Panel on Climate Change (IPCC)**, including scenarios presented in the Sixth Assessment Report (AR6), and the **Network for Greening the Financial System (NGFS)** climate scenarios. These sources were used to identify broadly representative climate futures covering both lower-emissions transition pathways and higher-emissions physical risk pathways. The scenarios were not modelled quantitatively and were adapted qualitatively to reflect the Offices' specific operating environment as Australian public sector standard-setting and assurance bodies

Given the limited operational footprint, consisting primarily of a leased office in Melbourne and business travel activities, the scenario analysis focused on operational resilience, service delivery continuity, regulatory obligations and changes in stakeholder expectations rather than impacts on physical assets or commercial activities.

Two climate scenarios were considered:

• Orderly Transition Scenario (approximately 1.5°C–2°C warming): A scenario involving the progressive implementation of climate policies, increasing emissions reduction requirements, and greater expectations for environmental sustainability and climate-related reporting across the public sector.

• Higher Warming Scenario (approximately 3°C warming): A scenario involving more frequent and severe extreme weather events, increased disruption to transport and infrastructure, and heightened operational challenges arising from physical climate impacts.

Under the Orderly Transition Scenario, the Offices identified potential impacts including increased reporting obligations, evolving government policy requirements, enhanced stakeholder expectations and potential increases in travel and operational costs associated with emissions reduction initiatives. Opportunities identified included increased use of digital technologies, improved operational efficiency and strengthened environmental performance.

Under the Higher Warming Scenario, the Entity identified potential impacts including disruption to employee travel, temporary interruptions to office access, increased reliance on remote working arrangements and potential impacts on service delivery resulting from severe weather events affecting infrastructure and transport networks. The Entity assessed these risks as manageable given its limited physical asset base and demonstrated capability to operate remotely when required.

Based on the scenario analysis undertaken, the Offices concluded that its current strategy and operating model are expected to remain resilient under both scenarios. No material changes to the operational model, functions, strategic objectives, decision-making or service delivery model were identified as necessary at this time. It is anticipated no impact on the Offices ability to deliver public policy. The Office's will continue to monitor climate-related developments and periodically review its assessment as climate-related reporting practices and available information mature.

Timeframes

Consistent with the Climate Risk and Opportunity Management Program (CROMP), the AASB and AUASB assessed climate-related risks and opportunities across short-, medium- and long-term planning horizons.

For the purposes of this assessment:

- **Short term** refers to a period of up to 3 years.
- **Medium term** refers to a period of between 3 and 10 years.

- **Long term** refers to a period greater than 10 years.

These time horizons were selected to align with organisational planning, risk management and emissions reduction planning cycles while recognising that climate-related risks and opportunities may emerge over longer periods than traditional corporate planning horizons. Physical climate risks are expected to increase over time as climate hazards become more frequent and severe. Transition risks are expected to be more significant in the short to medium term as climate-related reporting, assurance, regulatory and stakeholder expectations continue to evolve. Climate-related opportunities may arise across all time horizons as organisations transition towards a lower-emissions and more climate-resilient economy.

Methodology for Scenario Analysis

The climate scenario analysis was undertaken using a qualitative assessment approach that is proportionate to the organisation size, nature and risk profile. The analysis:

- Identified the principal sources of greenhouse gas emissions and climate exposure, being leased office accommodation and business travel activities.
- Considered both transition risks and physical risks that may affect the operations and service delivery.
- Assessed the potential impacts of two plausible climate scenarios representing a lower-emissions transition pathway and a higher-warming pathway.
- Evaluated the potential effects on operational activities, workforce arrangements, business travel, regulatory compliance, financial resources and service delivery.
- Considered existing controls and adaptive capabilities, including remote working arrangements, business continuity processes and ongoing monitoring of government policy developments.

The analysis was informed by publicly available climate science, Australian Government climate policy settings and the Offices understanding of its operational environment. Key policy inputs considered included Australia's legislated economy-wide emissions reduction targets, the Australian Government's commitment to achieve Net Zero emissions by 2050, the Commonwealth Net Zero in Government Operations Strategy, and the increasing role of sustainability reporting and assurance requirements across the Australian economy.

These policy settings informed the assumptions used in the Orderly Transition Scenario, including progressively strengthening climate-related reporting and

assurance requirements, increasing expectations for emissions reduction and sustainable operations across the public sector, greater stakeholder demand for high-quality climate-related information, and continued growth in the need for sustainability reporting and assurance expertise. The analysis also considered how these policy developments could influence the Offices' operating environment through increased implementation support activities, stakeholder engagement, capability-building requirements and regulatory expectations.

The Higher Warming Scenario was informed by climate science projections indicating a future characterised by higher global emissions, more limited policy effectiveness and increasing physical climate impacts, resulting in more frequent and severe weather-related disruptions affecting transport, infrastructure, workforce mobility and service delivery.

Consistent with the Offices' current climate reporting maturity, the assessment was qualitative in nature and did not involve detailed quantitative modelling. Future scenario analysis will be undertaken by ERA as data availability, methodologies and climate-related reporting capabilities continue to develop.

Scenario Analysis Inputs, Assumptions and Scope

Scenario sources and selection: The Orderly Transition Scenario was informed by lower-emissions transition pathways published by the Intergovernmental Panel on Climate Change and the Network for Greening the Financial System, together with Australian Government climate policy settings. The Higher Warming Scenario was informed by higher-emissions and higher-physical-risk pathways from those sources. The scenarios were selected to provide plausible and distinct futures relevant to the Offices: one emphasising policy, regulatory and market transition and one emphasising increasing physical disruption.

Climate-related policies: The analysis considered Australia’s legislated emissions-reduction framework, the Australian Government’s commitment to net zero emissions by 2050, the Net Zero in Government Operations Strategy and APS Net Zero by 2030 target, Commonwealth Climate Disclosure requirements, mandatory climate-related financial disclosure requirements and CROMP guidance. These settings were assumed to increase reporting, assurance, emissions-management, stakeholder-engagement and capability requirements under the Orderly Transition Scenario, while less effective global policy action was assumed under the Higher Warming Scenario, resulting in greater physical disruption.

Macroeconomic trends: The qualitative assessment considered the possibility of higher energy, travel, insurance, technology, supplier and adaptation costs; changing demand for sustainability reporting and assurance expertise; and resource constraints

created by competing policy and implementation priorities. No entity-specific quantitative macroeconomic modelling was undertaken because the Offices have a small operational footprint and the assessment was designed to be proportionate to their risk profile.

National and regional variables: The analysis considered the Offices' Australian public-sector context and their principal operational location in Melbourne, including potential disruption to office access, transport, electricity, telecommunications, workforce availability, business travel and stakeholder participation. It also considered the national reach of the Boards' standard-setting and stakeholder-engagement functions and the potential for climate events to affect stakeholders in different Australian regions.

Energy usage and mix: The assessment assumed that operational energy use would continue to arise primarily through leased office accommodation, purchased electricity, information and communications technology and business travel. It also considered progressive decarbonisation of grid electricity and increasing renewable electricity under whole-of-government arrangements, while recognising that the Offices' influence over building energy supply is constrained by leased accommodation arrangements.

Technology developments: The analysis assumed the continued availability and improvement of digital collaboration, remote-working, cloud and virtual-engagement technologies, which support operational continuity and may reduce travel-related emissions. It also considered reliance on electricity, telecommunications, data hosting and external technology providers, and the possibility that resilient or lower-emissions technology solutions may require additional investment over time.

RISK MANAGEMENT

The Office's has undertaken an organisation-wide climate risk and opportunity assessment in accordance with our obligations under the Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026. The assessment was conducted using the Climate Risk and Opportunity Management Program's Organisation Application Guide and Climate Risk Digital Tool.

The assessment identified climate risks and opportunities across the breadth of the Office's work, including climate risks already being managed appropriately, and risks requiring further management actions. The assessment also highlighted opportunities across the Office's relating to embracing the transition to net zero by 2050 and adapting to the impact of climate change across our portfolio responsibilities.

The 2024–25 assessment built on the pilot assessment undertaken in 2023–24 with a focus on identifying any additional risks or opportunities and reviewing management measures for risks and opportunities identified. The assessment was reviewed in 2025-26 to ensure that it remains current.

AASB and AUASB identifies, assesses, prioritises, manages and monitors climate-related risks through its Enterprise Risk Management Framework, supported by climate-related risk assessment processes aligned with the Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector and relevant climate disclosure requirements.

Identified risks are evaluated based on their likelihood and consequence, prioritised according to established risk management processes and monitored through enterprise and operational risk registers. Climate-related risks and opportunities are reviewed periodically by management and reported through existing governance processes, being the enterprise & operative risk registers where appropriate, including the Audit and Risk Committee, to ensure ongoing oversight and effective risk treatment. Climate-related risks and opportunities are integrated into the broader enterprise risk management framework and considered alongside other strategic and operational risks.

Inputs and Parameters Used to Identify, Assess, Prioritise, Manage and Monitor Climate-Related Risks

The assessment of climate-related risks incorporates a range of internal and external inputs and parameters to support consistent and evidence-based decision-making.

Key inputs include:

- Climate-related regulatory and policy developments, including Australian Government climate reporting requirements, sustainability reporting standards, and other relevant legislative and regulatory obligations.
- Publicly available climate science and climate risk information, including reports and projections published by authoritative sources such as the Intergovernmental Panel on Climate Change (IPCC), the Bureau of Meteorology and CSIRO.
- Internal strategic, operational and risk management information, including the Corporate Plan, Enterprise Risk Register, business continuity arrangements, workforce planning documentation, and operational performance information.
- Information regarding stakeholder expectations, emerging risks, assurance activities and management reviews.

- Information obtained through participation in Australian Government climate risk initiatives and guidance provided through the Climate Risk and Opportunity Management Program, where applicable.

In assessing climate-related risks, the Offices considers the following parameters:

- The nature of the risk, including whether the risk is a physical climate-related risk or a transition-related risk.
- The time horizon over which the risk may reasonably be expected to arise, considering short, medium and long-term impacts.
- The likelihood of occurrence based on available evidence, climate trends, regulatory developments and management judgement.
- The magnitude of potential impacts on AASB and AUASB's operations, strategic objectives, financial position, workforce, compliance obligations, reputation and service delivery.
- Existing controls and management actions designed to mitigate or monitor the risk.
- The extent to which climate-related risks may interact with, contribute to, or amplify other enterprise risks.

The scope of AASB and AUASB's climate risk assessment processes currently covers its direct operations, including governance activities, workforce, office accommodation, information and communication technology services, corporate functions, travel-related activities and outsourced service arrangements that may reasonably affect the achievement of organisational objectives.

The Office's recognises that climate-related risk assessment involves inherent uncertainty, particularly in relation to the timing, severity and long-term effects of physical climate impacts, future policy settings, technological developments and stakeholder expectations. These uncertainties are considered as part of the risk assessment process and are reviewed periodically as new information becomes available.

The **nature, likelihood and magnitude** of climate-related risks are assessed separately and then combined to determine the overall risk rating.

1. Assessing the Nature of the Risk

The **nature** of the risk describes what the risk is and how it could affect the organisation.

The AASB and AUASB considered:

Factor	Questions to Consider
Risk type	Is it a physical risk, transition risk or opportunity?
Time horizon	Is the risk short, medium or long term?
Causal pathway	How does climate change lead to the impact?
Area affected	Operations, staff, finance, reputation, technology, stakeholders, governance?
Direct or indirect	Does the impact occur directly or through suppliers, government policy, markets or service providers?

Nature of effect:

- Physical climate risk.
- Medium to long-term risk.
- May affect staff wellbeing, business continuity and office operations.
- Could increase operating costs through higher cooling and energy requirements.

2. Assessing Likelihood

Climate risks require consideration of:

- Climate science projections.
- Government policy forecasts.
- Scenario analysis.
- Historical trends.

Assessment questions undertaken

- Is the trend already observable?
- Do climate scenarios indicate increasing probability?
- Is there evidence from Commonwealth or sector-wide assessments?
- Are similar organisations already experiencing the impact?

3. Assessing Magnitude

Consideration of the following:

Impact Area	Assessment Considerations
Financial	Increased expenditure, asset impairment, funding impacts
Operational	Disruption to services, project delays
Strategic	Inability to achieve objectives
Compliance	Breaches of legislation or reporting obligations
Reputation	Loss of stakeholder confidence
Workforce	Safety, wellbeing and capability impacts

4. Applying Climate-Specific Considerations

Climate risks differ from traditional risks because:

- Effects may occur over long time horizons.
- Risks may increase gradually over time.
- Multiple risks can interact.
- Impacts can be non-linear and difficult to reverse.

When assessing magnitude consider:

Scale

How widespread could the effect be?

- Single process
- Multiple business areas
- Whole organisation

Duration

How long would impacts last?

- Temporary
- Multi-year
- Permanent

Adaptability

Can the Offices reasonably adapt?

- Easily managed through existing controls.
- Requires new controls and investment.

- Difficult or impossible to adapt.

Prioritisation of Climate Risks

Climate-related risks are prioritised relative to other organisational risks and incorporated into the enterprise risk profile. Additional consideration is given to the longer-term, systemic and potentially escalating nature of climate-related risks when determining monitoring and reporting requirements.

Processes Used to Identify, Assess, Prioritise, Manage and Monitor Climate-Related Opportunities

AASB and AUASB identify, assess, prioritise, manage and monitor climate-related opportunities as part of their strategic planning, governance, operational planning and risk management activities.

Climate-related opportunities are identified through consideration of emerging developments in climate reporting, sustainability reporting, assurance practices, technology, stakeholder expectations, Australian Government policies and the evolving external reporting environment. Opportunities may arise from changes in regulatory frameworks, enhancements to organisational capability, improvements in operational efficiency, increased resilience, innovation in service delivery and strengthened stakeholder confidence.

Climate-related opportunities are assessed by considering their potential to support the achievement of strategic objectives, improve organisational effectiveness, enhance governance outcomes and contribute to long-term organisational resilience. Assessments consider factors such as expected benefits, implementation feasibility, resource requirements, alignment with organisational priorities and the time horizon over which benefits may be realised.

Opportunities are prioritised based on their potential value, strategic relevance and expected contribution to organisational outcomes. Where appropriate, opportunities are incorporated into business planning, project planning, workforce development initiatives, digital transformation activities and operational improvement programs.

Management and monitoring of climate-related opportunities occur through established governance, planning and performance management processes. Progress is reviewed through management reporting, risk monitoring activities and periodic reviews of strategic and operational plans. Identified opportunities may result in the development of new initiatives, process improvements, capability-building activities or enhancements to organisational practices.

Examples of climate-related opportunities considered by AASB and AUASB may include:

- Strengthening expertise and capability in climate-related reporting and assurance.
- Enhancing guidance, education and stakeholder engagement activities relating to sustainability reporting.
- Improving operational resilience through more efficient use of resources and digital delivery methods.
- Strengthening governance, risk management and decision-making through improved climate-related information and analysis.
- Supporting the successful implementation of climate-related reporting and assurance requirements across the Australian economy.

Integration with the Overall Risk Management Process

The processes used to identify, assess, prioritise, manage and monitor climate-related risks and opportunities are integrated into and inform the Offices broader Enterprise Risk Management Framework.

Climate-related risks and opportunities are not managed through a separate risk management framework. Instead, they are considered alongside other strategic, operational, financial, compliance and reputational risks as part of the existing governance, planning and risk management processes.

Climate-related risks and opportunities are identified through environmental scanning, strategic planning activities, operational reviews and risk assessments. Identified risks and opportunities are assessed using the same methodology and risk criteria applied to other enterprise risks, including consideration of likelihood, consequence, risk velocity, existing controls and potential impacts on the achievement of organisational objectives.

Where climate-related risks or opportunities are assessed as being material or significant, they may be incorporated into the Enterprise Risk Register, strategic planning processes, business continuity arrangements, project governance processes or operational work plans. Risk treatments and management actions are monitored through existing management reporting and governance arrangements.

Information obtained through climate-related risk and opportunity assessments informs decision-making relating to:

- Strategic planning and organisational priorities.
- Resource allocation and capability development.

- Business continuity and operational resilience.
- Policy development and stakeholder engagement.
- Governance, assurance and reporting activities.

Management and governance bodies, including senior executives and relevant governance committees, receive information on significant climate-related risks and opportunities through existing risk management and reporting channels. This supports oversight of emerging climate-related matters and their potential implications for organisational objectives.

By integrating climate-related risks and opportunities within the broader Enterprise Risk Management Framework, AASB and AUASB seek to ensure that climate-related considerations are appropriately reflected in planning, decision-making, risk oversight and organisational performance management processes.

Climate-related risks and opportunities are monitored through quarterly review processes, management reporting and oversight by the Audit and Risk Committee. Climate-related risks are considered alongside other strategic and operational risks and inform decision-making, business continuity planning and organisational resilience activities. Where additional risk treatments or management actions are identified, responsibility for implementation is allocated through existing governance arrangements and monitored through normal risk reporting processes. The process for manage risk has not changed compared to the prior reporting period.

In identifying, assessing, prioritising, managing and monitoring climate-related risks and opportunities, AASB and AUASB have regard to the **Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024-2026** and, where relevant and practicable, the guidance and processes outlined in the **Climate Risk and Opportunity Management Program (CROMP)**.

METRICS AND TARGETS

Climate-related metrics

2025-26 Greenhouse gas emissions inventory

Emissions are required to be calculated in line with the APS Net Zero Emissions Reporting Framework provided by Department of Finance, consistent with the whole-of-Australian-Government approach as part of the APS Net Zero by 2030 policy. Details on the target can be found in the APS Net Zero 2030 Target Factsheet on the Department of Finance website. The AASB and the AUASB have not deviated from this methodology.

The greenhouse gas emissions inventory presents greenhouse gas emissions over the 2025–26 period. Results are presented as carbon dioxide equivalent (CO_2-e) emissions and are based on the best available data at the time of reporting. Amendments to data may be required in future reports.

Electricity-related greenhouse gas emissions were calculated using the location-based approach in Tables 3 and 5. When applying the market-based method, which accounts for factors such as GreenPower usage, purchased large-scale generation certificates, power purchasing agreements, the renewable power percentage and the jurisdictional renewable power percentage (ACT only), the total emissions for electricity are as shown in Tables 4 and 6.

Table 3: AASB 2025-26 Greenhouse Gas Emissions Inventory – Location-Based Method

Emission Source	Scope 1 t CO2-e	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e
Electricity (Location-based Approach)	n/a	32.09	3.71	35.80
Natural Gas	3.72	n/a	0.29	4.01
Solid Waste*	0.00	n/a	0.00	0.00
Refrigerants †	0.00	n/a	n/a	0.00
Fleet and Other Vehicles	0.00	n/a	0.00	0.00
Domestic Commercial Flights	n/a	n/a	30.69	30.69
Domestic Hire Car	n/a	n/a	0.03	0.03
Domestic Travel Accommodation	n/a	n/a	15.19	15.19
Other Energy	0.00	n/a	0.00	0.00
Total t CO_2-e	**3.72**	**32.09**	**49.91**	**85.72**

Note: the table above presents emissions related to electricity usage using the location-based accounting method. CO_2-e = Carbon Dioxide Equivalent.

*indicates Solid Waste data was unable to be sourced and has not been included.

†indicates an optional emission source for 2024-25 emissions reporting.

n/a = not applicable

Table 4: AASB 2025-26 Electricity Greenhouse Gas Emissions

Emission Source	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e	Electricity kWh
Electricity (Location Based Approach)	32.09	3.71	35.80	41137.87
Market-based electricity emissions	27.56	3.75	31.32	34025.13
Total renewable electricity[1]	**n/a**	**n/a**	**n/a**	**7112.74**
Renewable Power Percentage [2]	n/a	n/a	n/a	7112.74
Jurisdictional Renewable Power [3]	n/a	n/a	n/a	0.00
GreenPower	n/a	n/a	n/a	0.00
Large-scale generation certificates	n/a	n/a	n/a	0.00

Note: the table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO2-e = Carbon Dioxide Equivalent. Electricity usage is measured in kilowatt hours (kWh).

[1]Excludes behind-the-meter solar other than generation used to create large-scale generation certificates (LGCs).

[2]The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

[3]The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage (JRPP).

Table 5: AUASB 2025-26 Greenhouse Gas Emissions Inventory– Location-Based Method

Emission Source	Scope 1 t CO_2-e	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e
Electricity (Location Based Approach)	n/a	16.93	1.96	18.89
Natural Gas	1.96	n/a	0.16	2.12
Solid Waste*	0.00	n/a	0.00	0.00
Refrigerants †	0.00	n/a	n/a	0.00
Fleet and Other Vehicles	0.00	n/a	0.00	0.00
Domestic Commercial Flights	n/a	n/a	6.07	6.07
Domestic Hire Car	n/a	n/a	0.00	0.00
Domestic Travel Accommodation	n/a	n/a	0.81	0.81
Other Energy	0.00	n/a	0.00	0.00
Total t CO_2-e	**1.96**	**16.93**	**9.00**	**27.89**

Note: the table above presents emissions related to electricity usage using the location-based accounting method. CO_2-e = Carbon Dioxide Equivalent.

* indicates Solid Waste data was unable to be sourced and has not been included.

† indicates an optional emission source for 2024-25 emissions reporting.

n/a = not applicable

Table 6: AUASB 2025-26 Electricity Greenhouse Gas

Emission Source	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e	Electricity kWh
Electricity (Location Based Approach)	16.93	1.96	18.89	21697
Market-based electricity emissions	14.54	1.98	16.52	17945.59
Total renewable electricity[1]	**n/a**	**n/a**	**n/a**	**3751.42**
Renewable Power Percentag[2]	n/a	n/a	n/a	3751.42
Jurisdictional Renewable Power Percentage [3]	n/a	n/a	n/a	0.00
GreenPower [2]	n/a	n/a	n/a	0.00
Large-scale generation certificates	n/a	n/a	n/a	0.00

***Note**: the table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO_2-e = Carbon Dioxide Equivalent.*

[1]Excludes behind-the-meter solar other than generation used to create large-scale generation certificates (LGCs).

[2]The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

[3]The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage (JRPP).

Climate-related Targets

The AASB and the AUASB are making contributions towards the attainment of the Government's APS Net Zero by 2030 target. The AASB and the AUASB are following the APS Net Zero by 2030 target in full, as per the Net Zero in Government Operations Strategy.

About the APS Net Zero Target

Further information on the APS Net Zero by 2030 target, including the target's scope, measurement, monitoring and reporting arrangements, is provided in the Department of Finance's APS Net Zero 2030 Target Factsheet 2025–26 FY Update. The AASB and AUASB have adopted the Australian Government's APS Net Zero by 2030 target through the Net Zero in Government Operations Strategy. The target applies to Scope 1 and Scope 2 greenhouse gas emissions generated from government operations and is measured against the emissions reporting

requirements established by the Climate Action in Government Operations Emissions Reporting Framework.

The objective of the target is to achieve net zero emissions from government operations by 2030 while supporting the efficient and effective delivery of Commonwealth functions. The Offices monitor progress through annual reporting of Scope 1 and Scope 2 emissions, implementation of emissions reduction initiatives and review of emissions performance against prior-year results.

Key mitigation activities supporting achievement of the APS Net Zero by 2030 target include:

- efficient utilisation of office accommodation and facilities;
- use of virtual meeting technologies and digital engagement channels;
- consideration of sustainability outcomes in procurement decisions where appropriate;
- responsible management of business travel; and
- implementation of actions identified in the AASB and AUASB Emissions Reduction Plans.

Progress towards the target is monitored through annual emissions reporting, implementation of the AASB and AUASB Emissions Reduction Plans and periodic management reporting to the Accountable Authorities. The Offices are also contributing to broader whole-of-government objectives, including the renewable electricity targets of 80 per cent by 2028 and 100 per cent by 2030, recognising that electricity procurement arrangements are largely determined through leased accommodation and whole-of-government arrangements.

The Offices are also supporting whole-of-government emissions reduction objectives, including the renewable electricity targets of 80 per cent by 2028 and 100 per cent by 2030. As the AASB and AUASB operate primarily from leased office accommodation, achievement of these targets is dependent in part on electricity procurement arrangements, building infrastructure and whole-of-government renewable energy initiatives.

Emissions Reduction Plan

In 2023-24 the AASB and the AUASB published the first Emissions Reduction Plans (ERPs).1 Our ERP sets out our planned activities to reduce emissions to Net Zero by 2030 and includes both planned and new initiatives to reduce emissions. The initiatives and targets within the ERP are signed off by the Accountable Authority. The AASB and the AUASB are also developing a range of interim goals and metrics for tracking our performance against the ERP and APS Net Zero by 2030 target as part of our broader climate-related strategy.

Summary of Progress

We have developed and published our ERPs, which outline priorities and targeted actions that have been implemented, or committed to, within this reporting period, as well as those that will be delivered in the future. A function of our declining emissions is due to less domestic travel through less outreach activity. This does not give the entire picture as our international commitments increased this financial year. However, we are seeking to prioritise travel only where necessary and add value beyond the emissions and help to improve the capital flow for the Australian economy.

We will continue to monitor our progress towards Net Zero and report additional measures as required.

[1] See *AASB Emissions Reduction Plan 2024 and AUASB Emissions Reduction Plan 2024*.