Metrics and Targets Guidance

Commonwealth Climate Disclosure

This factsheet guides Tranche 1 and 2 entities on how to approach the Metrics and targets criteria in the Full Commonwealth Climate Disclosure (CCD) Reporting Provisions. While entities may find this guidance useful in earlier reporting years, it has been developed to support the full CCD Reporting Provisions that apply from the third year of reporting onwards.

The CCD initiative has adopted a phased implementation approach over three years. Entities should respond to the criteria applicable to their year of implementation. Entities may also choose to voluntarily report information ahead of the implementation schedule.

The Metrics and targets criteria are categorised as:

- Climate-related metrics: M1b, M3, M4*;
- Climate related targets: M1c, M5, M6, M7, M8, M9; and
- Optional criteria: M2 (cross-industry metrics).

*M4 is only applicable to investment entities listed in Appendix B of the CCD Requirements.

It is not mandatory to use this guidance, and you should consider how it relates to your entity's individual circumstances. The format on how these criteria are addressed is flexible, provided it meets the General Requirements.

Note: Tranche 3 entities should refer to the CCD Simplified Requirements and associated guidance.

Climate-related metrics

The climate-related metrics criteria comprise two components:

1. emissions reporting (which is an established annual reporting requirement for all entities); and
2. financed emissions reporting (which is applicable only to investment entities identified in Appendix B of the CCD Requirements).

Emissions reporting [M1b and M3]

Climate-related metrics criteria M1(b) and M3 are delivered through emissions reporting within annual reports (see Australian Government Emissions Reporting).

If your entity deviates from the Emissions Reporting Framework this must also be clearly stated within the climate disclosure. Examples could include if your entity is disclosing more scope 3 emissions sources than required or you are aggregating some emissions sources for national security reasons.



Figure 1 Approach to metrics disclosure

Financed emissions [M3eii and M4]

Financed emissions are the greenhouse gas emissions associated with organisations, projects or assets that receive loans, investments or other forms of financing from an entity. They represent the entity's share of the emissions generated by those investees, borrowers or other financed entities, rather than emissions generated from the entity's own operations.

Entities not listed in Appendix B of the *CCD Requirements Full Reporting Provisions* may also choose to opt in to reporting financed emissions where they consider the metric relevant to their operations and climate-related disclosures. See the Financed Emissions Guidance for further guidance.

Appendix B entities: Regional Investment Corporation; Australian Renewable Energy Agency; Clean Energy Finance Corporation; Future Fund Management Agency; Export Finance and Insurance Corporation; Australian Infrastructure Financing Facility for the Pacific; National Reconstruction Fund Corporation; Northern Australia Infrastructure Facility; and Housing Australia.

Climate related targets [M1, M5, M6, M7, M8, M9]

The approach to addressing climate-related target criteria will depend on your entity type, relationship to the APS Net Zero 2030 Target, and information available in the public domain.

The figure below outlines three approaches to disclosing climate-related targets.

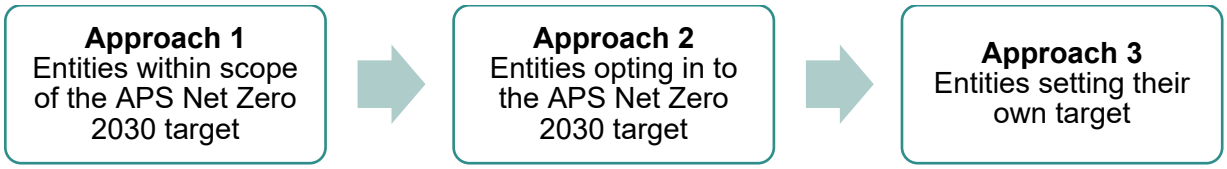


Figure 2 Three approaches to climate-related targets.

Note: Additional resources are available on the Application Guidance website and GovTEAMS to streamline annual report disclosures, including the APS Net Zero Target Factsheet, Climate-related Targets Template, and Emissions Reduction Plan Template and Guidance.

These resources help entities consolidate climate-related target disclosures and clearly identify required information, including covered greenhouse gas emissions, target objectives, metrics and any interim targets.

Cross-referencing

Before drafting this section, review your annual report and other publicly available information from the same reporting period, including your ERP, corporate plans, policies and website content. Identify any relevant climate-related commitments and targets, such as commitments to the APS

Net Zero 2030 target. Where the information is publicly available on the same terms and at the same time as the climate disclosure, consider incorporating it by reference to avoid duplication.

Entities using Approach 1 (entities within scope of the APS Net Zero 2030 target) or 2 (entities opting in to the APS Net Zero 2030 target) will address most climate-related target criteria through their ERP, provided it uses the *Guidance for Emissions Reduction Plans* and meets the cross-referencing requirements in the CCD Reporting Provisions. The ERP guidance and related resources also help ensure key information is disclosed consistently, including covered emissions, target objectives, metrics and any interim targets.

Tip: Guidance for Emissions Reduction Plans and annual updates

The Department of Finance has published *updated Guidance for Emissions Reduction Plans and annual updates* to support entities in meeting requirements under the Net Zero in Government Operations (NZGO) Strategy. The guidance:

- explains what entities must include in an Emissions Reduction Plan (ERP) and in ERP annual updates
- includes a standard ERP template and ERP annual update template to support consistency across government
- aligns ERP reporting with Commonwealth Climate Disclosure (CCD) requirements, such as paragraphs S1(d), S6(a)(iii), S6(c), M1(c), M5(a-h), M6(a-d), M7, M8(a-d) and M9.

Commonwealth entities and companies can access this resource via GovTEAMS.

Types of targets

Entities committed to the APS Net Zero 2030 Target must have an emissions reduction plan in place that incorporates interim targets in line with the Net Zero in Government Operations Strategy.

If your entity is setting its own targets, make sure you consider all qualitative and quantitative targets in place, not just emissions reduction targets. Examples of broader climate-related targets could include renewable energy generation targets, climate capability building, or increasing electric vehicles in your fleet.

Ensure you are considering targets that are set by law, policy, regulation or other drivers.

Climate-related target examples

The examples tabled below demonstrate how entities with different approaches to climate-related targets can meet the criteria by leveraging the resources provided by Finance.

Approach 1: NCE in scope of the APS Net Zero by 2030 target

We are committed to contributing to the Government's APS Net Zero by 2030 target. Our approach, including interim qualitative and quantitative targets, is publicly available in our Emissions Reduction Plan and we will report our progress annually through our climate disclosure.

Details of the target are summarised in the APS Net Zero Target Factsheet, including target including scope, emissions sources and timeframes. We have not deviated from the approach in this factsheet.

Approach 2: CCE opting into the APS Net Zero by 2030 Target

We are committed to leading climate action within the public sector and have voluntarily committed to the Government's APS Net Zero by 2030 target. See the APS Net Zero Target

Factsheet for details including scope, emissions sources and timeframes. We have not deviated from the approach in this factsheet.

Our approach to reducing emissions is detailed in our publicly available Emissions Reduction Plan and we will report our progress annually through our climate disclosure.

Approach 3: Entity setting its own target

We are committed to achieving net zero emissions by 2050, with our approach validated by the Science Based Targets initiative (SBTi). Our climate-related targets will support the Australian Government's target of a 62-70 per cent emissions reduction below 2005 levels by 2035 under the Paris Agreement.

To achieve this, we will:

- Reduce absolute Scope 1 and 2 greenhouse gas emissions by at least 80% by 2029-30 financial year (from a 2021-22 financial year baseline).
- Reduce selected Scope 3 greenhouse gas emissions by 50% by 2029-30 financial year (from a 2021-22 financial year baseline)
- Purchase 100 per cent renewable electricity by 30 June 2027.

Full details of our climate-related targets including scope, emissions sources and timeframes are detailed on our Climate-related Targets Factsheet here. Details of our near-term and long-term Net Zero targets are available on our website.

Performance against targets [M7]

In Year 2, entities are required to outline their performance against each of the climate-related targets identified through M5 and M6. This should cover any trends or changes in the entities performance that have impacted target performance over the reporting period.

Some questions to consider when completing your disclosure against M7 include:

- What progress made towards the target(s) over the reporting period?
- What progress has been made towards the target since the baseline year?
- What actions were completed during the reporting period?
- Are there any trends impacting target?
- What actions are planned for future years?

Tip: Entities that are part of the APS Net Zero 2030 target are encouraged to combine their response to M7 with their Emissions Reduction Plan update. This approach supports efficient reporting and alignment with broader climate obligations.

This will also contribute to the Year 3 S6(a) criteria requiring progress of plans, such as emissions reduction plans, disclosed in previous reporting periods.

M7 Example: Target to reduce absolute Scope 1 and 2 greenhouse gas emissions by at least 80% by 2029-30 financial year (from a 2021-22 financial year baseline)

During the reporting period overall scope 1 and 2 greenhouse gas emissions were reduced by 7%. The key actions contributing to this achievement were:

- growing our EV fleet (now represents 43% of all vehicles).

- installing a 20kW solar PV system to generate renewable electricity on-site; and
- reducing leased space.

The increase in flexible work arrangements and virtual meetings has resulted in greater emissions reductions than originally estimated.
We plan to continue reducing emissions by delivering the actions outlined in our Emissions Reduction Plan, which includes upgrading our building management system and growing our EV fleet.

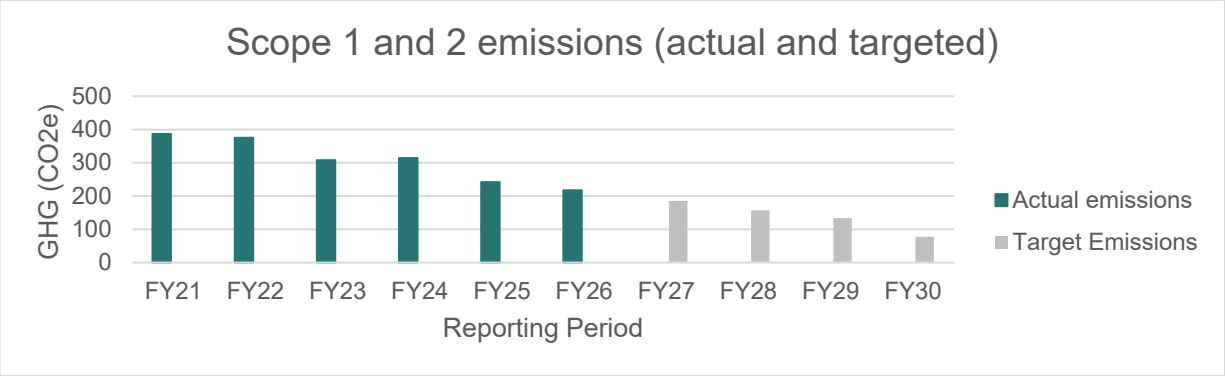


Figure 3 Target performance example (scope 1 & 2 GHG emissions reduction)

Use of carbon credits [M8e]

From Year 3, entities with a net greenhouse gas emissions target will be required to disclose their planned use of carbon credits, including any credits already purchased and intended for future use. This includes explaining:

- the extent to which achievement of the target relies on carbon credits;
- the schemes used to verify or certify them;
- the type of credits and underlying methodologies; and
- any other information needed for users to assess their credibility and integrity.

This information will provide greater transparency on the role of carbon credits in an entity's emissions reduction strategy and support stakeholder confidence in net zero commitments.

Note: Standard disclosure wording for entities covered by the APS Net Zero 2030 target will be developed and provided to entities closer to annual reporting time. This will support a consistent approach to reporting on the use of carbon credits for entities part of the target.

Optional criteria [M1a, M2]

Entities may choose to opt-in to reporting against the optional cross-industry metrics criteria. These optional criteria may be relevant to entities whose operations intersect or compete with those of the private sector, and who wish to demonstrate comparability to private sector industry partners.

Entities choosing to opt-in should refer to the relevant guidance in the *Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures*, specifically the sections addressing cross-industry metrics.

Note: The AASB S2 standard are available on the Australian Accounting Standards Board website.

Document control

Version number	Date of issue	Brief description of change
1	3/11/2026	Initial publication