



Australian Government

Australian Trade and Investment Commission

Climate Disclosure Report

2025–26

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The report should be attributed as the *Australian Trade and Investment Commission Climate Disclosure Report 2025–26*.

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Accessibility and enquiries

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Acknowledgement of Country

In the spirit of reconciliation, Austrade acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community.

We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

About this report

This Climate Disclosure Report presents the Australian Trade and Investment Commission's (Austrade) climate-related disclosures for the reporting period 1 July 2025 to 30 June 2026.

This report covers Austrade's governance arrangements, strategy, risk management approach, and metrics and targets relating to climate-related risks and opportunities. It has been prepared in accordance with the Commonwealth Climate Disclosure (CCD) Requirements – Year 1 Reporting Provisions applicable to Tranche 2 entities for the 2025–26 reporting period.

It should be read in conjunction with the *Australian Trade and Investment Commission Annual Report 2025–26*.

Commonwealth Climate Disclosure

The Commonwealth Climate Disclosure is the Australian Government's framework for Commonwealth entities to publicly disclose their climate-related risks and opportunities.

Austrade is committed to ensuring policies, programs and services are resilient and meet the expectation of the government, key partners and businesses and the Australian people. To that end, Austrade has implemented processes to identify, assess, prioritise and manage climate risks and opportunities, and the impacts to Austrade's operations.

Governance

Austrade has an established corporate governance and risk management framework that supports the implementation and integration of climate risk and opportunity management into the organisation.

As the Accountable Authority under section 12 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the Chief Executive Officer (CEO) is responsible for establishing and maintaining an appropriate system of risk oversight and management, and internal control at Austrade.

Austrade's Chief Executive Instructions (CEI) for risk management (CEI 13) outline the role and responsibilities of the CEO, along with other key roles at Austrade, to embed a culture where risk is managed appropriately. The CEO is informed of climate risks and opportunities through established quarterly risk reporting to the Executive Board.

Further strategic risk oversight is provided by the Chief Risk Officer (CRO). The oversight the CRO provides is not formally deputised, but during any period of leave the acting COO takes on the role of the CRO and the Manager Internal Audit, Risk and Governance (IARG) provides strategic advice to support a consistent approach to climate risk.

The Austrade Audit and Risk Committee (ARC) provides independent advice on the appropriateness of Austrade's system of risk oversight, including climate-related risks.

The CRO oversees consideration of climate-related risks and opportunities within Austrade's risk management framework. Austrade has commenced balancing climate-related opportunities in accommodation and procurement contracts. Examples of these include ongoing commitments to the development of sustainability plans, agreements to maintain environmental credentials with landlords with respect to electricity and water use, waste monitoring, and sustainable materials used in office fit outs.

To support the agency's sustainability initiatives, Austrade appointed a Chief Sustainability Officer in 2025. The role of the Chief Sustainability Officer is to support implementation of Austrade's sustainability policies, including APS Net Zero 2030 and Austrade's Emissions Reduction Plan. The Chief Sustainability Officer also participates in the Chief Sustainability Officer Network led by the Department of Finance.

Reporting directly to the CRO, the IARG Team leads the implementation of the Austrade risk management framework, including management of the Austrade Climate Risk Register. Throughout the year members of the IARG team participated in the APS Risk Community of Practice (CoP) and the Climate Risk Management CoP to build capability and knowledge, and share information and ideas. In addition, team members have undertaken Commonwealth Risk Management Training facilitated by the Department of Finance and APS Academy. Through established performance-development processes, further team development and competency requirements will be identified and prioritised to ensure the team is positioned to appropriately oversee strategies to respond to climate-related risks and opportunities.

Risk management

Austrade's risk management framework establishes a structured approach to identify, analyse, evaluate, monitor and review climate risks, which is consistent with the CCD Policy framework. Austrade's approach to risk assessment complies with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Commonwealth Risk Management Policy*, and aligns with the International Standard on Risk Management (ISO 31000:2018). To undertake the climate risk assessment, Austrade followed the principles and requirements set out in the *Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024–2026*.

The climate risk assessment was centred on Austrade's identified values at risk: Purpose and government priorities, financial sustainability, people, business continuity and assets. The sources to determine the values at risk were derived from Austrade's objectives, strategic priorities, key enterprise risks and Australian government priorities. The geographic region of interest for this assessment is primarily Australia, with considerations for climate-related risks for Austrade's overseas posts and people.

To support and inform risk identification, Austrade leveraged the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report and the Australian Climate Service 2025 National Climate Risk Assessment (NCRA) as the data for the assessment.

Drawing on stakeholder provided data and information from the IPCC and NCRA reports, climate risks were evaluated against Austrade's values at risk. The likelihood and consequence of each risk was determined applying the Austrade Risk Matrix and Risk Tolerance Statement. The residual risk rating of each risk then determined the priority of the risk and what further investigation, monitoring or escalation actions are required. Austrade's Climate Risk Register (ACRR) is reviewed annually, with risks and opportunities monitored quarterly. Opportunities that were identified through the climate risk assessment were further analysed on the ACRR, prioritised and escalated to the Chief Risk Officer for further monitoring. The ACRR is subject to internal audit oversight and independent review by the ARC.

Strategy

In accordance with the CCD Tranche 2, Year 1 requirements, Austrade undertook its first risk assessment to identify climate-related risks and opportunities associated with the main business operations and people, assets and other infrastructure. Resulting from this, Austrade identified 5 climate-related risks and one climate-related opportunity. Austrade will continue to further develop its approach to climate risks and opportunities in coming years.

Table 1: 2025–26 Climate-related risks and opportunities

Risk and opportunity statement	Risk / opportunity	Risk type
Increasing frequency and severity of weather events may damage critical public infrastructure, resulting in workforce disruptions, delaying delivery of essential services and reduced operational productivity.	Risk	Physical
Increasing frequency and severity of weather events may cause damage to Austrade assets, including buildings and surrounding infrastructure resulting in limited employee access to workplaces, increasing insurance costs, workforce disruption and reduced productivity.	Risk	Physical
Increasing frequency and severity of weather events may adversely affect employees' mental, physical and economic wellbeing.	Risk	Physical
Transitioning to low-emissions operations may increase financial and operational pressures through higher energy costs, capital reallocation for new technologies, and potential obsolescence of existing infrastructure.	Risk	Transition
Increasing frequency and severity of weather events may adversely affect Austrade employees overseas, and the capacity and level of support of overseas governments to respond may be delayed or insufficient.	Risk	Physical
Supporting the adoption of low-emissions technologies and sustainable energy solutions presents an opportunity for Austrade to contribute to whole-of-government climate objectives, enhance environmental performance, and drive long-term operational efficiency and resilience.	Opportunity	Transition

Austrade assessed the identified risks against 2 scenarios and timeframes as per CROMP guidance, of which one must be a low-emission scenario. The 2 scenarios used for the risk assessment were low emissions (1.5° to 2° increase) and moderate emissions (2° to 3° increase). The 2 timeframes used were near-term (period to 2040) and mid-term (2041–2060), as used in the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). The IPCC AR6 data was used in the risk assessment because it was considered the most comprehensive and reliable information available.

Operational Model effects

It is anticipated that physical climate events will become more frequent in the near-term resulting from increasing global warming. Multiple climatic and non-climatic events may interact resulting in increased compounding and cascading risks, impacting on Austrade's operations and people. Mid-term, it is anticipated that Austrade will be better positioned to respond to climate impacts through the transition to net zero, which slightly reduces the overall risk rating for some risks.

Concentrated effects of climate risks on Austrade's operational model include:

- failure to meet government and Australian public standards on climate action, resulting in reputational damage and loss of confidence in Austrade.
- increased costs and resourcing associated with meeting emissions reduction, energy efficiency and sustainability requirements including transitioning to greener technologies, and upgrades to infrastructure, IT and office buildings and fit outs.
- effects from climate-related events such as severe weather on Austrade operations, the health and safety of our employees, and operational productivity.

Under the mid-term (2041-2060) moderate-emissions scenario (2° to 3° increase), the risk that *Increasing frequency and severity of weather events may adversely affect employees' mental, physical and economic wellbeing* was assessed as being outside Austrade's risk tolerance following consideration of existing controls and treatments. The risk has been escalated to the Chief Risk Officer for ongoing monitoring and management. Given the timeframe, Austrade expects that additional controls and treatments will be identified to further mitigate the risk and reduce the risk rating to within tolerance.

Metrics and targets

Table 2: Austrade's emissions performance by IPCC emissions category, 2025–26

Intergovernmental Panel on Climate Change (IPCC) name	Scope 1 emissions	Scope 2 emissions	Scope 3 indirect emissions	Scope 3 supply chain emissions	Overall emissions
1. Energy	0.00	209.92	183.24	68.17	461.33
1.a. Fuel combustion activities	0.00	209.92	183.24	68.17	461.33
1.a.1. Energy industries	n/a	209.92	n/a	14.34	224.26
1.A.1.a. Main Activity Electricity and Heat Production	n/a	209.92	n/a	14.34	224.26
1.A.1.a.i. Electricity Generation	n/a	209.92	n/a	14.34	224.26
1.a.2. Manufacturing industries and construction	n/o ¹	n/o	n/o	n/o	n/o
1.a.3. Transport	0.00	n/a	183.24	53.83	237.07
1.A.3.a. Aviation	0.00	n/a	181.62	53.83	235.45
1.A.3.a.ii. Domestic Aviation	0.00	n/a	181.62	53.83	235.45
1.A.3.b. Road Transportation	0.00	n/a	1.62	0.00	1.62
1.A.3.b.i. Cars	0.00	n/a	1.62	0.00	1.62
1.A.3.b.ii. Light-duty Trucks	0.00	n/a	0.00	0.00	0.00
1.A.3.b.iii. Heavy-duty Trucks and Buses	0.00	n/a	0.00	0.00	0.00
1.A.3.b.iv. Motorcycles	0.00	n/a	0.00	0.00	0.00
1.A.3.d. Domestic Navigation	0.00	n/a	0.00	0.00	0.00
1.A.3.d.ii. Domestic Water-borne Navigation	0.00	n/a	0.00	0.00	0.00
1.A.3.e. Other Transportation	0.00	n/a	0.00	0.00	0.00
1.A.3.e.ii. Off-road	0.00	n/a	0.00	0.00	0.00
1.a.4. Other sectors	0.00	n/a	0.00	0.00	0.00

¹ n/o = not obtained. Data related to that emission source is not collected.

1.A.4.a. Commercial/Institutional	0.00	n/a	0.00	0.00	0.00
1.A.4.a.i. Stationary combustion	0.00	n/a	0.00	0.00	0.00
1.A.4.b. Residential	n/o	n/o	n/o	n/o	n/o
1.A.4.c. Agriculture/Forestry/Fishing/Fish Farms	0.00	n/a	0.00	0.00	0.00
1.A.4.c.i. Stationary	0.00	n/a	0.00	0.00	0.00
1.A.4.c.ii. Off-road Vehicles and Other Machinery	0.00	n/a	0.00	0.00	0.00
1.A.4.c.iii. Fishing (mobile combustion)	n/o	n/o	n/o	n/o	n/o
1.a.5. Non-specified	0.00	n/a	0.00	0.00	0.00
1.A.5.b. Defence Other Energy - Land, Marine, Aviation*	0.00	n/a	0.00	0.00	0.00
2. Industrial Processes and Product Use	0.00	n/a	n/a	n/a	0.00
2.f. Product uses as substitutes ozone depleting substances (ods)	0.00	n/a	n/a	n/a	0.00
2.f.1. Refrigeration and air conditioning	0.00	n/a	n/a	n/a	0.00
2.F.1.a. Refrigeration and Stationary Air Conditioning	0.00	n/a	n/a	n/a	0.00
2.F.1.b. Mobile Air Conditioning	0.00	n/a	n/a	n/a	0.00
2.g. Other product manufacture and use	0.00	n/a	n/a	n/a	0.00
2.g.2. Sf6 and pfcs from other product uses	0.00	n/a	n/a	n/a	0.00
4. Waste	0.00	n/a	6.90	0.00	6.90
4.a. Solid waste disposal	0.00	n/a	6.90	0.00	6.90
4.b. Biological treatment of solid waste	0.00	n/a	0.00	0.00	0.00
4.c. Incineration and open burning of waste	0.00	n/a	0.00	0.00	0.00
5. Other	0.00	n/a	98.34	0.00	98.34
5.b. Other - domestic hotel accommodation	0.00	n/a	98.34	0.00	98.34
Total	0.00	209.92	288.48	68.17	566.57

APS Net Zero 2030 target

Table 3: Progress towards the APS Net Zero 2030 Target (if applicable)

APS net zero 2030 target emission sources	2022–23	2023–24	2024–25	% change between 2022–23 to 2024–25
Total: Scope 1	-	-	-	n/a
Natural gas	-	-	-	n/a
Solid waste	n/a	n/a	-	n/a
Fleet and other vehicles	-	-	-	n/a
Refrigerants	n/e ²	-	-	n/a
Other energy	-	-	-	n/a
Total: Scope 2	203.72	185.37	151.56	-26%
Electricity (market based)	203.72	185.37	151.56	-26%
Total: Scope 1 and Scope 2	203.72	185.37	151.56	-26%

The table above presents emissions related to electricity usage using the market-based accounting method. CO₂-e = Carbon Dioxide Equivalent.

* Emissions reported may differ from previously published emissions due to reconciliation of natural gas and electricity data or updates to emission factors and calculation methods. See 2024–25 Net Zero in Government Operations Annual Progress Report for details regarding emission factors and calculation methods updates.

² n/e = not estimated