

WORKING PAPER

# VCM Related Claims Categorization, Utilization, & Transparency Criteria

ABOUT VCMI

The Voluntary Carbon Markets Integrity Initiative (VCMI) is a multistakeholder platform to drive credible, net zero aligned participation in voluntary carbon markets (VCMs). VCMI's goal is to ensure VCMs make a significant and meaningful contribution to climate action and limit global temperature from rising to 1.5°C above pre-industrial levels, while also supporting the achievement of the UN Sustainable Development Goals (SDGs).

Through consultation with stakeholders from civil society, the private sector, Indigenous Peoples, local communities, and governments, VCMI intends to develop and communicate guidance on how carbon credits can be voluntarily used and claimed by businesses and others as part of credible, net zero decarbonization strategies. It also engages countries to support development of strategies to access VCMs to drive ambitious climate mitigation.

The UK Government is supporting VCMI, as announced by COP26 President-Designate Alok Sharma at the Climate and Development Ministerial on 31 March 2021. To date, VCMI has been led by Meridian Institute, a US-based not-for-profit organization, and supported by consultants (hereafter referred to as the VCMI Consortium).

The VCMI Consortium's role is to refine the scope, governance and processes that will underpin VCMI in its future phases. The Initiative is co-funded by the Children's Investment Fund Foundation (CIFF) and the UK Department for Business, Energy and Industrial Strategy (BEIS).

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ABOUT THIS PAPER

This VCMI Working Paper is a product of the VCMI Consortium working in collaboration with staff from the VCMI funders. This paper was written by Climate Focus, reflecting the opinions of the broader VCMI Consortium and funders. The paper has not been reviewed nor approved by the VCMI Steering Committee, which was being formed as the paper was being developed. The intent of the proposal is to spur dialogue and an exchange of ideas amongst all key stakeholders to inform the development of VCMI guidance on matters addressed in this proposal during the next

phase of the VCMI process, which will be governed by the VCMI Steering Committee (which you can learn more about [here](#)).

The subject matter addressed in this Working Paper relies upon a complex, evolving, and interrelated set of key terms. In an effort to be clear about the definitions used, the VCMI Consortium has developed a Glossary of Key Terms (Annex A).

If you would like to give feedback, please contact [vcmi@merid.org](mailto:vcmi@merid.org)





Image: Justin Clark, Unsplash

# I. Context



## Context

Today, hundreds of companies are making a variety of statements associated with their carbon credits transactions, their current greenhouse gas (GHG) emissions performance, and future mitigation commitments. The proliferation of claims leads to confusion and has the potential to undermine the trust in voluntary carbon markets (VCMs). With this shadow cast over VCMs, they will be unable to realize their full potential as a tool for accelerating climate action, particularly in low- and middle-income countries. The risks for companies range from loss of reputation, stemming from accusations of overstating climate performance, to potential fines by domestic authorities and litigation (where such claims are deemed to be false or deceptive).<sup>i</sup> Also, without clear and transparent guidance on the use of claims, investors and consumers will not be able to efficiently allocate capital and direct their purchasing power to incentivize real company leadership on climate mitigation.

Claims made in the context of VCMs are susceptible to a number of issues that are similar to those affecting broader corporate social responsibility claims. Crucially, a lack of transparency and independent oversight has resulted in limited public confidence in claims for several reasons:

- The activities, inputs, or processes upon which claims are based are often internal to a firm's operations and largely unobservable to outsiders. Companies do not always disclose their use of offsets. In addition, there is no common mechanism for understanding which credits have been in support of which claims. While a number of climate-related disclosure initiatives are emerging to shed light on companies' climate strategies, the quality, consistency, and granularity of information provided remains patchy.
- Often, claims are formulated with vague or imprecise language. Even the most commonly employed terms – such as net zero and carbon neutral – are used by different companies to mean different things and represent different actions. This creates confusion about what exactly a company is claiming, leaving room for misinterpretation even when there is no intention to mislead shareholders, investors, or consumers.
- The absence of robust or independent oversight can incentivize companies to disguise or strategically overstate their climate performance for reputational gains and market share – an approach that has been dubbed “greenwashing”.<sup>1</sup>

But this does not mean that companies should refrain from engaging in VCMs. On the contrary, VCMs provide a valuable opportunity to contribute to global climate change mitigation and secure the environmental integrity of emission reductions achieved. To fully maximize this potential, it is important that any claims made based on VCM engagement accurately reflect the nature of the engagement. In addition, the array of possible claims should be clearly structured according to their potential climate impact and accuracy in framing the use of carbon credits, including what is required from a company to merit each claim.

We therefore propose a high-level categorization scheme and a preliminary classification of claims to better equip consumers, investors, shareholders, and other stakeholders in their purchasing, investment, and boardroom decisions. Our proposal also seeks to support companies in understanding exactly what they have committed to and how to clearly communicate it. A summary of options as to how to appropriately govern the development and oversight of these claims are also presented.

i) For instance, in 2021, Reclame Fossielvrij and Greenpeace Netherlands filed a complaint against Shell and its “Drive CO<sub>2</sub> neutral” campaign. It is argued that Shell – by selling “CO<sub>2</sub> compensation” in conjunction with Shell fuels – promotes a product that does not, and cannot, do what it promises, thereby violating the Dutch Advertising Code. A decade earlier, in 2010, an Australian energy company was found to have misled customers from whom it had accepted payments after promising to acquire carbon credits on their behalf. The Australian Competition and Consumer Commission found that the company had not purchased as many credits as promised, forcing the company to buy additional credits and deregistering them from the Global Green Programme.

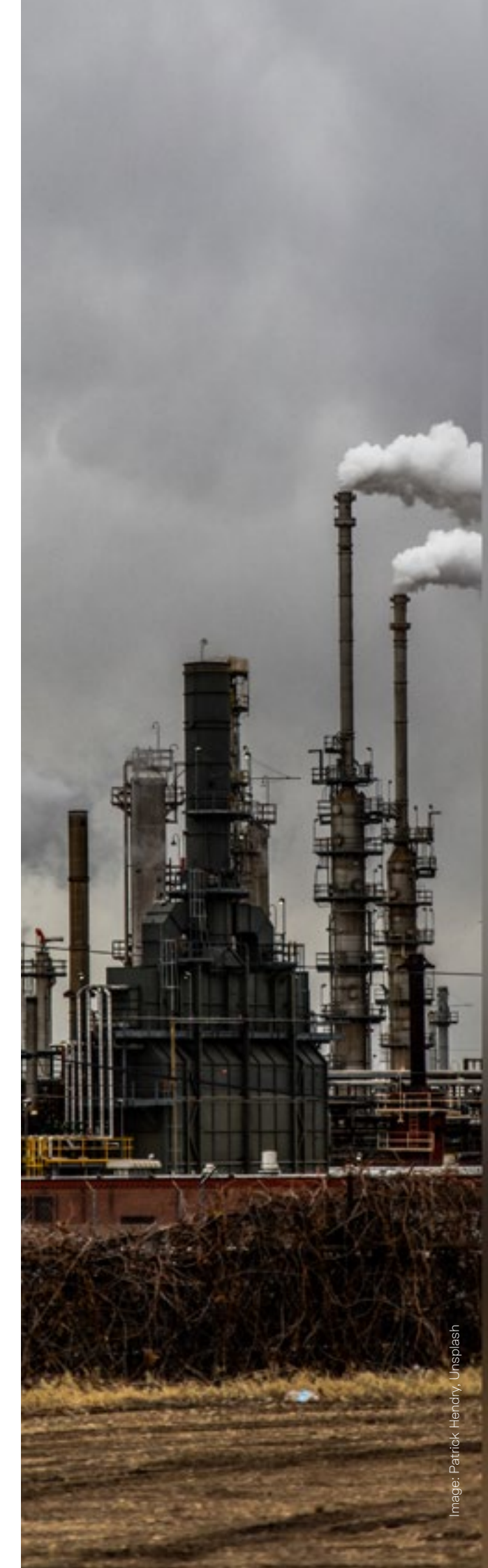


Image: Patrick Hendry, Unsplash





Image: Ian Teh for Panos Pictures/Food and Land Use Coalition

## II. General Characteristics of Environmental Claims



## General Characteristics of Environmental Claims

Environmental or green claims are assertions that companies or organizations make about environmentally beneficial attributes that are relevant to their operations.<sup>2</sup> Such environmental claims may be made in relation to a product, a service, a brand, or a company. These claims may be presented as statements in sustainability reports, press releases, labels, advertising, or other marketing material.<sup>3</sup> Importantly, environmental claims are also heterogeneous in their temporal scope, and vary in whether they cover the environmental impacts of past, present, or future activities. Notwithstanding these differences, the main function of environmental claims is to enable interested stakeholders – such as consumers, investors, and civil society organizations – to assess the relative environmental impact of products, investments, or organizations.

Both public and private actors have developed guidance on credible and legitimate environmental claims. At the national level, standards and guidance have been developed by government bodies such as the Federal Trade Commission in the US, the Advertising Standards Authority in the UK, the Authority for Consumers and Markets in The Netherlands, and the Competition & Consumer Commission in Australia. At the supranational level, the European Union is expected to issue a legislative proposal on the substantiation of green claims during the course of 2021, as part of the European Green Deal.<sup>4</sup>

In turn, in the private sphere, the International Organization for Standardization (ISO) has developed dedicated standards covering three types of environmental claims: labelling schemes based on a number of clearly defined criteria and which are third-party certified; self-declared environmental claims, in which claims are made without third-party certification; and environmental declarations involving a specific aspect of a product based on an independently verified life-cycle approach.<sup>ii5</sup> In addition, ISO has developed general (non-certifiable) standards such as the ISO 26000, which provides guidance to all types of organizations on social responsibility matters and claims. Lastly, ISO is currently developing the standard ISO 14068 on greenhouse gas management and related activities, which is expected to provide clear definitions and parameters for carbon neutrality.<sup>6</sup>

Environmental claims are now widespread and there is considerable diversity regarding their sectoral coverage as well as the environmental impacts covered. To navigate this diversity, legislation and industry standards have typically been designed with specific sectors and/or environmental impacts in mind. The public and private governance of sustainability claims is particularly well developed for renewable energy claims, the labelling of food products, and energy efficiency ratings for household appliances (Box 1). The pros and cons of these governance approaches may in the future help inform the development of a more robust governance model for VCM and carbon credit-related claims.



Image: Mehrad Vosoughi, Unsplash

ii) Respectively: Type I, Type II and Type III claims. The three types of claims are guided by separated ISO standards: the standard ISO 14024 sets a rigorous framework and well-functioning guide for Type I ecolabels; standard ISO 14021 provides guidance for self-declared Type II claims; and standard ISO 14025 establishes the principles and specifies the procedures for developing Type III environmental declaration.

### Box 1: Governance of Renewable Energy Claims, Food Labels, and Energy Efficiency Ratings

Companies are increasingly setting targets to incorporate renewable energy in their portfolios.<sup>7</sup> The regulation of ensuing claims varies between countries. In the United States, renewable energy claims are regulated by the Federal Trade Commission (FTC) through Green Guides.<sup>8</sup> The Guides posit that renewable energy claims are only valid and non-deceptive when they are fully, clearly, and prominently substantiated, specifying the share of renewable energy involved in the manufacturing and operational processes that allow a product to be produced or a service to be provided.<sup>9</sup> Companies that make claims that do not follow this guidance can face enforcement action against deceptive claims, including fines.<sup>10</sup>

Eco-labelling of food products is an increasingly widespread practice, with 73 eco-labels on food in Europe alone. The EU has been governing misleading green claims since the mid-2000s as part of the Directive 2005/29/EC on unfair commercial practices. Notably, organic labels are defined and regulated by Regulation (EC) No 834/2007, which sets out the requirements for advertising labels and commercial documents.<sup>11</sup> The regulation includes a list of accepted terms and abbreviations and explicitly prohibits the misleading use of such labels when the requirements are not met. Similarly, EU Regulation (EC) No 1924/2006 was adopted in 2006 with the purpose of eliminating unsubstantiated and misleading claims and only allowing claims that are scientifically proven and that consumers can trust. The regulation established harmonized rules for the use of health and nutrition claims in food and set up an ex-ante control mechanism, clearly indicating allowed nutrition claims and their conditions of use and prohibited health claims and the reasons for their non-authorization.<sup>12</sup>

In 1992, the EU introduced an energy efficiency labelling system under the EU Directive 1992/75/EC, which was subsequently reviewed, broadened and ultimately replaced by more recent directives and regulations.<sup>13</sup> The system rates the energy efficiency of household appliances like white goods, cars and lighting – with A being the most energy efficient and G the least – and provides additional information to enable consumers to choose between comparable models. The labels must be included in catalogues and websites and, as of March 2021, in the European product database for energy labelling. Companies that do not provide adequate energy efficiency labels on their products, promotional material, and in the database are not permitted to place their products on the European market.<sup>14</sup>



### III. Offsetting and Non-Offsetting Uses of Carbon Credits

Image: Hans Hamann, Unsplash





## Offsetting and Non-Offsetting Uses of Carbon Credits

Carbon credit-related claims are an increasingly prolific type of environmental claims, for which robust governance and guidance is largely lacking. While companies have made claims that involve carbon credits since voluntary carbon markets began operating in the late 1980s, best practices around how to formulate such claims have evolved significantly and continue to be shaped.

Through engagement in carbon markets, companies have been able to acquire carbon credits to offset emissions for compliance purposes (if they have mandatory GHG reduction obligations), or to offset emissions for voluntary purposes (which enables them to, for example, claim carbon neutrality of brands, product lines, events, and organizations).

In this context, offsetting has been broadly understood to be an environmental instrument representing a real environmental benefit that can be traded to counteract an environmental harm occurring someplace else.<sup>15</sup> In general terms, offsetting simply means that “one does something that results in extra good that is equivalent – in magnitude, approximate timing, and recipient population – to the

original harm done.”<sup>16</sup> In its ordinary and usual meaning, offsetting thus alludes to the action of (counter-) balancing an opposing effect.<sup>17</sup>

Regardless of whether they are ultimately used for voluntary or compliance purposes, most carbon credits are vetted for common quality features by carbon standards: (i) robust baseline; (ii) additionality; (iii) permanence of emission reductions; (iv) prevention of leakage; and (v) absence of double counting.<sup>18</sup> Some standards will also assess and certify other attributes, such as biodiversity conservation and sustainable livelihoods.<sup>19</sup> Although all carbon standards “claim” to produce high-quality and reliable carbon credits, they inevitably vary in their approach to securing these quality features, leading to different quality outcomes.

The benefits of offsetting an environmental harm using high-quality carbon credits have long been recognized. By allowing entities to contribute to environmental action through investments in projects where a given benefit can be achieved at a lower cost, offsetting can both promote environmental gains in a cost-efficient manner and deliver finance where it is most needed. Moreover, some types of offsets

– particularly from nature-based solutions (NBS) – often come paired with several other environmental benefits.

Despite these advantages, the role of offsets in delivering complete environmental solutions is clearly limited. Simply netting out emissions carries an inherent disincentive for actual and steady emission reductions within corporate boundaries. The major risk is that offsetting provides a license to companies to continue polluting and delaying their own GHG reductions. Offsetting is therefore increasingly considered a supplementary measure to be carefully managed to ensure it does not replace other forms of public and private action.<sup>20</sup>

The recognition of the supplementary nature of carbon offsetting has become more acute with the signing of the Paris Agreement and international consensus around an appropriate global temperature goal, as well as the breadth of climate action required to reach this goal.<sup>iii iv</sup> In this context, the role of carbon offsetting in the collective effort to limit global warming to 1.5°C is being revisited.

As a result of these discussions, proposals are emerging for more nuanced terminologies and approaches for the use of carbon credits in corporate climate strategies. On the one hand, terms like “compensation” and “neutralization” (see Glossary in Annex A and discussions further below) have been proposed by the Science Based Targets initiative (SBTi) to address some of the abovementioned risks of offsetting. On the other hand, innovative approaches are also emerging for claims that do not rely on offsetting one’s own emissions, but rather on contributing to mitigation benefits generated elsewhere. A common thread among these proposals is that offsetting, when used as a substitute for immediate climate action (hereafter “offsetting as a substitution”), must give space to the new forms of using carbon credits.



Image: Partnerships for Forests

iii) In 2010, Parties to the UNFCCC agreed on a long-term goal – reviewed over 2013-2015 to become more ambitious – which is to “hold the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels”. The long-term temperature goal became one of the three cornerstones of the 2015 Paris Agreement, which also marked the formal recognition that climate action is required for all (rather than only industrialized) countries.

iv) The IPCC 1.5 report published in 2018 then presented the scientific consensus on the level of climate action required to limit global warming to 1.5°C: halving global CO<sub>2</sub> emissions by 2030 and reaching net-zero CO<sub>2</sub> emissions by 2050.





Image: Atul Loke for Panos Pictures/Food and Land Use Coalition

## IV. Proposed Categorization of Carbon Credit -Related Claims



# Proposed Categorization of Carbon Credit-Related Claims

## OVERVIEW

Companies engage in VCMs for a variety of reasons and end purposes. As a result, a range of different claims are made along the carbon credit supply-demand spectrum, from the moment companies decide to acquire carbon credits to the moment these companies opt to use voluntary carbon credits as part of their corporate climate mitigation and marketing strategies. In the following sections, we suggest a classification to better understand and organize VCM-relevant claims according to the moment in which the action or benefit underpinning the claim is realized:

- (i) Claims about what a company pledges to do, i.e. a future ‘commitment’, are referred to as commitment claims, such as reaching net zero by 2050; and
- (ii) Claims about changes to the status quo, i.e. what has been achieved, are referred to as ‘achievement’ claims, such as claiming to be carbon neutral today or offering a carbon neutral product.

Most companies will engage in both commitment and achievement claims. Commitment claims are normally communicated in companies’ sustainability reports and media announcements, while achievement claims are generally made through labelling, advertising, or other promotional materials. Commitment claims are often geared towards institutional stakeholders, such as shareholders, investors, employees, or governments, whereas achievement claims are generally public-facing and largely directed to consumers and customers.

At present, most commitment and achievement claims rely on carbon credits to offset or compensate some of a company’s emissions. These commitment and achievement claims are underpinned by the carbon credit usage right, where buyer and

seller contractually agree on who (a) holds the right to account for the mitigation benefit produced by the carbon credit, and (b) has the right to (exclusively) lay claim over the credited emission reductions.<sup>21</sup> Importantly, this usage right should be defined at the moment buyers and project or program developers enter into carbon transactions and made public by the VCM standard and electronic registry selected by the contracting parties.<sup>v</sup>

Companies may also opt for more innovative approaches that involve investment or acquisition of carbon credits as part of climate and/or other SDG-related goals without using these credits as offsets. In this case, the company would be providing a contribution to mitigation, with the mitigation benefit associated with the carbon credits transacted being accounted only by the host country. To this end, carbon credits could be cancelled and coupled with a clarification that they are not to be used as an offset or for carbon neutrality purposes.

Figure 1 provides an overview of the proposed high-level categorization for claims based on the use of carbon credits. Clearly defining the carbon credit usage right with sellers is a precondition for companies to make credible commitment and achievement claims. In turn, having in place a robust (Paris-aligned) commitment to abating their own emissions becomes a pre-condition for companies to make credible achievement claims. Both commitment and achievement claims are further explained and exemplified in the following sub-sections.

v) Furthermore, VCM standards will often try to prevent conflicting claims by requiring project owners to legally attest that they have an exclusive claim to the credited reductions. See [https://www.offsetguide.org/wp-content/uploads/2020/03/Carbon-Offset-Guide\\_3122020.pdf](https://www.offsetguide.org/wp-content/uploads/2020/03/Carbon-Offset-Guide_3122020.pdf)

Figure 1: Proposed Categorization of Carbon Credit-Related Claims







## Commitment Claims

Commitment claims refer to a pledge to reach a carbon or climate-relevant target over time. The commitment may involve establishing a path to reduce emissions within a company’s value chain, and/or an intention to balance unabated value chain emissions with carbon credits at a future date.

Commitment claims communicate a corporate climate target – typically an intention to reduce emissions within a company’s value chain and/or balance unabated value chain emissions – by a certain year in the medium-to-long term. These claims are aspirational in nature and often convey an intention to pursue a defined mitigation trajectory to reach the announced target.

Companies currently make a range of forward-looking commitments to reduce emissions, differing in scope (e.g. Scope 1 and 2, or Scope 1, 2, and 3) and ambition (e.g. relative or absolute, percentage reduction target, and end date). Companies may also use differing terminology to refer to similar outcomes. Table 1 provides examples of commitment claims.

Image: istockphoto

Table 1: Examples of Commitment Claims

Commitment	Claim
To become a net zero company by a certain year	We announce our plan to reduce our GHG emissions by half by 2030 and achieve net zero by 2050.  Our pledge is to be net zero by 2050, even as the company continues to grow. This pledge has been guided and validated by a third party, and relates to the climate goals set out in the Paris Agreement.
To become carbon neutral by a certain year	We are committed to the goals set out in the Paris Agreement and we aim to become a carbon neutral organization by 2050.  Our entire group will become carbon neutral by 2050, including vehicles, offices, plants and processes.
To operate carbon-free by a certain year	We are committing to operate carbon-free by 2030.

Historically, appropriate climate action at the corporate level has been framed in relation to what is required at a global level. The IPCC introduced the concepts of climate neutrality and net zero in the context of what is required globally from society to limit warming to 1.5°C, defining climate neutrality as “a state in which human activities result in no net effect on the climate system. Achieving such a state would require balancing of residual emissions with emission removal”.<sup>22</sup>

When applied at a sub-global scale (individual, organization, company, country, etc.), concepts such as net zero, carbon or climate neutral,<sup>vi</sup> and climate positive (or carbon negative) are still evolving and are likely to be further refined in the next years. However, a clear distinction is emerging in how the terms “net zero” and “carbon or climate neutral” are to be used by companies.

vi) Carbon neutrality typically refers to CO<sub>2</sub> emissions whereas climate neutrality refers to all GHGs.

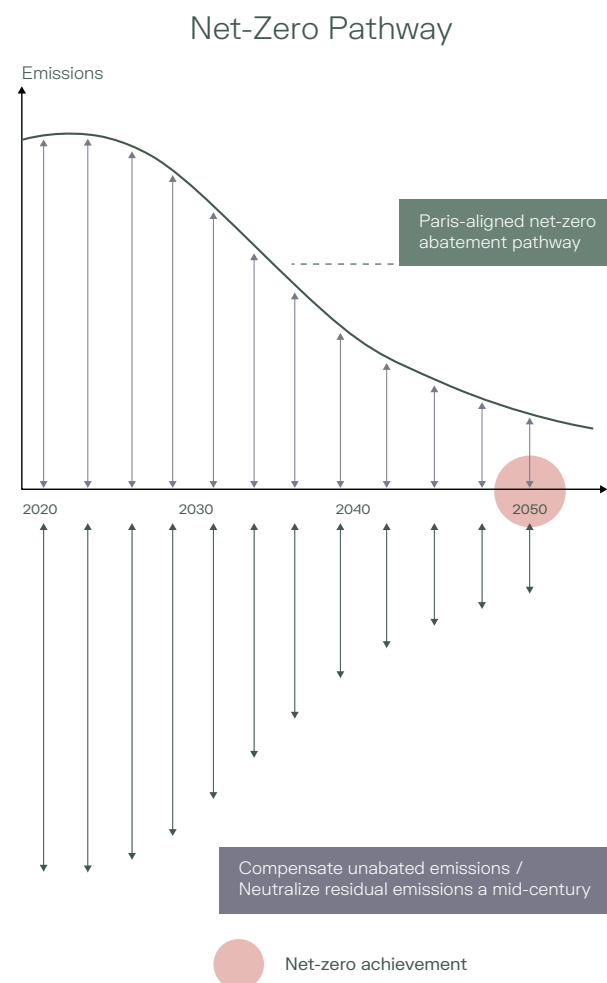


According to the SBTi, to achieve net zero, companies must have a Paris-aligned target to reduce their value chain emissions at a specific rate and by a specific date – a “**net zero abatement pathway**”, with any residual emissions removed by mid-century (or even before for more ambitious time frames). In the categorization proposed below, claims related to net zero would almost always be categorized as a commitment claim, since it would be extremely difficult for a company to abate all value chain emissions today with only residual emissions remaining (i.e. those which would be unabated at mid-century).

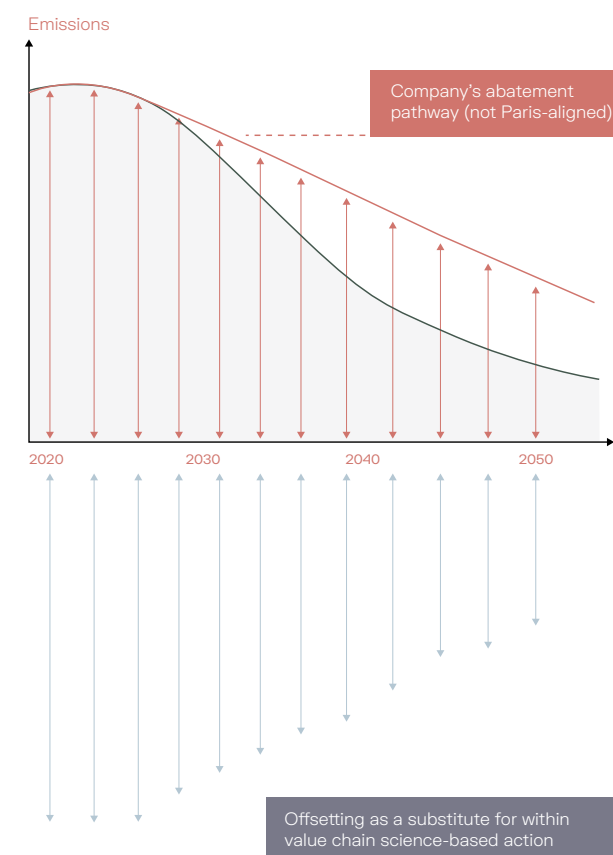
Regarding carbon or climate neutrality, there is also some uncertainty about how this should be applied at a sub-global level. For example, at present, companies can achieve carbon or climate neutrality through use of carbon credits from activities that reduce, avoid or temporarily capture GHGs,<sup>23</sup> which is a departure from the global definition of carbon neutrality, wherein emissions have to be permanently removed. Carbon or climate neutral corporate claims typically involve “offsetting as a substitution” – where in a company purchases carbon credits as a substitute for within value chain abatement without having a net zero abatement pathway in place (see Figure 2).<sup>24</sup>

Figure 2: Current Understanding of the Difference Between “Net Zero” and “Carbon Neutral” Commitments (Visualizations Illustrative)

## NET-ZERO PATHWAY



## CARBON NEUTRAL



## Achievement Claims

Achievement claims refer to claims made by companies to state that a product, brand or the entire organization has achieved carbon or climate neutrality status.

Achievement claims are assertions made by companies that their products already display certain climatic attributes, or that their business (or specific brands) have already achieved a specific climate target or ambition. In general, these claims convey a concrete statement of fact, as opposed to a promise or aspiration to reach a certain end-state by a future date. They also often relate to climate action that has already been duly monitored and verified.

The number of achievement claims has increased sharply in recent years, in line with consumers' environmental awareness and demand for more sustainable products and services. The most common carbon credit achievement claim is that of “carbon neutrality” or “climate neutrality” made at point of sale of products, or in relation to specific brands or businesses being “carbon” or “climate neutral” today.<sup>vii</sup> Table 2 below shows a range of examples of achievement claims.

vii) Carbon neutrality describes a state in which the carbon emissions released to the atmosphere by a stakeholder (individual, organization, company, country, etc.) have been reduced or avoided and the remaining ones are compensated with carbon credits from projects that reduce, avoid or remove GHGs. In contrast, climate neutrality also includes non-CO<sub>2</sub> emissions.



Table 2: Examples of Achievement Claims

Level

Achievement claim

In relation to products

Our company has been delivering carbon neutral products since 20XX. This is possible thanks to emissions reductions and the purchasing of carbon credits.

The production of our products X and Y has become balance sheet carbon neutral.

We announce that, from today, carbon neutral products will be available in our most important markets.

In relation to services

We have been delivering 100 percent carbon free electricity to our clients.

From now on, the service we provide is carbon neutral. We achieved this by optimizing our internal processes and buying enough carbon credits to compensate for the unavoidable emissions.

In relation to the organisation

Our whole organization has become carbon neutral by cutting our emissions, procuring renewable electricity and purchasing carbon credits.

We became carbon neutral thanks to our approach of avoiding, reducing and compensating emissions. We avoid GHG emissions through our business practices, including using telecommunication technologies rather than travelling. For those emissions that cannot be avoided, we leverage innovations, such as energy-efficient lighting in offices, efficient cooling systems in data centres, and alternative mobility solutions. Lastly, we offset unavoidable emissions by procuring carbon credits from certified standards.

Several carbon or climate neutrality standards exist that provide guidance in relation to such claims, including a thorough verification and labelling process. Nevertheless, such product- or organization- level achievement claims often fail to frame carbon or climate neutrality in the context of a company’s longer-term ambition and net zero abatement pathway. As a result, labels or promotional material announcing a product or organization as carbon or climate neutral could be construed by consumers and investors to mean zero emissions are being released to the atmosphere today. These achievement claims must thus be clarified to avoid confusing consumers and investors in their purchase or investment choices.

A key challenge of the use of carbon credits in achievement claims is whether they are seen as additional to emission mitigation within a company’s value chain, or as an alternative, potentially displacing emission reduction activity. Tackling climate change will first and foremost require within value chain emission reductions. At present, however, the extent to which companies are committed to internal emission reductions is not always obvious through company achievement claims, such as “carbon neutral”. The proposals for clarifying achievement claims later in this section attempt to improve the integrity of these claims. In particular, a pre-condition to making a credible achievement claim is that a company first adopts (and then stays on track with) a robust net zero abatement pathway.



Image: Ian Teh for Panos Pictures/Food and Land Use Coalition



## Carbon Credits as Broader Environmental Instruments (Non-Offsets)

Companies can also engage in VCM transactions outside of their net zero or carbon neutrality efforts with the objective to achieve SDGs, support sustainable development, contribute to a host country climate pledge, or contribute to collective climate targets. This approach addresses the pitfalls of offsetting that are increasingly contested and avoids the claiming of the emission reduction by both the host country and the corporate buyer.

Non-offsetting are sometimes referred to as “mitigation contribution”.<sup>viii</sup> These contributions are not used for offsetting or carbon neutrality purposes, but rather to achieve broader corporate climate goals, and thus are more aligned with the collaborative spirit of the Paris Agreement. In order to give visibility and transparency to mitigation contributions, the

carbon credits acquired could be cancelled by companies, with the relevant carbon standard and electronic registry informing publicly that these carbon credits were cancelled for the purpose of making a mitigation contribution (and, as a result, no claims related to offsetting, compensation, or carbon neutrality will be made by the company involved in the transaction) (see Box 2 below).

Mitigation contributions in the form of cancelled credits have an important role to play, particularly in countries with competing policy priorities, limited financial resources, and constrained institutional abilities to implement ambitious climate measures. Cancelling carbon credits for providing a mitigation contribution has the following advantages. It:

- maintains the existing VCM structure, ensuring additionality and overall integrity of emission reductions produced and paid for;
- prevents a possible double claiming of mitigation efforts between the host country’s Nationally Determined Contribution (NDC) and the carbon credit that a company has paid for;
- moves away from a zero-sum game in which an emission produced in one place is netted out by an equivalent reduction somewhere else (in particular, where companies are not progressing with their own abatement efforts); and supports developing countries in achieving or overachieving their climate pledges. This, in turn, may encourage even greater ambition by these countries under the Paris Agreement.
- If the VCM transaction for which cancelled carbon credits were issued is within a sector covered by the NDC, the host country will account for the emission reductions to achieve or – where technically feasible to determine – overachieve its current NDC. Where the mitigation activity is located outside the scope of the NDC, the emission reduction or removal will still show in the host country’s GHG inventory, but the climate benefit will be “additional” and increase the host country’s mitigation ambition outside the sectors covered by the NDC.

The Carbon Pricing Leadership Coalition’s (CPLC) Draft Report on Net Zero Goals and Carbon Pricing recognizes that “mitigation contributions can be a vehicle for results-based capital flows to support ambition in developing countries, provided that

viii The notion of mitigation contribution is being further discussed and developed by a number of organizations. See, for instance, WWF here, Gold Standard here, Carbon Market Watch here, Carbone 4 here.





investments are made in high-value and high-integrity emission reductions or removals and are consistent with the host country’s long-term strategy” – but it also stresses that so far companies have shown little appetite for it.<sup>25</sup>

There are different ways companies could communicate and frame a mitigation contribution in VCM transactions (either as a commitment or an achievement claim). For instance, the Gold Standard notes that companies could opt to simply communicate that they are taking responsibility for their emissions, without using purchased credits to offset their own emissions. Rather than claiming to have offset their emissions, the company would communicate the positive impact of the mitigation activities they have supported, including SDG-related outcomes.<sup>26</sup> WWF recommends, as one possible approach, that companies set aside a “corporate climate finance target” and communicate a commitment to “investing in effective decarbonization and climate resilience efforts outside of their company boundaries”.<sup>27</sup> Carbon Market Watch suggests that a contribution

approach could also be framed as “contributing to countries’ efforts towards meeting their climate targets under the Paris Agreement”. It observes that, while this way of framing may sound less attractive to businesses, it can promote stronger ties between companies and developing countries and give more credibility to companies’ commitments.<sup>28</sup>

Further guidance is needed to more clearly define a template for claims associated with mitigation contributions and how to best incentivize companies to adhere to this approach. As noted in CPLC’s Draft Report, communicating what a mitigation contribution represents is likely to be more challenging than communicating offsetting strategies, but “may be viewed more credibly, particularly if grounded in a science-based net zero target”. A sharper framing of what mitigation contributions truly represent to companies, stakeholders and their customers would be required to entice greater uptake.<sup>29</sup>



Image: Atul Loke for Panos Pictures/Food and Land Use Coalition

## Box 2: Instrumentalizing the Mitigation Contribution Approach

One way of instrumentalizing the mitigation contribution approach while maintaining the existing VCM structure would be for companies to cancel acquired carbon credits and specify in the relevant electronic registry that no offsetting or carbon neutrality claims will be made as a result.

We note that the definitions of, and specifications related to, “cancellation” and “retirement” of carbon credits tend to vary between carbon standards and programs. While both result in credits being put out of circulation, their purposes differ in relation to whether credits are or are not used to meet a particular GHG target. In the context of the Kyoto Protocol, cancellation described a situation in which the carbon credit was internally transferred into a dedicated cancellation account such that it could no longer be used for compliance with an emissions target. In turn, retirement meant the internal transfer of a carbon credit to a specific retirement account. In the latter case, the owner of the carbon credit could claim to have reduced emissions and use those emissions to meet its climate commitments.

An analogous understanding can be applied for the VCM, where a “retirement” refers to the final use of carbon credits for the purpose of claiming the underlying mitigation benefit towards a company GHG target or carbon neutrality goal. In turn, “cancellation” refers to a situation in which the carbon credit is put out of circulation without being used towards any particular corporate target or carbon neutrality goal.<sup>30</sup>





## V. Organization of Claims



## Organization of Claims

Given the diversity in corporate climate commitments and the various ways that carbon credits can be used to deliver such commitments, it is important that companies know exactly what it is they are claiming and how to responsibly communicate it. However, claims companies make in relation to climate change and their use of carbon credits reflect a range of other attributes that complicate the creation of a consistent taxonomy of claims. For example, claims may differ according to:

- emissions coverage (e.g. Scope 1 and 2, or Scope 1, 2 and 3; whether the compensation efforts relate to future emissions, current emissions or historic emissions);
  - commitments to reduction targets and target date (which may or may not be aligned to a 1.5°C Paris goal);
  - credibility of the plan to achieve and remain on track with reduction targets, and the processes of external validation;
  - types of carbon credits (i.e. emission reductions or removals); and accounting treatment of carbon credits (e.g. whether a given carbon credit is used to net out value chain emissions or whether the company makes a mitigation contribution).
  - Together, these factors create a wide range of potential combinations of claim types. The following sub-sections propose a classification that enables commitment and achievement claims to be arranged in a broad hierarchy of quality and mitigation impact. The suggested classification is based on the following broad criteria and assumptions:
- companies making claims associated with the use of carbon credits need to commit to reducing emissions in their value chain through net zero abatement pathways;
  - net zero abatement pathways should cover Scope 1, 2 and 3 emissions. Targets covering only Scope 1 and 2 emissions do not feature in the proposed classification;
  - the highest quality commitments are net zero abatement pathways aligned with the Paris 1.5°C temperature goal, with other targets regarded as lower quality commitments;
  - net zero abatement pathways should be underpinned by a credible low-carbon transition strategy, i.e. plans to achieve interim and long-term targets should be credible and independently verified;
  - companies must be on track with net zero abatement pathways on a rolling average basis (to be further defined through further consultations and future guidance);
  - having adopted a credibly net zero abatement pathway, a company can commit to neutralising its residual emissions in the long-term. A better claim, however, is to commit to compensating emissions in the short to medium-term as well as committing to emission reduction and neutralization in the longer-term;
  - for being a relatively new concept that still requires further development and discussion, the mitigation contribution approach does not yet feature in the proposed classification as a standalone headline claim;

- real or perceived risks related to double claiming in the VCM (and the need for a corresponding adjustment in the meaning of Article 6 of the Paris Agreement) are not yet addressed in this Working Paper. This issue will require further guidance, taking into account any relevant decisions reached at the upcoming COP26 in Glasgow; and
- these criteria and assumptions apply to both commitment claims (e.g. being on a net zero pathway) and achievement claims (e.g. being carbon neutral today). With respect to achievement claims, we focus at this point only on carbon or climate neutrality claims, as these are currently the most widely used type of achievement claims.

### 1. PROPOSAL FOR CLASSIFYING COMMITMENT CLAIMS

Table 3 below illustrates how commitment claims could be organized and classified, taking into account both the potential climate impact of the underlying action and the accuracy of the claim.

The naming of the different headline claims as “Type #1-4” is merely intended to delineate the types that make up the proposed classification. The exact terminology or “brand” that will be used to refer to the respective headline claims should be developed and refined in consultation with businesses and other stakeholders. In addition, as mentioned in the assumptions above, the mitigation contribution approach is not yet reflected in the proposed classification. Further refinement and consultations are needed to better understand how mitigation contributions can be framed to entice greater uptake and use by companies in their forward-looking commitments.



Table 3: Possible Classification of Commitment Claims

Classification	Target, Strategy and Performance	Use of VCM carbon credits
Net Zero Pathway: Type #1	<b>Target</b> Company adopts a 1.5°C abatement target as well as a long-term net zero target. Target covers full Scope 1-3 emissions and non-CO <sub>2</sub> emissions. The target is validated by a reputable third-party initiative or standard (e.g. SBTi)	Company purchases carbon credits to compensate all unabated emissions and neutralize residual emissions  Company also purchases carbon credits to compensate for all its historical emissions
+		
Net Zero Pathway: Type #2	<b>Strategy</b> Company has a net zero aligned (short- and long-term) low carbon transition strategy and a concrete plan/roadmap to meet its formally adopted target	Company purchases carbon credits to compensate all unabated emissions and neutralize residual emissions  Company does not purchase carbon credits to compensate for its historic emissions
+		
Net Zero Pathway: Type #3	<b>Performance:</b> Company is on track to meet the formal net zero aligned target on a rolling average	Company purchases carbon credits to neutralize residual emissions  Company does not compensate all unabated emissions in the short to medium term  Company does not purchase carbon credits to compensate for its historic emissions
Net Zero Pathway: Type #4	Target, strategy and performance criteria not met (but company may have a non-validated net zero target OR may have a validated target but is not on track to achieve it)	Company purchases carbon credits for “offsetting as a substitute for within value chain science-based action”

NOTE: Type 1 is the highest level of ambition, Type 2 the next highest, etc.



Image: Dmitry Anikin, Unsplash

2. PROPOSAL FOR CLASSIFYING ACHIEVEMENT CLAIMS

A credible achievement claim regarding carbon or climate neutrality will always be accompanied by a robust, forward-looking commitment by the company. Thus, the existence of a strong commitment is a pre-condition for a credible achievement claim. Also, when a company makes an achievement claim about a product being carbon or climate neutral, it should clearly explain the limitations of that claim, i.e. that the company has not yet eliminated all its GHG emissions and that the use of a particular product or service does not mean the absence of GHG emissions.

The naming of different headline claims as “Type #1-2” in Table 4 is merely intended to delineate the different types that make up the proposed classification. The exact terminology or “brand” that will be used to refer to the respective headline claims should be developed and refined in consultation with businesses and other stakeholders. Finally, the mitigation contribution approach is not yet reflected in the proposed classification. As with commitment claims, further refinement and consultations are needed to better understand how mitigation contributions can be framed to entice greater uptake and use by companies in their achievement claims.



Table 4: Possible Classification of Achievement Claims at the Organization Level

Classification	Target, Strategy and Performance	Use of VCM carbon credits
Carbon or Climate Neutral: Type #1	<p><b>Target:</b></p> <p>Company adopts a 1.5°C abatement target as well as a long-term net zero target. Target covers full Scope 1-3 emissions and non-CO<sub>2</sub> emissions. The target is validated by a reputable third-party initiative or standard (e.g. SBTi)</p> <p><b>Strategy:</b></p> <p>Company has a net zero aligned (short- and long-term) low carbon transition strategy and a concrete plan/roadmap to meet its formally adopted target</p> <p><b>Performance:</b></p> <p>Company is on track to meet the formal net zero aligned target on a rolling average</p>	<p>The company achieves a balance between emissions and removals, typically through the purchase of carbon credits for compensation and neutralization purposes</p> <p>The climate or carbon neutrality claim follows guidance from a reputable standard</p>
Carbon or Climate Neutral: Type #2	<p>Target, strategy and performance criteria not met (but company may have a non-validated net zero target OR may have a validated target but is not on track to achieve it)</p>	<p>The company achieves a balance between emissions and removals through “offsetting as a substitute for within value chain science-based action”</p> <p>The climate or carbon neutrality claim follows guidance from a reputable standard</p>

NOTE: Type 1 is the highest level of achievement, Type 2 the next highest.

3 - COMMITMENT AND ACHIEVEMENT OVER TIME

Companies may make both a commitment and an achievement claim at different points in time. Figure 3 below provides a hypothetical example for a ‘Company A’, assuming two different years: 2020 and 2040.

- In 2020, Company A adopted a net zero abatement pathway and provided evidence that it has both a credible low-carbon transition plan and that it remained on track to meet its net zero abatement pathway during 2020. Furthermore, Company A purchased carbon credits to compensate all of its unabated emissions in 2020. Therefore, in terms of its commitment claim, Company

A can claim to be on a Net Zero Pathway: Type #2; and in terms of its achievement claim, Company A can claim to be Carbon or Climate Neutral: Type #1.

- In 2040, Company A did not stay on track to meet its net zero abatement pathway but achieved a balance between emissions and removals through “offsetting as a substitution”. Therefore, in terms of its commitment claim, Company A can only claim to be on a Net Zero Pathway: Type #4; and in terms of its achievement claim, Company A can only claim to be Carbon or Climate Neutral: Type #2.

Figure 2: Illustrative Example of Claims Company A Could Make at Different Times Based on Proposed Categorization of Claims

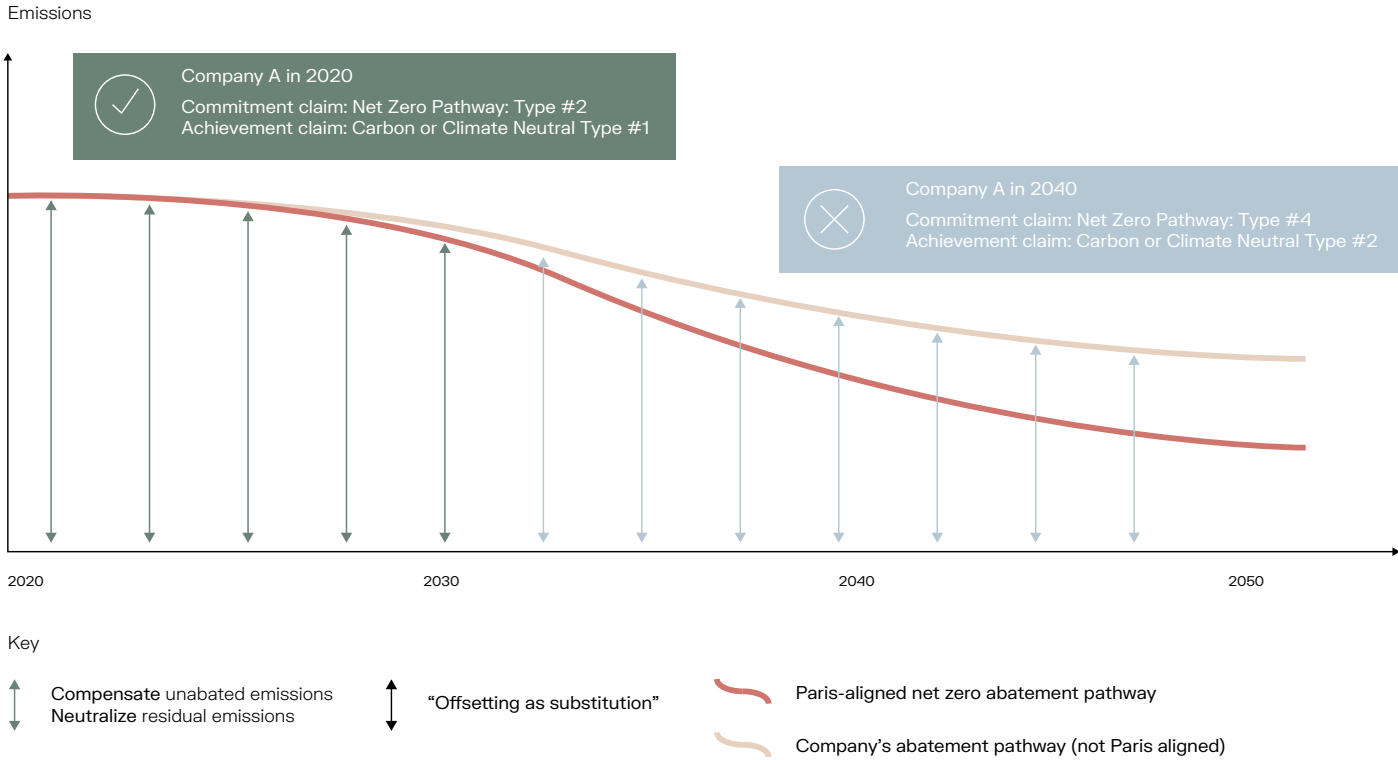






Image: Kemal Juffri for Panos Pictures/Food and Land Use Coalition

## VI. Alternative Governance Models



# Alternative Governance Models

Further guidance is needed to ensure carbon credit-related claims are made in a responsible manner, preventing greenwashing, and ensuring companies merit such claims. There are different private governance models available to control and ensure the accuracy of these claims. In addition, there are public governance measures (i.e. existing or new laws and regulations) that can and should be considered. While one of the essential characteristics of VCMs is that they are voluntary, governance of VCMs must evolve

over time to encourage and align with the need for mandatory approaches to climate mitigation. However, the strengthening of public governance will take time and political will. Thus, for the time being, as shown in Table 4, it would be prudent to assess the pros and cons of the spectrum of available private governance models, ranging from decentralized (or principles-based) to centralized (or rules-based). Table 4 provides a summary of these governance models.

Table 4: Governance models

General characteristics	Governance models		
	Principles-based (Decentralized)	Hybrid model	Rules-based (Centralized)
Description	Based on general principles and criteria. Less centralized and with greater room for interpretation/ application.	Principles and criteria are further developed and refined via a code of best or good practices. If desired, a third party may be engaged to provide independent verification of commitment claims.	Based on a concrete set of rules and verification system to ensure commitment claims are framed consistently. Akin to a fully-fledged standard.
Covered entities	Companies and/or standard-setting bodies	Companies and/or standard-setting bodies	Companies
Membership	Multi-stakeholder	Multi-stakeholder	May be multi-stakeholder or not
Examples following similar approaches	EDF's Mobilizing Voluntary Carbon Markets	ISEAL or the Operating Principles for Impact Management (hosted by IFC)	Certification by the Roundtable on Sustainable Palm Oil (RSPO) or the Round Table on Responsible Soy Association (RTRS)



Image: Unsplash





Image: © Denys Munang/Eagle High Plantations

A principles-based model would focus on developing high-level criteria, recommending only broad sets of actions to align carbon credit-related claims with the actions being taken by companies. This is often implemented as a less centralized model, leaving greater discretion for the interpretation of principles and recommendations in different contexts.

A principles-based model may be directed at companies making carbon credit-related claims or at standard-setters guiding companies in their VCM actions and in setting and achieving their mitigation trajectories.

At the other end of the spectrum, a rules-based system would ensure that more detailed

and prescriptive rules are developed for the application of the agreed principles and criteria. This option is akin to designing an independent standard, including not only a set of rules but also a validation and fact-finding system to verify carbon credit-related claims and ensure these are fully consistent with the actions being proposed and implemented by companies. This more centralized option tends to leave little room for differing interpretations. It is thus more likely to avoid greenwashing and deceptive claims, while promoting and incentivizing that those claims be underpinned by more ambitious actions. However, a fully-fledged standard also requires much more time and effort to be developed. It may also overlap with governance functions that could be more effectively undertaken by other existing standards.

At the middle of this governance spectrum lies a hybrid approach in which principles and criteria are followed by additional guidance – e.g. a code of best or good practices – that is widely consulted, refined, and published regularly (i.e. every three years). This option can provide greater certainty in the desired application of principles and criteria, while steering away from becoming yet another standard to be observed by companies. The refinement of criteria and publication at regular intervals would ensure that guidance remains relevant and consistent with the evolution of VCMs and the key technical concepts and terminologies. If a need is later identified to ensure greater centralization, a third party could be designated to independently verify the framing of commitment claims in line with the guidance provided.

Importantly, the governance model selected for overseeing carbon credit-related claims will largely determine how prescriptive and detailed any future guidance will be. While a principles-based approach would require only

high-level principles and criteria to be issued, a rules-based approach would require that these criteria are supported by robust methodologies to verify underlying action and validate ensuing claims. In addition, such guidance will likely differ depending on the type of claim, i.e. whether it is a commitment (aspirational and ex-ante) or achievement claim (factual and ex-post). Notwithstanding, any governance system that seeks to safeguard the transparency and integrity of carbon credit-related claims would at a minimum ensure that these claims:

- a) are true and accurate;
- b) are clear and relevant to their target audience;
- c) are substantiated with objective, transparent, and up-to-date data;
- d) avoid overstating the beneficial environmental impacts of the activities;
- e) avoid creating a false impression or hiding trade-offs; and
- f) refer to voluntary actions or achievements that go beyond complying with existing legislation or standard business practice.<sup>31</sup>

Annex B contains a preliminary exploration of how these general criteria could be further articulated and operationalized for commitment claims under a principles-based governance model. It considers both supply- and demand-side aspects-related commitment claims. We conceive similar criteria could be formulated for the governance of achievement claims. We note that – were these claims to be governed under a more centralized governance model – the criteria would need to be further refined and detailed, including examples of best practices and, where applicable and appropriate, verification by a third-party.





Image: The Tampa Bay Estuary Program, Unsplash

## VII. Annex A: Glossary of Key Terms



Annex A: Glossary of Key Terms

TERM	DEFINITION
Abatement	Measures that companies take to prevent, reduce, or eliminate sources of GHG emissions within their value chains. <sup>1</sup>
Additionality	A key characteristic of carbon credits, ensuring that carbon emissions are lower than if the project had not been implemented. <sup>2</sup>
Article 6	The voluntary cooperation mechanisms that will assist governments in implementing their NDCs as part of the Paris Agreement. They include Internationally Transferred Mitigation Outcomes (ITMOs) between governments, an international carbon market, and the use of development aid. <sup>3</sup> The rulebook for Article 6 is the only part of the Agreement that is yet to be finalized; eligibility of forest units is an open question.
Avoided emissions	Emission reductions that occur outside of a product’s life-cycle or value chain, but as a result of the use of that product. Avoided emissions is a relative metric estimated by comparing the climate impacts of a given product, activity, or service against the climate impacts of a reference product, activity, or service. <sup>4</sup>
Baseline	The business-as-usual scenario the mitigation activity is compared against. The baseline must be robust and realistic. It runs the risk of being inflated to generate more credits. <sup>5</sup>
Cancellation of a carbon credit	The definitions of cancellation and retirement vary between carbon standards and programs. For the purposes of this work, cancellation refers to a situation in which the carbon credit is put out of circulation without being used towards any particular carbon neutrality or GHG reduction goal. On the other hand, retirement refers to a situation in which the carbon credit is directly used towards a carbon neutrality or GHG reduction goal. See also the definition of retirement of a carbon credit below.
Carbon credit	An emissions unit that is issued by a carbon crediting program and represents an emission reduction or removal of greenhouse gases. Carbon credits are uniquely serialized, issued, tracked, and cancelled by means of an electronic registry. <sup>6</sup>

TERM	DEFINITION
Carbon dioxide removal / greenhouse gas removal	<p>Carbon dioxide removal (CDR) refers to the process of removing CO<sub>2</sub> from the atmosphere. Since this is the opposite of emissions, practices or technologies that remove CO<sub>2</sub> are often described as achieving “negative emissions”. The process is sometimes referred to more broadly as greenhouse gas removal (GHGR) if it involves removing gases other than CO<sub>2</sub>.</p> <p>There are two main types of CDR: either enhancing existing natural processes that remove carbon from the atmosphere (e.g. by increasing its uptake by trees, soil, or other “carbon sinks”) or using chemical processes to, for example, capture CO<sub>2</sub> directly from the ambient air and store it elsewhere (e.g. underground). All CDR methods are at different stages of development and some are more conceptual than others, as they have not been tested at scale.<sup>7</sup></p>
Carbon neutrality	In the global context, carbon neutrality is the same as net zero carbon dioxide (CO <sub>2</sub> ) emissions which are achieved when anthropogenic CO <sub>2</sub> emissions are balanced globally by anthropogenic CO <sub>2</sub> removals over a specified period. <sup>8</sup> But in the sub-global context, companies can achieve carbon neutrality through purchase of carbon credits from activities that reduce, avoid or temporarily capture GHGs equivalent to the volume of all CO <sub>2</sub> emissions. <sup>9</sup>
Carbon offset	A carbon offset broadly refers to a reduction in GHG emissions – or an increase in carbon storage (e.g., through land restoration or the planting of trees) – that is used to compensate for emissions that occur elsewhere. A carbon credit that is being used for the purpose of offsetting is a transferrable instrument certified by governments or independent certification bodies to represent an emission reduction of one metric tonne of CO <sub>2</sub> , or an equivalent amount of other GHGs. <sup>10</sup> VCM I recommends avoiding the conflation of offsets and carbon credits as carbon credits can be used for purposes other than offsetting, and offsetting can be accomplished through other mechanisms than purchasing carbon credits.
Carbon Standard / Carbon Standard Setting	The term carbon standard is often used to refer to an entity that develops and promulgates standards (i.e. methodologies, protocols, and requirements) that must be adhered to by project developers and applied third-party validators in order for a project to be issued a carbon credit. In this report, we have tried to distinguish between the entity – which we refer to as a carbon standard setting body or entity – and the standards that are promulgated by those entities. Carbon standard setting bodies are also often referred to as “carbon crediting entities” due to the fact they issue and maintain a registry of the carbon credits that they issue.

















Image: Ramy Kabalan, Unsplash

## VIII Annex B: Principle-Based Criteria for Commitment Claims



Annex B: Principle-Based Criteria for Commitment Claims

Any governance system that seeks to safeguard the transparency and integrity of carbon credit-related claims would, at a minimum, ensure that these claims:	f) refer to voluntary actions or achievements that go beyond complying with existing legislation or standard business practice. <sup>87</sup>
a) are true and accurate;	To facilitate the adequate governance of carbon credit-related claims, these general criteria should be further articulated into more concrete guidance for high ambition climate action and high integrity carbon credit-related claims. The appropriate format for this guidance will depend on the governance model in place and the type of carbon credit-related claim being considered. Table B1 below illustrates how the abovementioned general criteria can be further articulated and operationalized for commitment claims under a principles-based governance model.
b) are clear and relevant to their target audience;	
c) are substantiated with objective, transparent, and up-to-date data;	
d) avoid overstating the beneficial environmental impacts of the activities;	
e) avoid creating a false impression or hiding trade-offs; and	

Table B1: Principle-Based Criteria for Robust Commitment Claims

GENERAL CRITERIA	EXAMPLES OF INDICATORS TO BE ASSESSED WHERE COMMITMENT CLAIMS RELY ON OFFSETTING AS A SUBSTITUTE FOR WITHIN VALUE CHAIN SCIENCE-BASED TARGET
True and accurate	Demand-side: <ul style="list-style-type: none"><li>— Be based on evidence and real climate action planned and being implemented by the company. A true and accurate commitment claim is underpinned by the existence of a concrete plan, near-term abatement targets, and clarity about the scopes of activities and emissions covered by such targets.<sup>87</sup></li><li>— When carbon credits are used for offsetting, clarify what portion of a company’s GHG emissions are being offset and what standards and methodologies were used to measure, calculate, and verify GHG emissions.</li></ul>
	Supply-side: <ul style="list-style-type: none"><li>— Ensure that carbon credits are issued by high integrity carbon standards. Carbon standards, in turn, must demonstrate that carbon credits are accurately quantified, real, verified and additional, while properly addressing leakage, non-permanence, and double counting risks.</li></ul>
Clear and relevant to their target audience	Demand-side: <ul style="list-style-type: none"><li>— Carefully consider the target audience and their familiarity with concepts. The target audience may involve a range of stakeholders including consumers, investors, shareholders, host countries, and the broader climate community.</li><li>— Be clear on whether carbon credits are being used to achieve corporate targets, used to neutralize residual emissions only, and/or whether they are credited only against unabated emissions beyond the abatement target set by the company.</li></ul>
	Supply-side: <ul style="list-style-type: none"><li>— Be clear and transparent on the climate accounting impact of the carbon credits being used and whether they carry a corresponding adjustment in the meaning of Article 6 of the Paris Agreement. Carbon credits that do not carry a corresponding adjustment should be explicit about this condition (note: more concrete guidance needs to be developed post-COP 26).</li></ul>

Table continued overleaf







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The Voluntary Carbon Markets Integrity Initiative (VCMI) is a multi-stakeholder platform to drive credible, net zero aligned participation in voluntary carbon markets (VCMs).

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