

Introducing the VCM Claims Code of Practice

The VCM Claims Code of Practice (Claims Code) brings confidence and credibility to claims that involve the use of carbon credits.

When used with integrity, VCMs can accelerate climate mitigation and make a meaningful contribution to the Paris Agreement Goals and the UN Sustainable Development Goals.

Who is the code for?

The Claims Code is for companies seeking to make credible, voluntary use of carbon credits and receive validation in the form of a VCM Claim; it is also important for the following groups:

Organizations and people

Buyers of goods and services seeking to make net zero-aligned purchases.

Investors

To review the credibility of a company's climate ambition and its actions.

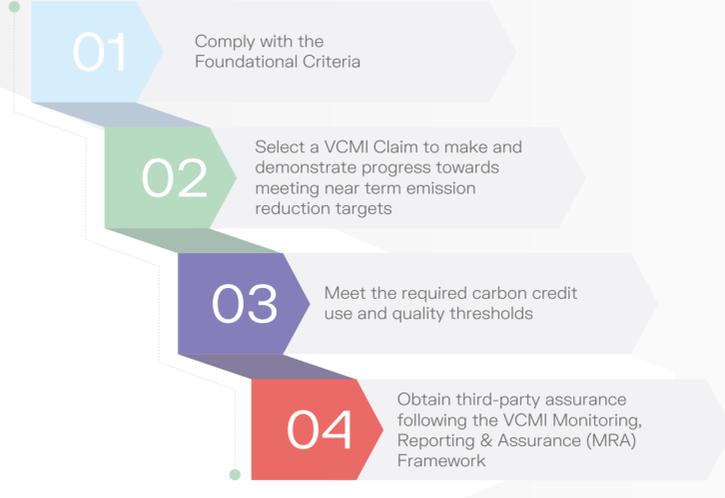
Governments and their regulatory agencies

To encourage companies to use carbon credits credibly and structure claims to be truthful, clear and informative.

Those seeking to develop other rules / guidance / frameworks that will involve carbon credit use and disclosures.

Steps to follow – how to make a Carbon Integrity claim

Here are the four key steps that companies must take to make a VCM Claim:



Step 1: Comply with the Foundational Criteria

To make a claim companies must adhere to the following four VCM Foundational Criteria:



Maintain and publicly disclose an annual greenhouse gas emissions inventory.



Set and publicly disclose science-aligned near-term emission reduction targets, and publicly commit to reaching net zero emissions no later than 2050.



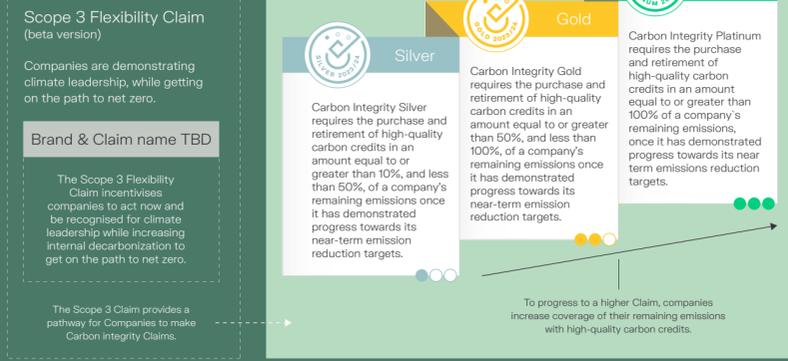
Demonstrate that the company is making progress towards meeting its near-term emission reduction targets.



Demonstrate that the company's public policy advocacy supports the goals of the Paris Agreement and does not represent a barrier to ambitious climate regulation.

Step 2: Select which Carbon Integrity Claim to make

Each Carbon Integrity Claim requires the purchase and retirement of high-quality carbon credits proportionate to the remaining emissions once a company has met, or demonstrated progress towards meeting, its near-term emission reduction targets.



Once final, the Scope 3 Flexibility Claim will enable companies to take responsibility for their scope 3 emissions, while getting on the path to net zero through use of high-quality carbon credits.

For companies to be eligible for the beta version of the Scope 3 Flexibility Claim they must:



Comply with VCM Foundational Criteria



Credits must not exceed 50% of GHG inventory scope 3 emissions



Use of credits must decline over time, phase out by 2035 or earlier

Step 3: Meet the required carbon credit use and quality thresholds

Companies should follow the Integrity Council for the Voluntary Carbon Market (ICVCM) Core Carbon Principles and transparently report relevant information pertaining to retired credits, including authorization of credit by the host country. Companies should use the highest quality carbon credits.

ICVCM's 10 Core Carbon Principles



Governance

1. Effective governance
2. Tracking
3. Transparency
4. Robust independent third-party validation and verification



Emissions impact

5. Additionality
6. Permanence
7. Robust quantification of emission reductions and removals
8. No double counting



Sustainable development

9. Sustainable development benefits and safeguards
10. Contribution to net zero transition

The Claims Code requires companies to retire 'CCP-Approved' credits from January 1, 2026.

Until CCP-Approved credits become available, VCMCI offers companies two approaches to purchase and retire high-quality carbon credits:

Option 1:

Purchase and retire CORSIA eligible credits, when a specific activity type has not yet been assessed by the ICVCM.

Option 2:

Disclose how due diligence processes align with all 10 CCPs.

Step 4: Obtain third-party assurance following the VCM MRA Framework

The MRA Framework requires independent third-party assurance to provide integrity to the data and information submitted to make a VCM Claim and ensure that:



The Foundational Criteria requirements have been met.

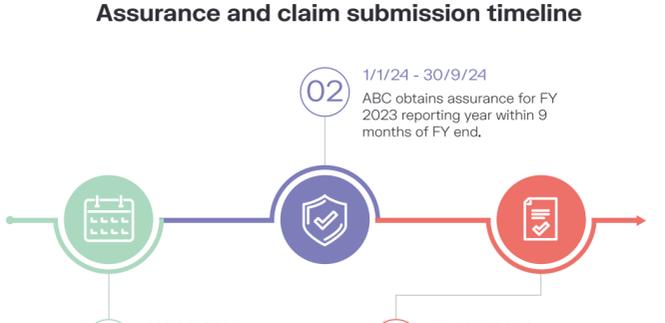


VCMCI Claim-specific requirements have been met.



Key information related to the carbon credits used to meet the VCMCI Claim has been disclosed.

Assurance and claim submission timeline



*For companies that have not received SBTi validation over their near-term targets, a 24-month period will be allowed if evidence of commitment to SBTi is provided. The 24-month period to set science-based targets is in line with the SBTi's requirement. The evidence of commitment to SBTi must be dated in advance of the date for which intent to obtain a VCMCI Claim was established.

Make a claim

Companies can now express their interest in making a Carbon Integrity Claim, or if ready to make a Claim, do so, via the VCMCI website:

vcmintegrity.org/make-a-claim