

Supplementary
guidance

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Guidance on communicating climate claims

VCMI developed the VCMI Claims to give companies a way to efficiently communicate that they have taken high-integrity climate mitigation action, which includes purchasing carbon credits beyond their value chain. But companies will make other general communications about their climate mitigation strategies, and there is lack of clear guidance that helps them understand how to structure these other claims. For this reason, VCMI provides further guidance on narrative claims companies can use to describe what their certification to use a VCMI Claim means in the context of their company.

This guidance also provides recommendations and insights for other climate claims used by a company. VCMI provides a common set of principles that can be widely applied to guide claim development and a common taxonomy of claim types. The common taxonomy is presented here to give practitioners an expanded vocabulary to promote greater clarity on which claims are credible. This has been developed based on past sustainability claims guidance, including the work of ISEAL.

I. COMMUNICATING VCMI CLAIMS

Companies may want to describe the underlying structure of a VCMI Claim in their communications. To do so, VCMI suggests companies use the following narrative claim language. The VCMI Claims follow a tonne-for-tonne approach (see [Annex E](#) 'Approaches to using carbon credits'). VCMI recommends that companies communicate that the carbon credits purchased and retired to meet VCMI Claims represent a contribution to both the company's climate goals and to global efforts to mitigate climate change.

As part of its ongoing work, VCMI is conducting market research into claim names that follow the principles outlined in this document and that are attractive to users and their stakeholders. The research and subsequent discussions in the VCMI Stakeholder Forum will inform the creation of a comprehensive set of claim names and accompanying authorized descriptors that build on the approved language presented here. This work will be completed by the end of 2023 and announced alongside the launch of other VCMI modules.



Suggested communication guidance for VCMI Claim



VCMI Silver

“We have achieved a VCMI Silver Claim as demonstrated through our contribution to our climate goals and overall efforts to mitigate climate change through the retirement of high-quality carbon credits representing [an amount equal to or greater than 20% and less than 60%]¹ of remaining emissions in the most recent reporting year as we make progress towards meeting our targets.”

“As we progress towards achieving our emissions reduction targets, we acknowledge the need for contributing towards societal net zero. We have therefore purchased and retired high-quality carbon credits representing [an amount equal to or greater than 20% and less than 60%]¹ of remaining emissions in the most recent reporting year.”

“In the most recent reporting year, we have demonstrated clear progress towards reaching our near-term reduction targets and we are committed to becoming a contributor to global net-zero and ultimately achieving net-zero status by 2050. To support this commitment, we have retired high-quality carbon credits representing [an amount equal to or greater than 20% and less than 60%]¹ of remaining emissions in the most recent reporting year, in line with the VCMI Silver Claim.”



VCMI Gold

“We have achieved a VCMI Gold Claim as demonstrated through our contribution to our climate goals and overall efforts to mitigate climate change through the retirement of high-quality carbon credits representing [an amount equal to or greater than 60% and less than 100%]¹ of remaining emissions in the most recent reporting year as we make progress towards meeting our targets.”

“As we progress towards achieving our emissions reduction targets, we acknowledge the need for contributing towards societal net zero. We have therefore purchased and retired high-quality carbon credits representing [an amount equal to or greater than 60% and less than 100%]¹ of remaining emissions in the most recent reporting year.”

“In the most recent reporting year, we have demonstrated clear progress towards reaching our near-term emissions reduction targets and we are committed to becoming a contributor to global net zero and ultimately achieving net zero status by 2050. To support this commitment, we have retired high-quality carbon credits representing [an amount equal to or greater than 60% and less than 100%]¹ of remaining emissions in the most recent reporting year, in line with the VCMI Gold Claim.”



VCMI Platinum

“We have achieved a VCMI Platinum Claim as demonstrated through our contribution to our climate goals and overall efforts to mitigate climate change through the retirement of high-quality carbon credits in [an amount equal to or greater than 100%]¹ of remaining emissions in the most recent reporting year as we make progress towards meeting our targets.”

“As we progress towards achieving our emissions reduction targets, we acknowledge the need to contribute towards societal net-zero. We have therefore purchased and retired high-quality carbon credits [equal to or greater than 100%]¹ of remaining emissions in the most recent reporting year.”

“In the most recent reporting year, we have demonstrated clear progress towards reaching our near-term reduction targets and we are committed to becoming a contributor to global net zero and ultimately achieving net zero status by 2050. To support this commitment, we have retired high-quality carbon credits [equal to or greater than 100%]¹ of remaining emissions in the most recent reporting year, in line with the VCMI Platinum Claim.”

¹ Companies should include the precise percentage of retired carbon credits used when making a VCMI Claim.

II. COMMUNICATING NON-VCMI CLAIMS

VCMI envisages tighter government regulation around the use of climate claims (specifically compensation claims) to address corporate greenwashing and protect consumers from misinformation. A company that uses or intends to use a claim such as ‘carbon neutral’, which an average consumer may interpret as the company’s emissions being eliminated at source, puts itself at more risk of accusations of greenwashing and of litigation for what could be interpreted as a misleading claim. VCMI therefore suggests that companies avoid making compensation claims entirely.

For years, experts have discussed how to best develop credible claims but, as noted in the paper [*Understanding the Use of Carbon Credits by Companies: A Review of the Defining Elements of Corporate Climate Claims - Trouwloon - 2023 - Global Challenges - Wiley Online Library*](#), the discourse on climate claims is nascent. As a contribution to the discourse, VCMI has drawn up the Principles for Climate Mitigation Claim Credibility (see Table 1 below).

These principles can serve as a foundational guide for companies on how they can structure all non-VCMI climate mitigation

claims. These principles can also be used by government agencies and courts assessing and making judgements related to companies’ climate claims. They are inspired by the [*ISEAL Credibility Principles*](#) and they build upon and replace the [*design criteria in Annex B*](#) presented in VCMI’s provisional Claims Code.

VCMI recognizes that many of these principles are not easy to assure against. Only “conservative” and “accurate” currently have defined standards that can be assured against (e.g., ISO 14064-2:2006). VCMI is looking into the feasibility of developing further guidance to help companies better operationalize these principles, including a more detailed methodology for assessing adherence.

VCMI recommends that companies put the above principles into action and refrain from using compensation claims such as ‘carbon neutral’, given the increasing number of regulations and non-binding guidance that make it more challenging to make these green claims in various jurisdictions. These include:

- The EU Green Claims Directive,
- The US Federal Trade Commission’s Green Guides, and
- The UK CMA Green Claims Guide

Principles can serve as a foundational guide for companies on how they can structure all non-VCMI climate mitigation claims

Table 1. Principles for Climate Mitigation Claims Credibility

PRINCIPLE	EXPLANATION
 <p>Clear to the target audience(s)</p>	<p>Claims must be clearly stated, ideally enabling target audiences to interpret them accurately and objectively. The message should be objective and traceable. In practice, there are often multiple audiences for a claim, so taking an average of these audiences is one way to operationalize this principle, notwithstanding the challenges involved. The claimant must make best efforts to ensure that the claim cannot be misinterpreted, notwithstanding the fact that it cannot ultimately control how a claim is interpreted by a third party.</p>
 <p>Transparent</p>	<p>The underlying information and evidence that substantiates a claim should be transparent and all assumptions, data and relevant information should be transparently disclosed.</p>
 <p>Traceable</p>	<p>All data underlying a claim should be traceable (e.g., carbon credits should be able to be traced back to their point of issuance).</p>
 <p>True and verifiable</p>	<p>A claim must be truthful and substantiated by evidence that can be verified.</p>
 <p>Accurate</p>	<p>Generalizations should be avoided when accuracy is possible.</p>
 <p>Conservative</p>	<p>If there is uncertainty in a claim's substantiating data, conservative estimates should be applied.</p>
 <p>Relevant and not misleading</p>	<p>A claim must not seek to distract key audiences from a company's most detrimental impacts on the climate and environment. Key audiences include: (1) consumers of a companies' products and services; (2) impacted audiences that may not be consumers but have other environment decisions (e.g., voting) influenced by a company's claims; and (3) consumers of sustainability reporting, whether investors, other companies, or intermediaries. A company should make claims in context, relative to the company's full value-chain and societal impacts.</p>
 <p>Informative</p>	<p>A claim should help the target audience learn more about the nature of the claim being made.</p>
 <p>Sets the right incentives for the target audience</p>	<p>A claim should not incentivize negative environmental behaviour and ideally should encourage the consumer to take further positive environmental action. For example, if a product is marketed as 'carbon neutral', additional information surrounding this headline claim must ensure the consumer understands the need for truly zero-carbon products to replace the current product marketed as carbon neutral (i.e., it should be clear that the need for carbon compensation is temporary and not a permanent solution) and, through this informative communication, the consumer could take action immediately or in the near future that is more "climate friendly".</p>

A common taxonomy for categorizing climate claims

Efforts to assess the credibility of climate claims have been hampered by the lack of a common taxonomy to categorize claims. Even the definition of the word claim is contested. VCMI supports ISEAL's definition which, in a sustainability context, is "a message used

to describe or promote a product, process, business, or service with respect to its sustainability attributes or credentials". Below is a set of definitions for a variety of other claim types which are categorized by different attributes. Here, VCMI organizes the following types of claims on the basis of mode of communication, claim length, level of quality control, scope, and stage of a claim.



MODE OF COMMUNICATION

Linguistic claims—Includes claims conveyed in either written or verbal modes.

Visual claims—A claim that conveys a message only with a visualization.

Visuolinguistic claims (multi-modal)—Hybrid claims that have visual and linguistic components. For example, if a company uses a Fairtrade labelling claim, there is a graphical component, and the term "fair trade" is included in the label.



CLAIM LENGTH

Headline claims—Simple claims that can be quickly visually processed. Examples could include short phrases that are not full sentences, like the terms 'carbon neutral', 'climate positive', or 'net zero'. Some headline claims may be visual or visuolinguistic. Labelling claims are a form of headline claim.

Labelling claims—VCMI Claims are labelling claims when expressed using its visuolinguistic form. VCMI Claims can also be written in prose, so VCMI Claims are not always expressed as labelling claims.

Narrative claims—A claim longer than a headline claim that allows a claimant to be more descriptive, informative, and transparent.



LEVEL OF QUALITY CONTROL

Standardized claims—A subset of standardized claim would be a certified claim, which implies the company would go through a formal certification process to be given the approval to use the claim.

Universal claims—Claims that are not regulated or certified in conformance with a common standard. An example would include a case where a company uses the term ‘net zero’, but does not undergo certification or, on its own, conform to a specific common standard.



SCOPE OF A CLAIM

Enterprise claims, brand, product, and services claims—These distinctions are self-explanatory. VCMI provides enterprise claims which represent achievement at the enterprise level as companies progress toward their long-term net zero commitment.



STAGE OF A CLAIM

Commitment claims—Claims representing a commitment a company has made. For example, if a company has made a commitment to net zero, it should highlight that it is only a commitment and not call itself a ‘net zero’ company. It should only claim this if it has achieved the state of net zero.

Process claims—Claims representing an action a company is taking or a status occurring in the middle of a commitment. For example, a company may express in the middle of a target period that it has reduced its emissions by X% from its target baseline. It is not claiming it has met its target, only that it has made progress along the way.

Achievement claims—Claims representing achievement such as, for example, if a company has achieved a net zero state.

The Voluntary Carbon Markets Integrity Initiative is an international initiative to drive credible, net zero-aligned participation in voluntary carbon markets.

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