



Carbon
Integrity

VCMI Voluntary Carbon
Markets Integrity
Initiative

Carbon Integrity 101 Webinar 2

How to make a claim – Step 1

This webinar is being recorded.

The recording and the presentation will be shared via email and available on the VCMi website.

Please use the Zoom Q&A box for questions.

We will aim to address most questions during the Q&A session at the end or directly in the chat.

Before we begin...



Today's session will introduce Step 1 - Foundational Criteria

Carbon Integrity 101 series



Introduction to VCMI and the Carbon Integrity Claims



How to make a Claim (Step 1) Apr 3rd



How to make a Claim (Steps 2 & 3) Apr 17th



How to make a Claim (Step 4) May 2nd



Branding & Communications May 16th



Interactive Q&A May 29th

What is being covered today

1

Recap of Carbon Integrity Claims

2

Requirements needed to meet Foundational Criteria

3

Foundational Criteria Q&A

4

Next steps

Recap | VCM Carbon Integrity Claims Overview

Companies can now make “Carbon Integrity” claims about their use of carbon credits to accelerate global net zero, above and beyond science-aligned emissions cuts.

Reporting and assurance requirements are available in our Monitoring, Reporting and Assurance (MRA) Framework.

Silver, Gold, and Platinum “Carbon Integrity” claims recognize increasing levels of climate achievement.

Silver



**Carbon
Integrity**

Gold



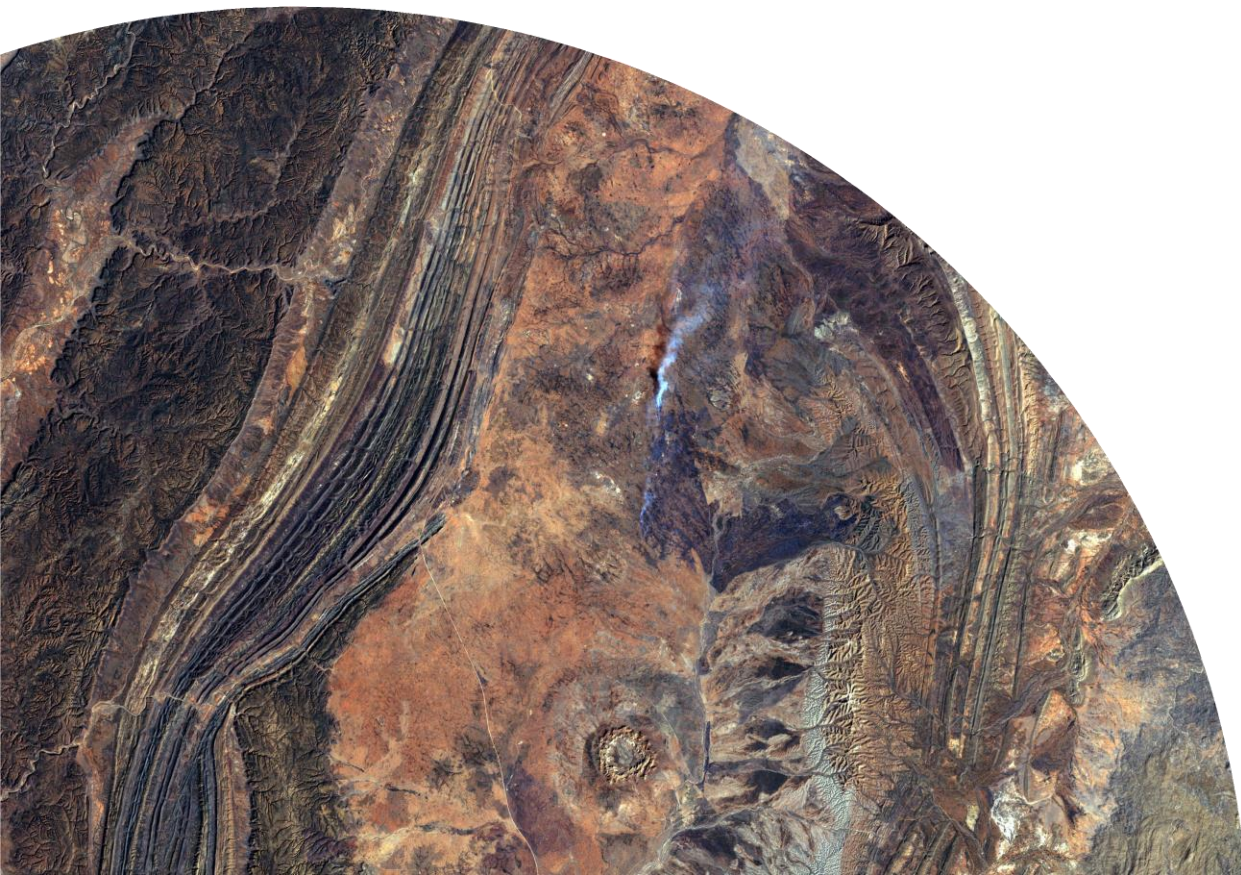
**Carbon
Integrity**

Platinum



**Carbon
Integrity**

Recap | Four Steps to make a Carbon Integrity Claim



FOUR-STEP PROCESS

Focus for today

01

Comply with the Foundational Criteria

02

Select a VCMI Claim to make and demonstrate progress towards meeting near term targets

03

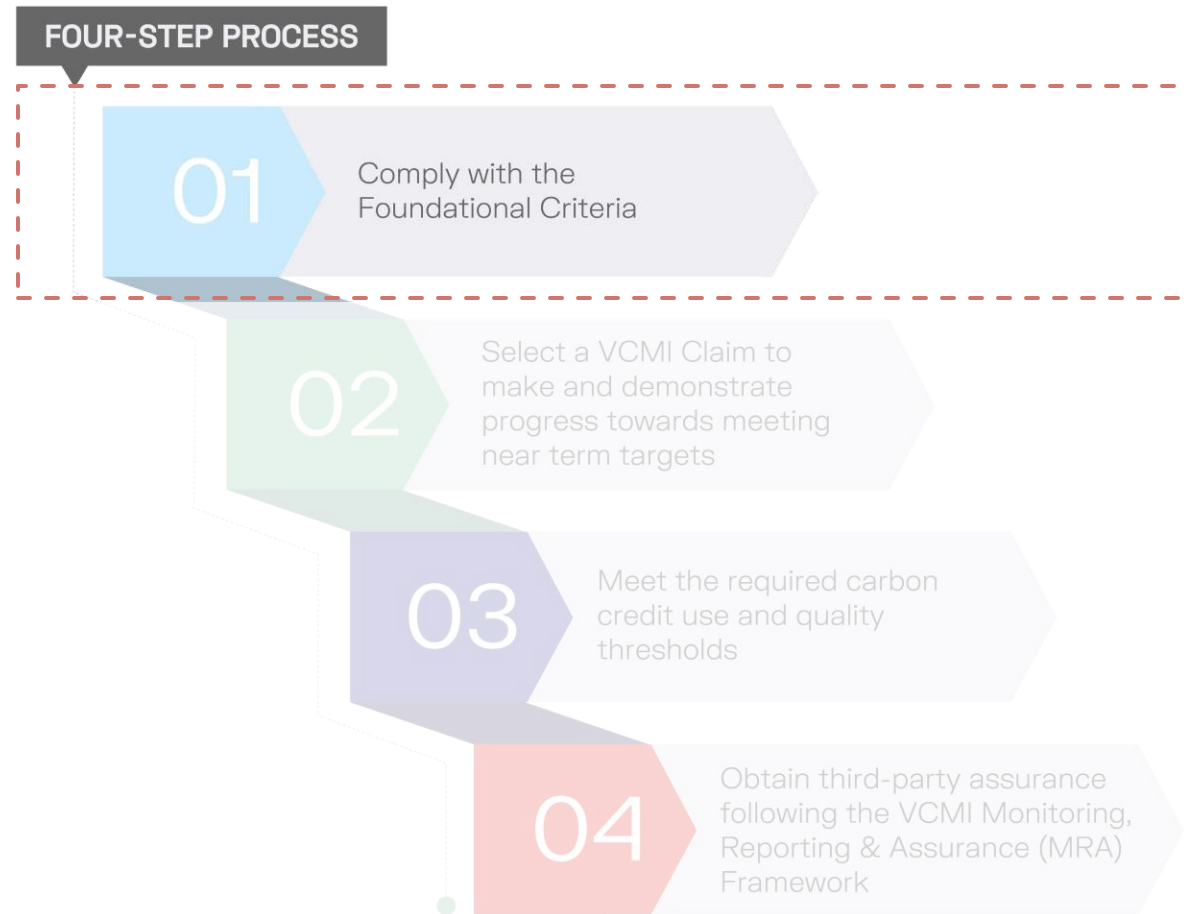
Meet the required carbon credit use and quality thresholds

04

Obtain third-party assurance following the VCMI Monitoring, Reporting & Assurance (MRA) Framework

Carbon Integrity Claims – Step 1

| Comply with Foundational Criteria



Foundational Criteria

1. Maintain and disclose an **annual greenhouse gas emissions inventory**
2. Set and publicly disclose **science-aligned near-term emissions reduction targets**, and publicly commit to reaching **net zero emissions** no later than 2050
3. Demonstrate **progress** on financial allocation, governance and strategy towards meeting a **near-term emission reduction target**
4. Demonstrate that **public policy advocacy supports Paris Agreement goals** and does not represent a barrier to ambitious climate regulation

Foundational Criterion 1 | GHG emissions inventory

Requirements



Foundational Criterion 1:
Maintain and publicly disclose an annual greenhouse gas emissions inventory

Companies are required to have:

- ☐ Enterprise-wide GHG emissions inventory
- ☐ Include company-wide scope 1, 2, and 3 emissions
- ☐ Report in line with GHG Protocol Standards
- ☐ Provide qualitative explanations of changes that affect inventory

Rationale

FC1 aims to ensure transparency in reporting by companies seeking to make a Carbon Integrity Claim

Foundational Criterion 2 | Science-aligned near-term targets & net-zero commitment

Requirements



Foundational Criterion 2:

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

Companies are required to:


- ☐ Set and disclose near-term emission reduction targets covering scopes 1, 2 and 3
- ☐ Follow criteria from SBTi or an equivalent science-aligned target setting framework
- ☐ Target boundary and emissions coverage must be in line with SBTi or equivalent
- ☐ Companies not validated by SBTi must submit validation within 24 months to be eligible

Rationale

FC2 aims to ensure companies have credible net-zero ambitions and science-aligned emissions reduction targets

Foundational Criterion 3 | Progress on financial allocation, governance & strategy to meet near-term targets (1/2)

Financial allocation requirements



Foundational Criterion 3:
Demonstrate that the company is making progress on financial allocation, governance, and strategy towards meeting its near-term emission reduction target

Publicly disclose GHG mitigation contributions as one of the following:

Options	Description	Non-exhaustive
1 % of revenue OR	• Can be measured with self-defined/framework definitions (e.g. EU Taxonomy definition)	
2 % of Capex & Opex OR	• CDP C3.5 responses meet this requirement	
3 Explanation for not disclosing AND Qualitative analysis of mitigation investments	<ul style="list-style-type: none"> • E.g. "high measurement uncertainty in estimating financial contribution" • E.g. "legal or confidentiality restrictions prevent disclosure" 	

Rationale

FC3 aims to ensure that companies are setting the right governance and finance allocations to drive climate action

Foundational Criterion 3 | Progress on financial allocation, governance & strategy to meet near-term targets (2/2)



Foundational Criterion 3:
Demonstrate that the company is making progress on financial allocation, governance, and strategy towards meeting its near-term emission reduction target

Strategy & Governance requirements

Publicly disclose one of the following at board/senior management-level:

Options	Illustrative examples	Non-exhaustive
1 Compensation linked to climate metrics	<ul style="list-style-type: none">• Compensation tied to emission reductions• Progress against reduction target• Progress on company climate action plan	
OR		
2 Climate expertise or capabilities in place	<ul style="list-style-type: none">• Dedicated sustainability role• Committee's expertise in climate-related issues• Climate training and upskilling for board	
OR		
3 Frequency of progress reviews toward climate targets	<ul style="list-style-type: none">• Board reviews on progress toward climate action plan conducted quarterly• Climate progress is an agenda item in scheduled board meetings	

Rationale

FC3 aims to ensure that companies are setting the right governance and finance allocations to drive climate action

Foundational Criterion 4 | Public policy advocacy aligned with the goals of Paris Agreement

Requirements



Foundational Criterion 4:

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

For companies that engage in advocacy activities:

- ☐ Disclose how advocacy activities are consistent with the Paris Agreement

Additional guidance:

1. Companies can describe advocacy in line with GSRCL¹
2. CDP disclosures can be leveraged if publicly available

For companies that don't engage in advocacy activities:

- ☐ Disclose that they do not engage in advocacy activities that influence climate impact

Rationale

FC4 aims to ensure companies' public policy advocacy is aligned with their climate ambition

Our 2023 global highlights

Our performance



Total fee income

£788.6m

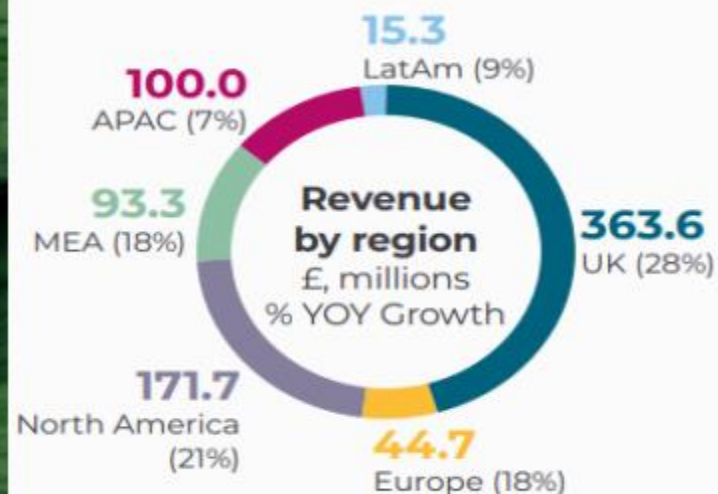
+ 5.7% organic growth



Annual revenue growth

£138.8m

Revenue by region



Our global reach



67

Offices*

* including associated offices



26

Countries



9 New

Offices*



1 New

Associated office**

*Bangkok, Boston, Calgary, Milan; BLM offices: Belfast, Birmingham, Derry/Londonderry, Liverpool, Southampton, **Cairo; Strengthened ties in Santiago and Nairobi

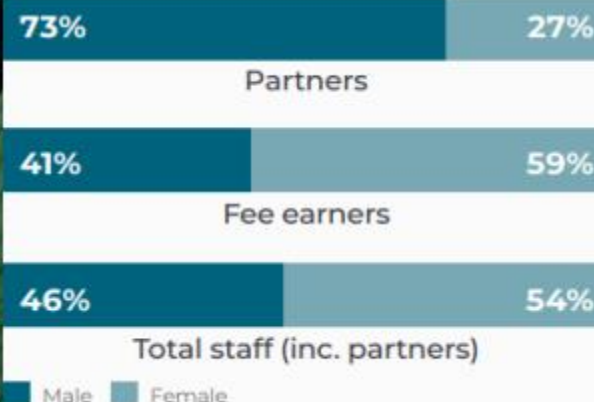
Our people & culture



3200

Legal professionals
inc. **490** Partners

Our gender diversity across the firm*



Zero
as one

Spring 2021

Management Board commitment to operate in a much more responsible way including demonstrably minimising the impact our operations had on the environment.



Spring 2022

Management Board approved a highly ambitious and highly transparent emissions reduction strategy coupled with thought leadership and proactive corporate climate advocacy so as to be market leaders.



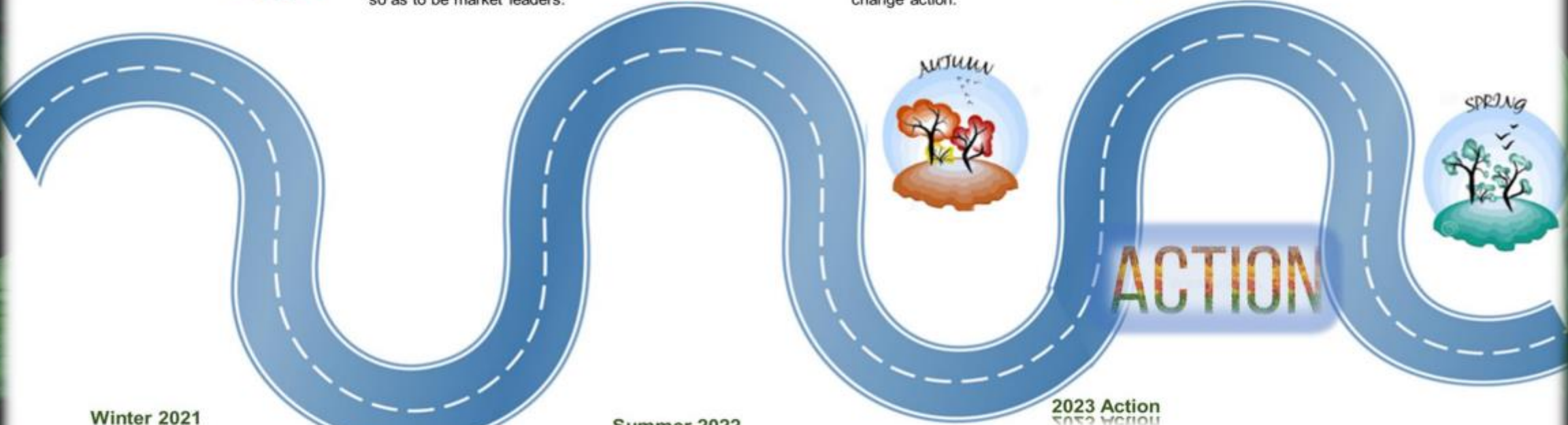
Autumn / Winter 2022

Established Global Partner Led Steering Group. Develop a clear time-phased roadmap to achieve the targets. Commenced engagement in legal sector bodies around the globe to advocate for climate change action.



Spring 2024

Set and submitted to the SBTi our net zero target for 2038. Now working our strategy to build carbon offset portfolio.



Winter 2021

Ascertained our global GHG emissions inventory across all three scopes and so now understood our GHG emissions impact on the environment. Being 110,000 tCO₂e for 2019.



Summer 2022

Set near-term 2030 targets, SBTi approved and validated. Targeting an 80% reduction in scope 1 & 2 emissions and a 50% reduction in scope 3 emissions by 2030.



2023 Action

Programmes to optimise our energy performance and usage and to reduce emissions within our supply chain. Climate-focused global approach to travel. Dedicated resource to the development of sustainability offering to our clients. Transparent reporting via UNGC, CDP and TCFD. Awareness training. First sustainability linked refinancing in sector.



Have a
question?

Upcoming sessions



How to make a Claim
(Steps 2 & 3)

Apr 17th, 2024 / [Registration](#)



How to make a Claim (Step 4)

May 2nd, 2024 / [Registration](#)



Branding & Communications

May 16th, 2024 / [Registration](#)



Interactive Q&A

May 29th, 2024 / [Registration](#)

Sign up to our next webinar



How to find out more

Newsletter sign up



How to make a claim



Thank you



Reporting and assurance requirements for Foundational Criteria

1

Foundational Criterion 1: Maintain and disclose an **annual greenhouse gas emissions inventory**

- ☐ Disclose scope 1, 2, and 3 emissions
 - ☐ Limited assurance required for scope 1 and 2
- ☐ Base year recalculations (if any)

2

Foundational Criterion 2: Set and publicly disclose **science-aligned near-term emission reduction targets**, and publicly commit to reaching **net zero emissions** no later than 2050

- ☐ Science-aligned near-term emissions reduction targets for scope 1, 2, and 3 emissions
- ☐ Statement of net-zero commitment no later than 2050 and definition used for net-zero

3

Foundational Criterion 3: Demonstrate progress on **financial allocation, governance and strategy** towards meeting a near-term emission reduction target

- ☐ Disclose one: (1) % of revenue OR (2) Capex/Opex dedicated to climate mitigation OR (3) explanation for not disclosing
- ☐ Disclose board-level climate related metric: (1) compensation OR (2) expertise OR (3) frequency of progress reviews

4

Foundational Criterion 4: Demonstrate that **public policy advocacy supports Paris Agreement goals** and does not represent a barrier to ambitious climate regulation

- ☐ Public statement on the company's public policy advocacy activities related to climate change