

Monitoring, Reporting & Assurance (MRA) Framework

August 2024. version 1.1

About VCMI

VCMI is an international initiative to drive credible, net zero-aligned participation in voluntary carbon markets. VCMI was established to help ensure that voluntary carbon markets make a significant, measurable, and positive contribution to achieving the Paris Agreement goals, while also promoting inclusive and sustainable development. The imperative of keeping global average temperature increase below 1.5 degrees Celsius requires the world to avoid, reduce, and remove as large a quantity of greenhouse gas (GHG) emissions as possible, as quickly as possible.

To help do so, VCMI coalesces stakeholders around a shared vision for high-integrity voluntary carbon markets to make a meaningful contribution to climate action while also supporting the achievement of the UN SDGs. VCMI connects with and amplifies initiatives that share this vision.

Document History

Version	Change/update description	Publication date
1.0	Launch of version 1.0 of the VCMI's Monitoring, Reporting and Assurance Framework	November 28 th , 2023
1.1	<ul style="list-style-type: none">• Update to the assurance and claim reporting timeline to remove restriction of VCMI claims submission to the most recent financial year. This allows companies to determine their most recent reporting year, which may not necessarily be the latest financial year reporting period, given potential differences in internal and external procedures and timelines for reporting and assurance.• Additional point added to Foundational Criterion 2 to clarify alignment with the Science-based Targets Initiative's (SBTi) organizational boundary criteria for near-term targets.• Non-substantive update to metric 2.2: The statement provided by companies asserting the company has complied with VCMI's Foundational Criteria and requirements to make a VCMI Claim, is no longer required to be made publicly available. All disclosures reported to VCMI will undergo independent, third-party review to confirm whether or not the information provided meets VCMI's requirements to make a claim.• Non-substantive revision to provide further clarification to metric 3.7 on the requirements for provision of evidence related to host country authorization of carbon credits.• Non-substantive update to terminology used in metric 3.2. 'Certification standard' has been updated to 'carbon crediting program' to align terminology used with ICVCM (The Integrity Council for the Voluntary Carbon Market).• Update to CDP question numbers within the complementary reporting sections and Appendix D to align with the CDP 2024 Full Corporate Questionnaire.• Version 1.0 of the MRA Framework contained information regarding the Scope 3 Claim (under Box 1). It was removed from version 1.1 of the document to acknowledge ongoing development and consultation of this claim. The final version of the Scope 3 Claim will be published in Q1 2025 and the MRA Framework will be updated accordingly.	August 30 th , 2024

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Disclaimer

The VCMI's Claims Code of Practice and its accompanying documents, including without limitation Annexes, Supplementary Guidance and Explanatory Notes, are designed to promote credible, net zero-aligned participation in voluntary carbon markets. They have been developed through a multistakeholder public consultation and road-testing. While VCMI encourages use of the Claims Code of Practice and its accompanying documents by all relevant organizations, any and all statements, claims and actions made or taken based fully or partially on the Code and/or its accompanying documents are the full responsibility of those engaging in them, whether or not in a way aligned with the recommendations therein. Neither VCMI, nor other individuals and organizations who contributed to the Code and/or its accompanying documents assume responsibility for any consequences or damages, legal or otherwise, resulting directly or indirectly from any use of, or as a result of relying on the Code and/or its accompanying documents, or their contents, or otherwise arising in connection therewith. Organizations are recommended to take independent legal advice on their intended use of the Code and/or its accompanying documents in all relevant jurisdictions.

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Executive Summary

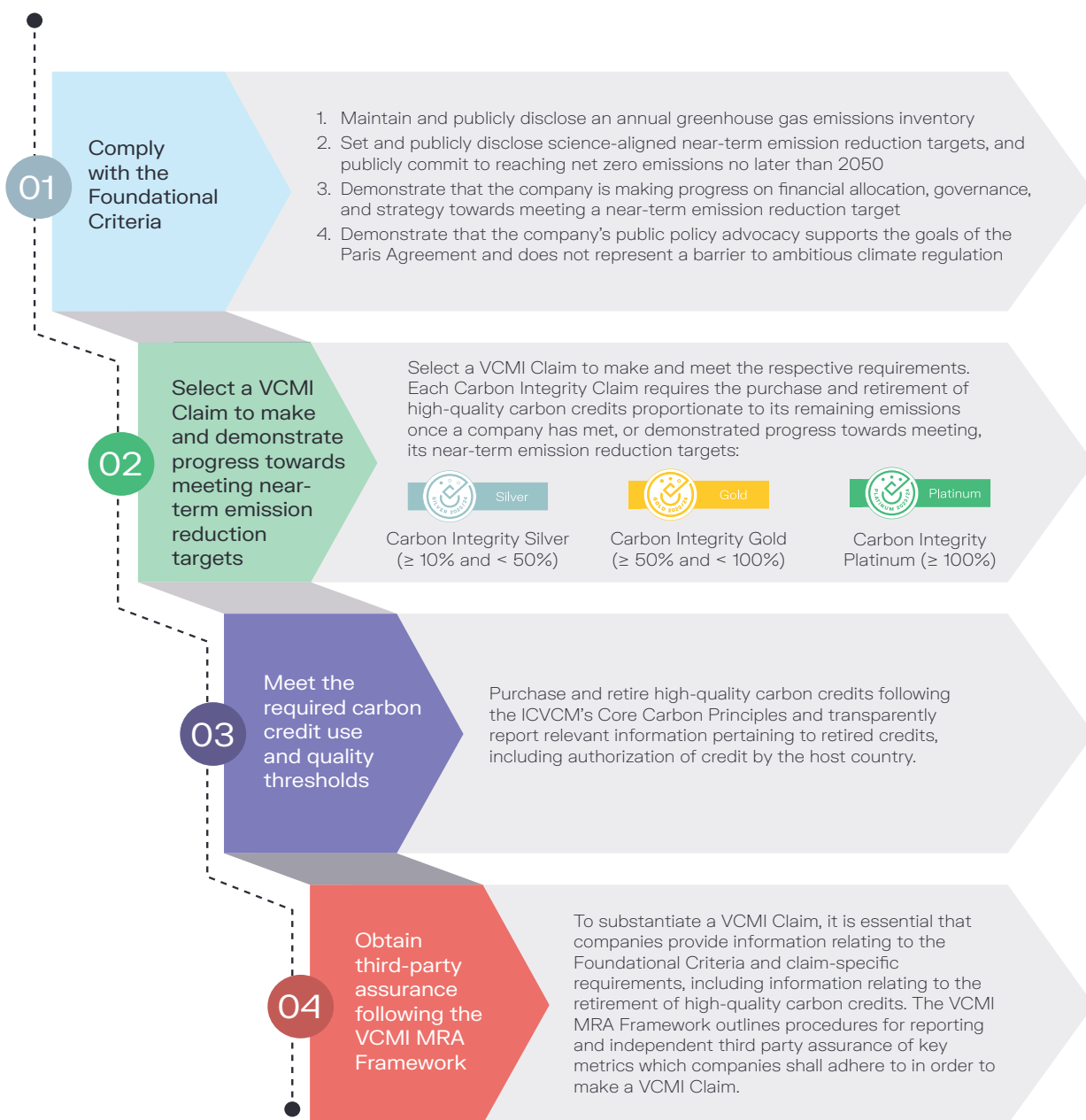


Executive Summary

The Monitoring, Reporting and Assurance (MRA) Framework detailed in this document outlines the requirements and standards that bring integrity and rigor to the Voluntary Carbon Markets Integrity Initiative (VCMI) Claims Code, ensuring that for each VCMI Claim issued, underlying information is appropriately evaluated, evidenced, and verified. The MRA Framework aims to help companies navigate the VCMI Claims process and adhere to all requirements found within the VCMI Claims Code as summarized below. The framework outlines procedures for companies and assurance providers to follow to understand the specific requirements and criteria that must be adhered to in order to make a VCMI Claim.

The MRA Framework information requirements leverage several commonly used and accepted frameworks and standards, such as but not limited to, the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Science Based Targets initiative (SBTi) Criteria and Recommendations for Near-term Targets. A comprehensive list of these frameworks and standards is provided in [Appendix E: Frameworks and standards in the MRA Framework](#).

The VCMI Claims process



SECTION 1.

Assurance requirements



Assurance requirements

As detailed in Step 4 of the VCMI Claims Code, the MRA Framework requires independent third-party assurance of specified metrics as shown in Table 1 below, to provide integrity to the data and information submitted to make a VCMI Claim. Assurance shall be performed by an independent, accredited third-party to provide verification of data, criteria, and information. Third-party assurance is a best practice in sustainability reporting, as it provides the verification of reporting quality and integrity of the calculation methods and underlying data. Future reporting requirements and assurance levels will be continuously evaluated to align with regulatory reporting and assurance requirements as they emerge.

This MRA framework also allows companies to provide evidence of previously obtained third-party assurance for the purpose of making a VCMI Claim. This aims to ensure that a VCMI Claim places no unnecessary reporting and/or cost burden on companies wishing to make a VCMI Claim and allows the MRA Framework to be adaptable to evolving regulatory requirements and assurance standards.

Assurance providers and standards

The International Auditing and Assurance Standards Board (IAASB), American Institute of Certified Public Accountants (AICPA) and International Organization for Standardization (ISO) are currently the most prevalent bodies of non-financial data quality assurance and, hence, the most appropriate for assuring the VCMI Claims Code Foundational Criteria. These are the recognized assurance standards to be used by independent third parties when performing assurance over specified metrics outlined in this MRA Framework, for the purposes of a company seeking to obtain a VCMI Claim. As the sustainability assurance landscape evolves, VCMI will continue to evaluate assurance requirements, providers, and standards and may amend the accepted list of assurance standards in the future.

Assurance providers are required to follow the assurance body standards outlined in Table 1 and to meet the ethics, conduct, quality, and independence requirements provided in [Appendix F: Detailed Assurance Requirements](#).

Table 1: Assurance bodies and related standards

Assurance Body	Assurance Standards
<p><u>Auditing Standards Board (ASB)/AICPA</u></p> <p><i>Issuers: AICPA member firms</i></p> <p>The following is a link to the AICPA's website that companies may use to identify an assurance provider:</p> <p>https://us.aicpa.org/forthepublic/findacpa</p>	<ul style="list-style-type: none"> • AT-C section 105 Concepts Common to All Attestation Engagements; SSAE No. 18, 19, 21 • AT-C section 210 Review Engagements; SSAE No.22 • AICPA Code of Professional • QM 10A Firm's System of Quality Control
<p><u>International Auditing and Assurance Standards Board (IAASB)</u></p> <p><i>Issuers: Assurance practitioners</i></p> <p>The following is a link to the International Federation of Accountants website that companies may use to identify an assurance provider:</p> <p>https://www.ifac.org/who-we-are/membership</p>	<ul style="list-style-type: none"> • ISAE 3000 (Revised)¹ • ISAE 3410 • International Ethics Standards Board for Accountants (IESBA) • International Standard on Quality Management (ISQM) 1

¹ [ISSA 5000](#) (exposure draft) General Requirements for Sustainability Assurance Engagements is anticipated to be finalized in September 2024, this standard should be used in replacement of ISAE 3000 (Revised) at that time, as applicable.

International Organization for Standardization (ISO) (applicable to GHG emission assurance ISO 14064-3 Greenhouse gases).

Issuers: Independent third-party ISO verifiers

The following is a link to the ISO's website that companies may use to identify an assurance provider:

[ISO - Certification](#)

- [ISO 14064-3](#)
- [ISO 14065](#)
- [ISO 14066](#)
- [ISO Code of Ethics and Conduct](#)

Level of assurance

The MRA Framework outlines the disclosure and assurance requirements for each of the key metrics to make a VCMI Claim. The level of assurance required was established through feedback received from the VCMI Stakeholder Forum, Expert Advisory Group and Early Adopter companies.

Table 2 illustrates the metrics which require public disclosure and limited assurance for companies making a VCMI Claim. Limited assurance is a level of assurance attained through a review engagement, in which the review of evidence and procedures performed allows the practitioner to conclude whether a material modification should be made. Comprehensive assurance requirements are elaborated in subsequent sections for reference and definitions of assurance levels are provided in [Appendix E](#).

Table 2: Current disclosure and assurance requirements

	Metric	Current requirements
FC1	Scopes 1 and 2 emissions from most recent reporting year and base year, and any base year recalculations for scopes 1 and 2	Limited assurance
	Scope 3 emissions from most recent reporting year and base year and any base year recalculations for scope 3	Public disclosure
FC2	Science Based Targets initiative (SBTi) validated targets or SBTi Commitment Letter	Public disclosure
FC3	Progress in financial allocation, governance, and strategy towards meeting near-term emission reduction targets	Public disclosure
FC4	Public policy advocacy requirement	Public disclosure
Step 2	VCMI Claim selection and demonstrate progress towards meeting near-term emission reduction targets	Public disclosure
Step 3	Carbon credit use and quality thresholds	Public disclosure
Step 4	Assurance provider information	Public disclosure

Additional VCMI guidance on assurance contained within this document:

- [Appendix E: Detailed assurance requirements](#)
- [Appendix G: Forthcoming regulatory assurance requirements](#)
- [Appendix H: Assurance provider guidance checklist](#)

Assurance and claim submission timeline



Assurance and claim submission timeline

To make a VCMI Claim, companies shall submit relevant information relating to the most recent reporting year to the VCMI Claims Reporting Platform (available on the [VCMI website](#)). Companies shall refer to Section 2 in this MRA Framework to guide them on the specific reporting and assurance requirements to successfully make a VCMI Claim. The most recent reporting year will be determined by companies themselves, taking into consideration data that has been through internal approval and external assurance as required by the VCMI MRA Framework. The majority of the information submitted to VCMI shall already be made available in the public domain, such as through company reports (e.g. annual sustainability reports), websites or other publicly available reports (e.g. a Global Reporting Initiative (GRI) report or CDP report). This includes evidence of third-party assurance for the necessary metrics as outlined in this MRA Framework. Companies are encouraged to make VCMI Claims on an annual basis, to demonstrate commitment to addressing ongoing unabated emissions through the use of high-quality carbon credits in the transition to net zero.

VCMI Claims are valid for a period of one year. These claims are based on information directly linked to the company's financial year reporting period ("reporting year"). This reporting year will be reflected on the claim marks and logos issued by VCMI once the company has fulfilled all requirements outlined in this MRA Framework. Further details on the Carbon Integrity mark and brand guidelines are provided [here](#).



SECTION 2.

Reporting Requirements



Reporting requirements

This section details the reporting and assurance requirements for each of the key metrics outlined in the VCMI Claims Code of Practice, and incorporates the 4 steps for making a VCMI Claim. A summary of the key metrics is provided in [Appendix B](#).

Within each of the 4 steps for making a VCMI Claim set out below, all requirements and guidance provided in the VCMI Claims Code are reflected within this section of the MRA Framework. For each of the key metrics outlined in this section, VCMI guidance is categorized as:

- **Requirements:** These requirements reflect those included within the VCMI Claims Code and are further elaborated to help guide companies on what needs to be adhered to in order to make a VCMI Claim.
- **Complementary reporting:** This refers to additional complementary reporting to reflect where companies may already be reporting those metrics, such as through other voluntary or mandatory sustainability reporting frameworks. This may include responses to the CDP Full Corporate Questionnaire (note that guidance given in this section refers to questions within the 2024 version of this integrated CDP questionnaire). Companies are not required to carry out any of this complementary reporting, in order to make a VCMI Claim.



Step 1: Comply with the Foundational Criteria

The initial step towards attaining a VCMI Claim is establishing compliance with the Foundational Criteria. This step represents the majority of the reporting and verification requirements to obtain a VCMI Claim. Compliance with all metrics and assurance levels across the Foundational Criteria is the defining prerequisite for attaining a VCMI Claim. The outline of each Foundational Criterion is provided below with compliance requirements provided in the subsequent sections.

- **Foundational Criterion 1:** Maintain and publicly disclose an annual greenhouse gas emissions inventory;
- **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;
- **Foundational Criterion 3:** Demonstrate that the company is making progress in financial allocation, governance and strategy towards meeting its near-term emission reduction target;
- **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.

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

REQUIREMENTS FOR EMISSIONS INVENTORIES

As detailed within the [Claims Code](#), companies are required to:

- Make an enterprise-wide GHG emissions inventory publicly available on the company's website and update it annually;
- Report their GHG emissions inventory in accordance with the most up to date [GHG Protocol Corporate Accounting and Reporting Standard](#), the [GHG Protocol Corporate Value Chain \(scope 3\) Accounting and Reporting Standard](#), and the forthcoming Land Sector and Removals Guidance;
- Include in the GHG emissions inventory company-wide scopes 1 and 2 emissions, separately disclosing scope 2 emissions calculated using the location-based and market-based approaches as per the GHG Protocol Scope 2 Guidance. However, a single and consistent accounting approach (either market-based or location-based) must be used for setting and tracking progress towards targets, in line with SBTi's near-term emission reduction target criteria. Companies shall also include scope 3 emissions for all existing emissions sources, according to the minimum boundary established for each of the fifteen scope 3 categories as set out by the most up to date GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard;
- Provide clear explanations and estimations of how any structural changes to the company, methodological changes, or changes to activity data or emission factors applied have affected the most recent reporting year's inventory, in order to be able to separate any impacts that are due to methodological changes from impacts due to actual mitigation actions. If structural changes or changes in methodology or data sources result in significant differences in emissions, companies are required to recalculate base-year emissions in accordance with the most up to date GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (scope 3) Accounting and Reporting Standard. In the absence of a base year emissions

recalculation policy, a company must agree to apply a 5% significance threshold for emission recalculations².

GUIDANCE

Companies may report their GHG emissions inventory through any of the following formats, as long as assurance has been obtained as required for the respective metrics: CDP Full Corporate Questionnaire; the reporting company's annual sustainability report or annual statement of GHG emissions; or Global Reporting Initiative (GRI) disclosure that includes GRI 305-1, 305-2, and 305-3, or its Sustainable Accounting Standards Board (SASB) index.

VCMI acknowledges that data availability is a challenge for many companies. However, in the pursuit of net zero, VCMI encourages companies to take measures to expand and improve processes for capturing higher quality and more comprehensive data across all material scope 3 emissions categories. For guidance on collecting emissions data, please refer to the most up to date [GHG Protocol Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#) (see Chapter 7: Collecting Data).

Metric 1.1: Gross scope 1 GHG emissions in metric tonnes of CO₂ equivalent for the base year and most recent reporting year

VCMI REQUIREMENTS

Companies must obtain limited assurance over their base year and most recent reporting year scope 1 emissions. Companies must also publicly disclose gross scope 1 GHG emissions values for the base year and most recent reporting year. Companies must obtain limited assurance over their current year gross scope 1 GHG emissions values every year. When performing assurance, the most up to date [GHG Protocol Corporate Accounting and Reporting Standard](#) should be referenced. Reasonable assurance over this metric may be required in the future to align with evolving regulatory disclosure frameworks.

Companies are required to adhere to the most up to date [GHG Protocol Corporate Accounting and Reporting Standard](#) when compiling scope 1 emissions within their greenhouse gas inventory.

A recalculation shall be made in the event of structural or methodological changes or significant errors impacting the accuracy and reliability of this metric as defined by the most up to date [GHG Protocol Corporate Accounting and Reporting Standard](#). As defined by the GHG Protocol, structural changes may be a result of mergers, acquisitions, or divestments or changes in the outsourcing or insourcing of emitting activities. Changes in calculation methodology or improvements in the accuracy of emissions factors or activity data may also impact the accuracy and reliability of this metric as can the discovery of significant errors or several cumulative errors, that are collectively significant.

² The 5% threshold is in line with the requirement outlined by the SBTi which states, "A company's base year emissions recalculation policy must include a significance threshold of 5% or less that is applied to emission recalculations or in the absence of a base year emissions recalculation policy, a company must agree to apply a 5% significance threshold for emission recalculations."

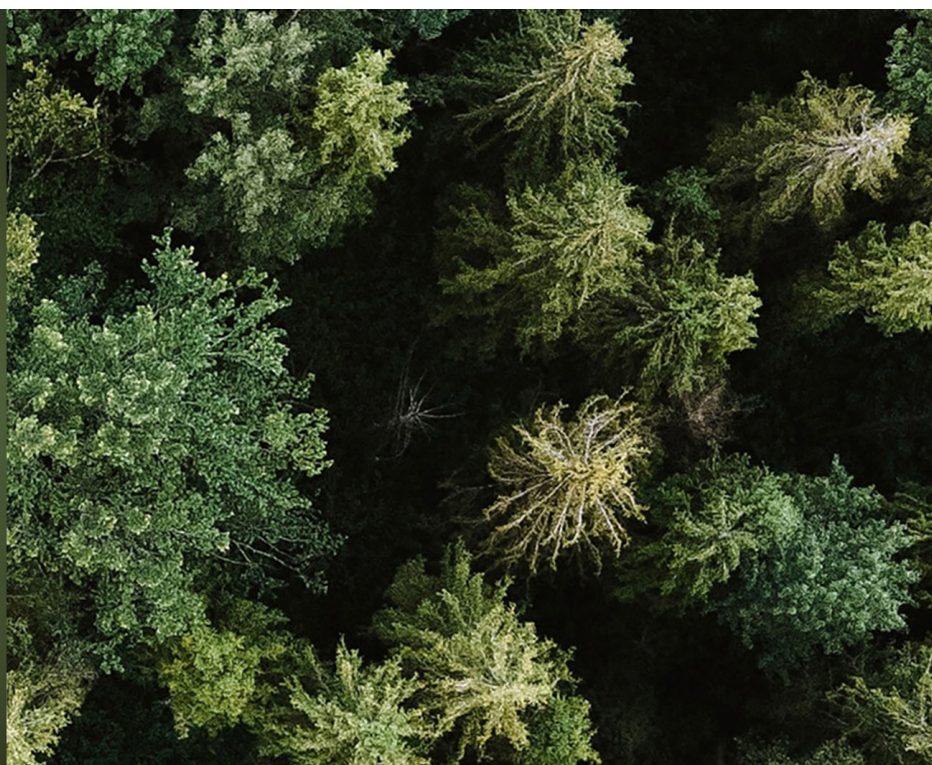
Recalculations can be divided into two categories to determine required actions:

- Recalculation(s) of baseline and/or previous VCMI Claim reporting year data discovered during assurance performed over the most recent reporting year. In this case, the recalculation(s) shall be made, and assurance provided over the restated data during the most recent reporting year assurance process.
- Recalculation(s) discovered for the baseline and/or previous VCMI Claim reporting year data subsequent to issuance of assurance for the most recent reporting year. If recalculation(s) are uncovered post-issuance of the assurance report, the recalculations shall be made and assured as part of the following year's assurance process.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have already disclosed this metric within questions 7.5 and 7.6 "*What were your organization's gross global Scope 1 emissions in metric tonnes CO₂e?*". Submission of CDP Full Corporate Questionnaire responses would be sufficient as evidence of public disclosure, provided public disclosure of CDP submission was selected.

Companies following the [SBTi Criteria and Recommendations for Near-term Targets](#) and [SBTi Corporate Net Zero Standard](#), will already be required to disclose this metric. Additionally, this metric can be found within section 29 (a) of the most up to date International Financial Reporting Standards ([IFRS](#)) [S2 standards](#). Lastly, this metric can be found within the most up to date GRI framework [305-1: Direction Scope 1 emissions](#) and within the most up to date Task Force on Climate-related Financial Disclosures (TCFD) framework in [Metrics and Targets](#) recommended disclosure (b).



Metric 1.2: Gross scope 2 GHG emissions in metric tonnes of CO₂ equivalent for the base year and most recent reporting year

VCMI REQUIREMENTS

Companies must obtain limited assurance over their base year and most recent reporting year scope 2 emissions. Claimants must also publicly disclose gross scope 2 GHG emissions values for the base year and most recent reporting year, separately disclosing scope 2 emissions calculated using the location-based and market-based approaches as per the GHG Protocol Scope 2 Guidance. When making VCMI claims annually, companies must obtain limited assurance over their reporting year gross scope 2 GHG emissions values. During assurance engagements, the standard provided below should be referenced. Reasonable assurance over this metric may be required in the future to align with evolving regulatory disclosure frameworks.

To compile a greenhouse gas emissions inventory for scope 2 emissions, companies are required to adhere to the most up to date [GHG Protocol Corporate Accounting and Reporting Standard](#). Additionally, the [GHG Protocol Scope 2 Guidance](#) should be leveraged as guidance.

A recalculation shall be made in the event of structural or methodological changes or significant errors impacting the accuracy and reliability of this metric as defined by the most up to date [GHG Protocol Corporate Accounting and Reporting Standard](#). As defined by the GHG Protocol, structural changes may be a result of mergers, acquisitions, or divestments or changes in the outsourcing or insourcing of emitting activities. Changes in calculation methodology or improvements in the accuracy of emissions factors or activity data may impact the accuracy and reliability of this metric, as can the discovery of significant errors or several cumulative errors, that are collectively significant.

Recalculations will fall into two categories to determine required actions:

- Recalculation(s) of baseline and/or previous VCMI Claim reporting year data discovered during assurance performed over the most recent reporting year. In this case, the recalculation(s) should be made, and assurance provided over the restated data during the most recent reporting year assurance process.
- Recalculation(s) discovered for the baseline and/or previous VCMI Claim reporting year data subsequent to issuance of assurance for the most recent reporting year. If recalculation(s) are uncovered post-issuance of the assurance report, the recalculations should be made and assured as part of the following year's assurance process.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have already disclosed this metric within questions 7.5 and 7.7 "What were your organization's gross global Scope 2 emissions in metric tonnes CO₂e?". Submission of CDP Full Corporate Questionnaire responses would be sufficient as evidence of public disclosure, assuming public disclosure of CDP submission was selected.

Companies following the [SBTi Criteria and Recommendations for Near-term Targets](#) and [SBTi Corporate Net Zero Standard](#) will be required to disclose this metric. Additionally, this metric can be found within section 29 (a) of the most up to date [IFRS S2 standards](#). Lastly, this metric can be found within the most up to date GRI framework [305-2: Energy indirect \(scope 2\) emissions](#) and within the most up to date TCFD framework within [Metrics and Targets](#) recommended disclosure (b).

Metric 1.3: Gross scope 3 GHG emissions in metric tonnes of CO₂ equivalent by category for the base year and most recent reporting year

VCMI REQUIREMENTS

Companies must publicly disclose gross scope 3 GHG emissions values for the base year and most recent reporting year annually. Limited assurance over this metric may be required in the future to align with evolving regulatory disclosure frameworks.

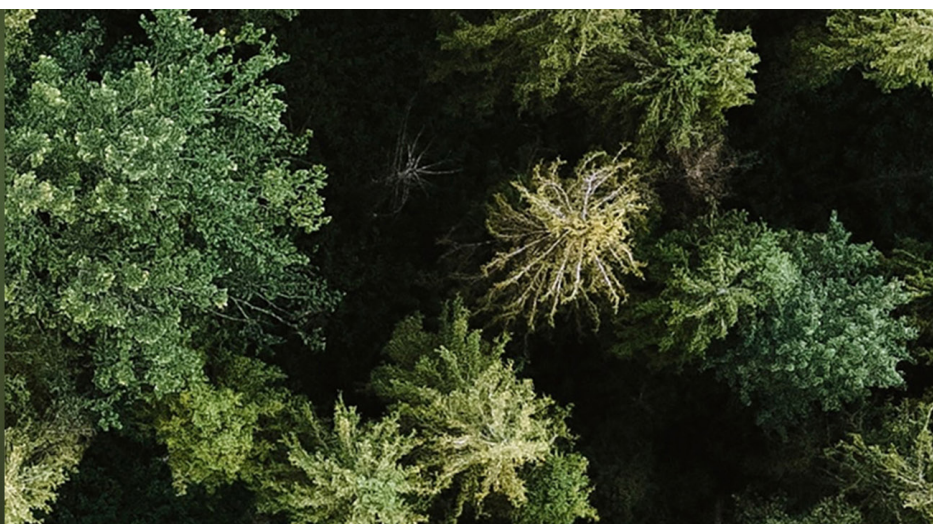
To compile a greenhouse gas emissions inventory for scope 3 emissions, companies are required to adhere to the most up to date [GHG Protocol Corporate Value Chain \(Scope 3\) Standard](#).

A recalculation shall be made in the event of structural or methodological changes or significant errors impacting the accuracy and reliability of this metric as defined by the most up to date [GHG Protocol Corporate Accounting and Reporting Standard](#). As defined by the GHG Protocol, structural changes may be a result of mergers, acquisitions, and divestments or changes in the outsourcing or insourcing of emitting activities. Changes in calculation methodology or improvements in the accuracy of emissions factors or activity data may impact the accuracy and reliability of this metric, as can the discovery of significant errors, or several cumulative errors, that are collectively significant.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have disclosed this metric within questions 7.5 and 7.8 *“Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions”*. Submission of CDP Full Corporate Questionnaire responses would be sufficient as evidence of public disclosure, assuming public disclosure of CDP submission was selected.

Companies following the [SBTi Criteria and Recommendations for Near-term Targets](#) and [SBTi Corporate Net Zero Standard](#) will be required to disclose this metric. Additionally, this metric can be found within section 29 (a) of the most up to date [IFRS S2 standards](#). Lastly, this metric can be found within the GRI framework [305-3: Other indirect \(scope 3\) emissions](#) and within the most up to date TCFD framework within [Metrics and Targets](#) recommended disclosure (b).



Metric 1.4: A list of scope 3 categories included and excluded, with justification of exclusion, for the base year and reporting year

VCMI REQUIREMENT

To satisfy the VCMI Claims Code, companies must publicly disclose a list of the scope 3 categories they have included and excluded, with justification of exclusion, for the base year and reporting year annually. Limited assurance over this metric may be required in the future to align with evolving regulatory disclosure frameworks.

To compile a greenhouse gas emissions inventory for scope 3 emissions, companies are required to adhere to the most up to date [GHG Protocol Corporate Value Chain \(Scope 3\) Standard](#).

A recalculation shall be made in the event of structural or methodological changes or significant errors impacting the accuracy and reliability of this metric as defined by the most up to date [GHG Protocol Corporate Accounting and Reporting Standard](#) occur. As defined by the GHG Protocol, structural changes may be a result of mergers, acquisitions, or divestments or changes in the outsourcing or insourcing of emitting activities. Changes in calculation methodology or improvements in the accuracy of emissions factors or activity data may impact the accuracy and reliability of this metric, as can the discovery of significant errors or several cumulative errors, that are collectively significant.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have already disclosed this metric within question 7.8 *“Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions”*. Submission of CDP Full Corporate Questionnaire responses would be sufficient as evidence of public disclosure, assuming public disclosure of CDP submission was selected.

Companies following the [SBTi Criteria and Recommendations for Near-term Targets](#) and [SBTi Corporate Net Zero Standard](#) will be required to disclose this metric. Additionally, this metric can be found within section 29 (a) of the most up to date [IFRS S2 standards](#). Lastly, this metric can be found within the GRI framework [305-3: Other indirect \(scope 3\) emissions](#) and within the most up to date TCFD framework within [Metrics and Targets](#) recommended disclosure (b).

Metric 1.5: An explanation for any base year recalculations

VCMI REQUIREMENT

To satisfy the VCMI Claims Code, companies must obtain limited assurance over scope 1 and 2 recalculations and publicly disclose scope 3 recalculations. In addition to limited assurance, public disclosure of scope 1 and 2 recalculations is required. During assurance engagements over scope 1 and 2 recalculations, the standard provided below should be referenced. Reasonable assurance may be required over scope 1 and 2 recalculations and limited assurance may be required over scope 3 recalculations in the future to align with evolving regulatory disclosure frameworks.

When recalculating a greenhouse gas emissions baseline due to changes, companies are required to adhere to the most up to date [GHG Protocol Corporate Accounting and Reporting Standard](#). As defined by the GHG Protocol, these changes may be related to structural changes within the organization because of mergers, acquisitions, or divestments or changes

in the outsourcing or insourcing of emitting activities. These changes in the baseline value may also be due to changes in calculation methodologies, or improvements in the accuracy of emissions factors or activity data. Lastly, the changes in the baseline value may be a result of the discovery of significant errors or several cumulative errors, that are collectively significant, which may impact the accuracy and reliability of data.

The GHG Protocol's [Base year recalculation methodologies for structural changes](#) further details how to account for structural changes.

Recalculations can be divided into two categories to determine required actions:

- Recalculation(s) of baseline and/or previous VCMI Claim reporting year data discovered during assurance performed over the most recent reporting year. In this case, the recalculation(s) shall be made, and assurance provided over the restated data during the most recent reporting year assurance process.
- Recalculation(s) discovered for the baseline and/or previous VCMI Claim reporting year data subsequent to issuance of assurance for the most recent reporting year. If recalculation(s) are uncovered post-issuance of the assurance report, the recalculations shall be made and assured as part of the following year's assurance process.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have already disclosed this metric within questions:

- Question 7.1.1 *"Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?"*
- Question 7.1.2 *"Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?"*
- Question 7.1.3 *"Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?"*

Submission of CDP Full Corporate Questionnaire responses would be sufficient as evidence of public disclosure, assuming public disclosure of CDP submission was selected.

Companies that have a science-aligned target will be encouraged to disclose significant increases or decreases in their GHG inventory leading to a need to recalculate and revalidate a target as stated in the [SBTi Corporate Manual](#). This metric can be found within the most up to date GRI framework [305-1: Direction Scope 1 emissions](#), [305-2: Energy indirect \(scope 2\) emissions](#), and [305-3: Other indirect \(scope 3\) emissions](#).

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

REQUIREMENTS FOR NEAR-TERM EMISSION REDUCTION TARGETS

As detailed within the [Claims Code](#), companies are required to:

- Set and publicly disclose near-term emission reduction targets covering Scopes 1, 2 and 3. These targets must be set following the most up to date criteria for setting near-term emission reduction targets from SBTi or an equivalent³ science-aligned target setting framework. SBTi requires near-term emission reduction targets to be within 5-10 years, i.e., a maximum of 10 years into the future from the date the target was set. Targets can be set in absolute or intensity terms, following SBTi's criteria for setting near-term emission reduction targets.
- Follow the most up to date SBTi criteria or equivalent criteria for setting the target boundary and emissions coverage. SBTi defines 95% coverage of scopes 1 and 2 emissions, and 67% coverage of scope 3 emissions if scope 3 emissions represent over 40% of the inventory from all scopes. For power companies, SBTi sector specific criteria must be followed, including setting a third target covering 100% of emissions from downstream use of fossil fuels.
- The near-term emissions reduction targets companies disclose shall also follow the organizational boundary criteria set out by SBTi⁴, which states that companies should submit targets only at the parent or group-level, not the subsidiary level. Parent companies shall include the emissions of all subsidiaries in their target submission, in accordance with the SBTi boundary criteria. In cases where both parent companies and subsidiaries submit targets, the parent company's target must also include the emissions of the subsidiary if it falls within the parent company's emissions boundary given the chosen inventory consolidation approach.
- For companies with targets following the SBTi near-term target setting criteria, but which have not had these targets validated, they must submit a target to SBTi for validation within 24 months⁵. To obtain a VCMI Claim, the company must provide evidence of the SBTi Commitment Letter as part of the formal SBT commitment process, and it has to be listed as "committed" on the SBTi target dashboard.
- VCMI will review the target setting landscape in the coming years and update the Claims Code to reflect additional robust, science-aligned frameworks as they become available.

REQUIREMENTS FOR LONG-TERM NET ZERO EMISSION REDUCTION TARGETS

As detailed within the [Claims Code](#), companies are required to:

- Make a public commitment to achieve net zero emissions no later than 2050, including scopes 1, 2, and 3 GHG emissions, as well as land-based GHG emissions where applicable;

³ In 2024 VCMI will work to identify equivalent target setting frameworks which it deems acceptable for the purposes of making a VCMI Claim.

⁴ SBTi Corporate Near-term Criteria (V5.2), Criteria 1 on organizational boundary.

⁵ The 24-month period to submit a target for SBTi validation is aligned with the formal SBTi commitment process.

- Disclose the definition of net zero they have adopted, in line with globally recognized sustainability frameworks or guidance, as well as the principles and/ or methodology they have used or intend to use to set their net zero target;
- Use the same base year for the long-term net zero target, once it is set, as that used for the initial near-term target.

GUIDANCE

- Companies are encouraged to set a base year as the most recent year with available data.
- Companies are encouraged to set a long-term emission reduction target, in line with their commitment to reaching net zero no later than 2050, within 24 months of obtaining a VCMI Claim.
- When communicating the scope of emissions included within their targets, VCMI suggests that the emissions coverage of a company's targets, expressed as a share of total scopes 1, 2, and 3 emissions, be prominently displayed and communicated alongside any target-related communication made by the company. For example, if a company sets a target to reduce emissions by 30%, covering 75% of its total value-chain emissions, it should disclose the 75% coverage in any communication related to the 30% target, so as not to mislead stakeholders.
- Companies are encouraged to align with the recommendations set out by the United Nations [High Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities](#) and the [UN-led Race to Zero](#), which requires companies to halve emissions by 2030. Companies are also encouraged to join the UN-led Race to Zero campaign.

Near-term emission reduction target metrics

The requirements outlined for near-term emission reduction targets in Foundational Criterion 2 (FC2) must be met through SBTi validation of targets.

Companies shall disclose the following near-term emissions reduction metrics in their first year of submitting for a VCMI Claim and again as near-term targets are updated:

- Metric 1.6: Near-term emission reduction target base year
- Metric 1.7: Near-term emission reduction target year
- Metric 1.8: Near-term emission reduction target boundary
- Metric 1.9: Near-term emission reduction target ambition

VCMI REQUIREMENTS

Companies must publicly disclose their SBTi validated near-term emission reduction target base year, target year, target boundary, and target ambition.

Targets must be revalidated at a minimum of every 5 years or whenever the next near-term target is developed in alignment with the most up to date [SBTi Criteria and Recommendations for Near-Term Targets](#) or equivalent. Public disclosure of revalidated target base year, target year, target boundary, and target ambition are required whenever near-term targets are updated.

The recalculation methodology as outlined in the most up to date [SBTi Criteria and Recommendations for Near-Term Targets](#), or equivalent, should be referenced if an organizational change occurs that could compromise the relevance and consistency of the existing target.

If a company does not have an SBTi validated near-term target, then the company will be granted a maximum period of 24-months to submit a near-term target for validation by the SBTi⁶. To receive a VCMI Claim, the company must provide evidence of an SBTi Commitment Letter. The SBTi Commitment Application can be found [here](#). Once committed, the company can provide evidence of their commitment as indicated on the [SBTi target dashboard](#). Please note the SBTi commitment process is only available to companies which already have targets following SBTi guidance but are not yet validated. In addition, public disclosure of the near-term emission reduction target base year, target year, target boundary, and target ambition are required.

In order to comply with the requirements outlined in Foundational Criterion 2, existing near-term emission reduction targets must follow the criteria outlined in the [SBTi Criteria and Recommendations for Near-Term Targets](#) or equivalent. For companies following the SBTi guidance, notable criteria include:

1. Near-term emission reduction targets must cover a minimum of 5 years and a maximum of 10 years. Please note that targets that cover more than 10 years are considered long-term targets. For more detail, please see the [SBTi Criteria and Recommendations for Near-Term Targets](#).
2. Companies may exclude up to 5% of scopes 1 and scope 2 emissions combined in the boundary of the inventory and target. Companies may exclude a maximum of 5% of emissions from their total scope 3 inventory. For more detail, please see the [SBTi Criteria and Recommendations for Near-Term Targets](#).

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have already disclosed these metrics within questions 7.53.1: *“Provide details of your absolute emissions target(s) and progress made against those targets”* and 7.53.2: *“Provide details of your emissions intensity target(s) and progress made against those target(s).”* Submission of CDP Full Corporate Questionnaire responses would be sufficient as evidence of public disclosure, assuming public disclosure of CDP submission was selected.

Companies that have a science-aligned target will be encouraged to disclose these metrics as stated in the [SBTi Corporate Manual](#). Additionally, these metrics can be found within section 33 of the [IFRS S2 standards](#). Depending on the specific responses provided by a company, the above metrics may be captured within the GRI framework [103-2: The management approach and its components](#) and in the most up to date TCFD framework within [Metrics and Targets](#) recommended disclosure.

⁶ The 24-month period to submit a target for SBTi validation is aligned with the formal SBTi commitment process, assuming an SBTi Commitment Letter is obtained.

Metric 1.10: Has near-term emissions reduction target been validated by SBTi?

VCMI REQUIREMENTS

To satisfy the VCMI Claims Code, companies must publicly disclose if their near-term emission reduction targets have been validated by the SBTi in their first year of obtaining a VCMI Claim. Public disclosure of SBTi validated near-term emission reduction targets is required upon validation by the SBTi. For companies without validated science-based near-term targets, they must utilize the 24-month period to submit a target for validation by the SBTi, as detailed under Metrics 1.6-1.9 above.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have already disclosed this metric within questions 7.53.1: “Provide details of your absolute emissions target(s) and progress made against those targets” and 7.53.2: “Provide details of your emissions intensity target(s) and progress made against those target(s).”

This metric can be found within section 34 (a) of the [IFRS S2 standards](#). Within the GRI framework [103-2: The management approach and its components](#), the above metric may be captured depending on the specific responses provided by a company. Lastly, this metric may be found within the most up to date TCFD framework within [Metrics and Targets](#) recommended disclosure depending on the specific responses provided by a company.

Metric 1.11: Date long-term net zero commitment was made

VCMI REQUIREMENTS

To satisfy the VCMI Claims Code, companies must publicly disclose the date in which the net zero commitment is expected to be achieved.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire may have disclosed this metric within question 7.54.3 stating “Provide details of your net-zero target(s),” although it is not directly asked within the questionnaire what the date is that the long-term net zero commitment was made.

Depending on the specific responses provided by a company, the above metric may be captured within the GRI framework [103-2: The management approach and its components](#), and in the most up to date TCFD framework within [Metrics and Targets](#) recommended disclosure.

Metric 1.12: Long-term net zero definition

VCMI REQUIREMENTS

To satisfy the VCMI Claims Code, companies must publicly disclose the net zero definition used, in the first year of obtaining a VCMI Claim.

COMPLEMENTARY REPORTING

Companies that have a science-aligned target will be encouraged to disclose this metric as stated in the [SBTi Corporate Manual](#). This metric is partially covered by 10 (d) of the [IFRS S2 standards](#). Depending on the specific responses provided by a company, the above metric may be captured within the GRI framework [103-2: The management approach and its components](#), and in the most up to date TCFD framework within [Metrics and Targets](#) recommended disclosure.

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

REQUIREMENTS FOR FINANCIAL ALLOCATION

As detailed within the [Claims Code](#), companies are required to:

- Publicly disclose total financial allocation made during the most recent reporting year dedicated to GHG mitigation across the company's value chain. Companies shall disclose information relating to **at least one** of the requirements below:
 - The percentage of annual revenue that was dedicated to GHG mitigation; or
 - The percentage of capital expenditure (CAPEX) and operational expenditures (OPEX) that was dedicated to GHG mitigation. Companies shall disclose the definition chosen for CAPEX and OPEX metrics using existing definitions from global or regional taxonomy; or
 - If a company cannot disclose the aforementioned metrics, it shall provide a statement to explain why, and a qualitative description and analysis of investments made, and steps taken related to GHG mitigation.
- Publicly disclose total planned financial allocation dedicated to GHG mitigation across the company's value chain. Companies shall disclose information relating to **at least one** of the requirements below:
 - The percentage of annual revenue earmarked for GHG mitigation; or
 - The percentage of capital expenditure (CAPEX) and operational expenditures (OPEX) that will be dedicated to GHG mitigation. Companies shall disclose the definition chosen for CAPEX and OPEX metrics using existing definitions from global or regional taxonomy; or
 - If a company cannot disclose the aforementioned metrics, it shall provide a statement to explain why, and a qualitative description and analysis of investments made, and steps taken related to GHG mitigation.



REQUIREMENTS FOR STRATEGY AND GOVERNANCE

As detailed within the [Claims Code](#), companies are required to publicly disclose the following information related to the company's governance structure for overseeing progress in reaching near-term targets. Companies shall disclose at least one of these metrics:

- Whether their Board or senior-management-level compensation is linked to climate performance indicators. If yes, then companies shall disclose a description of the Board or senior-management-level compensation policy and indicators related to climate performance; or
- Whether their Board members or senior-management level have capabilities or expertise on climate-related issues. If yes, then companies shall disclose a description of the climate-related capabilities and expertise held by Board members or senior-management-level; or
- Whether they conduct Board-level reviews on progress towards meeting near-term emission reduction targets. If yes, then companies shall disclose the frequency of these Board-level reviews.

GUIDANCE

VCMI recommends that companies draw on guidance established by the most up to date TCFD framework and the specific provisions of the ISSB's IFRS S2 Climate-related Disclosures. Many companies may already be communicating the above disclosure requirements as part of their annual reporting, including CDP reporting.

If applicable, VCMI recommends that companies publicly disclose any changes in capital allocation from the most recent reporting year that were made to address climate-related risk and opportunities.

Public disclosure of at least one metric regarding financial contributions towards GHG mitigation made during the most recent reporting year

Public disclosure of at least one metric regarding financial allocation towards GHG mitigation made during the most recent reporting year

To satisfy the VCMi Claims Code, every year companies must publicly disclose **at least one** of the below metrics regarding financial allocation made during the most recent reporting year:

- Metric 1.13: The percentage of annual revenue dedicated to GHG mitigation during the most recent reporting year across the company's value chain; or
- Metric 1.14: The percentage of capital expenditure (CAPEX) and operational expenditures (OPEX) made during the most recent reporting year dedicated to GHG mitigation across the company's value chain; or
- Metric 1.18: A statement to explain why the aforementioned financial metrics cannot be disclosed and a qualitative description and analysis of investments made, and steps taken related to GHG mitigation.

Metric 1.13: The percentage of annual revenue dedicated to GHG mitigation during the most recent reporting year across the company's value chain

VCMI REQUIREMENTS

To satisfy the VCMi Claims Code, companies must publicly disclose either metric 1.13, 1.14 or 1.18 as listed above on an annual basis if intending to obtain a VCMi Claim annually. If a company chooses to disclose this metric 1.13, then the company is granted the flexibility to calculate this metric according to its preferences, provided that the chosen definition for financial metrics aligns with existing definitions from global or regional taxonomies. Example taxonomies include the [EU Taxonomy for Sustainable Activities](#), the [South African Green Finance Taxonomy](#), and China's [Green Bond Endorsed Project Catalogue](#).

Should changes impacting the accuracy and reliability of this metric occur, a recalculation should be made and publicly disclosed.

If companies are unable to report this metric relating to financial allocation, it must report against metric 1.14 or metric 1.18.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have disclosed this metric within questions 5.4: *"In your company's financial accounting, do you identify spending/revenue that is aligned with your company's climate transition?"* and question C5.4.1 stating *"Quantify the percentage share of your spending/revenue that is aligned with your company's climate transition"*. Submission of CDP Full Corporate Questionnaire responses would be sufficient as evidence of public disclosure, assuming public disclosure of CDP submission was selected.

Companies that have a science-aligned target are encouraged to disclose any near-term investments that demonstrate the integrity of their commitment to their emission reduction targets as stated in the most up to date [SBTi Corporate Manual](#). This metric can be found within section 14 of the most up to date [IFRS S2 standards](#). Depending on the specific responses provided by a company, the above metric may be captured within the GRI framework [103-2: The management approach and its components](#), and in the most up to date TCFD framework within [Metrics and Targets](#) recommended disclosure.

Metric 1.14: The percentage of capital expenditure (CAPEX) and operational expenditures (OPEX) made during the most recent reporting year dedicated to GHG mitigation across the company's value chain

VCMI REQUIREMENTS

To satisfy the VCMI Claims Code, companies must publicly disclose either metric 1.13, 1.14 or 1.18 annually as listed above. If a company chooses to disclose metric 1.14, then the company is granted the flexibility to calculate this metric according to its preferences, provided that the chosen definition for financial metrics aligns with existing definitions from global or regional taxonomies. Example taxonomies include the [EU Taxonomy for Sustainable Activities](#), the [South African Green Finance Taxonomy](#), and China's [Green Bond Endorsed Project Catalogue](#).

Should changes impacting the accuracy and reliability of this metric occur, a recalculation should be made and publicly disclosed.

If companies are unable to report this metric relating to financial allocation, it must report against metric 1.13 or metric 1.18.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have already disclosed this metric within questions 5.4: *"In your company's financial accounting, do you identify spending/revenue that is aligned with your company's climate transition?"* and question 5.4.1 *"Quantify the percentage share of your spending/revenue that is aligned with your company's climate transition"*. Submission of CDP Full Corporate Questionnaire responses would be sufficient as evidence of public disclosure, assuming public disclosure of CDP submission was selected.

Companies that have a science-aligned target are encouraged to disclose investments deployed in the reporting year to mitigate climate change beyond their value chain as stated in the most up to date [SBTi Corporate Manual](#) or equivalent. Depending on the specific responses provided by a company, the above metric may be captured within the most up to date GRI framework [103-2: The management approach and its components](#), and in the most up to date TCFD framework within [Metrics and Targets](#) recommended disclosure. Lastly, this metric can be found within section 14 of the most up to date [IFRS S2 standards](#).

Metric 1.15: Definition of CAPEX and OPEX

VCMI REQUIREMENTS

Please note that this metric must be disclosed **only** if the company opted to disclose:

- Metric 1.14: The percentage of CAPEX and OPEX made during the most recent reporting year dedicated to GHG mitigation across the company's value chain; and / or
- Metric 1.17: The percentage CAPEX and OPEX that will be dedicated to GHG mitigation across the company's value chain.

Disclosure of metric 1.15 is required if either metric 1.14 or 1.17 is selected. The definitions should include details regarding what activities the company is classifying as value chain mitigation.

The metrics listed above do not provide a specific set of standardized guidelines. In this sense, companies are granted the flexibility to calculate these metrics according to their preferences, provided that the chosen definition for financial metrics aligns with existing definitions from global or regional taxonomies. Example taxonomies include the [EU Taxonomy for Sustainable Activities](#), the [South African Green Finance Taxonomy](#), and China's [Green Bond Endorsed Project Catalogue](#).

Should a company's definition of CAPEX and OPEX change, the redefinition should be publicly disclosed.

COMPLEMENTARY REPORTING

This metric may be found within the most up to date TCFD framework under [Metrics and Targets](#) recommended disclosure depending on the specific responses provided by a company.

Public disclosure of at least one metric regarding planned financial allocation to GHG mitigation

To satisfy the VCMi Claims Code, companies must publicly disclose on an annual basis **at least one** of the below metrics regarding planned financial allocation:

- Metric 1.16: The percentage of planned annual revenue earmarked for GHG mitigation across the company's value chain; or
- Metric 1.17: The percentage of capital expenditure (CAPEX) and operational expenditures (OPEX) that will be dedicated to GHG mitigation across the company's value chain; or
- Metric 1.18: A statement to explain why the aforementioned financial metrics cannot be disclosed and provide a qualitative description and analysis of investments made, and steps taken related to GHG mitigation.

Metric 1.16: The percentage of planned annual revenue earmarked for GHG mitigation across the company's value chain

VCMi REQUIREMENTS

To satisfy the VCMi Claims Code, companies must publicly disclose either metric 1.16, 1.17 or 1.1.8 annually. If a company chooses to disclosure metric 1.16, percentage of planned annual revenue dedicated to GHG mitigation across the company's value chain, then the company is granted the flexibility to calculate this metric according to its preferences, provided that the chosen definition for financial metrics aligns with existing definitions from global or regional taxonomies. Example taxonomies include the [EU Taxonomy for Sustainable Activities](#), the [South African Green Finance Taxonomy](#), and China's [Green Bond Endorsed Project Catalogue](#).

Should changes impacting the accuracy and reliability of this metric occur, a recalculation should be made and publicly disclosed.

If companies are unable to report this metric relating to financial allocation, it must report against metric 1.17 or metric 1.18

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire may have disclosed this metric within question 5.4.1: *“Quantify the percentage share of your spending/revenue that is aligned with your company’s climate transition”*.

Companies that have a science-aligned target are encouraged to disclose planned investments that demonstrate the integrity of their commitment in the target year as stated in the most up to date [SBTi Corporate Manual](#). This metric can be found within section 14 of the most up to date [IFRS S2 standards](#). Additionally, depending on the specific responses provided by a company, the above metric may be captured within the GRI framework [103-2: The management approach and its components](#), and within the most up to date TCFD framework under [Metrics and Targets](#) recommended disclosure.

Metric 1.17: The percentage of capital expenditure (CAPEX) and operational expenditures (OPEX) that will be dedicated to GHG mitigation across the company’s value chain

VCMi REQUIREMENTS

To satisfy the VCMi Claims Code, companies must publicly disclose either metric 1.1.6, 1.17 or 1.18 annually. If a company chooses to disclose metric 1.17, percentage of capital expenditure (CAPEX) and operational expenditures (OPEX) dedicated to GHG mitigation across the company’s value chain, then the company is granted the flexibility to calculate this metric according to its preferences, provided that the chosen definition for financial metrics aligns with existing definitions from global or regional taxonomies. Example taxonomies include the [EU Taxonomy for Sustainable Activities](#), the [South African Green Finance Taxonomy](#), and China’s [Green Bond Endorsed Project Catalogue](#).

Should changes impacting the accuracy and reliability of this metric occur, a recalculation should be made and publicly disclosed.

If companies are unable to report this metric relating to financial allocation, it must report against metric 1.16 or metric 1.18

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire may have disclosed this metric within question 5.4.1: *“Quantify the percentage share of your spending/revenue that is aligned with your company’s climate transition”*.

Companies that have a science-aligned target are encouraged to disclose planned investments to be deployed to mitigate climate change beyond their value chain as stated in the most up to date [SBTi Corporate Manual](#). This metric can be found within section 14 of the most up to date [IFRS S2 standards](#). Depending on the specific responses provided by a company, the above metric may be captured within the most up to date GRI framework [103-2: The management approach and its components](#), and within the most up to date TCFD framework under [Metrics and Targets](#) recommended disclosure.

Metric 1.18: A statement to explain why the aforementioned financial metrics cannot be disclosed and provide a qualitative description and analysis of investments made, and steps taken related to GHG mitigation

VCMI REQUIREMENTS

If a company is unable to report at least one of the metrics regarding financial allocation made during the **most recent reporting year** (metric 1.13 and/or metric 1.14), then a public statement is required that explains why the aforementioned financial metrics cannot be disclosed and provides a qualitative description and analysis of investments made, and steps taken related to GHG mitigation. This public statement is required on an annual basis assuming the company is unable to report at least one of the metrics regarding financial allocation made during the **most recent reporting year**. The statement must include an explanation and a qualitative description and analysis of investments made and steps taken related to GHG mitigation. This explanation may include key elements of the company's climate strategies or annual sustainability reports. The company must publicly disclose, on an annual basis, a qualitative description and analysis of investments made and steps taken related to GHG mitigation.

Additionally, if a company is unable to report at least one of the metrics regarding **planned** financial allocation dedicated to GHG mitigation (metric 1.16 and/or metric 1.17), then a public statement is required that explains why the aforementioned financial metrics cannot be disclosed and provides a qualitative description and analysis of investments made, and steps taken related to GHG mitigation. This public statement is required on an annual basis assuming the company is unable to report at least one of the metrics regarding **planned** financial allocation to GHG mitigation. The statement must include an explanation and a qualitative description and analysis of investments made and steps taken related to GHG mitigation. This explanation may include key elements of the company's climate strategies or annual sustainability reports. In addition, the company must publicly disclose, on an annual basis, a qualitative description and analysis of investments made and steps taken related to GHG mitigation.

If the company is unable to report on financial contributions made in both the **most recent reporting year**, as well as **planned financial allocation** (i.e. financial allocation for the future), the company is able to make one public statement that addresses both of these reporting periods, following guidance provided above.

The metrics outlined within FC3 do not provide a specific set of standardized guidelines for classification, measurement, and computation. In this sense, companies are granted the flexibility to calculate these metrics according to their preferences, provided that the chosen definition for financial metrics aligns with existing definitions from global or regional taxonomies. Example taxonomies include the [EU Taxonomy for Sustainable Activities](#), the [South African Green Finance Taxonomy](#), and China's [Green Bond Endorsed Project Catalogue](#).

Should changes impacting the accuracy and reliability of this metric occur, a recalculation should be made and publicly disclosed.

COMPLEMENTARY REPORTING

Companies that have a science-aligned target are encouraged to disclose any near-term investments that demonstrate the integrity of their commitment to emission reduction targets as stated in the most up to date [SBTi Corporate Manual](#). This metric can be found within section 14 of the most up to date [IFRS S2 standards](#). This metric may also be found within the most up to date TCFD framework within [Metrics and Targets](#) recommended disclosure depending on the specific responses provided by a company.

Metric 1.19: Public disclosure of one of the three metrics regarding the Board or senior management oversight

Companies shall disclose at least one of these metrics:

- Whether their Board or senior management level compensation is linked to climate performance indicators; or
- Whether their Board members or senior management level have capabilities or expertise on climate related issues; or
- Frequency of Board-level reviews on progress towards meeting near-term emission reduction targets.

VCMi REQUIREMENTS

To satisfy the VCMi Claims Code, companies must publicly disclose one of the above metrics regarding their Board or senior management annually.

- If a company selects to disclose whether their Board or senior management level compensation is linked to climate performance indicators, then they must annually disclose a description of the Board-level or senior management compensation policy and the indicators related to climate performance.
- If a company selects to disclose whether their Board members or senior management level have capabilities or expertise on climate-related issues, then they must annually disclose a description of the experience related to climate-related capabilities and expertise held by the Board or senior management.
- If a company selects to disclose the frequency of Board-level reviews on progress towards meeting near-term emission reduction targets, then they must annually disclose the frequency at which the Board is informed and reviews the company's progress towards near-term emission reduction targets.

The metrics outlined above do not provide a specific set of standardized guidelines. In this sense, companies are granted the flexibility to calculate these metrics according to their preferences, provided that the chosen definition for financial metrics aligns with existing definitions from global or regional taxonomies. Example taxonomies include the [EU Taxonomy for Sustainable Activities](#), the [South African Green Finance Taxonomy](#), and China's [Green Bond Endorsed Project Catalogue](#).

Should changes impacting the accuracy and reliability of the metric selected for disclosure occur, the changes should be publicly disclosed.



COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire may have already disclosed these metrics within the CDP questions below:

- Question 4.1.1 “Is there board-level oversight of climate-related issues within your organization?”
- Question 4.1.2 “Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board’s oversight of environmental issues”
- Question 4.2 “Does your organization’s board have competency on environmental issues?”
- Question 4.3 “Is there management-level responsibility for environmental issues within your organization?”
- Question 4.3.1 “Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).”
- Question 4.4 “Does your organization have management-level competency on environmental issues?”
- Question 4.5 “Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?”

Submission of CDP Full Corporate Questionnaire responses would be sufficient as evidence of metric, assuming public disclosure of CDP submission was selected.

Companies that are following the SBTi Corporate Manual, are encouraged to disclose:

- Incentive structure related to climate change including any executive compensation linked to near and long-term targets
- Skills and human resource development related to climate change
- Governance structure of climate transition plans and review frequency of plans

Within the IFRS S2 standard, companies are required to disclose the following information:

- If climate-related considerations are factored into executive compensation
- Which climate-related skills and competencies are available within the Board and organization
- Frequency at which the Board is informed about climate-related risks and opportunities

Within the GRI framework, the below metrics can be found in their respective sections:

- The metric regarding Board level compensation is captured within 103-2: The management approach and its components
- The metric regarding Board level capabilities or expertise on climate-related issues is captured in GRI 2: General Disclosures

The TCFD framework Metrics and Targets include the below disclosures which may align with those metrics stated above, depending on the specific responses provided by a company:

- Information regarding the frequency of Board-level reviews on progress towards meeting near-term emission reduction targets may be found within the most up to date TCFD framework under Metrics and Targets recommended disclosure a) or b)
- Information regarding remuneration linked to climate considerations may be found within the most up to date TCFD framework under Metrics and Targets recommended disclosure.

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

Metric 1.20: A public statement describing how advocacy activities are consistent with the goals of the Paris Agreement

REQUIREMENTS FOR PUBLIC ADVOCACY

As detailed within the [Claims Code](#), companies are required to:

- Submit a public statement describing how its advocacy activities are consistent with the goals of the [Paris Agreement](#).

In cases where companies are not taking part in public policy advocacy activities, they shall publicly disclose that they do not engage in any activities, either directly or indirectly, that might influence policy, law, or regulation with potential climate impact. This includes activities through trade associations, professional bodies or other organizations of which they are a member.

GUIDANCE

Companies can refer to the Global Standard on Responsible Corporate Climate Lobbying and its four categories (i.e., Policy and Commitment, Governance, Action, and Specific Disclosures) as best practice to describe alignment of advocacy activities to support the goal of the Paris Agreement

VCMI REQUIREMENTS

To satisfy the VCMI Claims Code, companies must state whether they engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate, and provide the respective documentation as outlined below:

For companies that engage in advocacy activities: A public commitment/position statement confirming that advocacy activities are consistent with the goals of the Paris Agreement is required. Please note that for companies that submit responses to the CDP Full Corporate Questionnaire and have those responses publicly available on the CDP website, this requirement will be met through the question “Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?”.

Companies may choose to align their statement with the principles outlined in the most up to date [Global Standard on Responsible Corporate Climate Lobbying \(GSRCL\)](#). Note that adherence to the most up to date GSRCL is not required to meet the above requirement as outlined in FC4. Please see below for examples of how a company may align with these principles:

- Policy and commitment: Companies may commit to align their own and their affiliates’ global climate lobbying with Paris Agreement goals (e.g., science aligned targets, net zero commitment)
- Governance: Companies may establish comprehensive climate lobbying governance (e.g., strategy and implementation oversight, review, and stakeholder engagement process)
- Action: Companies may report alignment with Paris Agreement goals and proactively lobby (e.g., join coalitions,

annual review on own and affiliates alignment, report misalignment remediation) individually and with others – for policy measures that support the goal of limiting global temperature rise to 1.5°C above pre-industrial levels.

- Public disclosure: Companies may disclose lobbying impact and influence over its affiliates (e.g., financial commitment, board roles in affiliates, lobbying impact on policy and corporate strategy)

For companies that do not engage in advocacy activities: A public statement confirming that the company does not engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate is required.

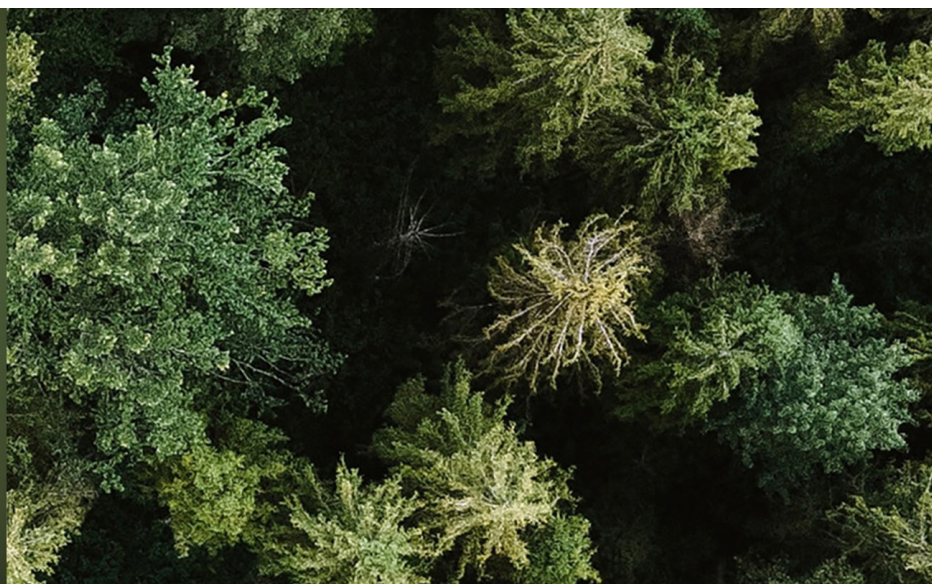
COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire may have disclosed information related to the above metric within questions:

- Question 4.11 *“In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?”*, specifically the question regarding *“Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals”*.
- Question 4.11.1 *“On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?”*

Submission of CDP Full Corporate Questionnaire responses would be sufficient as evidence of public disclosure, assuming public disclosure of CDP submission was selected.

Companies that have a science-aligned target are encouraged to disclose their public advocacy, lobbying, and policy engagement expenditures and effort on policies that could limit or worsen climate change, as stated in the most up to date [SBTi Corporate Manual](#).



Step 2: Select a VCMI Claim to make and demonstrate progress towards meeting near-term emission reduction targets

In this step, companies are required to select the level of VCMI Claim they are pursuing, as well as demonstrate progress towards meeting near-term emission reduction targets.

REQUIREMENTS FOR SELECTING A CARBON INTEGRITY CLAIM TO MAKE AND DEMONSTRATE PROGRESS TOWARDS MEETING NEAR-TERM EMISSIONS REDUCTION TARGETS

As detailed within the [Claims Code](#), companies making any VCMI Claim are required to:

- Select a VCMI Claim to make based on the volume of carbon credits purchased and retired. The levels include Carbon Integrity Silver, Gold, and Platinum claims. The definitions of each claim are included in the [VCMI Claims Code](#).
- Provide a statement on the VCMI Claims Reporting Platform, asserting they have complied with the Foundational Criteria and all additional requirements in the VCMI Claims Code related to the chosen VCMI Claim. Please refer to the [Supplementary Guidance document](#) for clarity on how to communicate VCMI Claims. Companies shall meet the requirements outlined below, relating to the specific claim they seek to make. When referencing the Claims Code, companies should include a hyperlink to the document.
- Publicly disclose the percentage of total GHG emissions reductions achieved in the most recent reporting year in comparison to the total GHG emissions reported in the base year (i.e. base year used in the near-term target). This reduction can be expressed on an absolute or intensity-basis.
- Publicly provide an explanation that outlines whether and why the company considers that it has made progress towards meeting its near-term emission reduction target.

Metric 2.1: VCMI Claim

VCMI REQUIREMENTS

Companies are required to select the level of VCMI Claim they are pursuing, i.e. Carbon Integrity Silver, Gold or Platinum. The selected Claim level must be publicly disclosed on an annual basis. Regardless of the VCMI Claim selected, disclosing this metric is required.

Please see [Section 3](#) for a step-by-step guide on how to select the Claim level within the VCMI Claims Reporting Platform.

Metric 2.2: Statement asserting compliance with the Foundational Criteria and all additional requirements in the VCMI Claims Code

VCMI REQUIREMENTS

Companies are required to provide a statement on the VCMI Claims Reporting Platform confirming that they have complied with the Foundational Criteria and all additional requirements in the VCMI Claims Code related to the chosen VCMI Claim (i.e., Carbon Integrity Silver, Gold, or Platinum Claims). Regardless of the VCMI Claim selected, providing this statement on the Reporting Platform is required. This statement does not have to be in the public domain, however if the company successfully achieves a VCMI Claim, it is recommended that companies state publicly that they have met all the VCMI requirements to make the selected claim.

Metric 2.3: The percentage of total GHG emissions reductions achieved in the most recent reporting year (in absolute or intensity terms) compared to the base year

VCMI REQUIREMENTS

To satisfy the VCMI Claims Code, companies must publicly disclose this metric annually. Limited assurance over this metric may be required in the future to align with the evolving regulatory disclosure frameworks.

Should changes impacting the accuracy and reliability of this metric occur, a recalculation should be made and publicly disclosed.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have already disclosed this metric within question 7.53, specifically the question regarding “% of target achieved relative to base year”.

Companies that have a science-aligned target are encouraged to disclose this metric as stated in the most up to date [SBTi Corporate Manual](#). This metric can be found within section 35 of the most up to date [IFRS S2 standards](#), depending on the specific responses provided by the company. A metric similar to the metric stated above can be found within the GRI framework [305-1: Direction Scope 1 emissions](#). This metric may be found within the most up to date TCFD framework under [Metrics and Targets](#) recommended disclosure depending on the specific responses provided by a company.

Metric 2.4: Publicly provide an explanation that outlines whether and why the company considers itself to have made progress towards meeting its near-term emission reduction target

VCMI REQUIREMENTS

In addition to reporting the percentage of total GHG emissions reductions achieved, companies must also provide an explanation that outlines how and why the company considers itself to have made progress towards meeting its near-term emission reduction target. As part of the explanation, companies may consider disclosing key KPIs it uses to monitor progress to targets.



COMPLEMENTARY REPORTING

The [SBTi Corporate Manual](#) “*worked example of how companies can report target progress*” provides insight into how an organization can articulate progress made through an example company. Information about the active emissions reduction initiatives, methods to drive investment in emissions reduction activities may help provide an explanation of how and why the company considers itself to have made progress towards meeting its near-term emission reduction target. Companies that have a science-aligned target are encouraged to disclose this metric as stated in the most up to date [SBTi Corporate Manual](#).

Companies that have responded to the CDP Full Corporate Questionnaire can utilize answers to the below questions to help in responding to metric 2.3:

- Question 7.53.1 “*Provide details of your absolute emissions target(s) and progress made against those targets.*”
- Question 7.53.2 “*Provide details of your emissions intensity target(s) and progress made against those target(s).*”
- Question 7.55 “*Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.*”
- Question 7.55.1 “*Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO₂e savings.*”
- Question 7.55.2 “*Provide details on the initiatives implemented in the reporting year in the table below.*”
- Question 7.55.3 “*What methods do you use to drive investment in emissions reduction activities?*”

Within the [IFRS S2 standard](#), companies are required to disclose the quantitative and qualitative climate-related targets they have set to monitor progress towards achieving its strategic goals, and any targets they have required to meet by law or regulation, including any greenhouse gas emissions targets.

The TCFD framework [Metrics and Targets](#) include the below disclosures which may align with those metrics stated above, depending on the specific responses provided by a company:

- Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets which is found within the most up to date TCFD framework within [Metrics and Targets](#) recommended disclosure c).

Additionally, the [Task Force on Climate-related Financial Disclosures Guidance on Metrics, Targets, and Transition Plans](#) can be further referenced for example metrics and targets.

Lastly, within the most up to date GRI framework [305-1: Direction Scope 1 emissions](#), companies are asked to disclose their GHG emissions reduced as a direct result of reduction initiatives

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

REQUIREMENTS FOR THE PURCHASE AND RETIREMENT OF HIGH-QUALITY CARBON CREDITS

As detailed in the [Claims Code](#), companies are required to:

- Purchase and retire [the Core Carbon Principles \(CCP\)](#)-Approved credits to make a VCMI Claim. While CCP-Approved credits are not widely available in the market, CORSIA eligible credits or existing contractually committed carbon credits supported by the company's due diligence process alignment to ICVCM's 10 CCP's, will be accepted as an interim measure until the Integrity Council for the Voluntary Carbon Market (ICVCM) Assessment Framework is implemented. Companies shall transition to purchase and retire CCP approved credits by January 1, 2026⁷. In the interim, companies should refer to the transition disclosures defined in metric 3.1.
- Publicly disclose the types, sources, quantities, and other relevant details regarding the carbon credits purchased and retired, as outlined in the section below.

REQUIREMENTS FOR REPORTING HIGH-QUALITY CARBON CREDITS

As detailed in the [Claims Code](#), in addition to meeting the quality thresholds for carbon credit use, companies are required to publicly disclose key information related to each carbon credit retired, including:

- Number of credits purchased and retired that the company applied towards the VCMI Claim. These credits must align with VCMI's quality criteria as detailed in metric 3.1.
- Carbon crediting program name, project name, project ID, retirement serial number, and retirement date and issuing registry.
- Host country, credit vintage, methodology, and project type.
- Whether or not the carbon credit is associated with a corresponding adjustment in accordance with Article 6 of the Paris Agreement. If the carbon credit is reported as being associated with a corresponding adjustment, applied either currently or in the future, this shall be evidenced.
- If associated with additional third-party certification regarding social or environmental integrity (e.g., Sustainable Development Goals (SDGs) label, Sustainable Development Verified Impact Standard (SD VISta), Climate, Community and Biodiversity Standards, etc.), companies must provide information related to how the carbon credit promotes equity and generates co-benefits to ecosystems and local economies.

⁷ VCMI reserves the right to revise this date, subject to changes in the availability of CCP-Approved carbon credits. Any revisions to this date will have no effect on the validity of pre-existing VCMI Claims.

Metric 3.1: Number of credits purchased and retired that the company applied towards the VCMi Claim

VCMi Claims require the purchase and retirement of CCP-Approved credits. VCMi recognizes, however that at the time of publication of this document (November 2023), the ICVCM Assessment Framework for CCP-Approved credits is in the process of being implemented, likely resulting in a limited number of CCP-Approved credits being available in the near-term.

VCMi acknowledges that companies may have rigorous due diligence processes in place to ensure high-quality credits are purchased and retired. At the same time, companies may have existing carbon credit procurement agreements that were established prior to CCP-Approved credits becoming available on the market. VCMi, therefore, offers companies two approaches to demonstrate the use of high-integrity credits during this transition period until CCP-Approved credits become more widely available. During this transition period, companies may:

In the interim transition period until CCP approved credits are available in sufficient quantities, companies may:

- Purchase and retire CORSIA eligible credits when a specific activity type has not yet been assessed by the ICVCM or;
- Disclose how existing carbon credit due diligence processes align with ICVCM's CCPs. Companies may continue to use their existing contracted carbon credit streams in place of CCP approved credits by adhering to the guidance and stipulations below.

CORSIA eligible credits, or credits supported by due diligence process alignment to all 10 CCP's, including pre-existing contractually committed credits, will be accepted as an interim measure until the ICVCM Assessment Framework is implemented. Companies shall transition to purchase and retire CCP approved credits only by January 1, 2026. In the interim, companies should refer to the transition disclosures requirements outlined below.

VCMi REQUIREMENTS

To satisfy the VCMi Claims Code, companies must annually publicly disclose the number of CCP approved credits purchased and retired that the company applied towards the VCMi Claim. If a company is **already contractually committed** to purchasing carbon credits not approved by ICVCM, or if CCP-Approved credits **are unavailable**, the company:

- May purchase and retire credits included in the ICAO document CORSIA Eligible Emission Units approved for the 2021-2023 Compliance Period (Pilot Phase) or the 2024-2026 Compliance Period (First Phase), pending assessment by the ICVCM. Once an activity type has been assessed by the ICVCM, only CCP-approved credits shall be purchased and retired. Any CORSIA Eligible Emission Units retired before assessments are made by the ICVCM for a given activity type will contribute toward meeting a VCMi Claim in a given year.
- May disclose, how its existing carbon credit due diligence processes align with ICVCM's CCPs. For VCMi Claims **made prior to January 1, 2026**, companies may disclose how their due diligence process for identifying credits of sufficient quality and integrity aligns with all the 10 CCPs, (e.g. Company XYZ's due diligence process for carbon credits purchased aligns with principles 1-10 by assessing ...). If the company's due diligence process does not incorporate all 10 of the CCPs, the company cannot make a VCMi Claim. This public disclosure

- will need to take the form of a statement included in a company’s annual or sustainability report, or any other company controlled public disclosure method.
- Shall have transitioned to purchasing and retiring CCP-Approved credits only for VCMI Claims **made on or after January 1, 2026**,⁸ to satisfy the VCMI Claims Code. As of this date, no further public disclosure of alignment to the 10 CCPs will be accepted.

Limited assurance over this metric may be required in the future to align with the upcoming regulatory disclosure frameworks. However, VCMI does not currently require third party assurance over this information.

Should changes within FC1 (calculation of scopes 1, 2, and 3) occur that require recalculation of this metric, then the recalculation should be made and publicly disclosed.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have already disclosed this metric within question 7.79.1: *“Provide details of the project-based carbon credits canceled by your company in the reporting year.”* Submission of CDP Full Corporate Questionnaire responses would be sufficient as evidence of public disclosure, assuming public disclosure of CDP submission was selected.

This metric can be found within section 36 (e) of the most up to date [IFRS S2 standards](#). Additionally, companies that have a science-aligned target will be encouraged to disclose carbon credits which are sourced from outside the company’s value chain as stated in the most up to date [SBTi Corporate Manual](#).

VCMI REQUIREMENTS

Metric 3.2: Carbon crediting program name, project name, project ID, retirement serial number, retirement date, and issuing registry for each credit used

To satisfy the VCMI Claims Code, companies must publicly disclose these metrics annually.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire may have already disclosed this metric within question 7.79.1: *“Provide details of the project-based carbon credits canceled by your organization in the reporting year.”*

This metric is not directly applicable within the CDP Full Corporate Questionnaire, SBTi, IFRS, GRI, or TCFD frameworks.

⁸ VCMI reserves the right to revise this date, subject to changes in the availability of CCP-Approved carbon credits. Any revisions to this date will have no effect on the validity of pre-existing VCMI Claims.

Metric 3.3: Host country

VCMI REQUIREMENTS

To satisfy the VCMI Claims Code, companies must publicly disclose this metric (name of host country) annually for each project that generated any credit used.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire may have already disclosed this metric within question 7.79.1: *“Provide details of the project-based carbon credits canceled by your organization in the reporting year.”*

This metric is not directly applicable within the CDP Full Corporate Questionnaire, SBTi, IFRS, GRI, or TCFD frameworks.

Metric 3.4: Credit vintage

VCMI REQUIREMENTS

To satisfy the VCMI Claims Code, companies must publicly disclose this metric (credit vintage) annually.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have already disclosed this metric within question 7.79.1: *“Provide details of the project-based carbon credits canceled by your organization in the reporting year.”*

This metric is not directly applicable within the SBTi, IFRS, GRI, or TCFD frameworks.

Metric 3.5: Methodology

VCMI REQUIREMENTS

To satisfy the VCMI Claims Code, companies must publicly disclose this metric (the methodology used for the quantification of the carbon credit) annually.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have disclosed this metric within question 7.79.1: *“Provide details of the project-based carbon credits canceled by your organization in the reporting year.”*

This metric is not directly applicable within the SBTi, IFRS, GRI, or TCFD frameworks.

Metric 3.6: Project type

VCMI REQUIREMENTS

To satisfy the VCMI Claims Code, companies must publicly disclose this metric annually. Companies must disclose whether the credits are from emissions reduction or removal projects.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have disclosed this metric within question 7.79.1: *“Provide details of the project-based carbon credits canceled by your organization in the reporting year.”*

This metric is not directly applicable within the SBTi, IFRS, GRI, or TCFD frameworks.

Metric 3.7: Host country authorization

VCMI REQUIREMENTS

Host countries provide authorization to apply corresponding adjustments for GHG mitigation outcomes towards an acquiring party or buyer country’s Nationally Determined Contributions (NDC), and/or international mitigation purposes, and/or other purposes in order to avoid double counting under Article 6 of the Paris Agreement. In order to make a VCMI Claim, companies have to disclose whether or not any credits used have been authorized for a corresponding adjustment. If they have, companies will have to disclose on the VCMI Reporting Platform that they have received host country authorization and upload evidence of that authorization. In the future, VCMI may require companies to publicly disclose evidence of authorization, when the Article 6 infrastructure is finalized and companies have clarity on how to access formal documentation and information. To satisfy the VCMI Claims Code, companies must publicly disclose whether they have received host country authorization annually.

COMPLEMENTARY REPORTING

Companies that have responded to the CDP Full Corporate Questionnaire will have disclosed this metric within question 7.79.1 *“Provide details of the project-based carbon credits canceled by your organization in the reporting year.”*

This metric is not directly applicable within the CDP Full Corporate Questionnaire, SBTi, IFRS, GRI, or TCFD frameworks.

VCMI REQUIREMENTS

Metric 3.8: If associated with additional third-party certification regarding social or environmental integrity companies must provide information related to how the credit promotes equity and generates co-benefits to ecosystems and local economies

To satisfy the VCMI Claims Code, companies must publicly disclose this metric annually.

COMPLEMENTARY REPORTING

This metric is not directly applicable within the CDP Full Corporate Questionnaire, SBTi, IFRS, GRI, or TCFD frameworks.



Step 4: Obtain third-party assurance of reported information following the VCMI Monitoring, Reporting & Assurance Framework

Companies must submit the information below to the [VCMI Claims Reporting Platform](#) as the final step in making a VCMI Claim:

Metric 4.1: Name of assurance provider

The name of the assurance provider should reflect the organization that conducted assurance over the metrics identified as requiring assurance in the MRA Framework. Available assurance providers can be found via the following links:

- **Auditing Standards Board (ASB)/AICPA**: The following is a link to the AICPA's website that companies may use to identify an assurance provider: <https://us.aicpa.org/forthepublic/findacpa>
- **International Auditing and Assurance Standards Board (IAASB)**: The following is a link to the International Federation of Accountants website that companies may use to identify an assurance provider: <https://www.ifac.org/who-we-are/membership>
- **International Organization for Standardization (ISO)**: The following is a link to the ISO's website that companies may use to identify an assurance provider: [ISO - Certification](#)

Metric 4.2: Name of assurance standards

The name of the assurance standard is specific to the standard that was utilized during the assurance engagement. A list of accepted standards are listed in [Table 1: Assurance bodies and related standards](#).

Metric 4.3: Level of assurance per key metric for assurance

The level of assurance per key metric refers to whether limited or reasonable assurance was provided by the assurance provider. Please refer to [Appendix A: Evidence checklist for companies](#) to identify which metrics must be assured in order to obtain a VCMI Claim.

Metric 4.4: Period covered by assurance

Period covered by assurance refers to the date range of the data for which assurance was obtained as well as the specific date that the assurance report was provided.

Please see [Section 3](#) for a step-by-step guide on how to submit assurance provider information within the VCMI Claims Reporting Platform.

Submission of CDP Full Corporate Questionnaire responses regarding assurance received would be sufficient as evidence of public disclosure, assuming public disclosure of CDP submission was selected.

SECTION 3.

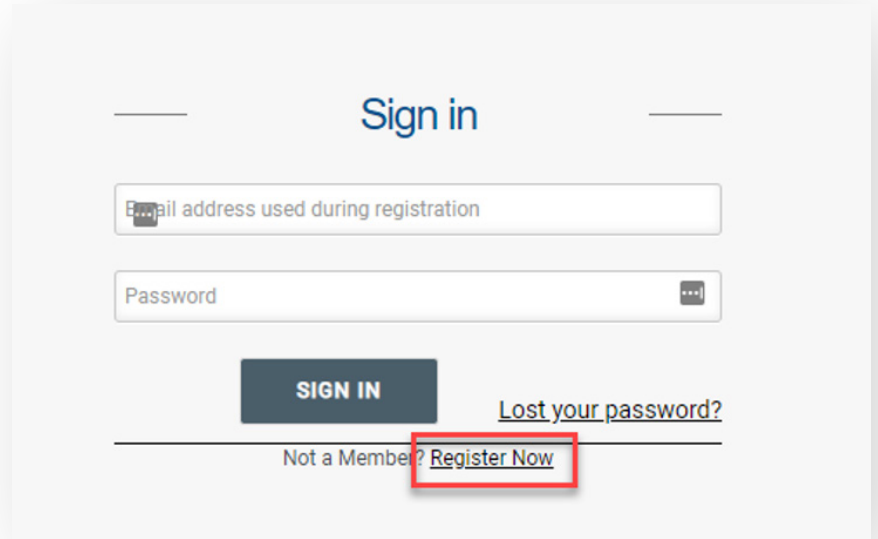
Guide to accessing the VCMI Claims Reporting Platform



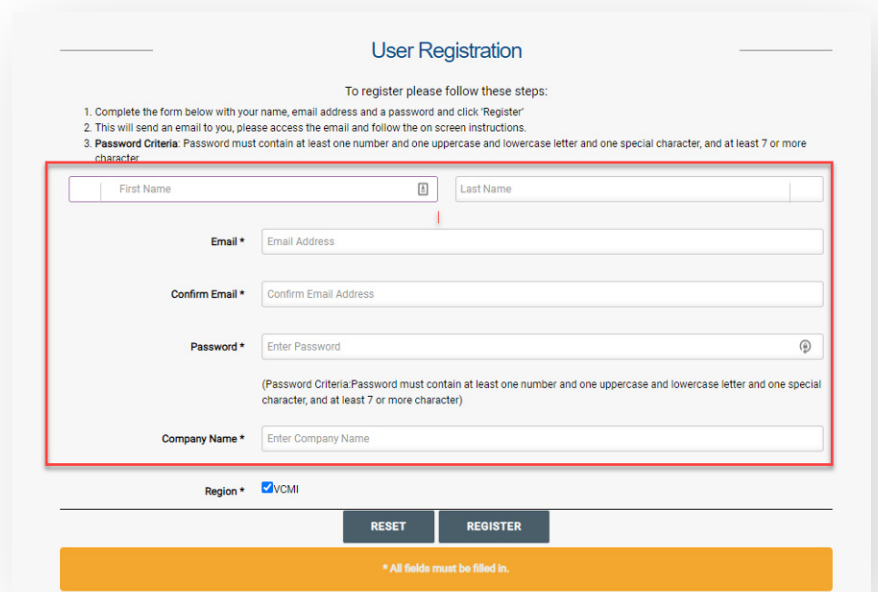
Follow the step-by-step instructions below to access the VCM Claims Reporting Platform.

NEW COMPANY SIGN-UP / REGISTRATION

1. Navigate to the VCM website <https://vcmintegrity.org>.
2. In the top header of the website, click on the 'Reporting Platform' button.
3. Select "Register Now."



4. You will be directed to the new company registration screen. Complete the below fields:
 - a. First name
 - b. Last name
 - c. Email
 - d. Confirm email
 - e. Password
 - f. Company name



5. Select “Register” if fields are populated correctly or “Reset” to clear fields.

User Registration

To register please follow these steps:

1. Complete the form below with your name, email address and a password and click 'Register'
2. This will send an email to you, please access the email and follow the on screen instructions.
3. **Password Criteria:** Password must contain at least one number and one uppercase and lowercase letter and one special character, and at least 7 or more character

Name: Jane Doe

Email * JaneDoe@TestCompany.com

Confirm Email * JaneDoe@TestCompany.com

Password * *****
(Password Criteria Password must contain at least one number and one uppercase and lowercase letter and one special character, and at least 7 or more character)

Company Name * Test Company

Region * VCM

RESET REGISTER

* All fields must be filled in.

6. The message below will be displayed, indicating that you have successfully registered. Navigate to your inbox to activate your registration..

Thank you for registering!

An email has been sent to you to confirm your email address. It will provide a confirmation code that is needed to activate your registration (please note this is different from the company code).

7. The message below will be sent to your email inbox. Please also check your junk email folder.

From: claims@vcmintegraty.org <claims@vcmintegraty.org>
Sent: Thursday, October 19, 2023 11:01 AM
To: Doe, Jane <JaneDoe@TestCompany.com>
Subject: Registration confirmation

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Welcome Jane Doe

Thank you for registering your interest in making a VCM Claim.

Please click the link below to confirm your email address and start the VCM Claims process.

<https://vcmi-test.reportingframework.com/confirmregistration/>

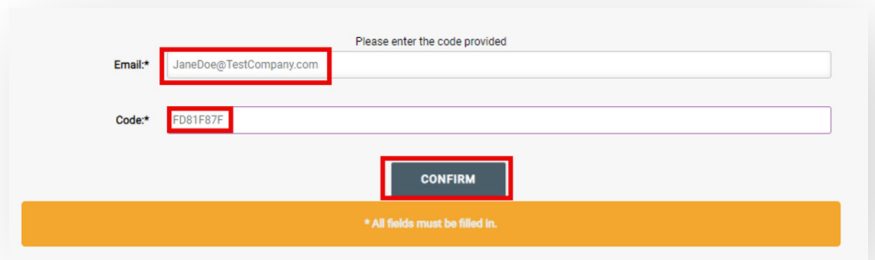
Email address: JaneDoe@TestCompany.com

Code: FD81F87F

If you need any help with registering please contact us <<mailto:claims@vcmintegraty.org>>

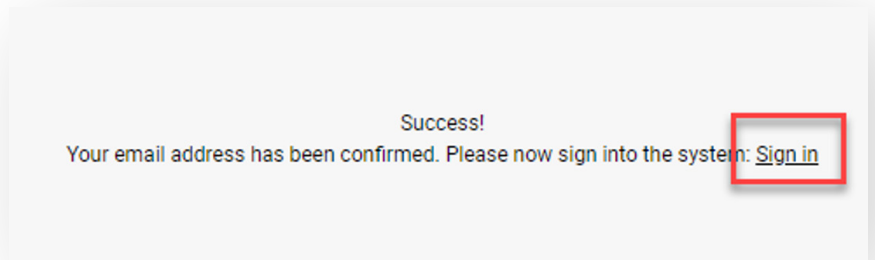
Kind regards,
VCM Secretariat

- Click the e-mail confirmation link in the email to navigate to the VCM Claims Reporting Platform and enter the email address and code provided in the email. Then select “Confirm.”



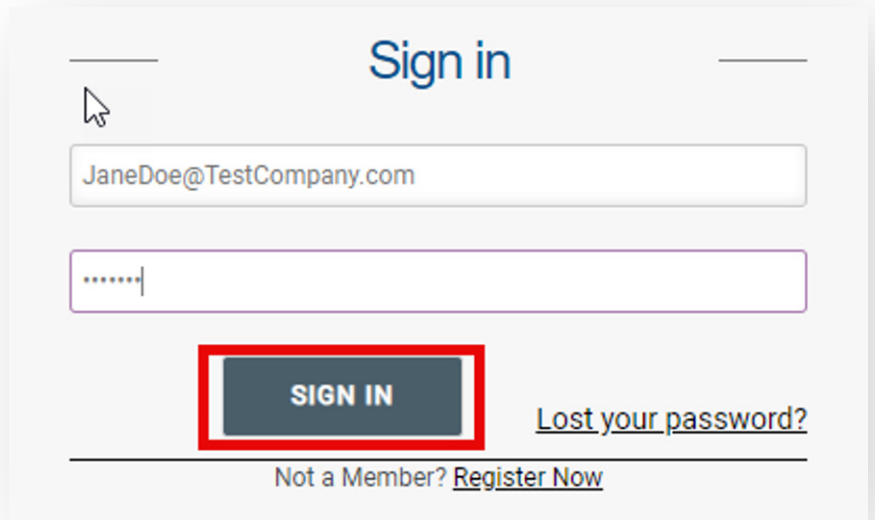
A screenshot of a web form for email confirmation. It features two input fields: "Email*" containing "JaneDoe@TestCompany.com" and "Code*" containing "FD81F87F". A "CONFIRM" button is positioned below the code field. A note at the bottom states "* All fields must be filled in." Red boxes highlight the email field, the code field, and the CONFIRM button.

- The message shown below will appear. Click “Sign in.”



A screenshot of a success message. The text reads "Success! Your email address has been confirmed. Please now sign into the system: [Sign in](#)". The "Sign in" link is highlighted with a red box.

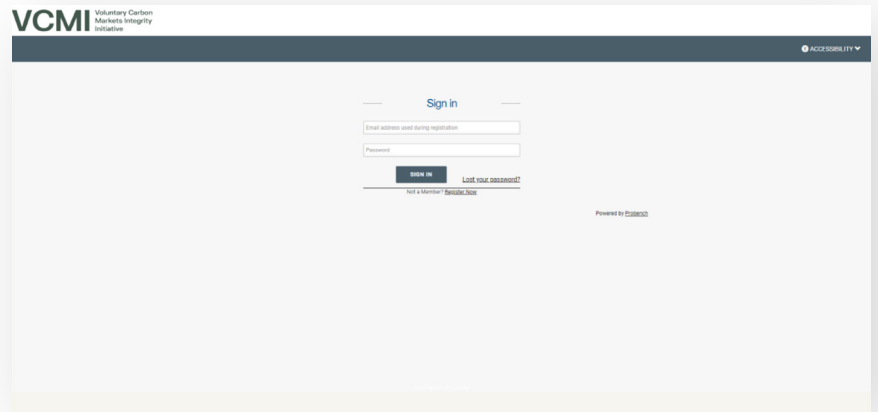
- If not automatically populated, enter the email and password. Then click “Sign In.”



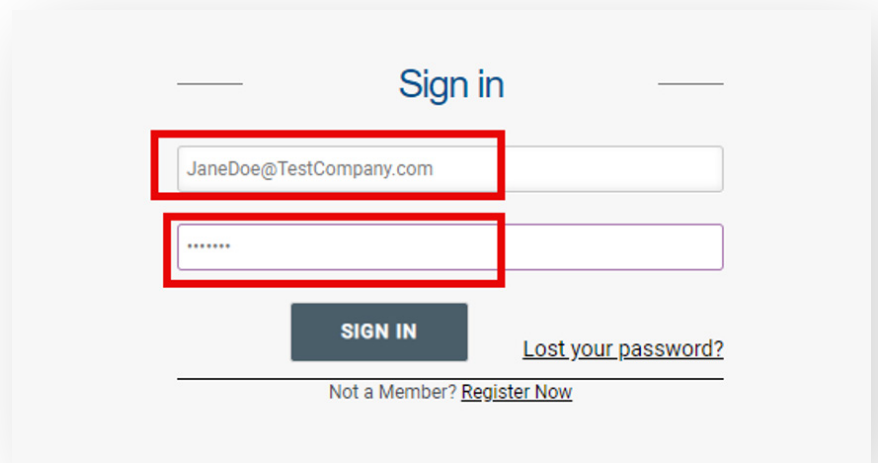
A screenshot of the "Sign in" page. It includes a title "Sign in", an email input field with "JaneDoe@TestCompany.com", and a password input field with masked characters. A "SIGN IN" button is highlighted with a red box. Below the button are links for "Lost your password?" and "Not a Member? Register Now".

RETURNING COMPANY SIGN-IN

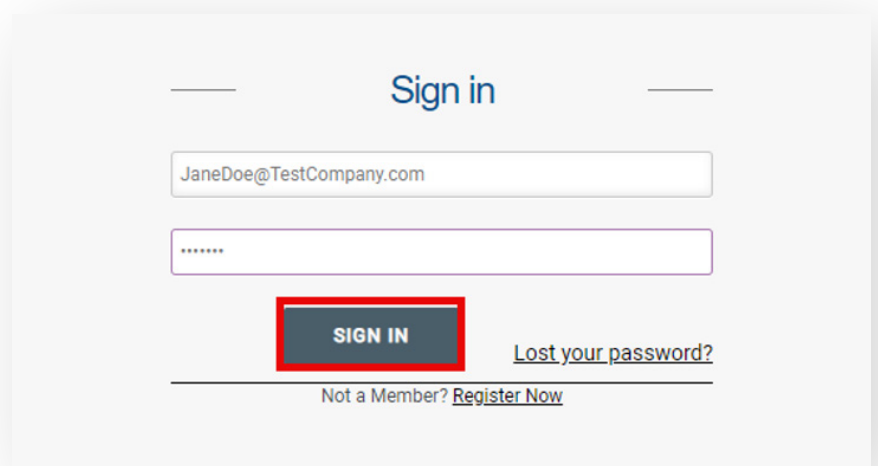
1. Access the sign-in VCM Claims Reporting Platform at <http://claims.vcmintegrity.org> or via the VCM website.



2. If not automatically populated, enter the email and password.



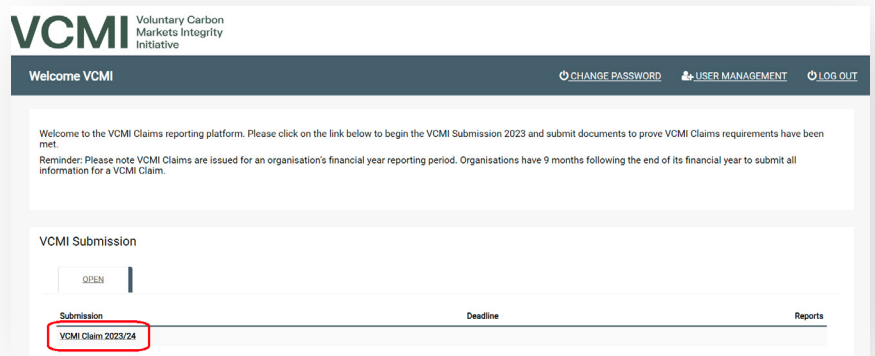
3. Click "Sign in."



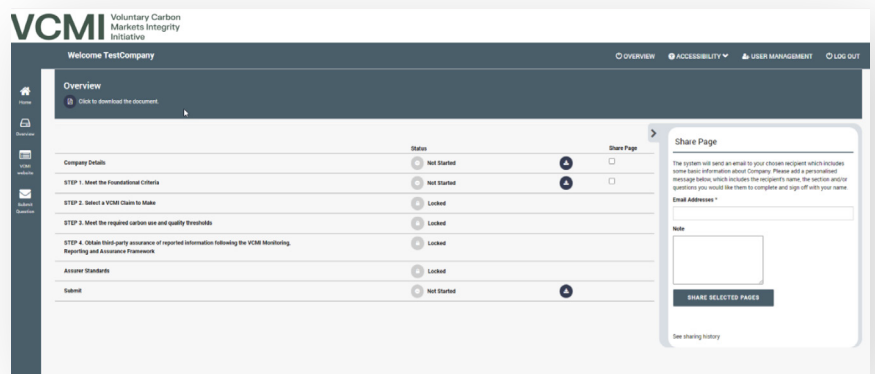
Submitting documentation for a VCMI Claim

Once you have successfully accessed the VCMI Claims Reporting Platform, you can begin submitting the required documentation.

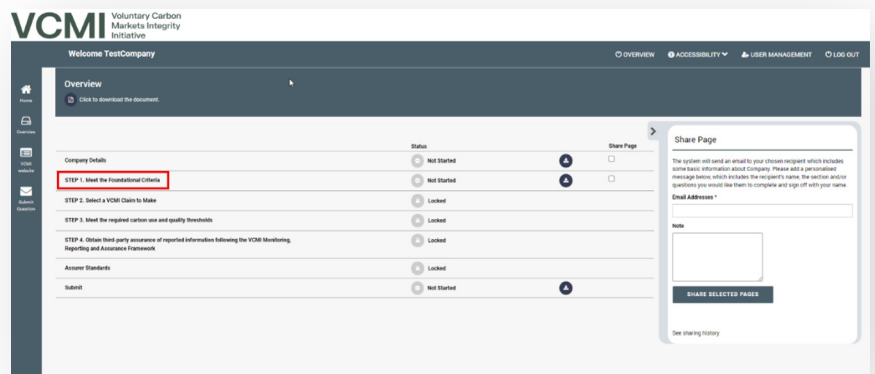
1. Once logged in, the landing page below will be available. Select “VCMI Claims 2023/24” or the submission form applicable to the reporting year you wish to make a VCMI claim for.



2. The submission form homepage will appear. Fill in company details in the ‘Company Details’ form at the top.

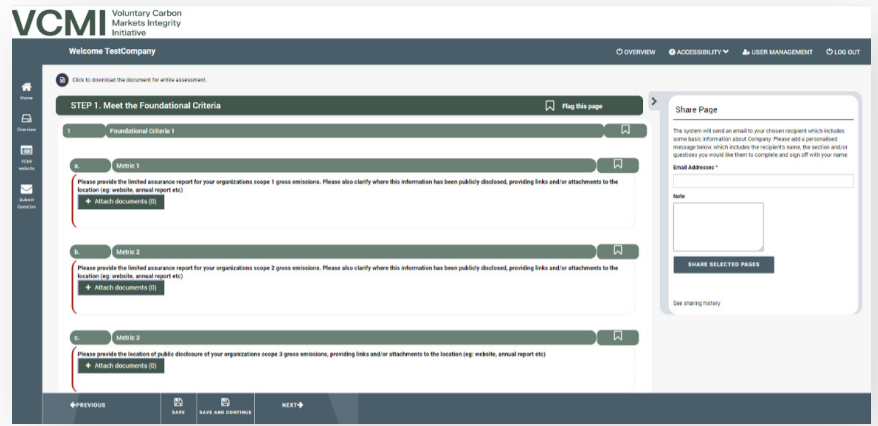


3. Then select “STEP 1. Meet the Foundational Criteria.”

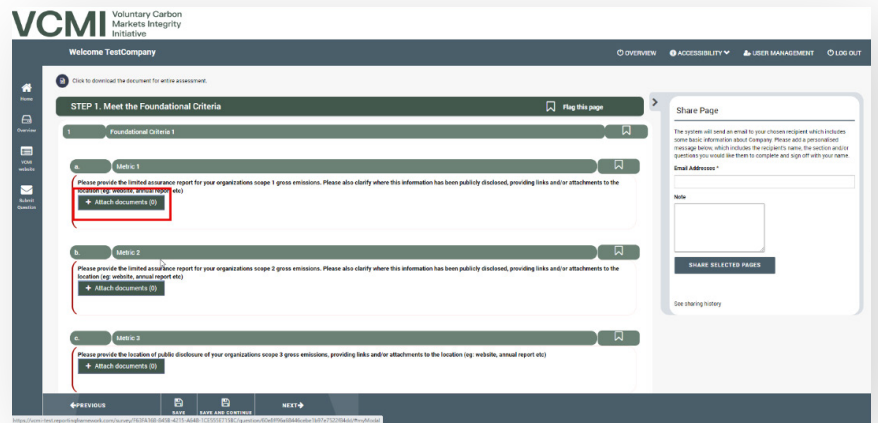


Submitting documentation for a VCMi Claim

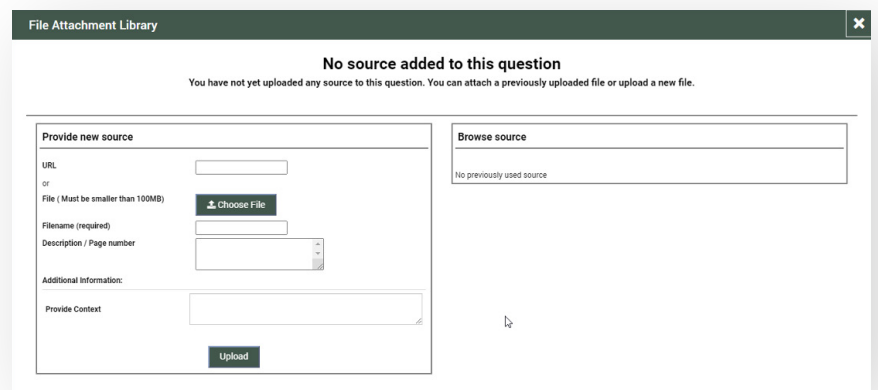
4. Questions relating to this key step will appear.



5. Provide your responses in the text box and select "Attach Documents".



6. The "File Attachment Library" window will open.



Submitting documentation for a VCMI Claim

7. Provide either a website URL or PDF source for documentation.
 - a. Please note that website URLs will be automatically converted to PDF form.
 - b. If providing a URL, enter the URL that contains the relevant data and populate the below fields:
 - i. Filename
 - ii. Page number (required)
 - iii. Provide context/ description (optional)

The screenshot shows the 'File Attachment Library' interface. At the top, it says 'No source added to this question' and 'You have not yet uploaded any source to this question. You can attach a previously uploaded file or upload a new file.' Below this, there are two main sections: 'Provide new source' and 'Browse source'. The 'Provide new source' section has the following fields: 'URL' (with 'TestCompany.com/ESGR' entered), 'File (Must be smaller than 100MB)' (with a 'Choose File' button), 'Filename (required)' (with 'ESG Report 2023' entered), 'Description / Page number' (with 'This page contains the verification that Test' entered), 'Additional Information:' (empty), and 'Provide Context' (with 'Company ABC provided the assurance over these metrics, which can be found in section 2.1 of the report.' entered). The 'Browse source' section is empty. The 'Upload' button is at the bottom of the 'Provide new source' section.

- iv. Select "Upload."

This screenshot is identical to the previous one, but the 'Upload' button at the bottom of the 'Provide new source' section is highlighted with a red box.

- c. If providing a file, select "Choose File."

This screenshot shows the 'File Attachment Library' interface with the 'Provide new source' form. The 'Choose File' button is highlighted with a red box. The other fields are empty.

Submitting documentation for a VCM I Claim

- d. Populate the below fields:
 - i. Filename
 - ii. Page number (required)
 - iii. Provide context (optional)

The screenshot shows the 'File Attachment Library' interface. At the top, it says 'No source added to this question'. Below this, there are two main sections: 'Provide new source' and 'Browse source'. The 'Provide new source' section has several fields: 'URL', 'File (Must be smaller than 100MB)' with a file selection button, 'Filename (required)' with a text input, 'Description / Page number' with a dropdown menu, 'Additional Information:', and 'Provide Context' with a text area. The 'Browse source' section has a text input and a note 'No previously used source'. Red boxes highlight the 'Filename (required)' field, the 'Description / Page number' dropdown, and the 'Provide Context' text area.

- iv. Click "Upload."

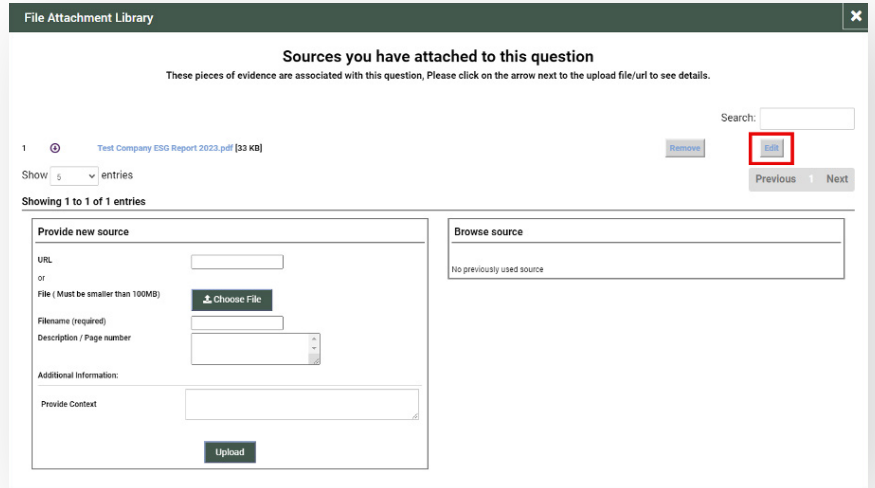
This screenshot is identical to the previous one, showing the 'File Attachment Library' interface. The 'Provide new source' form is filled out with the same data as in the previous screenshot. The 'Upload' button at the bottom of the 'Provide new source' section is highlighted with a red box.

- e. To add additional files, repeat the process as needed.

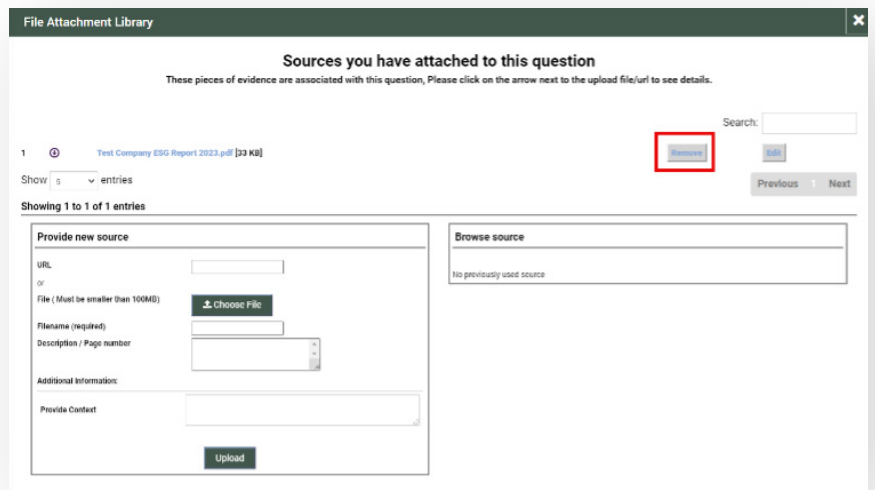
The screenshot shows the 'File Attachment Library' interface after a source has been added. At the top, it says 'Sources you have attached to this question'. Below this, there is a list of sources with columns for 'Source', 'Size', and 'Action'. The first source is 'Test Company ESG Report 2023.pdf' with a size of '33 KB'. There are 'Remove' and 'Edit' buttons next to it. Below the list, there are 'Show: 5 entries' and 'Showing 1 to 1 of 1 entries' indicators. The 'Provide new source' form is still visible at the bottom, but the 'Upload' button is now disabled. The 'Browse source' section is also visible.

Submitting documentation for a VCMCI Claim

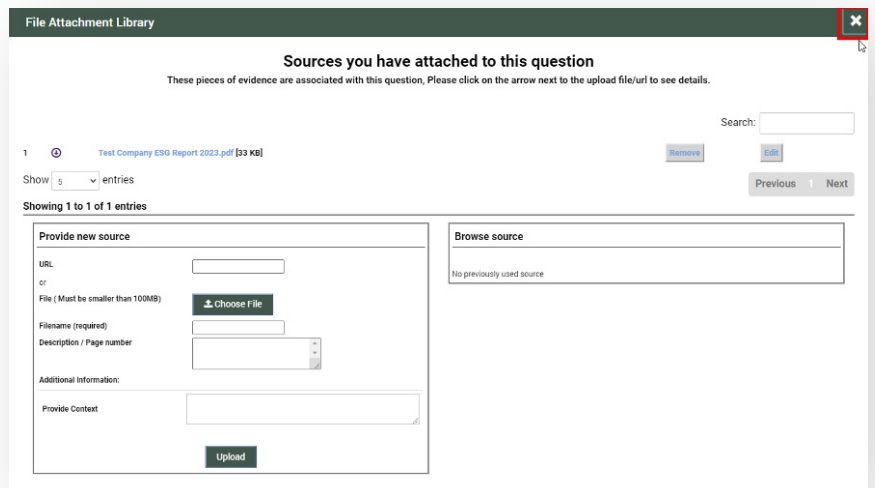
- f. To edit a file, click the “Edit” box to the right of the file to be edited.



- g. To remove a file, click the “Remove” box to the right of the file to be removed.



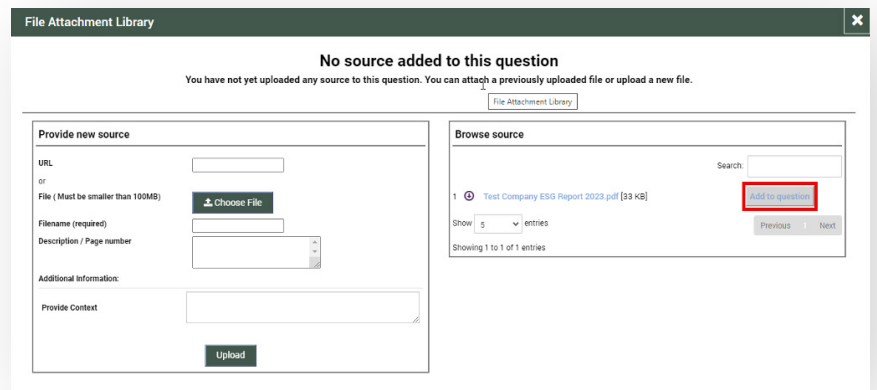
- h. When done adding files, close the pop-up window.



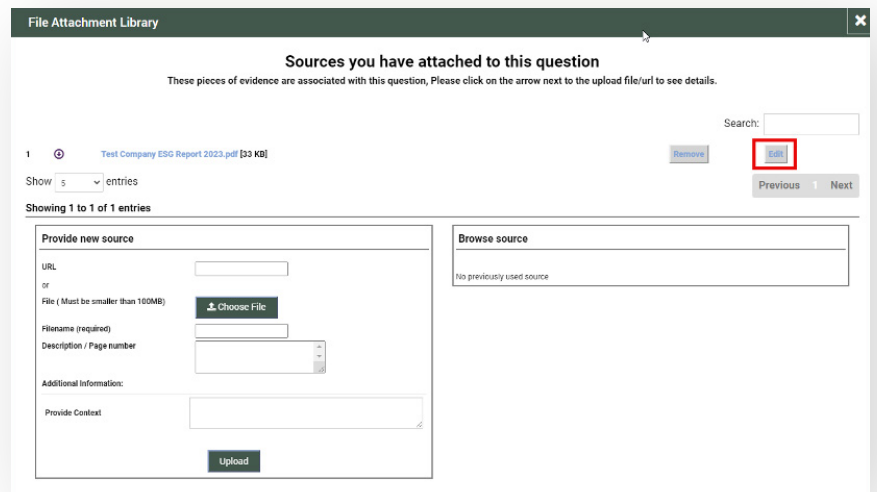
8. Repeat the steps as necessary for the remaining metrics listed under the key steps on the homepage.
 - a. To reference the same file for multiple metrics
 - i. Click on “Attach documents”



- ii. Then click on “Add to question” for the file to be referenced.



- iii. The description of the file can be changed by selecting the “Edit” button. Changing a description on a file does not change the description for other instances of the same file.

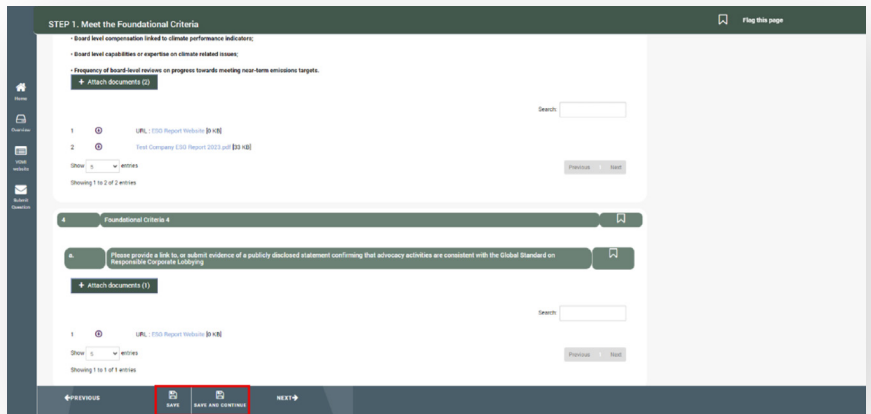


Submitting documentation for a VCMI Claim

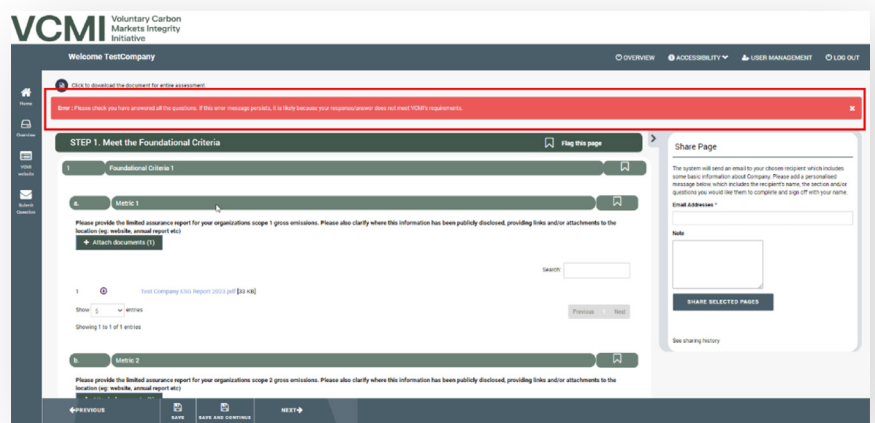
9. Note that some questions have a text box for entry of information.
 - a. Respond to the question using the text box and option to upload evidence by clicking on “Attach documents”, as applicable.



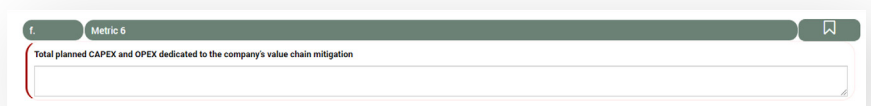
10. Once all questions have been completed, select either “Save” or “Save and Continue” at the bottom of the page. An error message may appear if you have not provided responses to all questions, or if your response/s do not meet VCMI’s requirements.



- a. If the following error appears, it may be because a question was left unanswered.

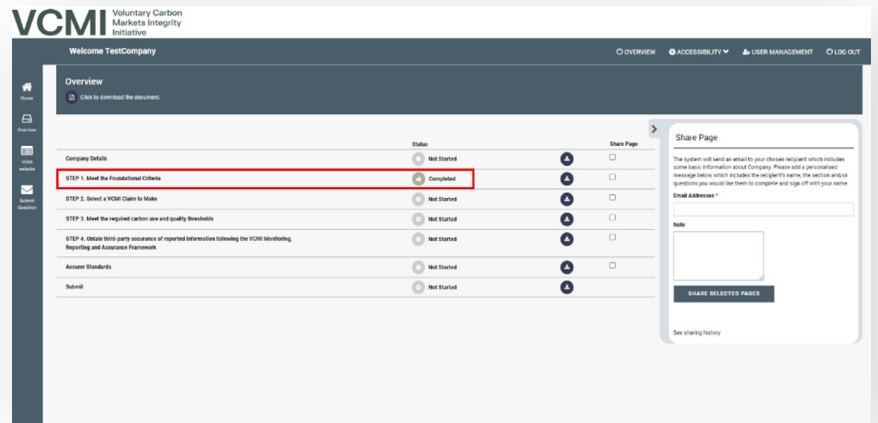


- b. Unanswered questions will be marked with a red bracket on the left side of the screen.

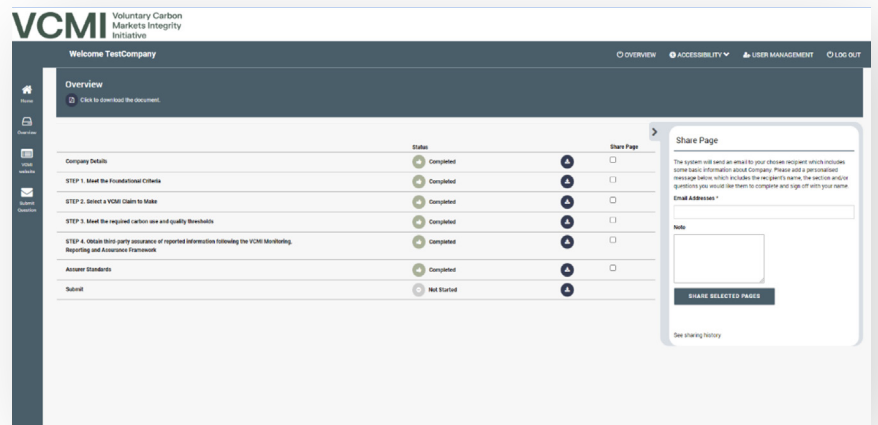


Submitting documentation for a VCMi Claim

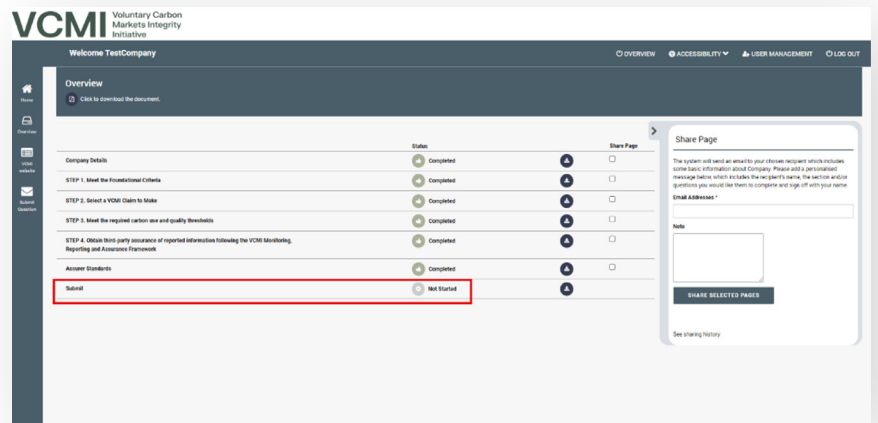
11. When a section of the survey is completed, it will be marked “completed” on the overview page.



12. Fill out each section, ensuring each says “Complete.”

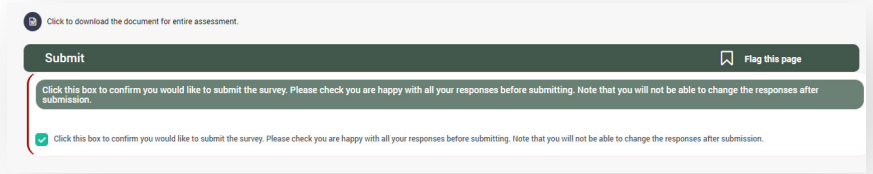


13. Submit the report.
 - a. Select the “Submit” section.

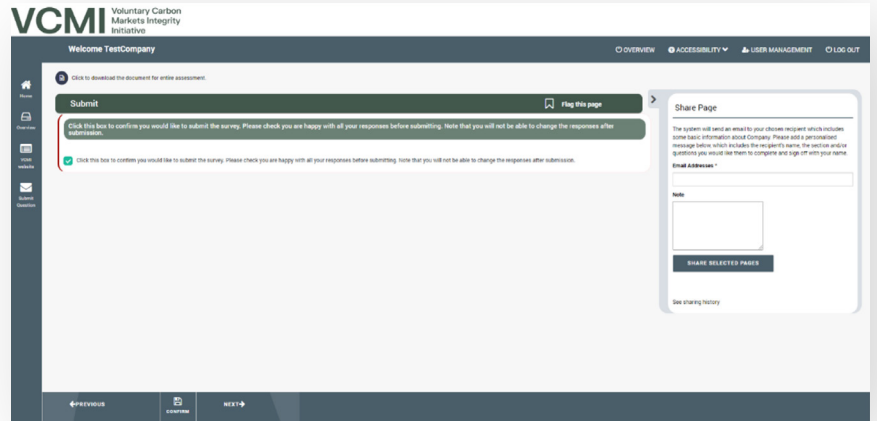


Submitting documentation for a VCMCI Claim

- b. Check the box indicating that you would like to submit the survey.



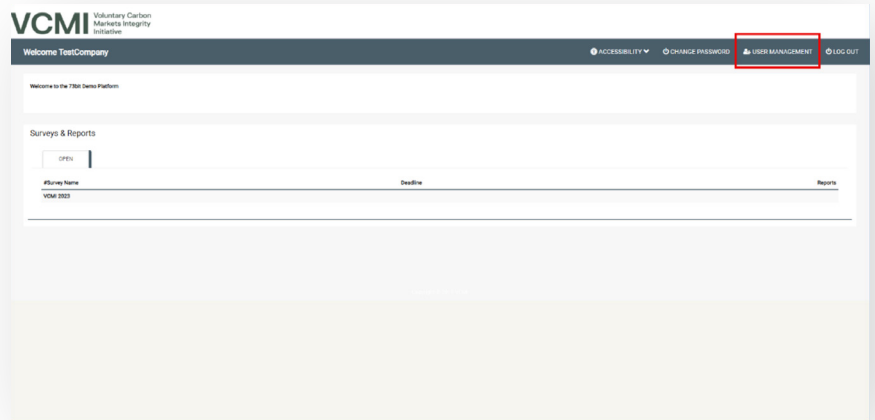
- c. Click "Confirm" to submit the assessment.



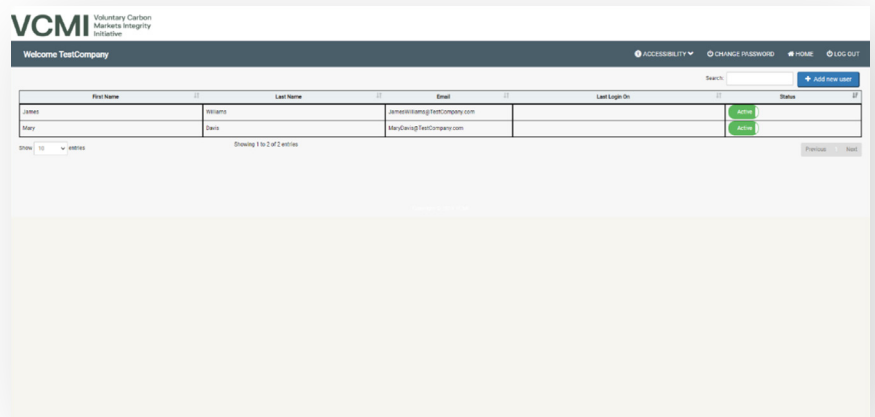
ADDING A USER

Companies may add users to the VCM Claims reporting platform to assist with VCM submission process.

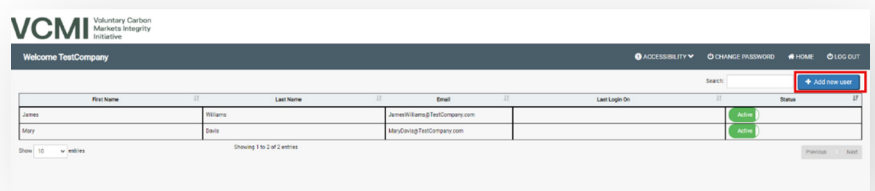
1. From any page, click on “User Management” in the top right corner.



2. The page shown below will open, showing all the current super users, which are users who have unrestricted access to the VCM Claims reporting platform.



3. To add a new user, click on the “Add new user” button in the top right corner.



- Populate the “First Name,” “Last Name,” and “Email ID” sections with the new user’s information.

The screenshot shows a web form titled "Add New User" with a close button (X) in the top right corner. The form contains three input fields: "First Name*" with the value "Greg", "Last Name" with the value "Olson", and "Email ID*" with the value "GregOlson@TestCompany.com". Each of these input fields is highlighted with a red rectangular box. At the bottom right of the form, there are two buttons: "Confirm" (highlighted with a red box) and "Cancel".

- Click “Confirm.”

This screenshot is identical to the previous one, showing the "Add New User" form with the fields "First Name", "Last Name", and "Email ID" populated. The "Confirm" button at the bottom right is now highlighted with a red rectangular box, indicating it has been clicked.

- The designated user will receive an email giving them access to the reporting platform.

From: <claims@vcminTEGRATy.org>
 Date: Mon, Oct 23, 2023 at 5:02 PM
 Subject: ..On Add New User Email
 To: <GregOlson@TestCompany.com>

Welcome Greg Olson
 Company Name: TestCompany

You have been added as a user. A temporary password has been created for your account. Please [login](#) using your username (your email address) and the password: 6033-9917

Once you sign in please change your password.

You are receiving this information because you are subscribed to our newsletter with address GregOlson@TestCompany.com. You can unsubscribe from our newsletters by [clicking this link](#)

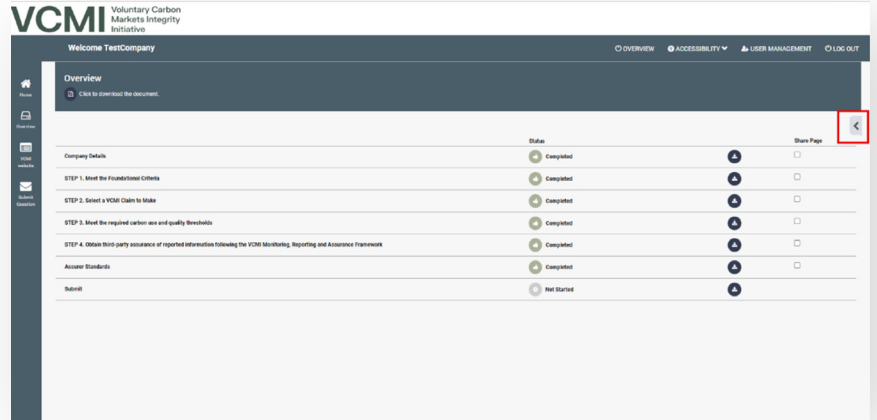
- User access can be toggled by clicking on the “status” button.

First Name	Last Name	Email	Last Login On	Status
Jane	Smith	JaneSmith@TestCompany.com		On
Mary	Smith	MarySmith@TestCompany.com		Off

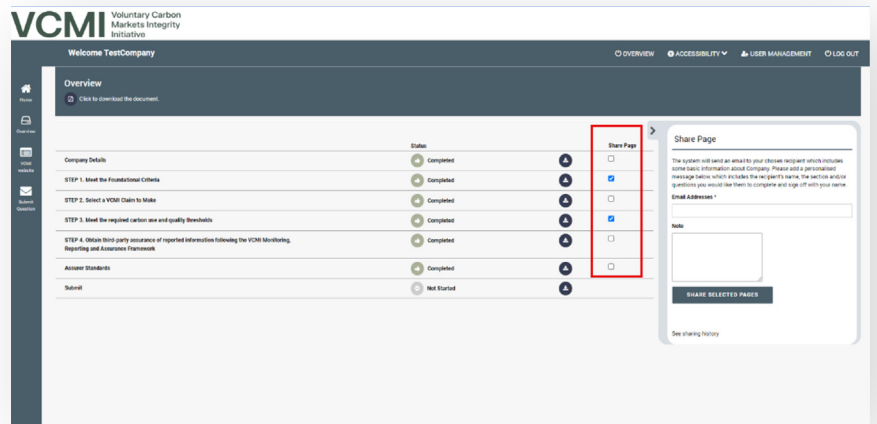
SHARING THE VCM SURVEY

The sharing functionality within the submission homepage will share a specific section of the survey with the selected user. Any changes that are made by these users will appear as a draft and the main user / representative of the company will need to approve these changes before submitting the survey.

1. From the “Overview” page, click on the chevron on the right side of the screen to open the “share” menu, if it is not already open.



2. Select any sections that should be shared with a specific non-user.



3. Enter the email of the non-user recipient and add any additional information to send to that person.

Share Page

The system will send an email to your chosen recipient which includes some basic information about Company. Please add a personalised message below, which includes the recipient's name, the section and/or questions you would like them to complete and sign off with your name.

Email Addresses *

Note

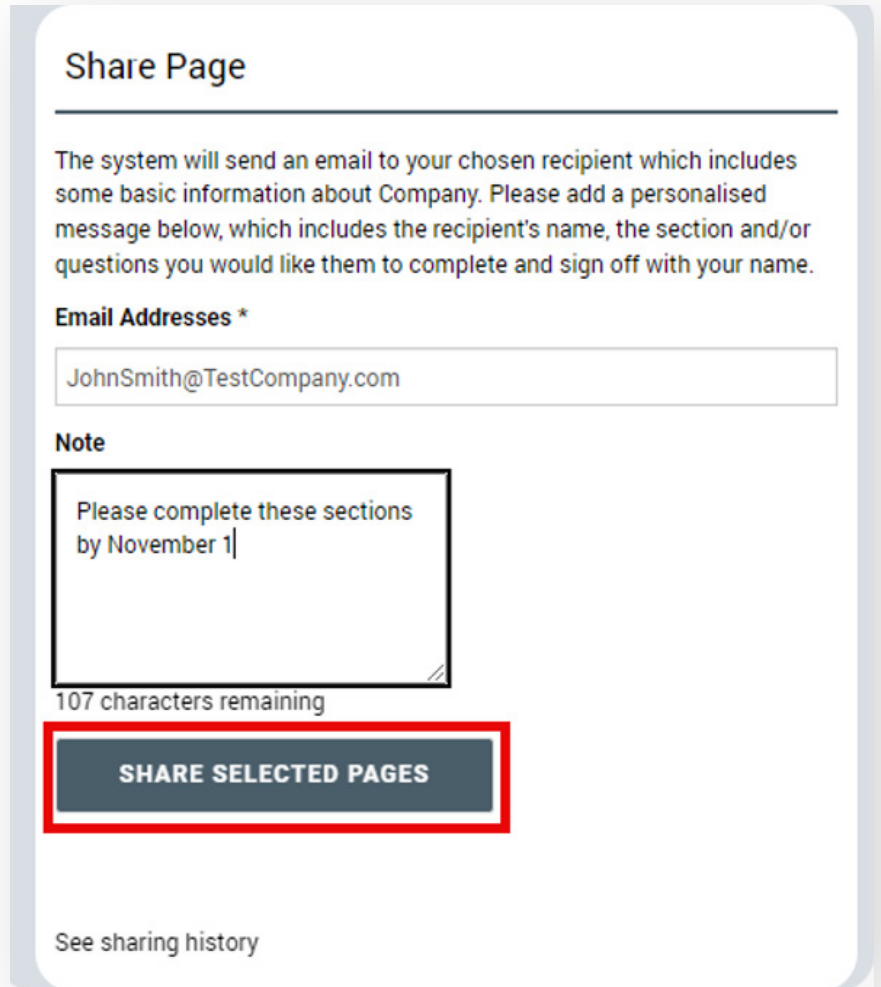
Please complete these sections by November 1|

107 characters remaining

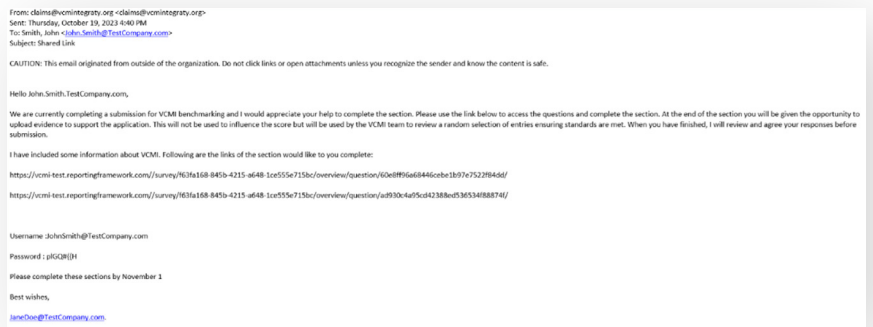
SHARE SELECTED PAGES

[See sharing history](#)

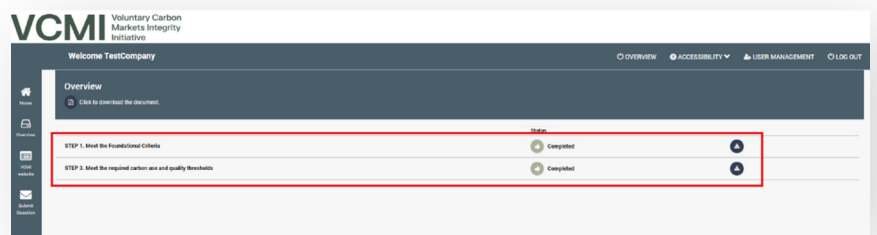
4. Click “Share selected pages.”



5. The recipient will receive an email with a temporary username and password.

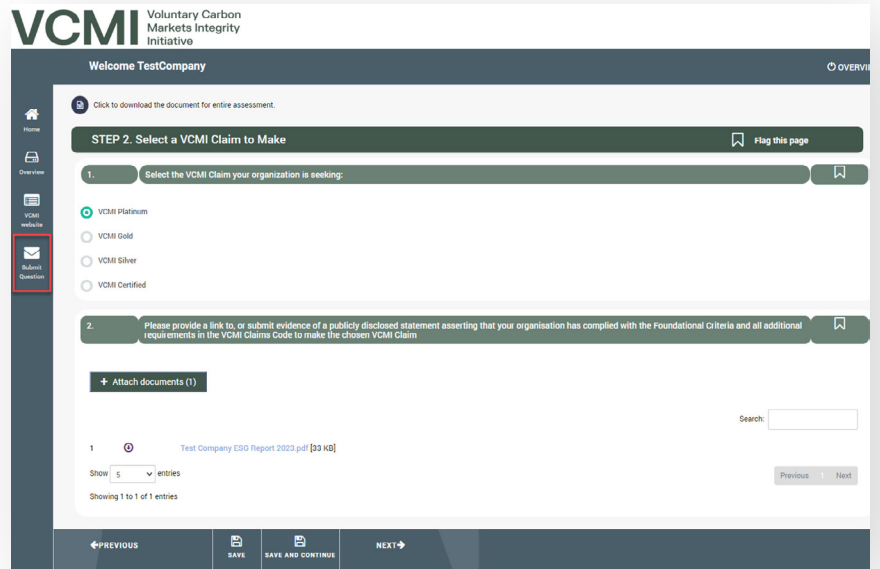


6. The user will only have access to selected sections.



HELP

If a question arises while submitting a VCMi Claim, use the “Submit Question” button on the left side of the screen, which opens an email addressed to the VCMi support team at claims@vcmintegrity.org.



VCMi CLAIMS BRANDING GUIDELINES

Once a company has submitted all relevant information on the VCMi Claims Reporting Platform, in line with the reporting and assurance requirements of this MRA Framework, it will receive a response from VCMi within 10 working days. Once VCMi has verified the information submitted by a company, it will confirm via email whether or not the company has successfully met all of the requirements to make a VCMi claim.

This email will contain a link to VCMi branding assets and Branding Guidelines. Companies will be directed to where they can download a Carbon Integrity mark (Silver, Gold or Platinum) and will be able to use the mark in its communication materials, in line with the guidance provided in the [Carbon Integrity Branding Guidelines](#).

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Glossary



Term	Definition
Accredited	A process that companies can take part in to demonstrate their commitment to following the standards set for their organization (Better Business Bureau, 2023).
Assurance	An engagement in which a practitioner seeks sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information provided (ISAE 3000, 2000).
Base year	A historic datum (a specific year or an average over multiple years) against which a company's emissions are tracked over time (GHG Protocol, 2004).
Carbon credit	A tradeable unit issued by a carbon crediting program that represents a verified reduction or removal of GHGs from the atmosphere equivalent to one metric tonne of CO ₂ e. Carbon credits are uniquely serialized, issued, tracked, and cancelled or retired by means of an electronic registry (VCMI Claims Code of Practice).
Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)	A global market-based mechanism, adopted by the International Civil Aviation Organization (ICAO) in 2016, to address CO ₂ emissions from international aviation. CORSIA is the first global market-based measure for an individual sector. It pursues a cooperative approach, involving governments, industry, and international organizations, that attempts to replace a patchwork of national or regional regulatory initiatives. CORSIA aims to stabilize, from 2021, international civil aviation CO ₂ emissions at 2019 levels, including through the use of carbon credits that are determined by ICAO to meet the CORSIA Emissions Units Eligibility Criteria. (For additional information, see ICAO, 2021).
Claim	A message used to describe or promote a product, process, business, or service with respect to its sustainability attributes or credentials (ISEAL, 2015).
Core Carbon Principles (CCPs)	A global benchmark for high-integrity carbon credits that set rigorous thresholds on disclosure and sustainable development (ICVCM, 2023).
Greenhouse Gas (GHG) Emissions	The release of the six gases listed in the Kyoto Protocol into the atmosphere. The gases are: carbon dioxide (CO ₂); methane (CH ₄); nitrous oxide (N ₂ O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulfur hexafluoride (SF ₆) (GHG Protocol, 2004).
Host country	In relation to carbon credits, the country where a project to reduce or remove emissions takes place (S&P Global).
Independent	Independence comprises: <p>(a) Independence of mind – the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity, and exercise objectivity and professional skepticism.</p> <p>(b) Independence in appearance – the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude that a firm's, or an audit or assurance team member's, integrity, objectivity, or professional skepticism has been compromised (IESBA, 2023).</p>

Term	Definition
Integrity Council for the Voluntary Carbon Market (ICVCM)	An independent governance body that is developing and enforcing a set of Core Carbon Principles (CCPs) that establishes a new threshold standard for high-quality carbon credits in the voluntary carbon market. The ICVCM will oversee a process to determine the Eligibility of carbon-crediting programs as well as which carbon credit Categories will become CCP-Approved. (For additional information, see ICVCM, 2023)
Limited assurance	An assurance engagement in which the practitioner reduces engagement risk to a level that is acceptable in the circumstances of the engagement but where that risk is greater than for a reasonable assurance engagement as the basis for expressing a conclusion in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the practitioner's attention to cause the practitioner to believe the subject matter information is materially misstated (ISAE, 2013).
Mitigation	A human intervention to reduce emissions or enhance the sinks of GHG (UNFCCC, 2009).
Reasonable assurance	An assurance engagement in which the practitioner reduces engagement risk to an acceptably low level in the circumstances of the engagement as the basis for the practitioner's conclusion. The practitioner's conclusion is expressed in a form that conveys the practitioner's opinion on the outcome of the measurement or evaluation of the underlying subject matter against criteria (ISAE, 2013).
Retirement of carbon credits	The transfer to a retirement account or the cancellation of a carbon credit. Once retired, the credit is considered 'used' and cannot be counted again toward a climate target. The owner of the retired credit can accurately claim to have reduced emissions and use those emissions to meet its climate commitments (VCMI Claims Code, 2023).
Science-aligned target	A target that is in line with the latest climate science consensus on safe upper limits for global warming. Alignment with an IPCC model pathway of CO ₂ emission reductions that limits global warming to 1.5 degrees Celsius with no or limited overshoot is the ultimate objective (SBTi, 2023). 'Science-based' is used when adhering to SBTi's standards, while 'science-aligned' may not necessarily follow SBTi's standards.
Scope 1	Emissions from operations that are owned or controlled by the reporting company. (VCMI Claims Code, 2023).
Scope 2	Emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company (VCMI Claims Code, 2023).
Scope 3	Indirect emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions (VCMI Claims Code, 2023).
Vintage	In relation to carbon credits, the year in which the emission reduction or removal took place. The verification process can take two to three years from project inception, so projects may generate credits for already-reduced emissions. (For additional information, see Gold Standard, 2023).
Voluntary carbon market	A marketplace that encompasses transactions of carbon credits that are not purchased with the intention to surrender into an active regulated carbon market. It includes carbon credits purchased with the intent to resell or retire to meet carbon neutral or other environmental claims (VCMI Claims Code, 2023).

Appendix A: Evidence checklist for companies



Appendix A: Evidence checklist for companies

The checklist below aligns with the metrics found within [Appendix B](#): Summary of Key Metrics and can be used to guide a company's data collection and ensure adherence to steps 1-4 of the VCMI Claims Code. Once all evidentiary documentation has been collected in alignment with the MRA Framework, the company can submit the required documentation to the VCMI Claims Reporting Platform. This platform allows companies to submit the information required to attain a VCMI Claim, in a structured and coordinated manner. For easy-to-use instructions on accessing the platform, refer to Section 3 above.

	Criterion	Metric	Evidentiary Documentation	Public disclosure examples
<input type="checkbox"/>	FC1	Metric 1.1: Gross scope 1 GHG emissions in metric tonnes of CO ₂ equivalent for the base year and most recent reporting year	Limited assurance report and public disclosure reference	<p>Companies may report their inventory through any of the following formats:</p> <ul style="list-style-type: none"> • CDP Climate Disclosure • Annual ESG, sustainability or GHG emissions report • Annual financial statements or Proxy Statement • Global Reporting Index (GRI) disclosure that includes GRI 305-1, 305-2, and 305-3 • Sustainable Accounting Standards Board (SASB) index
<input type="checkbox"/>	FC1	Metric 1.2: Gross scope 2 GHG emissions in metric tonnes of CO ₂ equivalent for the base year and most recent reporting year	Limited assurance report and public disclosure reference	
<input type="checkbox"/>	FC1	Metric 1.3: Gross scope 3 GHG emissions in metric tonnes of CO ₂ equivalent by category for the base year and most recent reporting year	Public disclosure reference	
<input type="checkbox"/>	FC1	Metric 1.4: A list of scope 3 GHG categories included and excluded, with justification of exclusion, for the base year and reporting year	Public disclosure reference	
<input type="checkbox"/>	FC1	Metric 1.5: An explanation for any base year recalculations	Limited assurance report for scopes 1 and 2 recalculations and public disclosure reference for all recalculations	
<input type="checkbox"/>	FC2	Metric 1.6: Near-term emission reduction target base year	For companies with SBTi validated near-term targets, public disclosure reference of SBTi validated targets	<p>Companies may disclose targets through any of the following formats:</p> <ul style="list-style-type: none"> • CDP Climate Disclosure • Annual ESG, sustainability or GHG emissions report • Annual financial statements or Proxy Statement • SBTi target dashboard
<input type="checkbox"/>	FC2	Metric 1.7: Near-term emission reduction target year	For companies without SBTi validated near-term targets, evidence of SBTi Commitment Letter and public disclosure reference of near-term emission reduction targets	
<input type="checkbox"/>	FC2	Metric 1.8: Near-term emission reduction target boundary		
<input type="checkbox"/>	FC2	Metric 1.9: Near-term emission reduction target ambition		
<input type="checkbox"/>	FC2	Metric 1.10: Has near-term emission reduction target been validated by SBTi?	Public disclosure reference	
<input type="checkbox"/>	FC2	Metric 1.11: Date long-term net zero commitment was made	Public disclosure reference	
<input type="checkbox"/>	FC2	Metric 1.12: Long-term net zero definition	Public disclosure reference	

	Criterion	Metric	Evidentiary Documentation	Public disclosure examples
<input type="checkbox"/>	FC3	<p>Disclosure of at least one of the following:</p> <ul style="list-style-type: none"> • Metric 1.13: The percentage of annual revenue dedicated to GHG mitigation during the most recent reporting year across the company's value chain • Metric 1.14: The percentage of capital expenditure (CAPEX) and operational expenditures (OPEX) made during the most recent reporting year dedicated to GHG mitigation across the company's value chain • Metric 1.18: A statement to explain why the aforementioned financial metrics cannot be disclosed and provide a qualitative description and analysis of investments made, and steps taken related to GHG mitigation 	Public disclosure reference	<p>Companies may report their inventory through any of the following formats:</p> <ul style="list-style-type: none"> • CDP Climate Disclosure⁹ • Annual ESG, sustainability or GHG emissions report • Annual report 10-K) or Proxy Statement • Global Reporting Index (GRI) disclosure that includes GRI 305-1, 305-2, and 305-3 • Sustainable Accounting Standards Board (SASB) index • Publicly disclosed governance and investor relations materials including charters, policies, press releases, earnings call transcripts and investor presentations
<input type="checkbox"/>	FC3	<p>Disclosure of at least one of the following:</p> <ul style="list-style-type: none"> • Metric 1.16: The percentage of planned annual revenue earmarked for GHG mitigation across the company's value chain • Metric 1.17: The percentage of capital expenditure (CAPEX) and operational expenditures (OPEX) that will be dedicated to GHG mitigation across the company's value chain • Metric 1.18: A statement to explain why the aforementioned financial metrics cannot be disclosed and provide a qualitative description and analysis of investments made, and steps taken related to GHG mitigation 	Public disclosure reference	
<input type="checkbox"/>	FC3	<p>Metric 1.15: Definition of CAPEX and OPEX</p> <p><i>This metric must be disclosed only if the company selected to disclose metric 1.4 or 1.7 as listed above</i></p>	Public disclosure reference	
<input type="checkbox"/>	FC3	<p>Metric 1.19: Companies shall state if they have any of the following metrics:</p> <ul style="list-style-type: none"> • Board or senior management level compensation linked to climate performance indicators • Board or senior management level capabilities or expertise on climate related issues • Frequency of Board-level reviews on progress towards meeting near-term emissions reduction targets 	Public disclosure reference	
<input type="checkbox"/>	FC4	<p>Metric 1.20: A public statement describing how advocacy activities are consistent with the goals of the Paris Agreement</p>	Public disclosure reference of statement describing how advocacy activities are consistent with the goals of the Paris Agreement or a statement confirming the company does not engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate	<p>Companies may report their public policy advocacy activities through any of the following formats:</p> <ul style="list-style-type: none"> • CDP Climate Disclosure • Annual ESG, sustainability or GHG emissions report • Publicly disclosed governance and investor relations materials including charters, policies, press releases, earnings call transcripts and investor presentations

9 CDP Climate Disclosure is only applicable to FC3 Metrics 2, 3 and 8. FC3 Metrics 1, 4, and 7 are not aligned with the CDP Full Corporate Questionnaire.

	Criterion	Metric	Evidentiary Documentation	Public disclosure examples
<input type="checkbox"/>		Metric 2.1: VCMCI Claim	Public disclosure reference	Companies may report their inventory through any of the following formats:
<input type="checkbox"/>		Metric 2.2: Statement asserting compliance with the Foundational Criteria and all additional requirements in the VCMCI Claims Code	Public disclosure reference	<ul style="list-style-type: none"> Annual ESG, sustainability or GHG emissions report Publicly disclosed governance and investor relations materials including charters, policies, press releases, earnings call transcripts and investor presentations
<input type="checkbox"/>	Step 2	Metric 2.3: The percentage of total GHG emissions reductions achieved in the most recent reporting year (in absolute or intensity terms) compared to the base year	Public disclosure reference	Companies may report their GHG emissions reductions through any of the following formats:
<input type="checkbox"/>	Step 2	Metric 2.4: Publicly provide an explanation that outlines whether and why the company considers itself to have made progress towards meeting its near-term emission reduction target	Public disclosure reference	<ul style="list-style-type: none"> Annual ESG, sustainability or GHG emissions report Publicly disclosed governance and investor relations materials including charters, policies, press releases, earnings call transcripts and investor presentations
<input type="checkbox"/>	Step 3	Metric 3.1: Number of credits purchased and retired that the company applied towards the VCMCI Claim	Public disclosure reference and evidence of retirement from the carbon credit registry	Companies may report their credits purchased and retired through any of the following formats: <ul style="list-style-type: none"> Annual ESG, sustainability or GHG emissions report Annual financial statements or Proxy Statement
<input type="checkbox"/>	Step 3	Metric 3.2: Carbon crediting program name, project name, project ID, retirement serial number, retirement date, and issuing registry for each credit used	Public disclosure reference	Companies may report the details of their carbon credits through any of the following formats: <ul style="list-style-type: none"> Annual ESG, sustainability or GHG emissions report Annual financial statements or Proxy Statement
<input type="checkbox"/>	Step 3	Metric 3.3: Host country	Public disclosure reference	<ul style="list-style-type: none"> Annual ESG, sustainability or GHG emissions report Annual financial statements or Proxy Statement
<input type="checkbox"/>	Step 3	Metric 3.4: Credit vintage	Public disclosure reference	
<input type="checkbox"/>	Step 3	Metric 3.5: Methodology	Public disclosure reference	
<input type="checkbox"/>	Step 3	Metric 3.6: Project type	Public disclosure reference	
<input type="checkbox"/>	Step 3	Metric 3.7: Host country authorization	Public disclosure reference	
<input type="checkbox"/>	Step 3	Metric 3.8: If associated with additional third-party certification regarding social or environmental integrity companies must provide information related to how the credit promotes equity and generates co-benefits to ecosystems and local economies	Public disclosure reference	

<input type="checkbox"/>	Step 4	Metric 4.1: Name of assurance provider	Public disclosure reference	<p>Companies may report their inventory through any of the following formats:</p> <ul style="list-style-type: none"> • CDP Climate Disclosure • Annual ESG, sustainability or GHG emissions report • Annual financial statements or Proxy Statement
<input type="checkbox"/>	Step 4	Metric 4.2: Name of assurance standard	Public disclosure reference	
<input type="checkbox"/>	Step 4	Metric 4.3: Level of assurance	Public disclosure reference	
<input type="checkbox"/>	Step 4	Metric 4.4: Period covered by assurance	Public disclosure reference	



Appendix B: Summary of key metrics



Appendix B:

Summary of key metrics

Topic	Metric	Category	Unit of Measure
Foundational Criterion 1: Maintain and publicly disclose an annual greenhouse gas emissions inventory	Metric 1.1: Gross scope 1 GHG emissions in metric tonnes of CO ₂ equivalent for the base year and most recent reporting year	Quantitative	Metric tonnes of CO ₂ equivalent
	Metric 1.2: Gross scope 2 GHG emissions in metric tonnes of CO ₂ equivalent for the base year and most recent reporting year	Quantitative	Metric tonnes of CO ₂ equivalent
	Metric 1.3: Gross scope 3 GHG emissions in metric tonnes of CO ₂ equivalent by category for the base year and most recent reporting year	Quantitative	Metric tonnes of CO ₂ equivalent
	Metric 1.4: A list of scope 3 categories included and excluded, with justification of exclusion, for the base year and reporting year	Discussion and analysis	N/A
	Metric 1.5: An explanation for any base year recalculations	Discussion and analysis	N/A
Foundational Criterion 2: Set and publicly disclose science-aligned near-term emissions reduction targets, and publicly commit to reaching net zero emissions no later than 2050	Metric 1.6: Near-term emission reduction target base year	Quantitative	Year
	Metric 1.7: Near-term emission reduction target year	Quantitative	Year
	Metric 1.8: Near-term emission reduction target boundary	Discussion and analysis	N/A
	Metric 1.9: Near-term emission reduction target ambition	Quantitative	Degrees Celsius
	Metric 1.10: Has near-term emission reduction target been validated by SBTi?	Quantitative	N/A
	Metric 1.11: Date long-term net zero commitment was made	Quantitative	Year and Month
	Metric 1.12: Long-term net zero definition	Discussion and analysis	N/A
Foundational Criterion 3: Demonstrate that the company is making progress on financial allocation, governance and strategy towards meeting its near-term emission reduction target	Metric 1.13: The percentage of annual revenue dedicated to GHG mitigation during the most recent reporting year across the company's value chain	Quantitative	Percentage (%)
	Metric 1.14: The percentage of CAPEX and OPEX made during the most recent reporting year dedicated to GHG mitigation across the company's value chain	Quantitative	Percentage (%)
	Metric 1.15: Definition of CAPEX and OPEX	Discussion and analysis	N/A
	Metric 1.16: The percentage of planned annual revenue earmarked for GHG mitigation across the company's value chain	Quantitative	Percentage (%)
	Metric 1.17: The percentage of CAPEX and OPEX planned to be dedicated to GHG mitigation across the company's value chain	Quantitative	Percentage (%)
	Metric 1.18: A statement to explain why the aforementioned financial metrics cannot be disclosed and provide a qualitative description and analysis of investments made, and steps taken related to GHG mitigation	Discussion and analysis	N/A
	Metric 1.19: Companies shall state if they have any of the following metrics:	Discussion and analysis	N/A
	<ul style="list-style-type: none"> • Board or senior management level compensation linked to climate performance indicators; or • Board or senior management level capabilities or expertise on climate related issues; or • Frequency of Board-level reviews on progress towards meeting near-term emission reduction targets. 		

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	Metric 1.20: A public statement describing how advocacy activities are consistent with the goals of the Paris Agreement	Discussion and analysis	N/A
Step 2: Select a VCM Claim to make	Metric 2.1: VCM Claim (Carbon Integrity Silver / Gold / Platinum)	Discussion and analysis	N/A
	Metric 2.2: Statement asserting compliance with the Foundational Criteria and all additional requirements in the VCM Claims Code	Discussion and analysis	N/A
	Metric 2.3: Percentage of total GHG emissions reductions achieved in the most recent reporting year (in absolute or intensity terms) compared to the base year	Quantitative	Percentage (%)
	Metric 2.4: Publicly provide an explanation that outlines whether and why the company considers itself to have made progress towards meeting its near-term emission reduction target	Discussion and analysis	N/A
Step 3: Meet the required carbon credit use and quality thresholds	Metric 3.1: Number of credits purchased and retired that the company applied towards the VCM Claim (These may be initially CORSIA label credits, and once the ICVCM Assessment Framework is implemented, companies shall transition to purchase and retire CCP-Approved credits). Alternatively, if a company already has contractually committed to purchasing credits not approved by CCP, or CCP-Approved credits are unavailable, the company can follow the transition guidance, until January 1, 2026, after which only CCP-Approved credits will be eligible for VCM Claims	Quantitative	Number
	Metric 3.2: Carbon crediting program name, project name, project ID, retirement serial number, retirement date and issuing registry for each credit used	Discussion and analysis	N/A
	Metric 3.3: Host country	Discussion and analysis	N/A
	Metric 3.4: Credit vintage	Discussion and analysis	N/A
	Metric 3.5: Methodology	Discussion and analysis	N/A
	Metric 3.6: Project type	Discussion and analysis	N/A
	Metric 3.7: Host country authorization	Discussion and analysis	N/A
	Metric 3.8: If associated with additional third-party certification regarding social or environmental integrity (e.g., SDGs label, SD Vista, Climate, Community and Biodiversity Standards, etc.), companies must provide information related to how the credit promotes equity and generates co-benefits to ecosystems and local economies	Discussion and analysis	N/A
Step 4: Obtain third-party assurance of reported information following the VCM Monitoring, Reporting and Assurance Framework	Metric 4.1: Name of assurance provider	Discussion and analysis	N/A
	Metric 4.2: Name of assurance standard	Discussion and analysis	N/A
	Metric 4.3: Level of assurance	Discussion and analysis	N/A
	Metric 4.4: Period covered by assurance	Quantitative	Dates

Appendix C: Timing considerations for disclosure of key metrics



Appendix C: Timing considerations for disclosure of key metrics

The following table illustrates the frequency in which VCMi metrics must be disclosed. Within the first year of making a VCMi Claim, all metrics must be publicly disclosed and are subject to their respective levels of disclosure as outlined throughout the MRA Framework. To minimize the reporting burden, metrics that are not likely to change yearly are not required to be re-disclosed on an annual basis as illustrated below.

Key: Required Not required See text

VCMi Metric	Initial year disclosure	Annual disclosure	Other timing considerations
Step 1: Foundational Criterion 1			
Metric 1.1: Gross scope 1 GHG emissions in metric tonnes of CO ₂ equivalent for the base year and most recent reporting year	YES	YES	N/A
Metric 1.2: Gross scope 2 GHG emissions in metric tonnes of CO ₂ equivalent for the base year and most recent reporting year	YES	YES	N/A
Metric 1.3: Gross scope 3 GHG emissions in metric tonnes of CO ₂ equivalent by category for the base year and most recent reporting year	YES	YES	N/A
Metric 1.4: A list of scope 3 categories included and excluded, with justification of exclusion, for the base year, and reporting year	YES	YES	N/A
Metric 1.5: An explanation for any base year recalculations	YES	NOT REQUIRED	Required on an as-needed basis
Step 1: Foundational Criterion 2			
Metric 1.6: Near-term emission reduction target base year	YES	NOT REQUIRED	Required as and when the next near-term target is developed
Metric 1.7: Near-term emission reduction target year	YES	NOT REQUIRED	Required as and when the next near-term target is developed
Metric 1.8: Near-term emission reduction target boundary	YES	NOT REQUIRED	Required as and when the next near-term target is developed
Metric 1.9: Near-term emission reduction target ambition	YES	NOT REQUIRED	Required as and when the next near-term target is developed
Metric 1.10: Has near-term target been validated by SBTi?	YES	NOT REQUIRED	Required to be updated, assuming a 24-month period was used ¹⁰
Metric 1.11: Date long-term net zero commitment was made	YES	NOT REQUIRED	N/A
Metric 1.12: Long-term net zero definition	YES	NOT REQUIRED	N/A
Step 1: Foundational Criterion 3			
Companies shall select the disclosure of at least one of the following regarding financial allocation towards GHG mitigation made during the most recent reporting year:			
<ul style="list-style-type: none"> • Metric 1.13: The percentage of annual revenue dedicated to GHG mitigation during the most recent reporting year across the company's value chain • Metric 1.14: The percentage of capital expenditure (CAPEX) and operational expenditures (OPEX) made during the most recent reporting year dedicated to GHG mitigation across the company's value chain • Metric 1.18: A statement to explain why the aforementioned financial metrics cannot be disclosed and provide a qualitative description and analysis of investments made, and steps taken related to GHG mitigation 	YES, if chosen as desired disclosure	YES, if chosen as desired disclosure	N/A

¹⁰ 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 VCMi Claim was established.

VCMI Metric	Initial year disclosure	Annual disclosure	Other timing considerations
Companies shall select the disclosure of at least one of the following regarding planned financial allocation to GHG mitigation:			
<ul style="list-style-type: none"> Metric 1.16: The percentage of planned annual revenue earmarked for GHG mitigation across the company's value chain Metric 1.17: The percentage of capital expenditure (CAPEX) and operational expenditures (OPEX) that will be dedicated to GHG mitigation across the company's value chain Metric 1.18: A statement to explain why the aforementioned financial metrics cannot be disclosed and provide a qualitative description and analysis of investments made, and steps taken related to GHG mitigation 	YES, if chosen as desired disclosure	YES, if chosen as desired disclosure	N/A
Metric 1.15: Definition of CAPEX and OPEX <i>This metric must be disclosed only if the company selected to disclose metric 1.14 or 1.17 as listed above</i>	YES, if metric 1.4 or 1.7 is chosen as desired disclosure	YES, if metric 1.4 or 1.7 is chosen as desired disclosure	N/A
Metric 1.19: Companies shall state if they have any of the following metrics:			
• Board or senior management level compensation linked to climate performance indicators	YES	YES	N/A
• Board or senior management level capabilities or expertise on climate related issues	YES	YES	N/A
• Frequency of Board-level reviews on progress towards meeting near-term emission reduction targets	YES	YES	N/A
Step 1: Foundational Criterion 4			
Metric 1.20: A public statement describing how advocacy activities are consistent with the goals of the Paris Agreement	YES	YES	N/A
Step 2			
Metric 2.1: VCMI Claim	YES	YES	N/A
Metric 2.2: Statement asserting compliance with the Foundational Criteria and all additional requirements in the VCMI Claims Code	YES	YES	N/A
Metric 2.3: The percentage of total GHG emissions reductions achieved in the most recent reporting year (in absolute or intensity terms) compared to the base year	YES	YES	N/A
Metric 2.4: Publicly provide an explanation that outlines whether and why the company considers itself to have made progress towards meeting its near-term emission reduction target	YES	YES	N/A
Step 3			
Metric 3.1: Number of credits purchased and retired that the company applied towards the VCMI Claim	YES	YES	N/A
Metric 3.2: Certification standard name, project name, project ID, retirement serial number, retirement date, and issuing registry for each credit used	YES	YES	N/A
Metric 3.3: Host country	YES	YES	N/A
Metric 3.4: Credit vintage	YES	YES	N/A
Metric 3.5: Methodology	YES	YES	N/A
Metric 3.6: Project type	YES	YES	N/A
Metric 3.7: Host country authorization	YES	YES	N/A
Metric 3.8: If associated with additional third-party certification regarding social or environmental integrity companies must provide information related to how the credit promotes equity and generates co-benefits to ecosystems and local economies	YES	YES	N/A
Step 4			
Metric 4.1: Name of assurance provider	YES	YES	N/A
Metric 4.2: Name of assurance standard	YES	YES	N/A
Metric 4.3: Level of assurance	YES	YES	N/A
Metric 4.4: Period covered by assurance	YES	YES	N/A

Appendix D: Climate disclosure framework alignment



Appendix D: Climate disclosure Framework alignment

The summary mapping table shown below illustrates the congruence between the VCMI Claims Code requirements and other corresponding frameworks. VCMI intends to build on and align with—not duplicate—existing benchmarks and corporate accountability frameworks. The purpose of the mapping is to highlight instances where companies may have previously disclosed a particular metric, ultimately minimizing the reporting burden. Where required data directly overlaps, companies may submit sustainability reports, annual reports, integrated reports, CDP questionnaires, or other forms of reports accompanied with the applicable assurance report or conclusion, if applicable, as their evidence of public disclosure. Additional guidance on how existing reports can be used to meet the [VCMI Claims Code](#) requirements is outlined in [Section 2](#) of this document.

The definitions of 'aligned,' 'partially aligned' and 'not aligned' will indicate the extent to which VCMI aligns with the given framework.

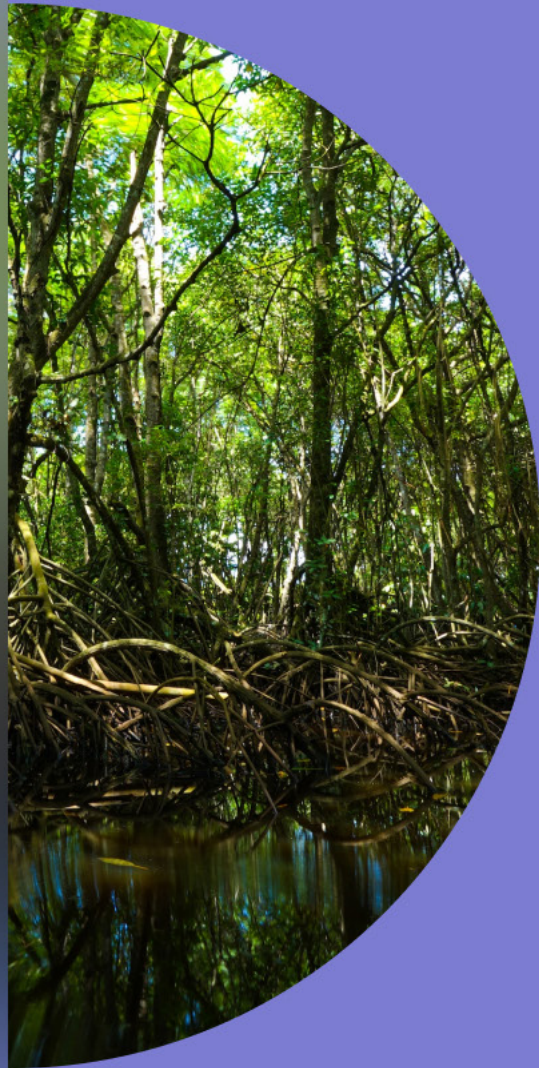
Currently, companies may have reporting established and aligned with some of the frameworks listed in the table below, each of which may or may not include assurance requirements. However, to qualify for a VCMI Claim, companies' adherence to the assurance levels defined by the MRA Framework for each key metric is mandatory.

Aligned: Indicates that both VCMI and the respective framework require the same metric
Partially aligned: Indicates that both VCMI and the respective framework require a similar but different metric
Not aligned: Indicates that this metric does not overlap within VCMI and the respective framework

VCMI Metric	CSRD	CDP	IFRS	GRI	TCFD
Foundational Criterion 1					
Metric 1.1: Gross scope 1 GHG emissions in metric tonnes of CO ₂ equivalent for the base year and most recent reporting year	Aligned	Aligned	Aligned	Aligned	Aligned
Metric 1.2: Gross scope 2 GHG emissions in metric tonnes of CO ₂ equivalent for the base year and most recent reporting year	Aligned	Aligned	Aligned	Aligned	Aligned
Metric 1.3: Gross scope 3 GHG emissions in metric tonnes of CO ₂ equivalent by category for the base year and most recent reporting year	Aligned	Aligned	Aligned	Aligned	Aligned
Metric 1.4: A list of scope 3 categories included and excluded, with justification of exclusion, for the base year and reporting year	Aligned	Aligned	Aligned	Aligned	Aligned
Metric 1.5: An explanation for any base year recalculations	Not aligned	Aligned	Not aligned	Aligned	Not aligned
Foundational Criterion 2					
Metric 1.6: Near-term emission reduction target base year	Aligned	Aligned	Aligned	Partially aligned	Aligned
Metric 1.7: Near-term emission reduction target year	Aligned	Aligned	Aligned	Partially aligned	Aligned
Metric 1.8: Near-term emission reduction target boundary	Aligned	Aligned	Aligned	Partially aligned	Aligned
Metric 1.9: Near-term emission reduction target ambition	Not aligned	Aligned	Partially aligned	Partially aligned	Partially aligned
Metric 1.10: Has near-term target been validated by SBTi?	Partially aligned	Aligned	Aligned	Partially aligned	Partially aligned
Metric 1.11: Date long-term net zero commitment was made	Aligned	Aligned	Not aligned	Partially aligned	Partially aligned
Metric 1.12: Long-term net zero definition	Not aligned	N/A	Partially aligned	Partially aligned	Partially aligned

VCMi Metric	CSRD	CDP	IFRS	GRI	TCFD
Foundational Criterion 3					
Metric 1.13: The percentage of annual revenue dedicated to GHG mitigation during the most recent reporting year across the company's value chain	Partially aligned	Partially aligned	Aligned	Partially aligned	Partially aligned
Metric 1.14: The percentage of CAPEX and OPEX made during the most recent reporting year dedicated to GHG mitigation across the company's value chain	Partially aligned	Aligned	Aligned	Partially aligned	Partially aligned
Metric 1.15: Definition of CAPEX and OPEX	Not aligned	Partially aligned	Not aligned	Not aligned	Partially aligned
Metric 1.16: The percentage of planned annual revenue earmarked for GHG mitigation across the company's value chain	Partially aligned	Partially aligned	Aligned	Partially aligned	Partially aligned
Metric 1.17: The percentage of CAPEX and OPEX planned to be dedicated to the GHG mitigation across the company's value chain	Partially aligned	Partially aligned	Aligned	Partially aligned	Partially aligned
Metric 1.18: A statement to explain why the aforementioned financial metrics cannot be disclosed and a qualitative description and analysis of investments made, and steps taken related to GHG mitigation.	Partially aligned	N/A	Aligned	Not aligned	Partially aligned
Metric 1.19: Companies shall state if they have any of the following metrics:					
• Board or senior management level compensation linked to climate performance indicators	Aligned	Aligned	Aligned	Aligned	Partially aligned
• Board or senior management level capabilities or expertise on climate related issues	Aligned	Aligned	Aligned	Aligned	Not aligned
• Frequency of Board-level reviews on progress towards meeting near-term emissions targets	Aligned	Aligned	Aligned	Not aligned	Partially aligned
Foundational Criterion 4					
Metric 1.20: A public statement describing how advocacy activities are consistent with the goals of the Paris Agreement	Not aligned	Aligned	Not aligned	Not aligned	Not aligned
Step 2					
Metric 2.1: VCMi Claim	N/A	N/A	N/A	N/A	N/A
Metric 2.2: Statement asserting compliance with the Foundational Criteria and all additional requirements in the VCMi Claims Code	N/A	N/A	N/A	N/A	N/A
Metric 2.3: Percentage of total GHG emissions reductions achieved in the most recent reporting year compared to the base year	Aligned	Partially aligned	Partially aligned	Partially aligned	Partially aligned
Metric 2.4: Publicly provide an explanation that outlines whether and why the company considers to have made progress towards meeting its near-term emission reduction target	Partially aligned	Partially aligned	Partially aligned	Partially aligned	Partially aligned
Step 3					
Metric 3.1: Number of credits purchased and retired that the company applied towards the VCMi Claim	Partially aligned	Aligned	Partially aligned	Not aligned	Not aligned
Metric 3.2: Certification standard name, project name, project ID, retirement serial number, retirement date, and issuing registry for each credit used	Not aligned	Aligned	Not aligned	Not aligned	Not aligned
Metric 3.3: Host country	Not aligned	Aligned	Not aligned	Not aligned	Not aligned
Metric 3.4: Credit vintage	Not aligned	Aligned	Not aligned	Not aligned	Not aligned
Metric 3.5: Methodology	Not aligned	Aligned	Not aligned	Not aligned	Not aligned
Metric 3.6: Project type	Not aligned	Aligned	Not aligned	Not aligned	Not aligned
Metric 3.7: Host country authorization	Not aligned	Partially aligned	Not aligned	Not aligned	Not aligned
Metric 3.8: If associated with additional third-party certification regarding social or environmental integrity companies must provide information related to how the credit promotes equity and generates co-benefits to ecosystems and local economies	Not aligned	N/A	Not aligned	Not aligned	Not aligned
Step 4					
Metric 4.1: Name of assurance provider	Aligned	Aligned	Not aligned	Aligned	Not aligned
Metric 4.2: Name of assurance standard	Aligned	Aligned	Not aligned	Aligned	Not aligned
Metric 4.3: Level of assurance	Aligned	Aligned	Not aligned	Aligned	Not aligned
Metric 4.4: Period covered by assurance	Aligned	Aligned	Not aligned	Aligned	Not aligned

Appendix E: Frameworks and standards in the MRA Framework



Appendix E: Frameworks and standards in the MRA Framework

The MRA Framework information requirements leverage several commonly used and accepted frameworks and standards. A list of the commonly referenced standards and frameworks within this MRA Framework is provided below:

THE GREENHOUSE GAS PROTOCOL

The GHG Protocol is widely accepted as the standard for GHG inventory baselining, reporting, and management. Foundational Criterion (FC) 1 relies on companies adhering to these guidance and standards for GHG inventories: [GHG Protocol Corporate Accounting and Reporting Standard](#), the [GHG Protocol Corporate Value Chain \(Scope 3\) Standard](#), and applicable guidance such as the [GHG Protocol Scope 2 Guidance](#).

SCIENCE BASED TARGETS INITIATIVE (SBTI)

An [SBTi validated science-based target](#) (SBT) is the industry guidance and standard provided by the SBTi to set the near-term emission reduction targets required as part of any VCMI Claim, in line with a 1.5-degree Celsius scenario. An alternative methodology to validate science-based targets that is available for multiple industries does not yet exist. Once available and widely accepted in the industry, alternate science-based methodologies will be further evaluated for inclusion into the MRA Framework.

CLIMATE AND SUSTAINABILITY REPORTING STANDARDS

The MRA Framework has significant overlap with [International Financial Reporting Standards \(IFRS\)](#), [Global Reporting Initiative \(GRI\)](#), and [Taskforce for Climate Related Financial Disclosures \(TCFD\)](#). A full summary table of alignment and metrics is available in the [Appendix D: Climate Disclosure Framework Alignment](#).

CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD) AND EU SUSTAINABILITY REPORTING STANDARDS (ESRS)

The [CSRD](#) is a Directive requiring sustainability reporting and is applicable to companies with operations and activity in the European Union. The [ESRS](#) are the standards that guide compliance with the regulation. The MRA Framework has identified alignment between required metrics for a VCMI Claim and those metrics within the CSRD. Please note that required metrics for a VCMI Claim and the CSRD may be completely aligned, partially aligned, or not aligned at all; additional information is available regarding the alignment of different metrics in subsequent sections.

INDEPENDENT THIRD-PARTY ASSURANCE STANDARDS

The MRA Framework requires independent third-party assurance to provide integrity to the data and information submitted to make a VCMI Claim. This includes the following assurance bodies:

- [International Standards on Assurance Engagements \(ISAE\)](#)¹¹,
- [American Institute of Certified Public Accountants \(AICPA\)](#),
- [International Organization for Standardization \(ISO\)](#) for verification of GHG emissions as required within FC1, [ISO Standard 14064-3 \(Second edition 2019-04\): Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements](#)

The ISAE and AICPA are the recognized assurance standards to be used by independent third parties when performing assurance over all the key metrics. Additionally, for FC1 GHG emissions, ISO Standard 14064-3 can be used to verify these metrics in providing limited assurance review. In developing the MRA Framework, alternate methods of assurance were considered and will continue to be evaluated.

DISCLAIMER

Where the Claims Code of Practice and/or its accompanying documents rely on guidance, standards, codes and other third-party documents, these are only non-exhaustive examples of such third-party documents and neither VCMI nor other individuals and organizations who contributed to the Code and/or its accompanying documents assume responsibility for the accuracy of the information or processes outlined in such third-party documents, and any consequences or damages, legal or otherwise, resulting directly or indirectly from any use of, or as a result of relying on these third-party documents or their contents, or otherwise arising in connection therewith. Organizations are recommended to consult the primary sources of all guidance, standards, codes and other third-party documents referred to in the Code and its accompanying documents, make an independent evaluation of their credibility and take independent legal advice on their intended use in all relevant jurisdictions.

¹¹ [ISSA 5000 \(exposure draft\) General Requirements for Sustainability Assurance Engagements](#) is anticipated to be finalized in September 2024, this standard should be used in replacement of ISAE 3000 (Revised) at that time, as applicable.

Appendix F: Detailed assurance requirements



Appendix F: Detailed assurance requirements

Assurance shall be performed by an independent, accredited third-party to provide verification of data, criteria, and information. Third-party assurance is best practice in sustainability reporting, as it provides the verification of reporting quality and integrity of the calculation methods and underlying data.

The assurance standards define the differing engagement types and procedures to be performed by the assurance provider. When referring to assurance requirements within the MRA Framework, the accepted levels of assurance are defined below:

PUBLIC DISCLOSURE

For key metric areas where required assurance is not yet common nor required by regulatory bodies, the MRA Framework has identified certain key metrics as public disclosure. These key metrics are required to be publicly disclosed through annual reports, the company's website, or other external reporting

LIMITED ASSURANCE

Limited assurance is a lower level of assurance attained through a review engagement. A conclusion is expressed based on the practitioner's review of evidence and procedures performed that nothing came to the practitioner's attention that would indicate that management's assertion is materially misstated

REASONABLE ASSURANCE

Currently, reasonable assurance is not required over any key metrics for assurance. VCMI will continue to evaluate the assurance landscape and update future assurance requirements. Reasonable assurance is the highest level of assurance that can be attained.

REQUIREMENTS FOR COMPETENCIES OF ASSURANCE PROVIDERS

Assurance providers are required to follow the assurance body standards outlined in Table 3 below when evaluating the competency of the engagement team and the use of specialists or experts, as necessary. The assurance provider should agree to provide only those services that they are competent to perform. The assurance provider's quality control measures should incorporate the competency of personnel through recruitment and formal training provided and consider the experience, complexity of the engagement, and the team's participation in similar engagements and training. Additionally, the assurance provider should consider the technical expertise required with specialized areas relevant to the underlying subject matter.

Table 3. Assurance bodies, standards, and requirements

Assurance Body	Standards and Requirements
<p>The Auditing Standards Board (ASB) is the AICPA's senior committee for auditing, attestation, and quality control applicable to the performance and issuance of audit and attestation reports.</p> <p>As the national, professional organization for all Certified Public Accountants (CPA's) in the United States, the AICPA's mission is to power the success of global business, CPAs, Chartered Global Management Accountants (CGMA) and specialty credentials by providing the most relevant knowledge, resources, and advocacy, and protecting the evolving public interest</p> <p><i>Issuers: AICPA member firms</i></p> <p>The following is a link to the AICPA's website that companies may use to identify an assurance provider: https://us.aicpa.org/forthepublic/findacpa</p>	<p>Statements on Standards for Attestation Engagements (SSAEs) clarified attestation standards</p> <ul style="list-style-type: none"> • AT-C section 105 Concepts Common to All Attestation Engagements; SSAE No. 18, 19, 21 • AT-C section 210 Review Engagements; SSAE No.22 <p>Ethics, conduct and quality requirements</p> <ul style="list-style-type: none"> • AICPA Code of Professional Conduct and the attestation standards outline the ethics and conduct requirements. • The code outlines principles expressing the profession's recognition of its responsibilities to the public, clients, and colleagues. The principles of professional conduct include responsibilities, public interest, integrity, objectivity and independence, due care, scope, and nature of services. • QM section 10A Firm's System of Quality Control, the firm has an obligation to establish and maintain a system of quality control to provide it with reasonable assurance that the firm and its personnel comply with professional standards and applicable legal and regulatory requirements and practitioners' reports issued by the firm are appropriate in the circumstance.
<p>International Auditing and Assurance Standards Board (IAASB)</p> <p>Develops auditing and assurance standards and guidance for use by all professional accountants under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IAASB.</p> <p><i>Issuers: Assurance practitioners</i></p> <p>The following is a link to the International Federation of Accountants website that companies may use to identify an assurance provider: https://www.ifac.org/who-we-are/membership</p>	<p>ISAE applied in assurance engagements other than audits or reviews of historical financial information.</p> <ul style="list-style-type: none"> • ISAE 3000 (Revised) • ISAE 3410 <p>Ethics, conduct and quality requirements</p> <ul style="list-style-type: none"> • International Ethics Standards Board for Accountants (IESBA) International Code of Ethics for Professional Accountants including International Independence Standards. • International Standard on Quality Management (ISQM) 1 The standard encourages firms to design a system of quality management that is tailored to the nature and circumstances of the firm and engagements it performs. ISQM 1 applies to all firms that perform engagements under the IAASB's international standards. • The ISSA 5000 ED provides a standard that can be used by all assurance practitioners. The Standard requires systems of quality management and independence and ethics. The assurance practitioner must adhere to the requirements above or other professional requirements that are at least as demanding.
<p>International Organization for Standardization (ISO) (<i>applicable to GHG emission assurance ISO 14064-3 Greenhouse gases</i>).</p> <p><i>Issuers: Independent third-party ISO verifiers</i></p> <p>The following is a link to the ISO's website that companies may use to identify an assurance provider: https://www.iso.org/certificwww.gation.html</p> <p>International Accreditation Forum https://iaf.nu/en/recognised-abs/</p>	<ul style="list-style-type: none"> • ISO 14064-3: ISO Standard 14064-3 (Second edition 2019-04): Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements • ISO 14065: General principles and requirements for bodies validating and verifying environmental information • ISO 14066: Environmental information - competence requirements for teams validating and verifying environmental information <p>Ethics, conduct and quality requirements</p> <ul style="list-style-type: none"> • ISO Code of Ethics and Conduct

Appendix G: Forthcoming regulatory assurance requirements



Appendix G: Forthcoming regulatory assurance requirements

VCMI has included references to the EU Corporate Sustainability Reporting Directive (CSRD) to illustrate where VCMI assurance requirements may be met for those companies subject to the CSRD regulation, as shown below. As defined by the CSRD, limited assurance in the first year of reporting will be required. Reporting obligations may begin in 2025 covering the 2024 reporting period for applicable companies.

The International Organization of Securities Commissions (IOSCO) endorsed the IFRS Sustainability Disclosure Standards S1 and S2. Subsequently, IOSCO called on their members and jurisdictions to consider ways in which they might adopt, apply, or otherwise be informed by the International Sustainability Standards Board (ISSB) standards. Once adopted by jurisdictions, specific reporting timelines will be established. ISSB and the European Commission are developing an interoperability guide between the standards, but this is not yet final. This will evolve as IOSCO jurisdictions adopt the ISSB standards and reporting compliance dates identified. When a company is utilizing the ISSB standards for reporting it should leverage the [interoperability document](#).

VCMI will continuously assess the assurance requirements of the evolving regulatory disclosure frameworks and update the MRA Framework accordingly.

Topic	Metric	Existing assurance requirements
Foundational Criterion 1: Maintain and publicly disclose an annual greenhouse gas emissions inventory	Metric 1.1: Gross scope 1 GHG emissions in metric tonnes of CO ₂ equivalent for the base year and most recent reporting year	CSRD Disclosure Requirement E1-6
	Metric 1.2: Gross scope 2 GHG emissions in metric tonnes of CO ₂ equivalent for the base year and most recent reporting year	CSRD Disclosure Requirement E1-6
	Metric 1.3: Gross scope 3 GHG emissions in metric tonnes of CO ₂ equivalent by category for the base year and most recent reporting year	CSRD Disclosure Requirement E1-6
	Metric 1.4: A list of scope 3 categories included and excluded, with justification of exclusion, for the base year and reporting year	CSRD Disclosure Requirement E1-6
	Metric 1.5: An explanation for any base year recalculations	N/A
Foundational Criterion 2: Set and publicly disclose science-aligned near-term emissions reduction targets, and publicly commit to reaching net zero emissions no later than 2050	Metric 1.6: Near-term emission reduction target base year	CSRD Disclosure Requirement E1-4
	Metric 1.7: Near-term emission reduction target year	CSRD Disclosure Requirement E1-4
	Metric 1.8: Near-term emission reduction target boundary	CSRD Disclosure Requirement E1-4
	Metric 1.9: Near-term emission reduction target ambition	N/A
	Metric 1.10: Has near-term target been validated by SBTi or obtained limited assurance in alignment with NZBA?	CSRD Disclosure Requirement E1-4 ⁹
	Metric 1.11: Date long-term net zero commitment was made	CSRD Disclosure Requirement E1-4
	Metric 1.12: Long-term net zero definition	N/A

Foundational Criterion 3: Demonstrate that the company is making progress in investments, expenditures on financial allocation, governance and strategy towards meeting its near-term emission reduction target	Metric 1.13: The percentage of annual revenue dedicated to GHG mitigation during the most recent reporting year	CSRD Disclosure Requirement E1-1 ¹²
	Metric 1.14: The percentage of CAPEX and OPEX made during the most recent reporting year dedicated to GHG mitigation across the company's value chain	CSRD Disclosure Requirement E1-1 ⁹
	Metric 1.15: Definition of CAPEX and OPEX	N/A
	Metric 1.16: The percentage of planned annual revenue dedicated to GHG mitigation	CSRD Disclosure Requirement E1-1 ⁹
	Metric 1.17: The percentage of CAPEX and OPEX planned to be dedicated to GHG mitigation across the company's value chain	CSRD Disclosure Requirement E1-1 ⁹
	Metric 1.18: A statement to explain why the aforementioned financial metrics cannot be disclosed and a qualitative description and analysis of investments made, and steps taken related to GHG mitigation.	CSRD Disclosure Requirement E1-1 ⁹
	Metric 1.19: Companies shall state if they have any of the following of these metrics: <ul style="list-style-type: none"> • Board or senior management level compensation linked to climate performance indicators; or • Board or senior management level capabilities or expertise on climate related issues; or • Frequency of Board-level reviews on progress towards meeting near-term emission reduction targets. 	CSRD Disclosure Requirement GOV-1, GOV-2, GOV-3
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	Metric 1.20: A public statement describing how advocacy activities are consistent with the goals of the Paris Agreement	N/A
Step 2: Select a VCMI Claim to make	Metric 2.1: VCMI Claim	N/A
	Metric 2.2: Statement asserting compliance with the Foundational Criteria and all additional requirements in the VCMI Claims Code	N/A
	Metric 2.3: Percentage of total GHG emissions reductions achieved in the most recent reporting year (in absolute or intensity terms) compared to the base year	CSRD Disclosure Requirement E1-6
	Metric 2.4: Publicly provide an explanation that outlines whether and why the company considers to have made progress towards meeting its near-term emission reduction target	CSRD Disclosure Requirement E1-3 ⁹
Step 3: Meet the required carbon credit use and quality thresholds	Metric 3.1: Number of credits purchased and retired that the company applied towards the VCMI Claim	CSRD Disclosure Requirement E1-7 ⁹
	Metric 3.2: Carbon crediting program name, project name, project ID, retirement serial number, retirement date, and issuing registry for each credit used	N/A
	Metric 3.3: Host country	N/A
	Metric 3.4: Credit vintage	N/A
	Metric 3.5: Methodology	N/A
	Metric 3.6: Project type	N/A
	Metric 3.7: Host country authorization	N/A
Metric 3.8: If associated with additional third-party certification regarding social or environmental integrity companies must provide information related to how the credit promotes equity and generates co-benefits to ecosystems and local economies	N/A	

12 See subsequent section for additional information as the VCMI requirement does not align directly with the CSRD.



OVERLAP IN ASSURANCE REQUIREMENTS BETWEEN FOUNDATIONAL CRITERION 1: MAINTAIN AND PUBLICLY DISCLOSE AN ANNUAL GREENHOUSE GAS EMISSIONS INVENTORY AND THE CSRD

Companies that are subject to the CSRD will be required to report gross scopes 1, 2, and 3 GHG emissions as well as include a list of scope 3 included and excluded categories as outlined in the most up to date [ESRS E1 Climate Change Standards](#), specifically found within *Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions*.

OVERLAP IN ASSURANCE REQUIREMENTS BETWEEN 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 AND THE CSRD

Companies that are subject to the CSRD will be required to report the near-term emission reduction target base year, target year, and how the target boundary is consistent with GHG inventory boundaries as outlined in the most up to date [ESRS E1 Climate Change Standards](#), specifically found within *Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation*. Additionally, companies must state whether the GHG emission reduction targets are science based and compatible with limiting global warming to 1.5°C under *Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation*.

OVERLAP IN ASSURANCE REQUIREMENTS BETWEEN FOUNDATIONAL CRITERION 3: DEMONSTRATE THAT THE COMPANY IS MAKING PROGRESS ON FINANCIAL ALLOCATION, GOVERNANCE AND STRATEGY TOWARDS MEETING ITS NEAR-TERM EMISSION REDUCTION TARGET AND THE CSRD

Companies that are subject to the CSRD will be required to report their progress reductions achieved in the most recent reporting year compared to the base year as outlined in the most up to date [ESRS E1 Climate Change Standards](#), specifically found under *Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions*. For financial metrics regarding annual revenue or CAPEX and OPEX dedicated to, or planned to be dedicated to, GHG mitigation during the most recent reporting year, companies are required to provide an explanation and quantification of the undertaking's investments and funding supporting the implementation of its transition plan as outlined in the most up to date [ESRS E1 Climate Change Standards](#), specifically found within *Disclosure Requirement E1-1 – Transition plan for climate change mitigation*. In addition, *Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies* requires undertakers to relate significant monetary amounts of CAPEX and OPEX required to implement the actions taken or planned actions taken as it relates to climate change mitigation and GHG emissions reductions. Metrics regarding the Board or senior management's level capabilities or expertise on climate related issues can be found outlined in the most up to date [ESRS E2 General Disclosures](#), specifically under *Disclosure Requirement Disclosure Requirement GOV-1 – The role of the administrative,*

management and supervisory bodies. Metrics regarding the frequency of Board-level reviews on progress towards meeting near-term emission reduction targets can be found as outlined in *Disclosure Requirement GOV-2 – Information provided to, and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies.* Metrics regarding the Board or senior management level compensation linked to climate performance indicators can be found outlined in *Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes.*

OVERLAP IN ASSURANCE REQUIREMENTS BETWEEN STEP 2: SELECT A VCMI CLAIM TO MAKE AND THE CSRD

Companies that are subject to the CSRD will be required to report the list of key mitigation actions alongside the measurable targets as outlined in the most up to date , specifically found within *Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies.* The answers provided to this question will assist companies in responding to provide VCMI requirement to providing an explanation that outlines whether and why the company considers itself to have made progress towards meeting its near-term emission reduction target.

OVERLAP IN ASSURANCE REQUIREMENTS BETWEEN STEP 3: MEET THE REQUIRED CARBON CREDIT USE AND QUALITY THRESHOLDS AND THE CSRD

Companies that are subject to the CSRD will be required to report the number of credits purchased and retired as outlined in the most up to date ESRS E1 Climate Change Standards, specifically found under *Disclosure Requirement E1-7 – GHG removals and GHG mitigation projects financed through carbon credits.* It should be noted that unlike the CSRD, the VCMI metric, as noted above, requires CCP or CORSIA approved credits or that companies meet the transition guidance of aligning due diligence processes with CCP. The CSRD requires explanation of the credibility and integrity of the carbon credits used, including reference to recognized quality standards.

Appendix H: Assurance provider guidance checklist



Appendix H: Assurance provider guidance checklist

VCMI allows companies to provide evidence of previously obtained third-party assurance for the purpose of making a VCMI Claim, as long as the assurance is conducted in line with one of the accepted assurance standards as detailed in Appendix F above.

Assurance providers may utilize this checklist to assist with identifying the requirements for assurance, and applicable assurance bodies and standards.

Assurance provider guidance checklist

Assurance provider shall be an approved assurance body as outlined within the MRA Framework [Table 1](#).

Assurance provider shall use the assurance standards as outlined within the MRA Framework [Table 1](#).

Assurance provider shall follow the ethics, conduct, quality, competency, and independence requirements as outlined within the applicable assurance body standards and included in the MRA Framework [Table 1](#)

Assurance provider shall refer to the Foundational Criteria and the applicable level of assurance required for each key metric for assurance identified within the MRA Framework, as summarized in [Table 2](#).

Applicable standards for key metrics for assurance are referenced within the MRA Framework [here](#). The criteria should align to the standards and frameworks identified for the metric within the MRA Framework in order to evaluate the metric and underlying subject matter, as applicable

The following key metrics for assurance require independent limited assurance

Guidance provided below is to assist assurance providers

Companies may currently be obtaining limited assurance over the key metrics for assurance, companies should review the MRA Framework referenced standards and reporting guidance for alignment with current assurance obtained.

Foundational Criterion 1: Maintain and publicly disclose an annual greenhouse gas emissions inventory. Limited assurance is required for scope 1 and 2, and any base year recalculations for scopes 1 and 2, as outlined for metrics 1.1, 1.2 and 1.5 in Section 2 of this framework. Assurance providers shall reference applicable standards for GHG reporting as outlined within these relevant sections of the MRA Framework

Metric 1.1: Gross scope 1 GHG emissions in metric tonnes of CO2 equivalent for the base year and most recent reporting year

Metric 1.2: Gross scope 2 GHG emissions in metric tonnes of CO2 equivalent for the base year and most recent reporting year

Metric 1.5: An explanation for any base year recalculations (as applicable)

