

# Codes of Practice: Background Document

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## DISCLAIMER

The VCMI's Codes of Practice and their accompanying documents, including without limitation Background document and Supplementary Guidance are designed to promote credible, net-zero-aligned participation in high-integrity carbon markets. They have been developed through a multistakeholder public consultation and road-testing. While VCMI encourages use of the Claims Code of Practice, Scope 3 Action Code of Practice and their accompanying documents by all relevant organizations, any and all statements, claims and actions made or taken based fully or partially on the Codes and/or their accompanying documents are the full responsibility of those engaging with them, whether or not in a way aligned with the recommendations therein. Neither VCMI, nor other individuals and organizations who contributed to the Codes and/or their 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 Codes and/or their 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 Codes and/or their accompanying documents in all relevant jurisdictions.

Where the Claims Code of Practice and Scope 3 Action Code of Practice and/or their 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 Codes 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 Codes and their accompanying documents, make an independent evaluation of their credibility and take independent legal advice on their intended use in all relevant jurisdictions.

# Section A: Principles for high-ambition and high-integrity voluntary corporate climate action



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# Section A: Principles for high-ambition and high-integrity voluntary corporate climate action

The VCMCI Codes of Practice are informed by the principles listed below, which VCMCI developed during a consultation phase in 2021 and refined over a subsequent consultation process. VCMCI expects all companies making VCMCI Claims to strive to reflect these principles in their voluntary climate mitigation efforts, including those actions that involve investment in carbon credit interventions and participation in carbon market activities.

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## Science-aligned

Companies' strategies, targets, activities, and engagement in voluntary carbon markets should be based on the latest scientific consensus on the safe upper limits for global warming. As such, the objective should be alignment with the Intergovernmental Panel on Climate Change (IPCC) model pathway of carbon dioxide (CO<sub>2</sub>) emissions reductions that limit global warming to 1.5 degrees Celsius, with no or limited overshoot.

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## Comprehensive

Companies should base their climate targets and actions on accurate and complete greenhouse gas emissions inventories, in line with the most recent requirements set out by the GHG Protocol (or equivalent, should one be developed).

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## Net-Positive Benefit

Companies' climate action should create net-positive benefits to individuals and communities impacted by the supply and use of carbon credits, including Indigenous Peoples, local communities, women, and underserved communities. Such action maximizes social and ecological co-benefits and avoids or minimizes adverse impacts.

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## Rights-Compatible

Companies' climate action should respect, protect, and fulfill human rights under international law, without discrimination on the basis of identity, including the rights of Indigenous Peoples, and those associated with health, labor, land, and the principle of Free, Prior and Informed Consent.

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## Nature-Positive

Companies' climate action should align with the need to slow, halt, and reverse nature loss and move toward a nature-positive state of recovery and renewal.

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## Additional

Companies' action, investment, and carbon credit purchases should support emissions reductions and/or removals that are additional to those that would occur in the absence of demand for carbon credits.

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## Immediate

Companies should prioritize immediate action to reduce their own emissions, including within their value chains. This is aligned with scientific evidence showing that the years leading up to 2030 will be critical to avert environmental tipping points caused by increased concentrations of Greenhouse gas (GHG) emissions in the atmosphere.

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## At Scale

Companies should progressively increase the ambition and significance of their investments in interventions that accelerate climate change mitigation both within and beyond their value chains. They should aim to take action with regard to their unabated emissions within their value chains, including through investing on, or implementing, projects that generate carbon credits for voluntary use.

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## Transparent

Companies should transparently disclose information relating to their climate commitments and activities, including their scope, coverage, underpinning strategies and assumptions, performance metrics, relevant definitions, and the nature of carbon credits and their use. Companies should publicly report on progress and learning as they move toward the achievement of their climate mitigation goals (e.g., net-zero targets).

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## NDC-Enabling

Companies' actions, investments, and demand for carbon credits should support the implementation of national climate plans, contribute to and help exceed the ambition of countries' Nationally Determined Contributions (NDCs), and avoid potential disincentives to increasing the ambition of NDCs.

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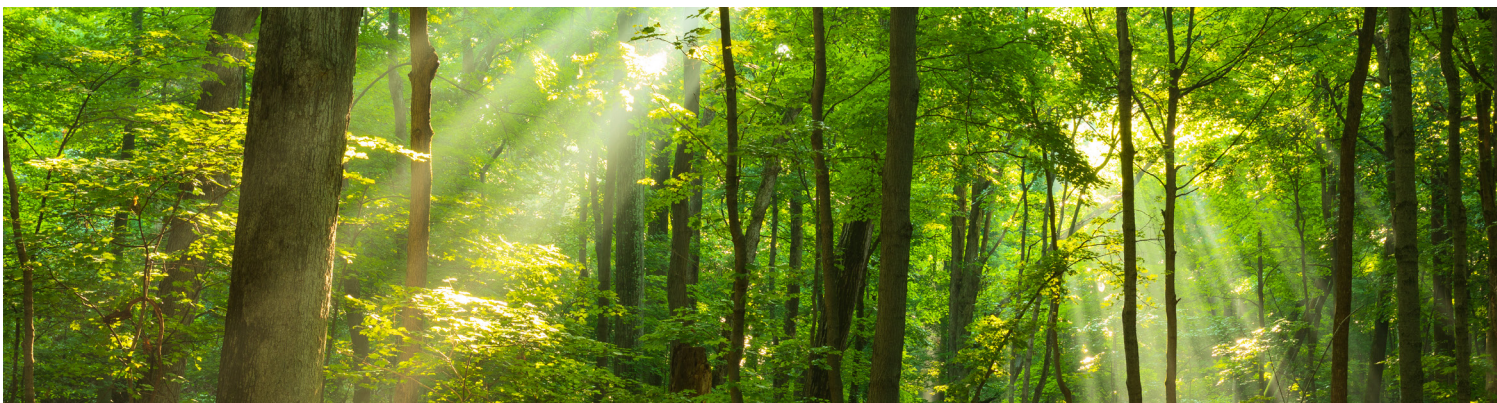
## Consistent

Company lobbying efforts and membership of industry associations should be aligned with, not contrary to, their climate commitments.

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## Collective and Predictable

Companies should work together with a diverse and broad range of stakeholders to act on climate change, including by publicly signaling their expected voluntary demand for carbon credits and aggregating demand for carbon credits to increase certainty and help drive systemic change.





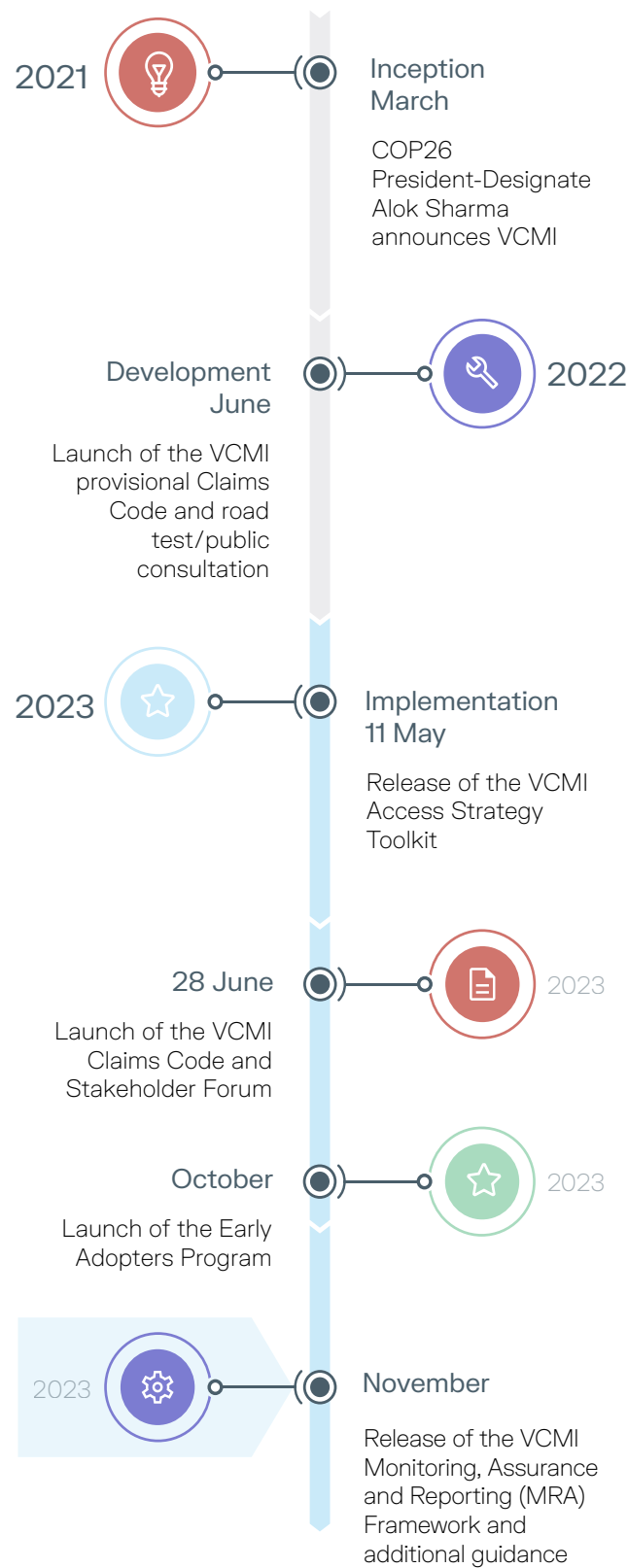
## Section B: Codes of Practice Development Process



# Section B: Codes of Practice Development Process

Following the launch of VCMI’s provisional Claims Code in 2022, and subsequent comprehensive public consultation and road test, VCMI released an operable Claims Code in June 2023, which was further complemented with the release of additional guidance in November 2023. The timeline of the Claims Code development process to date is illustrated in Figure 1.

**Figure 1:** Timeline of the Claims Code development



In June 2022, VCMI published the provisional Claims Code which aims to guide credible voluntary use of high-quality carbon credits. It represents the collective judgment of VCMI's Steering Committee, its high-level decision-making body, and has been developed with the guidance and advice of its Expert Advisory Group (EAG). At the time, the EAG was composed of individuals with wide expertise in carbon markets, including on equity and benefits sharing, corporate GHG accounting, accountability, target setting, outreach and communications, consumer protection regulation, Paris Agreement Article 6 and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), legal issues, assurance, and scope 3 emissions.

Improvements to the provisional Claims Code published in June 2022 were based on a combination of analyses of the feedback from the corporate road test and public consultation that followed its publication, consultations with external experts, review of other available standards and approaches, and discussions with stakeholders. These led to significant improvements to both the form and substance of the Claims Code. The consultation process and road test, conducted by a group of companies interested in potentially following VCMI's guidance, demonstrated a generally high-level acceptance of the document's design and methodology, but also highlighted several areas in which additional work was still needed. These included overall guidance to users, improving clarity of terms and definitions adopted, ensuring the assurability of the required reporting metrics, as well as of specific items such as target setting and public policy statements. These areas were addressed in the June 2023 release of the Claims Code.

Additionally, in the provisional Claims Code, VCMI established guidance and a set of requirements that companies had to meet to make VCMI carbon-neutral product-, service-, and brand-level claims. Product-, service-, and brand-level claims represent the achievement of emissions reduction targets across the value chain of a specific product, service, or brand (a line of products or services), in the context of a company's progress toward its long-term, enterprise-wide net-zero commitment. Credible product-, service-, and brand-level claims can help raise public awareness of climate-responsible consumption, especially as consumers increasingly favor more responsible products. However, the subsequent public consultation raised concerns that allowing such claims without a rigorous framework to assess the impact down to the product, service, or brand level could enable greenwashing.

Any future discussions around introducing product-, service-, and brand-level claims will pay close attention to both existing, widely accepted standards for carbon neutrality, such as the Publicly Available Standard (PAS) 2050 and PAS 2060, and emerging new guidelines, such as the Green Claims Code developed by the Competition and Markets Authority, and the Green Claims Directive proposed by the European Commission. VCMI has decided not to proceed with the evaluation of the necessity and desirability of allowing such claims for the foreseeable future, given the uncertainty around their usage, but will reassess the matter if the need for a framework for product-, service-, and brand-level claims becomes clear.

**Table 1:** Summary of key documents developed in this period

Document	Description
Provisional Claims Code (2022)	A provisional version of the Claims Code developed by VCMI to guide credible voluntary use of high-quality carbon credits.
Claims Code (June 2023)	An operable version of the Claims Code, building on the provisional Claims Code, whilst incorporating feedback from corporate road test and public consultation.

For further details on the summary of feedback VCMI received during this period and how it was addressed, please refer to the Appendix.



VCMI was committed to further improve the Claims Code published in June 2023 and provide additional clarity on how to credibly engage with the high-integrity carbon markets. The work to further improve the Claims Code involved extensive testing and discussion with key stakeholders between June and November 2023. These stakeholders included the VCMI Stakeholder Forum, Early Adopter companies and the Expert Advisory Group.

The objective of this extensive consultation was to allow companies, country representatives, and civil society to provide feedback on VCMI's guidance, to make sure that it was well designed, easy to understand, operable and effective, and enhances the efficacy of the Claims Code.

The VCMI Stakeholder Forum, which was launched alongside the publication of the Claims Code in June 2023, played a central role in the development of the work carried out between June and November 2023 by acting as a sounding board for VCMI and channeling views and perspectives from a broad range of stakeholders. Companies in the Early Adopters Program, set up in September 2023, also contributed significantly through direct feedback and by discussing solutions to identified challenges.

Given the complexity of the issues raised in the engagement with these groups and the robustness of the analysis required to provide companies and the market with the necessary answers, VCMI commissioned several in-depth research papers. The results of these studies were published on VCMI's website, alongside the Claims Code, to provide further information to users.

These workstreams, conducted in the lead-up to November 2023, culminated in the publication of an updated version of the Claims Code, as well as complementary guidance to support its implementation. This additional guidance includes the VCMI Monitoring, Reporting and Assurance (MRA) Framework, a key document to operationalize the Claims Code, which clearly outlines the reporting and assurance requirements for making a VCMI Claim. This is supported by the launch of a digital reporting platform for companies to submit information in order to make a VCMI Claim. Additionally, VCMI launched the beta Scope 3 Claim, an evolution of the VCMI Bronze Claim, which was first introduced in the provisional Claims Code released in 2022. Lastly, further work was carried out to enhance the robustness and relevance of these guidance documents, including a comprehensive legal review of the Claims Code and market research and testing on claims naming and branding. Further details of this work are outlined in the table below.



**Table 2:** Summary of key documents developed in this period

Document	Description
<b>Claims Code (November 2023)</b>	An updated version of the Claims Code taking into account additional work and research to enhance the guidance within the Claims Code, as well as feedback received through robust stakeholder engagement during the period between June and November 2023.
<b>Monitoring, Reporting and Assurance (MRA) Framework</b>	<p>The document outlines the roles and responsibilities related to the assurance process and provides a guide to reporting, which enables companies to demonstrate compliance with all four steps involved in making a VCMI Claim.</p> <p>To operationalize the Claims Code, VCMI developed the MRA Framework that sets out what, when, how, and where companies should submit information to demonstrate their adherence to the requirements of VCMI Claims. This information will pertain to the Foundational Criteria and VCMI Claims requirements, as well as third-party assurance expectations. The MRA Framework also outlines the accepted assurance standards companies can utilize to make a VCMI Claim and the required competencies of assurance providers.</p> <p>Since the publication of the VCMI Claims Code in June 2023, the MRA Framework has been the subject of extensive engagement to test its real-world practicality and operability. The procedures and criteria set out in the MRA Framework are the result of extensive engagement with a diverse set of stakeholders, including the VCMI Stakeholder Forum, Expert Advisory Group, Early Adopter companies, and monitoring, reporting and assurance experts. Additionally, VCMI has engaged in a substantial number of conversations with stakeholders from a broad range of sectors, including NGOs, financial institutions, and academia.</p> <p>Feedback gathered through these extensive engagements and testing periods informed iterative improvements to the MRA Framework, ensuring that it is practical, robust, and fit for purpose. These refinements have culminated in the current version of the Framework, designed to be both operable and effective in guiding companies and non-state actors through the process of obtaining a VCMI Claim.</p>
<b>VCMI Claims Reporting Platform</b>	To ensure the VCMI Claims process is efficient for all parties, VCMI has developed a secure digital reporting platform, the VCMI Claims Reporting Platform, through which companies can submit information relating to key disclosure metrics outlined in the Monitoring, Reporting and Assurance (MRA) Framework and provide evidence to substantiate compliance with the requirements necessary to make a specific VCMI Claim.
<b>VCMI Supplementary Guidance and Brand Guidelines</b>	Guidance on the language that can be used by companies when communicating about their VCMI Claims is provided in the Supplementary Guidance and Brand Guidelines. This is accompanied by a disclaimer, including legal advice recommending that companies consider relevant regulatory frameworks in accordance with the jurisdictions in which they operate.

Document	Description
Claims names and branding	<p>Within the Claims Code of Practice, VCMI published a list of clear, transparent, and informative Carbon Integrity Claims that companies can make. These claims focus on cross-industry environmental sustainability and aim both to incentivize companies to engage in climate action and inform customers and broader stakeholders through credible climate claims.</p> <p>The November 2023 release of the Claims Code defined the names of the claims and included branding for Carbon Integrity Claims, an important milestone. VCMI undertook an extensive research, consultation, and design exercise to identify the appropriate brand for its claims. A dedicated creative agency was employed to develop the brand and ensure it reached the highest standards for the benefit of companies making a claim. A market research and insights firm was also employed to support this consultation, gathering information and evidence. Research to support the development of the brand included a literature review of the climate claims landscape and consultation across a wide variety of stakeholders, including members of the VCMI Stakeholder Forum, the Early Adopters Program, focus groups with consumers in six countries (Kenya, Brazil, Korea, United States, United Kingdom, and France), and testing with marketing and Ecolabel experts. This research was completed in tandem with the development of the brand, where aspects of the design drafting process directly informed research and testing in real time.</p> <p>The research and consultation process highlighted several considerations for the brand, including the importance of global interpretations, distinct and simple naming, and transparency about the meaning and implications of achieving a Claim.</p> <p>The outcome of this work is the 'Carbon Integrity' brand, which applies to Silver, Gold and Platinum Claims. The associated Branding Guidelines support companies that have obtained a verified Carbon Integrity Claim.</p>
Scope 3 Claim	<p>In November 2023, VCMI launched a beta version of the Scope 3 Claim, which was an evolution of the VCMI Bronze Claim that was first introduced in the VCMI provisional Claims Code in 2022. This Scope 3 Claim addressed the difficulties that many companies face in meeting scope 3 emissions reduction targets. The expected result of this work was to enable companies to use carbon credits for a limited period of time when falling short of targeted emissions reductions, which would translate into increased climate mitigation and climate finance deployment. It also leads to companies both taking greater responsibility for emissions in their value chains and being incentivized to be more ambitious.</p> <p>A thorough research and engagement process was conducted to define the final name of the claim. Within that process, interim names were adopted, such as "Scope 3 Flexibility Claim". By November 2023, the claim was released in its beta version, acknowledging further work was required before finalization.</p>

Document	Description
	<p>At the launch of the Claims Code in June 2023, VCMI committed to explore and develop an additional claim that—for a limited time and with appropriate guardrails—could allow companies to use carbon credits while on the path to meeting their near-term emission reduction targets.</p> <p>Since then, VCMI has commissioned research which suggested that:</p> <ul style="list-style-type: none"> <li>• A gap existed between companies' target emissions in the claim year and their most recently reported emissions which, if filled through use of voluntary carbon markets, could generate demand for carbon credits. The emissions gap for scope 1 and scope 2 emissions was estimated to be 378 MtCO<sub>2</sub>e in 2022, increasing to 2.1 GtCO<sub>2</sub>e in 2030. The gap to reach scope 3 emissions targets was around 1.4 GtCO<sub>2</sub>e in 2022 and over 7 GtCO<sub>2</sub>e by 2030 (MSCI Carbon Market formerly Trove research, 2023).</li> <li>• In a scenario where companies are allowed to use carbon credits to close 50% of the gap towards their total emissions targets (scope 1, scope 2 and scope 3), we could expect to see around 1,000 more companies setting ambitious climate targets, representing some \$10 trillion in market capital. 400 of these new firms would be expected to set science-aligned targets (MSCI Carbon Market formerly Trove Research, 2023).</li> <li>• Companies that were material users of carbon credits reduced their emissions at a median rate of 6% per year, compared to only 3% per year for companies not using credit (MSCI Carbon Market formerly Trove Research, 2023); and</li> <li>• Companies that made use of carbon credits were 3.4 times more likely to have an approved science-based target than companies that did not and they were 3 times more likely to include scope 3 emissions in their target. The evidence showed that providing additional tools involving the usage of carbon credits – with robust guardrails – could accelerate corporate climate action and finance (Ecosystem Marketplace, 2023).</li> </ul> <p>VCMI developed the criteria for the Scope 3 Claim and collected feedback from different stakeholders, including government representatives, partners and companies, the EAG, Early Adopter companies, and the Stakeholder Forum. While most stakeholders agreed with the principle of granting complementary use of carbon credits for a limited time and focused on scope 3 emissions reduction targets, challenges were still faced in delivering a solution that is both technically and politically satisfactory, given differing and polarized views on the matter.</p>



Document	Description
	<p>More specifically, the main issues that had to be overcome in the near-term were related to the scope 3 emissions gap calculation and acceptable limits in terms of both its size and duration. There was no widely accepted methodology to assess how companies are progressing toward their near-term emissions reduction targets in a manner that is applicable across companies, sectors, and regions. All of these issues have been addressed in following periods.</p>
Legal comparative review	<p>VCMI appointed a legal firm to conduct a review of the Claims Code and accompanying documents, assessing their compliance with relevant laws and regulations in key jurisdictions. The review aimed to address potential legal risks for VCMI as an organization and enhance the guidance provided to adherents. This ensures the Code is compatible with major legislation and government standards. These jurisdictions include England, France, Germany, and California. Organizations looking to directly or indirectly use the guidance contained in the VCMI documents are encouraged to seek legal advice within their relevant jurisdictions.</p> <p>As a result, the Claims Code and accompanying documents have been updated to enhance their applicability.</p>

For a summary of the feedback VCMI received during this period and how it was addressed, please refer to the [Appendix](#).





VCMI continued working with a legal firm to develop a robust governance system for VCMI Claims. This work ensured that all VCMI Claims are supported by a rigorous governance system to manage the claims process so that all parties, including companies, are aware of the process for pre-application, application and post-application. To enhance the credibility of VCMI Claims, VCMI also worked with an internationally recognized verification body during this time to develop a third-party verification system for Carbon Integrity Claims.

Additionally, VCMI understands that transparency is the cornerstone of integrity. Therefore, it is committed to developing a public facing Carbon Integrity Claims Dashboard to display all information underlying Carbon Integrity Claims made by companies.

The latest version of the Monitoring, Reporting and Assurance (MRA) Framework, published in April 2025 reflects improvements to the VCMI MRA system including the establishment of a claims verification and governance system.

Feedback received since the beta Scope 3 Claim was released in November 2023 clearly stated that additional methodological development was needed before the finalization of the claim. In close consultation with the Expert Advisory Group, VCMI commissioned external work to refine the claim's methodology—including requirements, recommendations, calculations, and guardrails —taking on board all the feedback that was previously received from a diverse group of stakeholders.

In July 2024, VCMI announced the public consultation for its beta Scope 3 Claim. In August of the same year, a collaboration with the British Standards Institution (BSI) was announced, with the intention of delivering a robust, representative and transparent consultation process.

This work was complemented by naming and branding research, involving several stakeholders from different countries. Subsequently, the document was named as the Scope 3 Action Code of Practice and released as guidance for companies and non-state actors.

The Scope 3 Action Code of Practice was launched in April 2025 following extensive stakeholder engagement, including the public consultation and a corporate road test. Further details of the development process for the Scope 3 Action Code of Practice are outlined in the section below.

## A. MRA Framework updates

### I) A third-party verification system for VCMI Claims

Third-party verification is an independent assessment process used to confirm that VCMI Claims are credible, evidence-based, and aligned with high-integrity standards. In the context of corporate climate claims, particularly related to high-integrity carbon markets, such verification plays a critical role in reinforcing public and stakeholders trust, ensuring that companies' claims reflect real progress. Such verification is increasingly required or recommended by corporate sustainability disclosure standards. These frameworks signal a broader shift toward accountability and comparability in climate-related reporting.

To meet these expectations, VCMI has established a third-party verification system under its MRA Framework, in collaboration with an internationally recognized verification services provider. This system has been developed in line with internationally recognized standards—specifically ISO 14066 (competence requirements for greenhouse gas validation/verification teams), ISO 14065

(requirements for bodies validating/verifying environmental information), and ISO 17029 (general principles and requirements for validation/verification bodies). Adhering to these standards ensures that verification is carried out with technical rigor, impartiality, and consistency, aligning the process with global best practice and the needs of both voluntary and regulatory disclosure environments.

The verification procedure includes a defined series of steps that cover pre-engagement planning, formal verification, and post-verification review. Key elements of the system include: roles and responsibilities for the verification team; training and accreditation of verifiers with subject-matter expertise; communication timelines, expectations, and protocols; and mechanisms for quality control and integration into the overall VCMI Claims governance procedures. This comprehensive approach not only supports the credibility of VCMI Claims but also facilitates harmonization with emerging sustainability reporting norms, giving companies a trusted route to transparently demonstrate their commitment to climate action.

## **II) A third-party verification system for VCMI Claims**

A strong governance system is central to the credibility and integrity of the VCMI Claims process through oversight, transparency, and accountability. It ensures that the process for assessing and recognizing Carbon Integrity Claims is fair, impartial, and consistently applied. Effective governance also reinforces stakeholder confidence and supports alignment with evolving regulatory and market expectations for climate-related disclosures and performance claims.

As such, VCMI worked with a legal firm to develop a governance system for its Claims. A key part of this development was a mapping exercise of established climate frameworks and organizations to assess the best practices in existing governance frameworks. These frameworks included the ISEAL Code of Good Practice, Forest Stewardship Council (FSC), the Integrity Council for the Voluntary Carbon Market (ICVCM) and the Science Based Targets Initiative (SBTi). Together these organizations provide a broad and useful overview of the options VCMI has in developing its own claims governance processes and procedures.

Key elements of the VCMI Claims governance system include clearly defined roles for assurance providers and the VCMI Secretariat, protocols for managing appeals and complaints, and grievance redress. It therefore provides a complete framework to transparently define decision-making processes and courses of action for all matters related to a VCMI Claim. The system embeds transparency through clear procedures for issuing decisions and communicating them publicly. Importantly, the published governance framework openly communicates necessary procedures following the issuance of a claim. These include the actions to be taken in the event that a company withdraws its claim, or has its claim suspended or revoked. Furthermore, the framework considers the necessary and relevant procedures should a claimant breach the terms of use, or should information submitted toward a claim subsequently be found to be incorrect by VCMI or a third-party. All these processes are clearly detailed in the VCMI [MRA Framework](#).

## B. Codes of Practice - Foundational Criteria updates

VCMI has consulted with its Expert Advisory Group and Stakeholder Forum to determine some changes to its Codes of Practice' Foundational Criteria, designed to ensure VCMI is aligned with evolutions in best practice approaches to corporate climate action while providing solutions for corporates to deliver immediate, near-term action. VCMI took the decision to incorporate minor updates to Foundational Criteria 1 and 2.

### **The changes being made are:**

Foundational Criterion 1 has been updated to reflect the fact that countries may use national GHG emissions inventory methodologies, which have been adapted from the Greenhouse Gas Protocol (GHGP). This more inclusive approach is aligned with the GHGP.

Foundational Criterion 2 has been updated to reflect that near-term emissions reduction targets shall be consistent with reaching net-zero by 2050, but companies are not required to make a public commitment.

Though target setting must be consistent with net zero no later than 2050, the requirement for a public commitment has been identified as a significant barrier to entry for companies that are focused on reducing emissions in the near-term. Ensuring companies have net zero aligned near-term emissions reduction targets is in line with VCMI's high-integrity approach. Commitment to long-term targets and setting long-term targets are now set as a recommendation, reflecting the urgent need for more ambitious and rapid action immediately and in the next five to 10 years.

All near-term emissions reduction targets must be established through a credible science-aligned framework and should be validated by a third party. Instead of requiring the verification stage to be delivered according to SBTI's process, the scope has been broadened to allow for verification through other target setting frameworks, if available and credible, and recommend it is done by a third-party organization, in line with best practice.

## C. Scope 3 Action Code of Practice Development

Following the publication of the beta version of the Scope 3 Claim in November 2023, VCMI commissioned research<sup>1</sup> to address specific aspects of the claim, such as core requirements and guardrails, which were subsequently discussed with VCMI's Expert Advisory Group.

A key issue was ensuring companies make every possible effort to overcome the barriers they are facing in reducing their scope 3 emissions. Other associated issues included establishing science-aligned emissions trajectories and defining the scope 3 emissions gap, as well as further refinement of the proposed Scope 3 Claim guardrails, such as the number of high-quality carbon credits to be retired to make a claim.

<sup>1</sup> [Accenture, 2024. VCMI: Scope 3 Claim Assessment Final Report.](#)

After addressing all those issues, VCMI launched a public consultation on the updated [beta version of the Scope 3 Claim](#) on September 2<sup>nd</sup> 2024 to consider a wide range of stakeholder perspectives, which was crucial to strengthening the requirements and guardrails for the Claim.

According to this document, the number of carbon credits retired to make a Scope 3 Claim was required to cover at least the entirety of the scope 3 emissions gap. The gap itself could not exceed 24% of a company's scope 3 trajectory emissions included in the target boundary.

This version already included requirements for companies to publicly disclose the scope 3 emissions gap and calculate its magnitude (either in absolute or intensity terms, depending on the type of target selected by the company), transparently illustrating that they are not making progress in the delivery against their targets due to barriers encountered. Most importantly, they were required to publicly disclose the barriers faced to further reduce scope 3 emissions, list and explain measures that have already been implemented and emissions reduction results obtained. Moreover, the document stated that companies need to provide an action plan to overcome existing barriers, including the required timeframe, emissions reductions expected to be achieved, and report indicators to evaluate progress drawn from climate transition plans. Companies were also recommended to develop and disclose their carbon credit procurement guidelines.

The consultation process resulted in comprehensive feedback from a diverse range of stakeholders, ensuring that the document is based on a broad, representative input. BSI provided stakeholders with an open and accessible platform to review the document and share feedback against each section, enabling VCMI to refine and strengthen the Scope 3 Claim methodology to be more effective and robust.

VCMI incorporated a number of proposed changes from the consultation response and EAG meetings into the document in preparation for road testing. This testing phase began on 11 November and continued throughout November and into December, facilitated by Boston Consulting Group (BCG) and in partnership with the World Business Council Sustainable Development (WBCSD). It consisted of meeting with corporate groups to discuss the practicality and feasibility of adhering to the scope 3 guidance, based on the revised methodology, guardrails and requirements from the findings of the public consultation.

For more information on the public consultation, a report detailing the feedback received and how it has been addressed in the Scope 3 Action Code of Practice can be found on the [Report on public consultation and road test for VCMI beta Scope 3 Claim](#). Within this document you can also find the key updates to the Scope 3 Action Code of Practice, from the version that underwent public consultation.

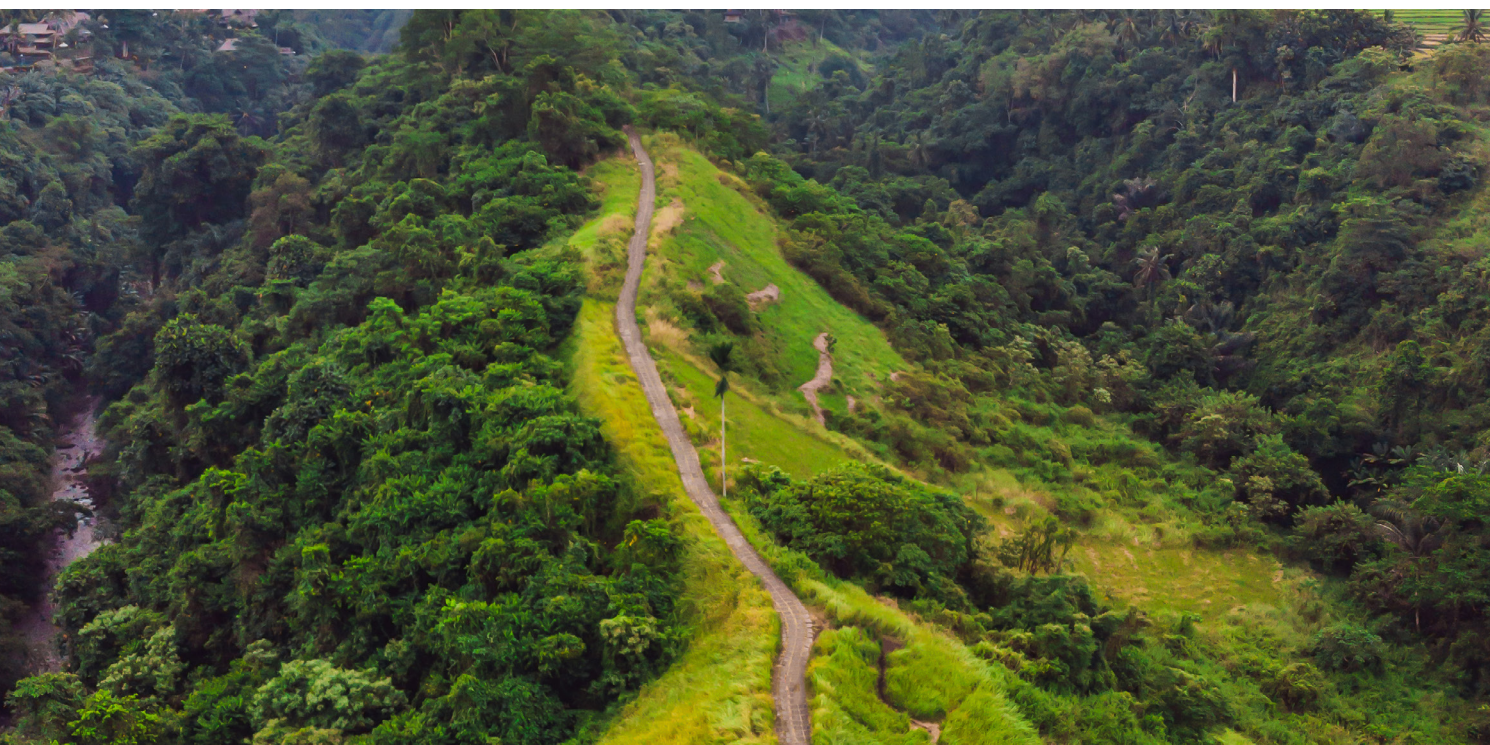


Additionally, to ensure VCMI guidance provided in the Code is sound from a legal perspective, VCMI commissioned legal advice, in the first instance from an English law perspective, on the development of its Scope 3 Claim. This review included considerations on any relevant case law and precedent greenwashing litigation to evaluate risks to VCMI and to companies that align with the Code, as well as recommendations to reduce risks identified (which were already incorporated in the final version of the document).

The robust, extensive consultation period and road-test resulted in an updated Scope 3 Action Code of Practice. The Code provides a high-integrity, practical solution to close the scope 3 emissions gap, ensuring companies continue to take action each and every year.

**Table 3:** Summary of key documents developed in this time period

Document	Description
MRA Framework	An updated MRA Framework to reflect VCMI's third-party claims verification system and claims governance system.
Claims Code	Revision to Foundational Criteria related to expansion of scope for accepted GHG emissions accounting frameworks (Foundational Criterion 1) and requirement relating to emissions reduction target setting (Foundational Criterion 2).
Scope 3 Action Code of Practice	The Scope 3 Action Code of Practice, published on April 30th, having incorporated feedback from the public consultation. It provides guidance for companies on best practice when facing difficulties in reducing scope 3 emissions. Thorough stakeholder engagement ensured that the Scope 3 Action Code of Practice was developed transparently and with a commitment to best practice at all stages.





Appendix: Summary  
of feedback received  
in the development  
of the Claims Code  
of Practice and  
supporting documents  
(June 2022 – November 2023)



# 1. Balancing ambition and accessibility

<b>Summary of feedback</b>	<p><b>Enabling the Claims Code to ensure high demand-side integrity while stimulating meaningful participation from companies:</b></p> <ul style="list-style-type: none"><li>— Overall, 54% respondents to the 2022 public consultation said the Claims Code provided incentives for companies to become climate leaders. Others responded that it is too stringent for SMEs.</li><li>— Most respondents to the road test considered the Claims Code to be sufficiently ambitious. However, demand-side companies (potential buyers of carbon credits and users of the Claims Code) cited difficulties in meeting the requirement to set science-aligned targets and include scope 3 emissions.</li><li>— Stakeholder Forum members and a survey conducted by The Climate Board made it clear that the minimum threshold of 20% of high-quality carbon credits to be purchased and retired for a Carbon Integrity Silver Claim did not provide enough accessibility for companies and posed a barrier to entrance.</li></ul>
<b>How it was addressed</b>	<ul style="list-style-type: none"><li>— VCMi acknowledges the accessibility challenges faced by some organizations in meeting the Foundational Criteria and claim-specific requirements. It therefore intends to address these through the development of special provisions for specific sectors, including those that are: hard to abate; based in less economically developed countries; and SMEs, including startups that intend to scale and thus expect to have increasing emissions over time. For the financial services sector, given the specificities of setting targets and accounting for emissions for assets under management and for other indirect emissions, specific guidance may be needed to support the uptake of the Claims Code.</li><li>— VCMi has thoroughly assessed the requirements set out in the Claims Code, including the Foundational Criteria, through robust stakeholder engagement and research. VCMi believes the improved criteria represent a balance of ambition and accessibility, considering current best practice, as well as an assessment of opportunities and challenges faced by companies on their decarbonization journey.</li><li>— In order to provide more accessibility, building on the feedback provided by Stakeholder Forum members and based on the recommendations from The Climate Board, the minimum required carbon credit use threshold from Carbon Integrity Silver Claim has been repositioned to 10% of all remaining emissions.</li><li>— VCMi envisages the development of a full set of claims, ranging from new entrant companies that are at the beginning of their decarbonization journey and that VCMi acknowledges may initially find it challenging to meet the Foundational Criteria, to companies that are at the vanguard of sustainability and are taking full responsibility for their climate impact by meeting their emissions reduction targets and undertaking additional mitigation measures to support the goals of the Paris Agreement.</li><li>— As an initial attempt to provide more accessibility, a new Claim has been designed to address companies that face challenges in meeting scope 3 emission reduction targets. However, important methodological gaps within voluntary carbon markets accounting frameworks have been identified. VCMi has designed a roadmap to address these gaps in partnership with other standard setting organizations. VCMi also intends to further expand this assessment to include companies that face challenges in meeting scopes 1 and 2 emissions reduction targets or the Foundational Criteria.</li><li>— Supplementary Guidance on communication provides guidance for credible enterprise-wide claims that companies may incorporate in the development of their climate claims. In this document, VCMi also flags the rapidly evolving regulatory landscape around claims. Companies are advised to take independent legal advice on the application of the relevant legal and regulatory framework to their claims in the jurisdictions where they intend to make them.</li></ul>

## 2. Guidance implementation and operability

<b>Summary of feedback</b>	<p>Ensuring use of the Claims Code can be independently assured, based on clear and consistent definitions and criteria:</p> <ul style="list-style-type: none"><li>— Almost two-thirds (65%) of public consultation respondents agreed that the requirements are “clear and comprehensive”.</li><li>— Almost a quarter of road test respondents highlighted issues with operability. In 2022, all auditors found the Claims Code guidance insufficient to verify VCMi Claims.</li><li>— Building on the feedback received, the Claims Code released in June 2023 was operable. Between June and November 2023 the MRA Framework was developed. 91% of the Stakeholder Forum established alongside the release of the Claims Code in June 2023 agree that the MRA Framework will enhance transparency.</li><li>— More guidance was required for companies to track progress towards near-term emissions reduction targets and to report it transparently.</li></ul>
<b>How it was addressed</b>	<ul style="list-style-type: none"><li>— VCMi has worked intensively with its EAG, leveraging its expertise, as well as engaging with other key partners within voluntary carbon markets. In addition, consultation with country-level contacts helped to improve clarity and the operability of the Code. In an effort to deliver even more clarity on how to operationalize the Claims Code, VCMi released the MRA Framework, providing more guidance for transparent reporting, as signaled in the 2022 public consultation.</li><li>— VCMi has worked to provide more detail to help companies understand what needs to be done to make a VCMi Claim. The Foundational Criteria outlined in the Claims Code are framed as requirements, recommendations and supporting guidance, based on current best practice. Additionally, the MRA Framework provides clear procedures on what, how, when and where companies need to submit information to make a VCMi Claim. This is complemented by the launch of a secure digital VCMi Claims Reporting Platform, which companies can access to submit evidentiary information to prove they have met VCMi's requirements. This digital platform has been tested by external stakeholders, including VCMi's Early Adopter companies. The MRA Framework provides clear step-by-step user instructions on how companies should access and navigate the VCMi Claims Reporting Platform. It also includes an Evidence Checklist, to make it easier for companies to ensure they have met all key VCMi requirements prior to the final step, which is to submit information to the VCMi Claims Reporting Platform. Additionally, to help give clarity to assurance providers, the MRA Framework contains specific guidance on accepted assurance standards and the competency levels of assurance providers. To compliment this, there is an assurance provider guidance checklist in the Appendix of the MRA Framework.</li><li>— Feedback on the graph as a visual representation of the claims has also been taken into account. In June 2023, VCMi provided improved visuals and infographics to better explain Carbon Integrity Claims, which were well received by companies. Stakeholder Forum members suggested to visualize new claims in graph which has also been taken into account.</li></ul>

## How it was addressed

- The four steps that were previously included in the provisional Claims Code have been improved to reflect the role of the MRA Framework and were published as an additional guidance in November 2023. The MRA Framework ensures that for each VCMI Claim issued, underlying information is appropriately evaluated and evidenced. Furthermore, to ensure the integrity and rigour of VCMI Claims, third-party assurance is required over certain metrics. This level of assurance, and assurance requirements more broadly, was the subject of numerous discussions and engagements between June and November 2023. This included extensive engagements with the VCMI Stakeholder Forum, EAG, and the companies within the VCMI Early Adopters Program. VCMI took all the feedback received from these external stakeholders and worked with MRA experts to develop the VCMI MRA Framework. The level of assurance (reasonable versus limited assurance), as well as the requirements for public disclosure, were discussed in detail and an assessment of the climate-related disclosure frameworks was also conducted to understand how VCMI requirements compare to current and upcoming corporate reporting requirements. This assessment is presented in the Appendix of the MRA Framework.
- To ensure that VCMI does not place an unnecessary reporting and/or cost burden on companies, the procedures outlined in the MRA Framework are designed to leverage reporting and disclosures to other major reporting platforms and standards (e.g., CDP). Through interviews with companies, VCMI was able to identify the most relevant assurance standards used in the corporate sector today, such as ISO 14064-3, which is an addition to the standards outlined in the Claims Code launched in June 2023, under Step 4. VCMI intends to update the MRA Framework and its procedures in the coming years to align with the upcoming regulatory frameworks.
- To address insufficiency and lack of clarity around VCMI Claims and how they will be verified, VCMI will continue to work with external consultants to ensure the Claims Code is assurable. An initial set of key indicators that companies must report to comply with VCMI requirements to obtain a VCMI Claim was provided. These key indicators are an integral part of the full MRA Framework.
- To address issues relating to tracking progress towards targets, VCMI has provided more clarity by outlining a set of indicators (listed in Foundational Criterion 3) that it deems representative of whether a company is making progress towards its target, which complements the emissions reduction assessment performed under Step 2. VCMI acknowledges that there is currently no widely accepted definition or methodology for such an assessment and will continue to develop the issue.

### 3. Treatment of Scope 3 emissions

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<b>Summary of feedback</b>	<p>The flexibility, if any, that should be allowed in the treatment of scope 3 emissions:</p> <ul style="list-style-type: none"><li>— Most respondents to the public consultation considered that SBTi requirements for scope 3 were appropriate and suitable.</li><li>— In contrast, a significant portion of road test respondents believed that the Claim Code's treatment of scope 3 posed practical difficulties; 20% of the respondents said scope 3 is a key adoption barrier to making a VCMI Claim.</li></ul>
<b>How it was addressed</b>	<ul style="list-style-type: none"><li>— Treatment of scope 3 emissions has been the subject of intensive discussions and engagement with various stakeholders, including VCMI's EAG. Through Foundational Criterion 2, which relates to target setting, VCMI had required companies to set science-aligned near-term targets. Acknowledging that sectoral target-setting methodologies have been developed and adopted, VCMI has extended Foundational Criterion 2 to consider the possibility that other target setting frameworks are adopted by companies when setting near-term emissions reduction targets, provided that they are also robust enough.</li><li>— VCMI does not require companies to set net-zero targets. Acknowledging the rapidly evolving landscape of net zero target-setting standards, and to focus on immediate action to meet near-term emissions reduction targets, the requirement is that companies ensure consistency with a long-term net-zero target no later than 2050, as well as publicly disclose their definition of net-zero.</li><li>— VCMI is not a target-setting standard, and therefore aims to work closely with key initiatives such as SBTi to further address the concerns raised during the 2022 public consultation and road test.</li><li>— Furthermore, VCMI will continue investigating potential measures to incentivize companies to keep making progress in reducing GHG emissions to meet near-term emissions reduction targets and minimize cumulative emissions, in line with a science-aligned pathway (acknowledging corporate decarbonization pathways are not always linear).</li><li>— Another important area of work that needs to be tackled regards determining companies' trajectories to their near-term emissions reduction targets, and especially to disaggregate these between scope 1, scope 2 and scope 3.</li></ul>



## 4. Ensuring clarity of VCMI Claims

Summary of feedback	<p>Ensuring clarity and suitability of VCMI Claims relating to claim names, requirements, and interactions with non-VCMI claims and terminology:</p> <ul style="list-style-type: none"><li>— Respondents to the public consultation were broadly positive towards Gold and Silver Claims, but responses to the Bronze Claim were mixed.</li><li>— Most respondents (59%) also considered that additional guidance was needed on claims for brands, products, and services.</li></ul>
How it was addressed	<ul style="list-style-type: none"><li>— Further consultation on the claim names suggested that, while some felt that the Gold, Silver, and Bronze claims in the provisional Claims Code provided an intuitive ladder that encouraged continuous improvement, others felt that, although clearly a starting point, Bronze was not attractive enough to be adopted.</li><li>— VCMI acknowledges the important role that claim names have in influencing consumer behaviour and in the marketability of an organization. VCMI has therefore commissioned market research to determine marketable, understandable, and informative claim names and branding. The outcome of this research resulted in changing the name 'VCMI Claims' to 'Carbon Integrity Claims', and, while maintaining the metallic theme, changing the tiers to Silver, Gold, and Platinum.</li><li>— In June 2023, VCMI provided descriptions and definitions of the top tier claims, specifically those that require companies to take action beyond the achievement of their science-aligned targets. The new Claim has been designed and builds on the Bronze Claim, presented in the provisional Claims Code, taking into consideration all feedback received and additional research conducted. Specific methodological gaps have been identified for accounting in interim years, before company's target year. These gaps cannot be resolved by VCMI on its own and require a collaborative work with other standard setting organizations. As a result, VCMI decided to move forward with a Beta launch of the new Claim in November 2023, acknowledging that future improvements could still be made and incorporated and invited companies to trial its implementation.</li><li>— In June 2023, VCMI launched three claims with varying levels of ambition. These were subsequently released with their final names and branding in November 2023: Carbon Integrity Silver, Gold and Platinum. VCMI acknowledges the varied emission profiles of companies in different sectors and the diverse challenges and opportunities companies face in reaching their climate mitigation goals, as well as the uneven ability to pay for beyond value chain mitigation (BVCM).</li><li>— In the provisional Claims Code, VCMI established guidance and a set of requirements that companies need to meet to make VCMI carbon neutral product-, service-, and brand-level claims. Feedback from the public consultation pointed out that VCMI should not allow such claims without a rigorous framework to assess impact down to the product-, service-, and brand-level. VCMI has decided not to pursue this, or to conduct a more thorough evaluation of such claims for the moment, given the extensiveness of the work required and the methodological gaps acknowledged in the voluntary carbon markets regarding enterprise-wide claims which pose a challenge for the new Claim uptake and will need to be addressed.</li><li>— To help address confusion around commonly used non-standardized claims (e.g., carbon neutrality), VCMI has developed a Supplementary Guidance document to provide additional guidance for communicating Carbon Integrity Claims. The Supplementary Guidance outlines a set of clear Principles for Climate Mitigation Claims Credibility.</li></ul>

## 5. Expanding guidance on carbon credits

<b>Summary of feedback</b>	<p>The need for further articulation of concepts and criteria regarding carbon credits, including their nature, attributes, and corresponding adjustments:</p> <ul style="list-style-type: none"><li>— Overall, there appeared to be a lack of consensus regarding the clarity of high-quality carbon credits requirements.</li><li>— Fewer than half (46%) of road test companies considered the Claims Code sufficient to determine whether credits are high-quality; 38% said it was insufficient.</li><li>— In addition, almost two-thirds (62%) of road test respondents agreed with the treatment of corresponding adjustments in the Claims Code, but three-quarters (75%) want claims to be differentiated based on credit type, especially for net-zero claims.</li></ul>
<b>How it was addressed</b>	<ul style="list-style-type: none"><li>— In June 2023, VCMi stipulated that companies shall purchase Core Carbon Principles (CCP)-labelled credits (i.e., carbon credits that pass screening under the Integrity Council for the Voluntary Carbon Market [ICVCM] Assessment Framework), which assesses credit quality at the carbon crediting program and carbon credit category level. This is detailed under Step 3 of the Claims Code.</li><li>— To assist companies in making carbon credit due diligence and purchasing decisions, for VCMi Claims made prior to 1 January 2026<sup>2</sup>, VCMi will accept CORSIA-eligible credits as well as credits that have gone through an existing due diligence process in alignment with all ICVCM's CCPs. This is a transitional phase while CCP-labelled credits are not yet substantially available in the market.</li></ul>

For more information about feedback on the provisional Claims Code from the public consultation and road test, please visit the [VCMi website](#).

<sup>2</sup> 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.

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

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