

Disclosure on use of carbon credits

25 Feb 2025



About VCMi

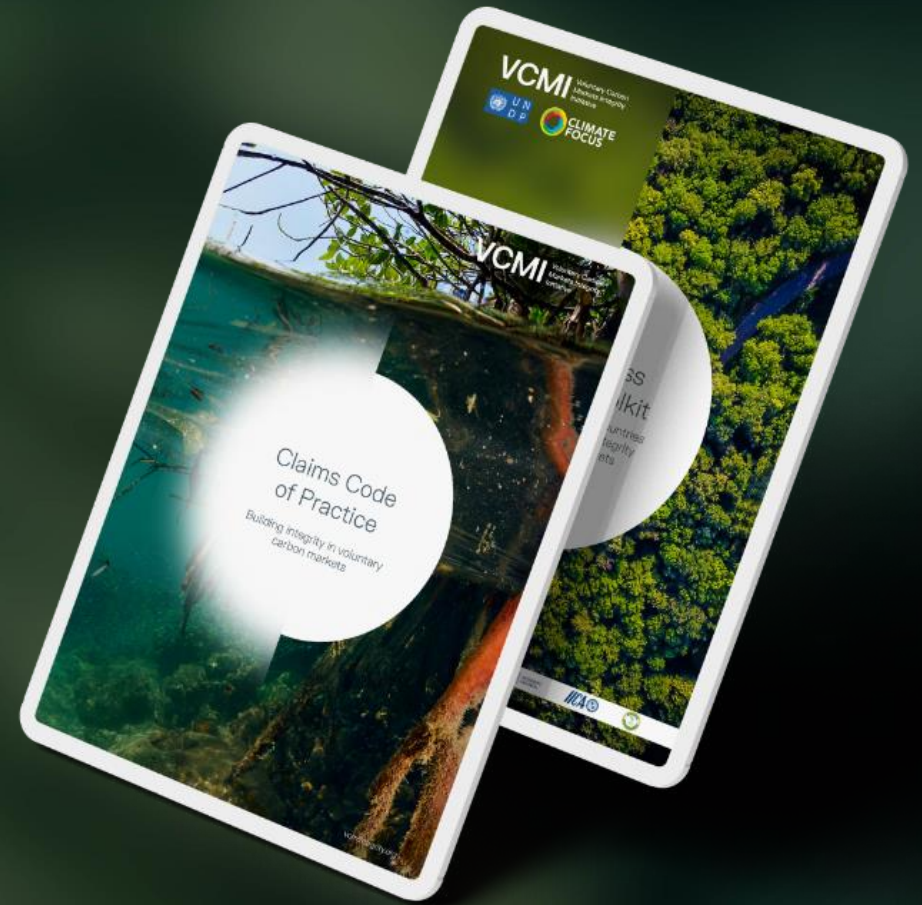
VCMi enables high-integrity voluntary carbon markets which deliver for the 1.5 degrees goal – benefitting the climate, society, and nature.

Claims Code of Practice

- **Fully assured framework that enables companies to credibly disclose and validate their use of carbon credits while on the path to net-zero**

Access Strategies

- Support to host countries to unlock carbon markets finance towards their Nationally Determined Contributions (NDCs)



VCMI's Claims Code of Practice guides climate leadership

1

Comply with the Foundational Criteria

2

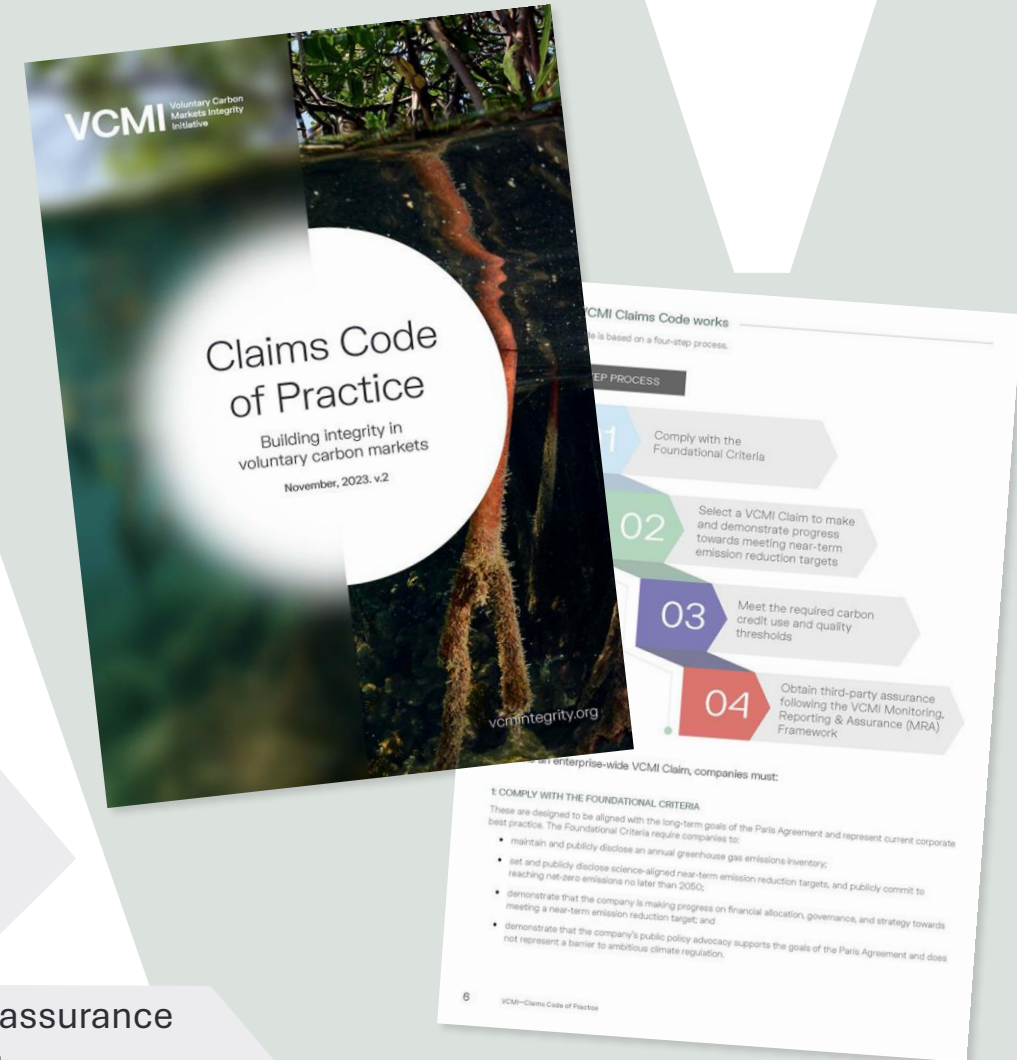
Select a VCMI Claim to make and demonstrate progress towards near-term targets

3

Meet carbon credit use and quality thresholds

4

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



VCMI's Claims Code aligns with existing benchmarks

Foundational criteria build on corporate accountability frameworks, requiring credit buyers to:

1. Maintain and disclose an annual **greenhouse gas inventory**
2. Set and disclose science-aligned **near-term targets** and commit to **net zero** by 2050
3. **Demonstrate progress** on financial allocation, governance and strategy towards near-term target
4. Demonstrate that public **policy advocacy** supports Paris Agreement goals

→ **Limited assurance is required for scope 1 and 2 emissions; public disclosure for other metrics**

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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
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
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					

Select a VCM Integrity Claim

Purchase and retire high-quality carbon credits as a % of remaining emissions



$\geq 100\%$



$\geq 50\% \text{ \& } < 100\%$



$\geq 10\% \text{ \& } < 50\%$

&

Demonstrate progress towards near-term targets

1. **Disclose** enterprise-wide emission reductions achieved, in either absolute or intensity terms;
2. Provide an **explanation** of whether and why companies considers to be making progress towards their near-term targets

Meet carbon credit use & quality thresholds

For the benefit of investors, regulators, and market participants, companies are required to **publicly disclose** the following information about the carbon credits they use:

- ✓ **Number** of credits purchased & retired
- ✓ Carbon crediting **program name, project name, project ID, retirement serial number, retirement date** and **issuing registry**
- ✓ Host **country**, credit **vintage, methodology**, and project **type**
- ✓ Association with any **Article 6** corresponding adjustment(s)
- ✓ If applicable, evidence for promotion of **equity** and **co-benefits** to ecosystems and local economies
- ✓ ICVCM **CCP-approval** (from January 1, 2026)
 - Until CCP-Approved credits become available, companies can either:
 1. Purchase and retire CORSIA eligible credits
 2. Disclose how due diligence processes align with 10 CCPs

Obtain 3rd party assurance following MRA Framework

Monitoring, Reporting & Assurance (MRA) Framework

Reporting & assurance requirements for companies making a Carbon Integrity Claim.

Includes details on assurer competencies, assurance standards, and process to make a claim.

Highlights:

- **Limited assurance** is required for scope 1 and 2 emissions (both base year and reporting year)
- **Public disclosure** is required for other metrics



Thank you!

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