IETA

VCM Guidelines 2.0
September 2025

GUIDELINES FOR HIGH INTEGRITY USE OF VERIFIED CARBON CREDITS V2.0

SINCE 1999 IETA HAS BEEN THE LEADING VOICE OF BUSINESS ON AMBITIOUS MARKET-BASED CLIMATE CHANGE SOLUTIONS AND DRIVING NET ZERO. IETA ADVOCATES FOR TRADING SYSTEMS FOR EMISSIONS REDUCTIONS AND REMOVALS THAT ARE ENVIRONMENTALLY ROBUST, FAIR, OPEN, EFFICIENT, ACCOUNTABLE AND CONSISTENT ACROSS NATIONAL BOUNDARIES. REPRESENTING MORE THAN 300 LEADING INTERNATIONAL ORGANISATIONS, IETA IS A TRUSTED PARTNER IN DEVELOPING INTERNATIONAL POLICIES AND MARKET FRAMEWORKS TO REDUCE GREENHOUSE GAS EMISSIONS AT THE LOWEST COST WHILE BUILDING A CREDIBLE PATH TO NET ZERO EMISSIONS. SEE WWW.IETA.ORG FOR MORE INFORMATION.

THE IETA VCM GUIDELINES FOR HIGH INTEGRITY USE OF CARBON CREDITS WAS DEVELOPED BY THE IETA DEMAND TASK FORCE DURING 2023/2024. THE IETA GUIDELINES ENDEAVOUR TO PRESENT A COLLECTIVE VIEW OF THE TASK FORCE LISTED ABOVE AND, ALTHOUGH THE CONTRIBUTORS SUPPORT THE GENERAL THRUST OF THE DOCUMENT, CONTRIBUTORS CANNOT BE TAKEN TO AGREE WITH ALL OF ITS CONTENT. THE CONTRIBUTORS HAVE NOT BEEN ASKED TO FORMALLY ENDORSE THE IETA GUIDELINES.

DESIGN: HITMAN CREATIVE MEDIA INC.

01 INTRODUCTION

THE PARIS AGREEMENT'S OBJECTIVE OF "HOLDING THE INCREASE IN THE GLOBAL AVERAGE TEMPERATURE TO WELL BELOW 2°C ABOVE PRE-INDUSTRIAL LEVELS AND PURSUING EFFORTS TO LIMIT THE TEMPERATURE INCREASE TO 1.5°C ABOVE PRE-INDUSTRIAL LEVELS", REQUIRES IMMEDIATE ACTION BY THE PRIVATE SECTOR ALONGSIDE GOVERNMENTS AND BROADER SOCIETY.

However, the gap between climate commitments and the 1.5°C pathway is growing, and the Intergovernmental Panel on Climate Change (IPCC) shows the world is on track for a temperature rise of over 3°C. If the world is to limit warming to 1.5°C, the IPCC has stated that global emissions must peak now, almost halve by 2030 and that removals must be deployed at considerable scale.[1]

Yet, since publishing version 1.0 of IETA's "Guidelines for high-integrity use of carbon credits"[2] in April 2024, an increasing body of research has emerged indicating that, while some progress towards corporate net zero is being made, companies overall are behind in their climate targets. This under delivery is contributing to the risk of overshoot of the Paris Agreement objectives and raises ongoing concern in IETA. Although these research studies follow different methodological approaches, they draw the same broad conclusions:

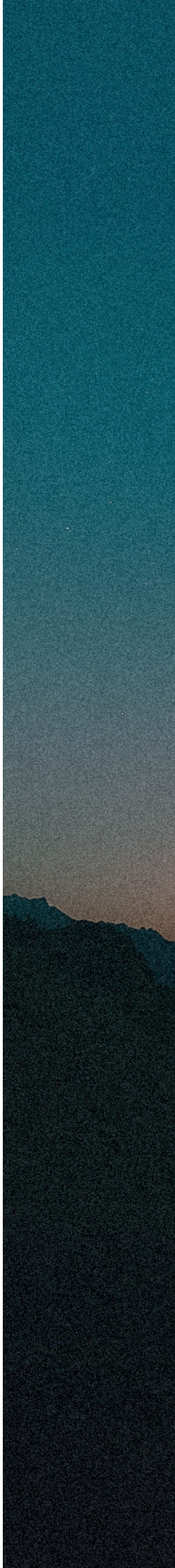
a) The majority of companies have not set net zero targets[3 4 5]
b) There is growing concerns that companies with net zero targets are not on track to meet both near- and long-term targets[6 7 8]
c) Delivery of scope 3 targets is particularly challenging[9 10 11]

GLOBAL EMISSIONS MUST PEAK NOW AND NEARLY HALVE BY 2030— THE VOLUNTARY CARBON MARKET IS CRITICAL IN COMPANIES DECARBONIZATION TO SUPPORT THE PARIS AGREEMENT GOALS.

Even if all companies set Paris aligned targets, the risk of missing targets will continue to exist. In this regard, the voluntary carbon market (VCM) is an essential mechanism for companies to decarbonise as fast as possible in the most cost-effective way. In a report released by the Voluntary Carbon Markets Initiative (VCMI)[12] this year, companies stated that carbon markets are a critical element to meeting climate and sustainability goals with "Making progress towards climate goals" ranked as the top opportunity.

IETA has outlined the following Guidelines which we believe offer a pragmatic approach to the high integrity use of verified carbon credits (VCCs) by companies as a complement to internal decarbonisation efforts. The IETA Guidelines V1.0 were first published in April 2024[13] and updated in September 2025.

In 2025, there remains a lack of consensus in guidelines and standards on the 'use cases' for VCCs to support Net Zero delivery. In the same VCMI report as referenced earlier, businesses conclude "clear, aligned and stable rules whether from regulatory or voluntary frameworks, are the critical levers to justify larger scale investment into the market".



IETA GUIDELINES

FOR HIGH INTEGRITY USE OF VERIFIED CARBON CREDITS

01 DEMONSTRATE SUPPORT FOR THE PARIS AGREEMENT GOALS

02 QUANTIFY AND PUBLICLY DISCLOSE SCOPE 1, 2, AND 3 EMISSION PROFILES

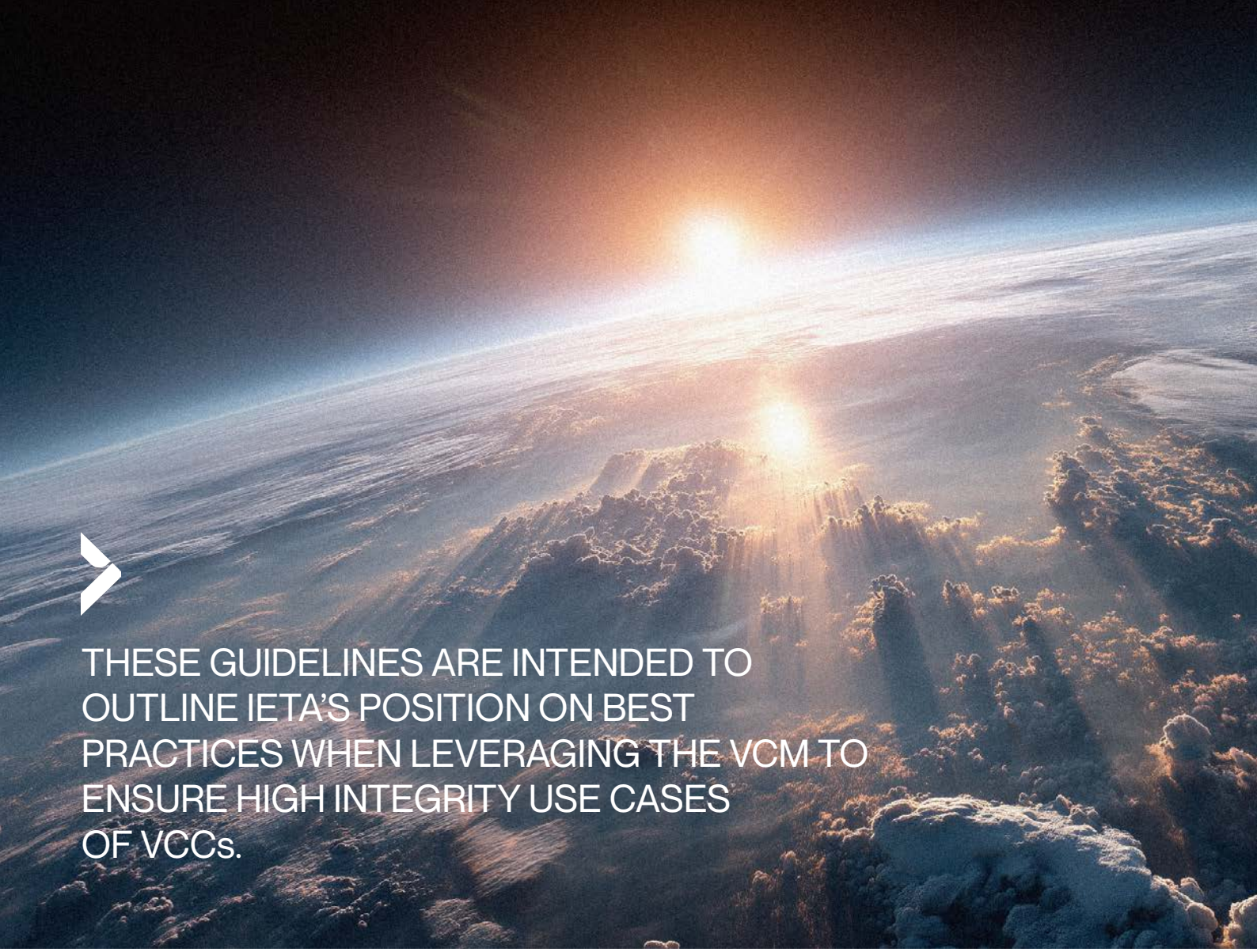
03 ESTABLISH A NET ZERO DECARBONISATION PATHWAY AND NEAR-TERM TARGETS

04 USE VERIFIED CARBON CREDITS IN LINE WITH THE MITIGATION HIERARCHY

05 ENSURE THAT ONLY HIGH-QUALITY VERIFIED CARBON CREDITS (VCCs) ARE USED

06 TRANSPARENTLY ACCOUNT AND PUBLICLY DISCLOSE USE OF VCCs

07 MAKE ROBUST, TRANSPARENT SUBSTANTIATED AND CREDIBLE CLAIMS



THESE GUIDELINES ARE INTENDED TO OUTLINE IETA'S POSITION ON BEST PRACTICES WHEN LEVERAGING THE VCM TO ENSURE HIGH INTEGRITY USE CASES OF VCCs.

It is encouraging to note that we are starting to see some alignment with IETA's view, as set out in the IETA Guidelines V1.0, that the use case for VCCs should include helping companies stay on track and meeting interim internal emissions reduction targets.[14] [15] The Guidelines continue to build on existing and emerging guidance as we work towards a consensus in the market on the high integrity use cases for VCCs to help meet net zero commitments and the claims that companies can make based on their use.

These Guidelines were developed by and for companies who are committed to climate action and decarbonising their businesses. IETA's mission is to "Empower business to engage in climate action and pursue net zero ambitions to advance the Paris Agreement's objectives".[16] At this critical stage, it is fundamental that companies seeking to engage in climate action, reduce emissions and reach net zero, maximise all available solutions. IETA encourages all companies to (1) set Paris Agreement aligned net zero targets, (2) compensate with VCCs for some or all of their unabated emissions[17], be they scope 1, 2 or 3, during their net zero pathway as well as to counterbalance their residual emissions[18] at net zero and beyond, and (3) contribute to the global effort to meet net zero by contributing to emissions mitigation beyond their own net zero pathway.

These Guidelines are intended to outline IETA's position on best practices when leveraging the VCM to ensure high integrity use cases of VCCs. In this regard, we identified multiple use cases for VCCs that companies can follow to support their internal decarbonisation efforts, with a focus on the use of VCCs to meet interim internal emissions reduction targets as the main driver for companies to invest in VCCs and the use case with the highest mitigation potential.[19] IETA supports companies using both high-quality emission reductions and removals VCCs in their decarbonisation pathway and to reach and maintain net zero.

HIGH-INTEGRITY VCCs ARE A VITAL TOOL TO KEEP COMPANIES ON TRACK TOWARD NET ZERO—SUPPORTING REAL EMISSIONS CUTS TODAY WHILE BUILDING MOMENTUM FOR TOMORROW.

02 THE VOLUNTARY CARBON MARKET (VCM)

THE VCM CAN PROVIDE A ROBUST MECHANISM FOR COMPANIES TO REDUCE OR REMOVE EMISSIONS IN SUPPORT OF GLOBAL DECARBONISATION. PURCHASE OF VCCs PLACES AN INTERNAL PRICE ON CARBON, WHICH ENCOURAGES COMPANIES TO MAKE DECARBONISATION EFFORTS IN THEIR VALUE CHAIN. COMPANIES PARTICIPATING IN THE VCM ARE INVESTING THREE TIMES MORE IN EMISSIONS REDUCTION EFFORTS WITHIN THEIR VALUE CHAINS COMPARED TO NON-PARTICIPANTS.[20]

Carbon markets (compliance and voluntary), funded by companies and governments, can play a role in delivering the Paris Agreement Goals. International carbon markets could reduce GHG mitigation costs by up to 32%.[21] IETA acknowledges the importance of the adaptation component of the Paris Agreement and firmly believes carbon markets can help drive the much-needed climate finance, technology and capacity to the low- and lower-middle income countries (LLMIC) and most vulnerable communities helping to close the finance gap and support the New Collective Quantified Goal on Climate Finance (NCQG) .

More specifically the VCM, that is "the use of VCCs that are not purchased with the intention to surrender into an active regulated, compliance carbon market",[22] has a unique role to play in paving the way for compliance markets, facilitating the achievement of NDCs and encouraging private investment in decarbonisation and achievement of Paris aligned net zero. As a runway towards compliance, the VCM helps build capacity and knowledge for governments and companies on the best practices for registries, verification, project development and financing mechanisms. The agility of the VCM offers ongoing opportunities for development, technology innovation and additional forms of climate mitigation.

In a 2023 Capstone report by IETA and the University of Maryland,[23] modelling showed that in the near-term, cooperative implementation of Nationally Determined Contributions ("NDCs") using Article 6 could substantially reduce resources needed to achieve emissions reductions. Given the lack of finance to address climate change, this outcome highlights the significant role of VCCs to allow countries to reach their NDCs. Building on this report, further economic modelling was conducted,[24] indicating that the VCM has a potentially important role to play in enabling emissions mitigation in the near term, and that the role of the VCM will fade as the world approaches net zero. The VCM plays a larger role transferring resources to the LLMICs than when NDCs are implemented independently.

The VCM can also channel finance to where it is desperately needed, including to LLMICs, removals (both nature-based and technology-based), environmental conservation, and for delivery of the UN SDGs.[25] Recent research into corporate net zero and the use of VCCs coming from independent research providers (such as Sylvera,[26] MSCI,[27] Ecosystem Marketplace,[28] AlliedOffsets and Bain & Company[29]), together with the experience of IETA members, shows that VCCs can accelerate and increase climate action, at the lowest cost.

Despite this critical role, the VCM has underperformed. Since 2022, voluntary retirement of VCCs has levelled off. This stagnation jeopardises progress toward global targets and underscores the urgent need to revive business demand for VCCs. While companies view carbon markets as essential to achieving their climate and sustainability objectives, recent concerns about reputational risk, litigation, VCC quality, and inconsistencies in regulatory and voluntary frameworks on how VCCs can be used in corporate decarbonisation strategies and the claims that may be made in respect of retirements, have made many companies hesitant to invest, and slowed down decarbonisation.

THE VCM CHANNELS VITAL FINANCE, INNOVATION, AND ACTION— ACCELERATING DECARBONISATION NOW WHILE BUILDING THE PATHWAY TOWARD PARIS-ALIGNED NET ZERO.

A report by VCMI[30] clearly found that the top two drivers for the use of VCCs by companies are: 1. making progress towards climate goals and, 2. demonstrating action across broader social and nature goals. The report confirmed that corporates are willing to invest in VCCs to support market and technology innovation, stay ahead of regulatory, compliance and reporting risks, access revenue opportunities and investments, enhance brand reputation and have better management of financial cost and risks. However, as stated above, multiple concerns are stalling investment and trust in the market.

The urgency of the climate crisis requires significant action now. Science-based pathways that make sense on paper are in themselves not enough – actions are critical.

2.1 USE OF VERIFIED CARBON CREDITS (VCCs) IN CORPORATE DECARBONISATION

In developing these Guidelines, IETA builds on an extensive body of existing work within the VCM. Several parties – both private and public sector – are developing guidelines, standards and regulations related to the use of VCCs in corporate decarbonisation strategies (Figure 1).

As illustrated in Figure 1, it is best practice across frameworks to emphasise a focus on emissions reductions first and foremost; most operational frameworks take this a step further by not allowing carbon credit use for meeting interim internal emissions reduction targets or demonstrating progress on the path of net zero. This is unfortunately a missed opportunity to drive additional climate finance to emission reductions and avoid missing targets. At net zero, most frameworks emphasise the need to counterbalance residual emissions with durable removals VCCs. Insetting, voluntary retirement as contributions, and infrastructure scaling are emerging use cases for VCCs.

Existing frameworks provide limited use cases for VCCs. To provide impactful action towards NDC delivery and corporate decarbonisation, organisations need an effective business case for the use of VCCs in corporate net zero strategies, e.g. using them to balance emissions that cannot otherwise be eliminated on the path to net zero. IETA differs from many frameworks as members view the primary incentive for companies to voluntarily purchase and retire VCCs is for their own carbon accounting and related claims that may be made in service of net zero delivery. Companies should be able to use VCCs alongside internal decarbonisation efforts.

Government recognition of the potential of the VCM to help achieve NDCs, and clear rules for a functioning market are critical to scale-up corporate climate action. Governments are increasingly developing VCM principles (e.g. Singapore and UK governments), guidelines and frameworks to set these clear rules including the newly established Coalition to Grow Carbon Markets, a multi-national effort to provide aligned principles to the global business community.[31]

2.2 USE OF VCCs IN DOMESTIC AND INTERNATIONAL COMPLIANCE MARKETS

Besides voluntary use of VCCs by corporates, VCCs are also being used under domestic and internationally regulated frameworks.[32] Notably, Article 6 of the Paris Agreement allows countries to use VCCs as a flexible mechanism to support countries in meeting their NDCs and Long-Term Strategy (Figure 2). Countries like Singapore, Japan, South Korea, Norway, and Switzerland are planning to use Article 6 VCCs to help meet their NDCs.[33] The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) allows airlines to use VCCs to compensate emissions.[34]

THE URGENCY OF THE CLIMATE CRISIS REQUIRES SIGNIFICANT ACTION NOW. SCIENCE-BASED PATHWAYS THAT MAKE SENSE ON PAPER ARE IN THEMSELVES NOT ENOUGH – ACTIONS ARE CRITICAL.

Figure 1. Comparison of VCM guidelines.

FRAMEWORK / STANDARD	USE CASES FOR VERIFIED CARBON CREDITS (VCCs)	CONDITIONS	CLAIMS
SBTi Corporate Net Zero Standard (Version 2.0 under-development, Draft for public consultation, March 2025)[45 46 47]	- Neutralise[48] residual emissions[49] with removals VCCs - Contribute to mitigation "beyond" (or outside of) value chain by taking responsibility for unabated emissions[50] - Take accountability for underperformance using removal VCCs	- VCCs cannot be used to meet interim internal emissions reduction targets - The use of carbon removals to address potential underperformance, does not negate the need for companies to reduce these emissions. It represents an additional measure that companies take to address the atmospheric impact of excess emissions from the previous cycle - Net zero can be claimed only after >90% emissions reduction	- "Net zero committed" – targets validation - "Supporting mitigation beyond our value chain"[51] - "Net-zero"
ISO 14068-1 (Carbon Neutrality)[52]	- Offset[53] unabated emissions[54] at product/service level	- Must follow hierarchy: reduce → remove → offset - VCCs must meet permanence, additionality, and verification standards	- "Carbon neutral"
ISO Net Zero Guidelines (IWA 42:2022)[55] and Draft Net Zero Standard (under development, ISO 14060)[56]	- Offset[57] residual emissions[58] (Scopes 1, 2, relevant Scope 3) - Insetting removal projects - Purchase removals beyond value chain - Retire VCCs voluntarily for beyond value-chain mitigation - Scale removal infrastructure via long-term agreements	- Offsets not allowed for interim internal emissions reduction targets - Focus on long-lived removals and infrastructure scaling - Avoided emissions[59] cannot be included in claims of progress towards targets nor should be used to counterbalance residual emissions.	- "Net zero committed" – targets validation - "Net Zero" achieved and maintained
VCMI Claims Code of Practice[60]	- Purchase and retirement of high-quality VCCs proportionate to its remaining emissions[61] once a company has met, or demonstrated progress towards meeting, its near-term emission reduction targets.	- Must meet VCMI Foundational criteria, including set and publicly disclose science-aligned near-term emission reduction targets consistent with reaching net zero no later than 2050, including all emissions scopes. Companies must demonstrate that they are making progress towards near-term targets.	- "Carbon Integrity Claim" tiers: Silver (10–50%), Gold (50–100%), or Platinum (>100%) remaining emissions
VCMI Scope 3 Action Code of Practice (2025)[62]	- Retiring high-quality VCCs, every year, to close the Scope 3 emissions gap, in an amount at least equal to their excess emissions[63] as the company works to meet their reduction targets.	- The scope 3 emissions gap to be closed by VCCs cannot be more than 25% of the corporate's total scope 3 emissions trajectory - Must meet Foundational Criteria: GHG inventory, near-term targets, Scope 1 & 2 progress, governance, financial commitments - Only for companies falling behind on short-term targets - Companies must eliminate the gap by 2040.	- No specific VCMI claims associated
Singapore draft VCM Guidelines[64]	- Use VCCs particularly for hard-to-abate emissions - Support use of VCCs for voluntary climate commitments - Raise global climate ambition	- VCCs can be used for compliance or voluntary purposes - No corresponding adjustments required for voluntary use	- Claims guidance under development
UK Principles for Voluntary Carbon and Nature Market Integrity[65]	- Support insetting approaches - Expand VCCs use cases beyond VCMI standards	- Principles still under development	- Claims guidance under consultation
Coalition to Grow Carbon Markets[66] (VCMI as Secretariat)	- Use of VCCs to enhance companies' climate action while supporting further mitigation and sustainable development in host countries.	- Shared principles under development which will outline the role of VCCs in credible corporate decarbonisation plans	N/A

Figure 2. Use of VCCs in international compliance markets.

International Compliance	Details & Examples
Support countries in meeting climate targets under the Paris Agreement	Paris Agreement Article 6 enables use of VCCs towards Nationally Determined Contributions (NDCs) and Long-Term Strategies (LTS)
Offset aviation emissions under global schemes	CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) allows airlines to use VCCs to compensate for their emissions

FROM CALIFORNIA TO SINGAPORE, GOVERNMENTS ARE INTEGRATING VCCs INTO COMPLIANCE MARKETS—UNLOCKING FINANCE, CUTTING COSTS, AND ACCELERATING GLOBAL CLIMATE ACTION.

Several national and subnational governments allow for the use of VCCs to compensate emissions regulated by domestic carbon pricing instruments. Today, around 28% of global GHG emissions are covered by a direct carbon price, and jurisdictions representing two-thirds of global GDP have adopted carbon taxes or emissions trading systems (ETS).[35] There are 80 emissions trading systems and carbon taxes implemented globally, plus ETSs planned in Brazil, India, and Türkiye.[36] The use of VCCs to meet targets is consistent with how VCCs are being integrated into many regulatory carbon pricing mechanisms (Figure 3).

These frameworks often permit regulated entities to retire a limited number of VCCs to fulfil part of their compliance obligations. In 2024, almost a quarter of global VCC retirements were to meet domestic compliance obligations. Some good examples include the California's Cap-and-Trade program, allowing from 4% to 6% of VCCs to offset emissions, and Singapore's use of eligible international VCCs to offset up to 5% of their taxable emissions. The French Climate and Resilience Act requiring airlines to offset 100% of their GHG emissions from domestic flights.

VCCs are being used within the national ETSs of China and New Zealand and in the carbon tax systems of Mexico, Chile, Colombia, South Africa, and Switzerland.[37] It is also planned in Indian and Brazilian regulation to allow the domestic use of VCCs.

It should be noted that some jurisdictions are also considering regulating the use of VCCs for voluntary purposes (as opposed to use in domestic carbon pricing schemes). This regulation includes consumer protection of green marketing claims to avoid misleading consumers, (e.g. EU Draft Green Claims Directive currently on hold[38]), regulation on disclosure (e.g. California Bill AB 1305 (enacted) and Canada's C59 legislation that changes the competition act with regards to environmental claims).

Governments could unlock demand if they set demand-side integrity frameworks, which clarify: (i) the role that carbon credits can play in supporting corporate climate commitments, consistent with science-aligned pathways; (ii) the claims that carbon credit users can make; and (iii) guardrails for the use of carbon credits.[39]

2.3 MARKET CONVERGENCE AND INTEGRITY

Carbon market mechanisms are becoming increasingly integrated, with some VCCs used interchangeably across markets. As illustrated in Figure 4, market destination dictates the units' eligibility based on private frameworks, sub-national, national and international regulation. The use also dictates rules such as whether authorisation by host countries and corresponding adjustments are required.

The Paris Agreement requires emissions reductions and removals from Internationally Transferred Mitigation Outcomes (ITMOS) to be deducted from host countries' GHG mitigation effort, known as Corresponding Adjustment (CA). This CA is an accounting mechanism under the Article 6 Rulebook[40] to prevent double-counting of emissions reductions and removals across national inventories. VCCs from independent, government-run and UN regulated crediting programmes are also becoming interchangeable, allowing VCCs to be used by both countries and corporates.

Private and public high-quality labels and criteria are emerging globally to increase market integrity. The roles of the Integrity Council for the Voluntary Carbon Market (ICVCM)[41], CORSIA[42], the Article 6 Rulebook[43] and ICROA[44] are critical, as illustrated in Figure 4. At the project level, ratings and insurance play a key role in assessing carbon projects and derisking investments.

Figure 3. Use of VCCs in domestic compliance markets.

COUNTRY / JURISDICTION	MECHANISM TYPE	VCCs USE CASE	DETAILS
California (USA)	Emissions Trading System (ETS)	VCCs for compliance	Entities may use California Compliance Offsets (CCOs) for up to 4% of their compliance obligation for 2021 to 2025 emissions and up to 6% per year for 2026 to 2045 emissions. VCCs must be outside their value chain.
Australia	National ETS	Use of domestic VCCs for compliance	VCCs in Australia's Safeguard Mechanism are used by large emitters to offset emissions that exceed their set limits, allowing them to comply with climate regulations.
Singapore	Carbon Tax	Offset taxable emissions with international VCCs	Up to 5% of taxable emissions can be offset using eligible international VCCs. VCCs need to be correspondingly adjusted.
France	Sectoral Regulation	Mandatory offsetting aviation emissions with international (50%) and EU VCCs (50%)	Article 147 of Climate and Resilience Act requires airlines to offset 100% of domestic flight emissions (from 2024)
China	National ETS	Integration of VCCs into ETS	Domestic offsets allowed within ETS framework to meet compliance targets
New Zealand	National ETS	Use of domestic and international VCCs	VCCs used to meet obligations under the NZ ETS, with evolving rules on eligibility
Mexico	Carbon Tax	Use of VCCs to offset emissions	VCCs permitted to reduce taxable emissions under national carbon pricing
Chile	Carbon Tax	Offset mechanism within carbon tax framework	VCCs used to lower tax liability for regulated entities
Colombia	Carbon Tax	VCCs used for compliance	Entities can use VCCs to meet carbon tax obligations
South Africa	Carbon Tax	VCC retirement allowed	Regulated entities may use VCCs to reduce footprint and ultimately tax liability
Switzerland	Carbon Tax & ETS	Use of VCCs in both tax and trading systems	VCCs integrated into compliance pathways for both mechanisms

Greater market convergence would help scale investments in VCCs by increasing fungibility of VCCs, developing clear rules for accounting and claiming, delivering robust interconnected registries and infrastructure, promoting consistent reporting and review, increasing transparency, and promoting climate action. Several challenges remain to achieving convergence, including more certainty on the legal nature of VCCs, carbon accounting issues, registry interoperability and data standardisation, clarity on corresponding adjustments for the voluntary use of VCCs, and what companies can claim based on the use of VCCs. There are existing initiatives in the market to address some of these challenges, such as the ICVCM's Continuous Improvement Work Program on Market Transparency, Scalability and Standardization.[67]

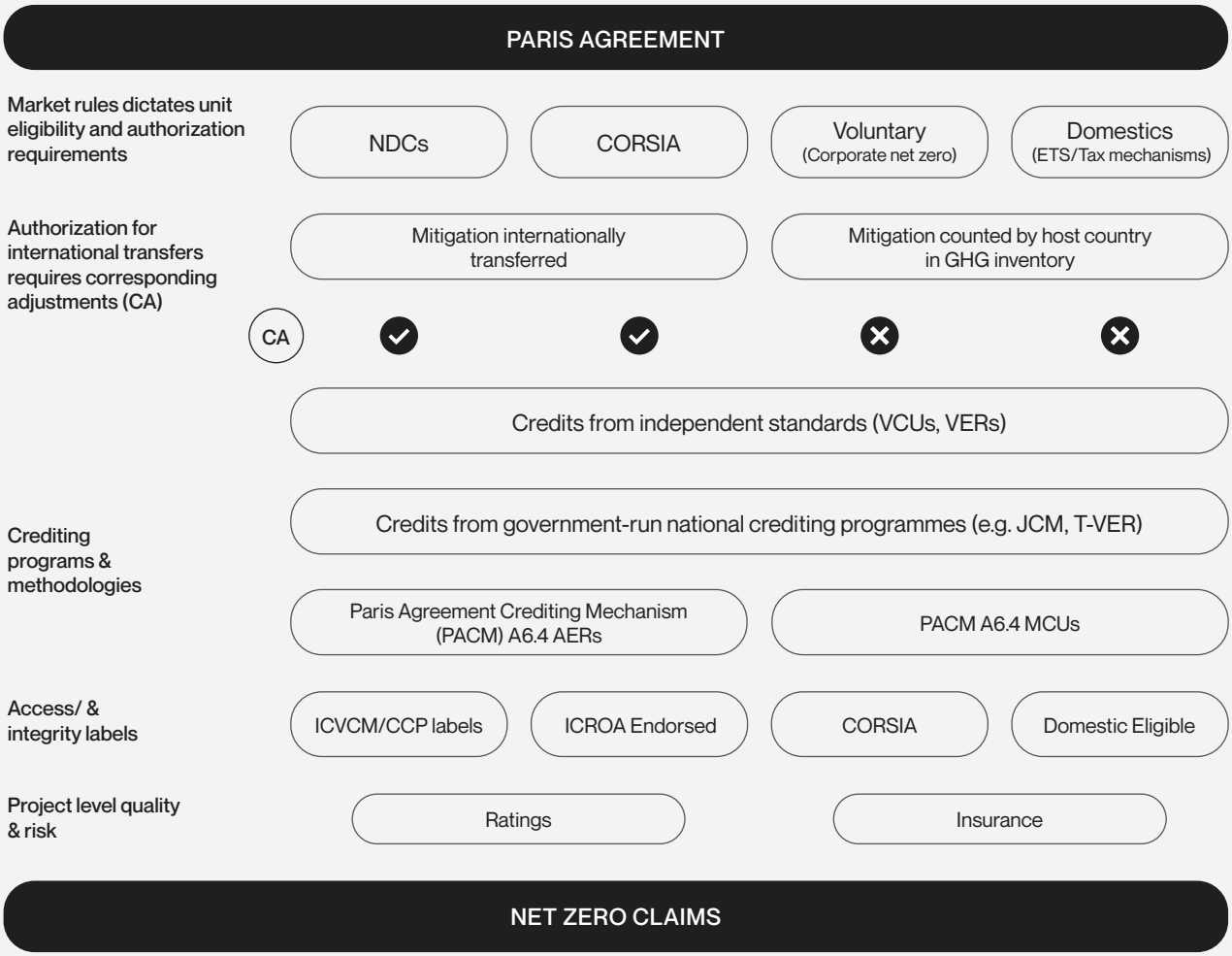
Certainty around the legal nature of VCCs under private law is an important issue for jurisdictions to resolve affecting accounting and tax reporting as well as the ability to safely transact and secure financing. Companies need legal certainty that a VCC can be the subject of proprietary rights under private law in the relevant jurisdictions, to be able to account for the value of any VCCs as an asset under its regulatory reporting obligations.[68]

Further clarity is also required on the claims the end buyer may make in respect of the VCCs it has retired for voluntary use. This is an important issue for building integrity and avoiding claims of greenwashing.

See further section 3.7: Guideline 7 on making robust and transparent claims.

GREATER MARKET CONVERGENCE AND INTEGRITY WILL UNLOCK INVESTMENT, BOOST TRANSPARENCY, AND SCALE HIGH-QUALITY CLIMATE ACTION.

Figure 4: Carbon market convergence and integrity.



Acronyms: NDC (Nationally Determined Contribution) CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation), CA (Corresponding Adjustment), VCUs (Verified Carbon Unit), VERs (Verified Emission Reduction), Joint Crediting Mechanism (JCM), T-VER (Thailand Voluntary Emission Reduction Program), PACM (Paris Agreement Crediting Mechanism), A6.4 AERs (Article 6.4 Authorized Emission Reductions), A6.4 MCUs (Article 6.4 Mitigation Contribution Units), ICVCM/CCP (The Integrity Council for the Voluntary Carbon Market/ Core Carbon Principles), ICROA (International Carbon Reduction and Offset Alliance).

Host countries are not required to apply CAs when companies retire VCCs for voluntary climate claims provided the VCCs is not counted towards any other countries' NDC. A VCC can support a companies' voluntary claim while allowing the associated emission reduction or removal to count toward the host country's NDC.

Whilst not the focus of this paper, it should be noted that many companies also invest in other market-based instruments such as environmental attribute certificates (EACs), renewable energy certificates (RECs), sustainable aviation fuel certificates, and other commodity-specific or energy carrier certificates as part of their climate action and climate risk mitigation strategies. Building convergence and integrity requires clear guidance on inventory accounting for these mitigation actions to be captured consistently in company greenhouse gas inventories. Government's guidance on data, disclosure format, and endorsement of other sources of guidance will increase transparency and consistency in reporting by companies that actively use market instruments.

IETA would like to see increased levels of disclosure and reporting from carbon projects and standardise reporting. Improving global reporting standards would reduce asymmetries of information, enable more scrutiny, and hence scale VCCs integrity. See section 3.6 for further details.

MARKET CONVERGENCE AND INTEGRITY ARE KEY—CLEAR RULES, TRANSPARENCY, AND LEGAL CERTAINTY WILL UNLOCK INVESTMENT AND SCALE HIGH-QUALITY CLIMATE ACTION.

03 GUIDELINES FOR HIGH INTEGRITY USE OF VERIFIED CARBON CREDITS (VCCs)

IETA's Guidelines for the high integrity use of VCCs to support companies' delivery of net zero climate ambition:

1. Demonstrate support for the Paris Agreement goals
2. Quantify and publicly disclose scope 1, 2, and 3 emission profiles
3. Establish a net zero decarbonisation pathway and near-term targets
4. Use VCCs in line with the mitigation hierarchy
5. Ensure that only high-quality VCCs areused
6. Transparently account and publicly disclose use of VCCs
7. Make robust, transparent, substantiated and credible claims

GUIDELINE 01

3.1 DEMONSTRATE SUPPORT FOR THE PARIS AGREEMENT GOALS

IETA takes the position that companies should use all reasonable means at their disposal to prevent or control activities carried out by their company, or associated with the activities of their company, from causing harm to the environment. They should also, where possible, protect the global climate system.

A first step in achieving such ambition is to measure the environmental impact of their activities and accurately account for direct and indirect emissions, whether such obligation is mandatory or not. The second step is to demonstrate the highest possible ambition in helping support the achievement of the Paris Agreement 1.5°C target by abating direct and indirect emissions using all reasonable means available. Such ambition should be disclosed in a public statement.

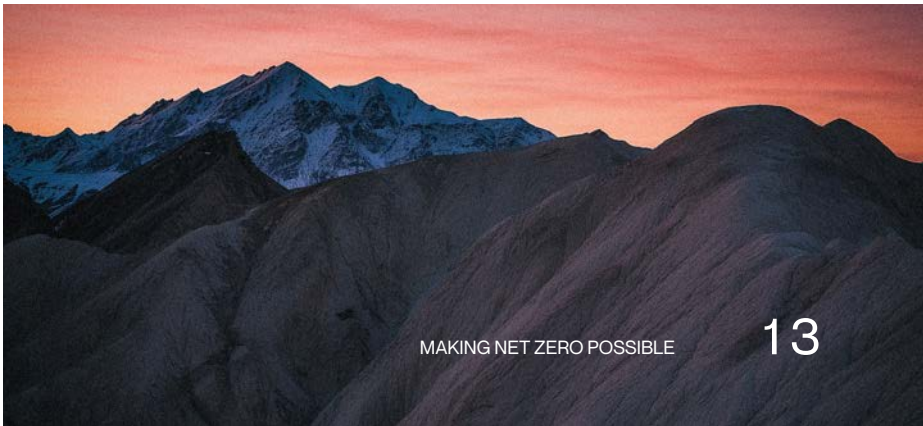
IETA takes the position that all companies ought to voluntarily help finance projects that reduce, remove or avoid emissions, as doing so can make a significant contribution to the global ambition under the Paris Agreement. Companies can do this through the voluntary purchase of high-quality VCCs.

In summary, companies can demonstrate support for the Paris Agreement goals by:

I. Setting a science-based decarbonisation net zero pathway aligned with the IPCC 1.5°C pathway;
II. Meeting interim internal emissions reduction targets and staying on track to meet these targets over time in their net zero pathway;
III. Committing to counterbalance any residual emissions to reach and maintain net zero;
IV. Contributing as much as possible to the decarbonisation of the global economy and to addressing their historical emissions;
V. Ensuring compliance with domestic regulation, including national voluntary frameworks and national arrangements for the Paris Agreement, where relevant.

IETA highlights the importance of the adaptation and finance components of the Paris Agreement. Private sector investment in LLMICs helps to finance adaptation and support the New Collective Quantified Goal on Climate Finance (NCQG). Companies are encouraged to measure and publicly report their contribution to adaptation and global climate finance.

HIGH-INTEGRITY VCC USE MEANS MORE THAN OFFSETS— IT'S ABOUT TRANSPARENCY, AMBITION, AND HELPING DELIVER THE PARIS AGREEMENT'S 1.5°C GOAL.



GUIDELINE 02

3.2 QUANTIFY AND PUBLICLY DISCLOSE SCOPE 1, 2, AND 3 EMISSION PROFILES

For effective emissions management and transparency in reporting, it is important that robust and accepted emissions accounting methods are used. A company ought to follow the mandatory or recommended standard they are adhering to, or it should use a widely recognised independent standard.

Reference GHG accounting and disclosure frameworks include the GHG Reporting Protocol - Corporate Standard[69] and the International Organisation for Standardization (ISO) 14064-1:2018.[70] Examples of good practice in global climate disclosure framework include the IFRS S2 Climate Related Disclosure[71] managed by the International Financial Reporting Standards (IFRS) Foundation, which integrates the work of the of the Taskforce For Climate Related Financial Disclosure (TCFD),[72] the Climate Disclosure Standards Board (CDSB),[73] The Global Reporting Initiative Sustainability Reporting Guidelines (GRI),[74] and the Transition Plan Taskforce Disclosure Framework (TP TDF).[75]

3.2.1 QUANTIFY

Companies should quantify scope 1, 2, and 3 GHG emissions, in line with internationally recognised standards, using established baselines and make data- and science-based decisions on where to prioritise emissions reductions efforts and set targets. All disclosure of GHG emissions should be made as a gross figure in tonnes of CO_2e.

Quantifying emissions in alignment with internationally recognised standards is essential for comparability, transparency, and alignment with UNFCCC reporting principles. This framing also supports consistent disclosures of voluntary reporting initiatives across different jurisdictions.

Once measured, companies can then develop a detailed decarbonisation strategy including plans to influence, support, and collaborate within their value chain to drive down emissions across their demand and/or supply side. These plans need to take into consideration that companies mostly have direct control over their scope 1 and 2 emissions profiles, but often do not have as much visibility, data, or control of scope 3 emissions. Responsibility and leverage over scope 3 varies significantly across sectors often requiring systemic, cross-sector solutions. Emissions intensity disclosures can also be an effective quantification method enabling product and cross-sector comparisons between companies. While useful for tracking progress and guiding customer choice, carbon intensity measurement (e.g. emissions per unit of product) should not lead to delays in absolute reductions. Companies using intensity measurement should disclose the trajectory to net-zero using consistent indicators over time.

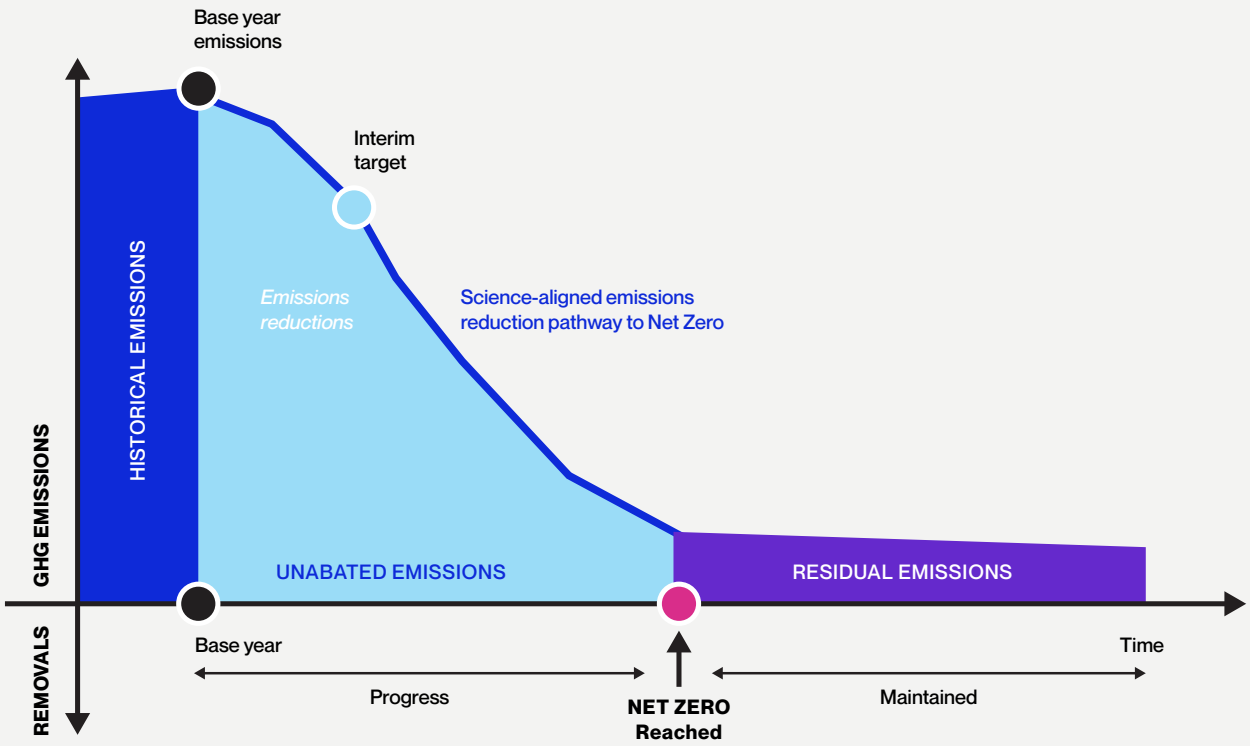
3.2.2 DISCLOSURE

Companies should regularly disclose their progress in meeting near term emissions reduction targets and net zero goals by following widely adopted disclosure frameworks to improve comparability and demonstrate progress to investors, or follow regulation, where it exists.

To improve robustness of reporting, it is generally considered best practice to seek third-party verification of the company's emission profile.[76]

QUANTIFYING AND DISCLOSING SCOPE 1, 2, AND 3 EMISSIONS WITH RECOGNISED STANDARDS IS THE FOUNDATION OF CREDIBLE NET ZERO ACTION.

Figure 5. Corporate decarbonisation in a net zero pathway.



GUIDELINE 03

3.3 ESTABLISH A NET ZERO DECARBONISATION PATHWAY AND NEAR-TERM TARGETS

Companies setting net zero targets need to address 1) their unabated emissions and make progress to reduce their emissions at a pace consistent with their net zero pathway as well as 2) their residual emissions to reach and maintain net zero (Figure 5). Residual emissions may reduce over time as technology improves. Companies will need to counterbalance the residual emissions that cannot be eliminated. A company is only considered to have reached net-zero when it has achieved its science-aligned net zero target and counterbalanced any residual emissions.

Companies should set relevant and measurable decarbonisation pathways, setting targets to achieve the maximum abatement reasonably possible in the shortest timescale. Companies should strive to achieve the highest ambition using all reasonable means at their disposal, setting a science aligned pathway as the minimum benchmark. While some companies can achieve net zero sooner than 2050, others will be restricted given their sectoral constraints and unique circumstances.

Companies can find guidance on how to set targets from the many frameworks that have been developed in line with science-based practices, such as Science-Based Targets Initiative,[77] Transition Pathway Initiative,[78] and Mission Possible Partnership.[79]

3.3.1 NET ZERO TARGETS

IETA supports companies setting targets that take into account scientific evidence related to climate change and are aligned with achieving the Paris Agreement goals. "Science-aligned" means that the whole of society should collectively aim to reduce global emissions, relative to 2019 emissions, by 43% by 2030, 60% by 2035, 69% by 2040 and 84% by 2050.[80] "Net zero aligned" means a company's gross emissions are on track to deliver its pathway to reach net zero by 2050 or sooner.

Companies can contribute to these societal goals by aiming for net zero no later than 2050, while considering their own circumstances. Depending on their sector, geography and policies in the jurisdictions in which they operate, some companies may achieve net zero earlier than others. In particular, hard-to-abate sectors may have different pathways to net zero versus society's overall average pathway.

"NET ZERO ALIGNED" MEANS A COMPANY'S GROSS EMISSIONS ARE ON TRACK TO DELIVER ITS PATHWAY TO REACH NET ZERO BY 2050 OR SOONER.

3.3.2 INTERIM INTERNAL EMISSIONS REDUCTION TARGETS

Companies should set interim internal emissions reduction targets that are ambitious, aligned with their net zero pathway and rooted in pragmatism. 'Empty' targets that a company has no intention or ability to meet are misleading and are considered greenwashing. Companies can demonstrate where and how their emissions can be reduced to support the Paris Agreement goals, including financing plans and the technological advances required to support their climate strategy.

Companies can take climate risk assessments to help them understand both their physical and transition risks and may provide information to stakeholders on their financial, reputational, legal, and regulatory rationale for increased climate ambition including investment in VCCs.

GUIDELINE 04

3.4 USE VCCs IN LINE WITH THE MITIGATION HIERARCHY

The IETA Guidelines offer a pragmatic approach to companies on the high integrity use of VCCs as a complement to internal decarbonisation efforts. Our approach is based on IETA members' views, and many research studies as referenced throughout these guidelines.

The Guidelines extend the use cases referred to in existing and emerging frameworks, acknowledging the need for cost-effective measures in corporate decarbonisation to close the existing gap between their real internal action and their science-based targets. The message from IETA members is clear: Companies are willing to reduce all emissions reductions they can and use VCCs to abate what they can't.

VCCs allow companies to support their internal decarbonisation efforts. The use of VCCs to meet interim internal emissions reduction targets is the main driver for companies to invest in VCCs and the use case with highest mitigation potential.[81]

3.4.1 MITIGATION HIERARCHY

The mitigation hierarchy[82] is a framework that provides a systematic approach to addressing and reducing environmental impacts, particularly related to GHG emissions. It consists of the following components: measure, avoid, reduce, compensate and contribute.

The mitigation hierarchy supports the use of VCCs alongside internal decarbonisation efforts. The mitigation hierarchy should be applied to decarbonisation strategies across scopes 1, 2, and 3. The mitigation hierarchy should be seen as a prioritisation and not as a sequence. Companies should prioritise their own reductions. In parallel, they should be aware of the short and medium-term limitations of internal abatement and supplement their actions with other mitigation measures outside their value chains. VCCs should therefore be seen as an important element that needs to be considered as an integral part of companies' decarbonisation strategies from the outset.

In this regard, the first step in the mitigation hierarchy is to avoid emissions from occurring in the first place to prevent negative climate impacts. Companies should then proactively reduce emissions through switching to less intensive activities and minimising the environmental impacts that cannot be entirely avoided. The final step is to use VCCs to compensate for unabated emissions on the pathway to net zero, to achieve net zero and to maintain net zero thereafter. Companies can then go above and beyond their commitments to contribute to global net zero.

'EMPTY' TARGETS THAT A COMPANY HAS NO INTENTION OR ABILITY TO MEET ARE MISLEADING AND ARE CONSIDERED GREENWASHING.

3.4.2 USE OF VERIFIED CARBON CREDITS (VCCs)

VCCs should be used as part of a credible decarbonisation plan following the mitigation hierarchy. IETA supports companies using high-quality VCCs to take responsibility for their emissions, across all scopes, and use them in decarbonisation strategies to (Figure 6):

1. Meet interim internal emissions reduction targets
2. Stay on track on the path to net zero
3. Promote within value-chain decarbonisation through insetting
4. Counterbalance residual emissions to achieve net zero and beyond
5. Address historical emissions
6. Contribute to global climate action

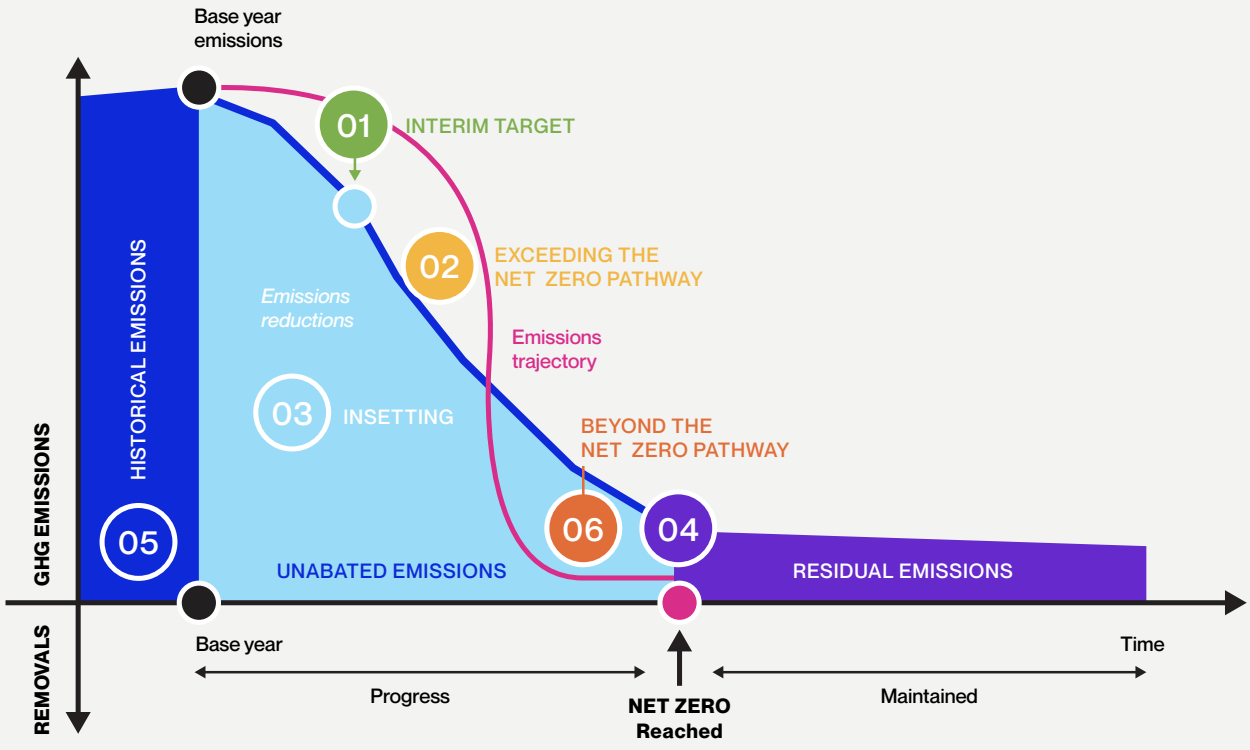
IETA also encourages companies to use other environmental attribute certificates (EACs) – including renewable energy certificates (RECs), energy efficiency certificates, guarantees of origin (GOs), biodiversity, water and plastic credits, and other verified instruments – as essential tools to accelerate corporate decarbonisation. These certificates enable companies to further complement direct emission reductions, scale up finance for climate solutions, and drive investment into cleaner technologies and sustainable practices worldwide.

Compensation for products or service-related emissions is a specific use case for VCCs. Further to the use cases listed above, companies can use high-quality VCCs to compensate for product and service emissions on a lifecycle basis. This use case has the potential to engage consumers in net zero, raise awareness of the carbon impact of products and help consumers make more informed and lower carbon choices.

IETA believes the use of compensation for products or services must also follow the mitigation hierarchy, as is the case for company decarbonisation. However, product and service GHG accounting must be done on a lifecycle basis, considering the cradle-to-grave emissions associated with that product or service.[83] Full lifecycle accounting is challenging and may require methodological development. If compensating for emissions of products or services, companies should follow existing frameworks such as the ISO 14068-1 for Carbon Neutrality.[84] IETA supports the development of sectoral life cycle assessment (LCA) standards to ensure credibility and consistency in product-level compensation.

HIGH-QUALITY VCCs KEEP COMPANIES ON TRACK—CUTTING WHAT'S POSSIBLE, COMPENSATING AND COUNTERBALANCING WHAT ISN'T, AND DRIVING CLIMATE ACTION BEYOND NET ZERO.

Figure 6. Use cases for VCCs in companies' decarbonisation strategies.



3.4.3 MEETING INTERIM INTERNAL EMISSIONS REDUCTION TARGETS

Interim internal emissions reduction targets, set every 5-10 years along the pathway to net zero are an essential metric to report progress on a corporate's net zero strategy to its stakeholders. IETA fully supports using VCCs towards a company's achievement of its interim internal emissions reduction targets, and that companies should be able to make robust and accurate claims about these efforts. IETA supports companies using both high-quality emission reductions and removals credits to meet interim emissions reduction targets, reach and maintain net zero.

Companies should maximize emissions reductions and then use VCCs to help reduce further. Companies may consider setting and declaring a maximum allowable use of VCCs to reach interim internal emissions reduction targets. Investing in high-quality VCCs to compensate annually for unabated emissions is a lever to demonstrate additional ambition and accelerate global decarbonisation.

IETA supports both compensation and contribution claims, meaning that companies can use VCCs to claim they have reached their targets (compensation) as well as for going above and beyond them (contribution). Companies can make compensation claims when contributing to mitigation and climate finance in the host country (see section 3.7 for further details).

3.4.4 STAYING ON TRACK

As noted in the IETA Guidelines V1,[85] there could be instances where a company may be off track of their net zero pathway. There are many reasons why this could occur including financial or technical barriers or lack of low carbon solutions. Where this occurs, IETA supports the use of VCCs to compensate for the emissions exceeding a company's science-aligned net zero pathway.

Companies following this approach could retire VCCs to compensate for the shortall on an ongoing basis, or until the company is back on track on its net zero pathway. We believe permitting the use of a flexible mechanism such as compensation with VCCs, will encourage ambition as opposed to an overly conservative approach. IETA supports companies using both high-quality emission reductions and removals VCCs to stay on track in their decarbonisation pathway.

Companies following this approach could retire VCCs to compensate for the shortfall in emissions reductions. One practical tool in this regard, is the VCMI Scope 3 Action Code of Practice[86] that allows companies to close the gap between their current emissions and a science-aligned pathway each and every year. Companies can – subject to clear safeguards – retire high-quality VCCs, thereby enabling climate action now while they address the barriers to reducing their own scope 3 emissions.

MEETING INTERIM TARGETS AND STAYING ON TRACK - USING HIGH-QUALITY VCCs - HELPS COMPANIES STAY ACCOUNTABLE, CLOSE GAPS, AND KEPP NET ZERO AMBITION ALIVE.

3.4.5 INSETTING

While still evolving, insetting is understood to be an intervention within a company's value chain that reduces or removes emissions by applying a recognised high-quality and published carbon standard programme methodology. Companies can use insetting as a compelling approach available to companies to address their value chain emissions. IETA believes that insetting activities can generate both VCCs as well as other types of units (e.g. Verra 'Intervention Units'[87]) within the company's value chain.

Specific guidance is being developed for VCCs and other units generated from insetting activities. Implementation of insetting activities can be more limited in some sectors and guidance should acknowledge these sectoral differences. When available, companies should also follow specific insetting guidance or standards developed for this purpose.

IETA believes companies should follow these guidelines if generating VCCs from insetting activities:

- The insetting activity should use a project-based methodology from recognised and published carbon crediting programmes (see section 3.5.3.) to quantify the emissions reductions and removals generated by the activity. To be reported as part of scope 1, 2 or 3 emission reductions or removals, the system boundaries of the carbon crediting methodology which are based on "intervention accounting", shall be adapted to an "inventory accounting" logic in line with the guidelines from the GHG Protocol Land Sector & Removals Guidance Draft.[88]
- The project and the VCCs generated within the supply chain should be verified by a recognised validation and verification body (VVB). Companies should consider additional actions to characterise and manage the risk of insetting project underperformance – namely VCC ratings and insurance.
- VCCs generated by the insetting activity can be traded/sold to another entity or country within or outside the supply chain to count towards their targets, only if the company generating the VCCs adjusts their inventory upwards to ensure no double accounting occurs. Attribution approaches can be implemented to avoid double-counting and double-claiming of issued units.
- Companies should use recognised registries to ensure transparency and accountability.

Companies can also use insetting activities to generate other types of units. Verra's Scope 3 Program[89 90] and the AIM platform's criteria[91] under development are good references that provide such guidance. IETA supports companies making emissions reductions claims of Scope 3 emissions using VCCs from insetting activities so long as these units have not been sold.

3.4.6 COUNTERBALANCE RESIDUAL EMISSIONS AT NET ZERO AND BEYOND

IETA supports companies use of high-quality VCCs to counterbalance residual emissions remaining at the net zero target year and to maintain net zero thereafter. Residual emissions may reduce over time as technology improves. IETA believes that companies can use both technology-based and nature-based removals as well as emissions reduction VCCs to counterbalance residual emissions. Regardless of whether a company compensate its residual emissions with emissions reduction or removals VCCs, the outcome in terms of impact on net global GHG emissions is the same.[92]

Companies however may want to consider a pathway for transitioning to a greater share of removals over time. To scale carbon removals on time, companies are encouraged to invest well in advance of the need for the VCCs to ensure sufficient removals are available when reaching net zero emissions and to maintain net zero thereafter. IETA's view is that transition plans should require companies to invest in VCCs now to tackle their residual emissions. Long-term VCC procurement contracts or offtake agreements are enablers of project bankability and scaling up of removals supply.

As far as claims are concerned, IETA supports companies claiming to have reached net zero, and further maintain net zero, so long as they continue to counterbalance their residual emissions.

3.4.7 ADDRESSING HISTORICAL EMISSIONS

Companies can further contribute to global net zero by addressing their historical emissions. IETA believes that a company's first priority is to meet its interim internal emissions reduction targets and reach net zero aligned with the Paris Agreement goals, but thereafter, there is much a company can do to demonstrate leadership and take more ambitious climate action. Addressing a company's historical emissions by investing in VCCs to compensate for the environmental impact, is one such way.

VCCs ALLOWS COMPANIES TO INSET, COMPENSATE, COUNTERBALANCE, AND EVEN TAKE RESPOSABILITY FOR PAST IMPACTS AND CONTRIBUTE TO GLOBAL NET ZERO

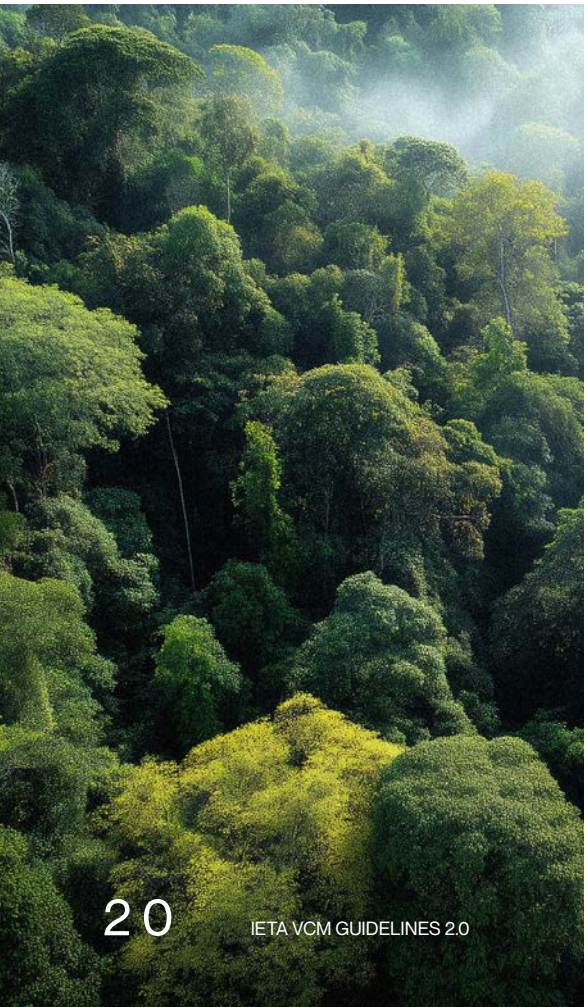
BOTH HIGH-QUALITY EMISSIONS REDUCTIONS AND REMOVALS VCCs ARE REQUIRED TO REACH AND MANTAIN NET ZERO.

3.4.8 CONTRIBUTING TO GLOBAL NET ZERO

IETA strongly encourages companies to go beyond delivery of net zero targets and support global net zero. One way to do this is by further investing in high-quality VCCs once interim targets have been met. Other ways include investing into collaborative decarbonisation efforts, capacity building and research initiatives, among others.

Companies can use VCCs to contribute to global net zero and demonstrate ambitious climate action. One practical tool to do so is the VCMI Claims Code of Practice[93] which outlines an approach for companies seeking to use high-quality VCCs to accelerate global net zero and go above and beyond its science-aligned emissions reduction targets. These contributions provide system-wide benefits, and should be recognised (in ESG frameworks, taxonomy or incentives), even if they do not count toward decarbonisation targets. To motivate this action, incentives are required such as a global dashboard, government tax breaks, clear guidance on claims, among others.

For credible contribution claims related to contribution to global net zero, IETA believes that companies shall first demonstrate that interim internal emissions reduction targets have been achieved and publicly reported and then demonstrate the use of VCCs to go beyond those targets and increase ambition.



GUIDELINE 05

3.5 ENSURE THAT ONLY HIGH-QUALITY VCCs ARE USED

GOING BEYOND NET ZERO WITH HIGH-QUALITY VCCs MEANS MORE THAN MEETING TARGETS—IT'S ABOUT ACCELERATING GLOBAL DECARBONISATION AND BUILDING TRUST THROUGH INTEGRITY.

3.5.1 QUALITY CRITERIA

IETA's position is that only high-quality VCCs should be used in corporate decarbonisation plans. VCCs must be real, additional, measurable and verifiable. Further, VCCs must be issued under a high-quality crediting programme with robust methodologies (see section 3.5.3), and from projects with high environmental and social integrity that do no harm, minimise leakage and include meaningful stakeholder consultation.

VCCs generating activities such as projects or jurisdictional scale programs should always be independently validated and verified by credible accreditation bodies (VVBs). Project participants must follow best practices in the market and any existing Code of Practice[94] available, to ensure integrity of operations in the market. Projects must have ongoing monitoring plans and regular reporting cycles.

To increase transparency and accuracy, project and jurisdictional programme information, including methodologies and retirement data, must be publicly available and understandable. Double counting and double claiming should be prevented, by using recognised and publicly available registries. Many initiatives addressing standardisation and interoperability in carbon project data, including for the purposes of facilitating linkage between compliance and voluntary schemes and improving alignment among regulatory entities, are underway. These include the CAD Trust,[95] the Carbon Data Open Protocol (CDOP),[96] the World Bank Carbon Market Infrastructure Working Group (CMI),[97] the G20 Sustainable Finance Working Group's Common Carbon Credit Data Model,[98] the Article 6.2 Crediting Protocol,[99] ISO/NP TS 32214 Data Model for Carbon Credit Markets[100] and the ICVCM's Continuous Improvement Work Programs.[101]

3.5.2 QUALITY LABELS AND FRAMEWORKS FOR CREDITING PROGRAMMES AND METHODOLOGIES

Companies should retire VCCs that have been issued by reputable, experienced carbon crediting programmes and prioritize, when available, those which have an independent, third-party quality label.

Several current and emerging frameworks provide guiding quality criteria including the Core Carbon Principles (CCP)[102] overseen by ICVCM, CORSIA,[103] ICROA-Endorsed crediting programmes,[104] or the Article 6 Rulebook developed by the UNFCCC.[105]

Whenever possible, companies should seek to invest in projects that are issuing VCCs by a CCP approved programme under a CCP approved methodology, and purchase CCP-labelled VCCs. The ICVCM is still undergoing assessment of all the existing methodologies in the market, therefore the pipeline of available CCP VCCs will grow as more methodologies are approved, projects transition to higher quality CCP methodologies and new projects come online. Until then, companies must navigate a transitional period where not all high-quality VCCs carry a recognised label. Companies should consider use of unlabelled VCCs by following careful and transparent due diligence processes, especially for legacy portfolios or niche use cases.

Some countries have also set their own carbon principles and eligibility criteria for crediting programmes and methodologies (e.g. Singapore, UK, Ghana and Chile), that companies must follow to operate in those jurisdictions.

Companies should use both methodology or standards body labels[106] and project-specific due diligence (e.g. CRAs, in-house assessment) to guide their procurement decision making.

3.5.3` DUE DILIGENCE

Corporate buyers are ultimately responsible for careful selection and due diligence of VCCs purchased. Due diligence of carbon projects is constantly evolving with new science, evolving methodologies and updated baselines.

Companies should consider specific due diligence to enable selection of VCCs that are in line with the organisation's requirements (e.g., quality labels, project location, project type, SDG impact, share of proceeds). Where possible, companies should transparently disclose information relating to their due diligence process to ensure alignment with internationally recognised integrity standards and principles.

Further information and individual project-level reviews can be obtained from various carbon credit ratings agencies (CRAs) and research platforms. Companies should consider the scope of assessment provided by such third parties as these do vary.

3.5.4 RISK MANAGEMENT

IETA encourages companies to manage the risk of the projects from where VCCs originate to ensure they deliver climate action, stated revenue sharing commitment and associated co-benefits. Companies can use carbon ratings and carbon insurance to manage risk and improve confidence, quality, and integrity of the VCCs.

Carbon ratings provide an independent, assessment of the risk that VCCs issued by a specific project may not deliver the quantity or quality of VCCs anticipated in their Project Design Document. These ratings can help buyers and intermediaries make informed decisions about the environmental integrity of VCCs alongside of their due diligence efforts. Transparent and robust ratings methodologies are needed to ensure CRAs can support in building and improving market confidence in VCCs.

Carbon insurance helps provide financial protection against specific risks such as reversal events or invalidation that may compromise the performance of a VCC post-issuance. Together, ratings aim to offer a diagnostic view of risk, while insurance provides a mechanism to manage and transfer that risk, enhancing the reliability and resilience of the VCC market.

3.5.5 SERVICE PROVIDER QUALITY

Companies sourcing VCCs can seek out qualified and trusted carbon market service providers (e.g. retailers, project developers, consultants and data companies). These service providers may be accredited against an industry code of best practice and undergo an annual third-party audit, such as under the International Carbon Reduction and Offset Alliance (ICROA). ICROA Approved[107] service providers can provide guidance and assist companies to source VCCs that adhere to good governance and support ongoing portfolio risk management.

HIGH-QUALITY VCCs DEMAND MORE THAN A LABEL—RIGOROUS DUE DILIGENCE, CODES OF BEST PRACTICE FOR MARKET PARTICIPANTS, RATINGS, AND RISK MANAGEMENT ENSURE INTEGRITY AND LASTING CLIMATE IMPACT.

3.5.6 EMISSION REDUCTIONS AND REMOVALS

IETA supports companies using both high-quality emission reductions and removals VCCs in their decarbonisation pathway. Importantly, to reach and matain net zero, reduction VCCs are needed now to prevent further emissions entering the atmosphere, whilst removals need to be scaled up significantly to net off residual emissions as we get closer to 2050.[108] While removals are necessary for achieving long-term net-zero goals, reductions are critical for delivering rapid climate benefits, serving as a necessary bridge to allow climate action to proceed now while waiting for removal technologies to mature.[109] IETA supports a balanced approach that values both emissions reduction and removals to deliver corporate net zero.

3.5.7 PERMANENCE

Both nature-based and technology-based VCCs play essential and complementary roles in the fight against climate change, and one should not be favoured over the other. While ensuring permanence is critical, overemphasising non-permanence risk, in particular of nature-based removals, can result in delaying urgent action. IETA supports a balanced approach that values both types of removals VCCs to ensure immediate impact and long-term sustainability in corporate climate strategies.

The market is evolving to develop new solutions for addressing permanence for all VCC types.[110] To better manage permanence concerns, a range of strategies can be followed by crediting programmes including shorter post-crediting period monitoring requirements combined with solutions such as buffer contributions and automatic cancellations. Investors can also consider insurance products, or monetary contributions to a fund to manage long-term reversals or transfer of risk and liability to third parties. Such solutions offer more realistic and enforceable means of managing non-permanence risk, while allowing high-quality nature VCCs to benefit from much-needed finance to meet the goals of the Paris Agreement.

3.5.8 VINTAGE

While vintage is not a direct indication of quality, this generally helps to ensure that climate action supported by the purchase of VCCs is based on up-to-date methodologies and baselines.[111]

Flexibility in implementation is required particularly where projects meet high standards but may have issuance outside the target commitment period due to the varying nature of VCC supply, project cycles, or host country contexts, among others. A risk-based approach should be encouraged to maintain market liquidity and access, as well as ensure that companies decarbonisation efforts are not limited by lack of supply of high-quality VCCs. This will balance environmental integrity with practical market function.

RAPID CUTS NOW, SCALABLE REMOVALS FOR TOMORROW—HIGH-QUALITY VCCs MUST BALANCE BOTH TO DELIVER REAL, LASTING NET ZERO IMPACT.

GUIDELINE 06

3.6 TRANSPARENTLY ACCOUNT AND PUBLICLY DISCLOSE USE OF VCCs

Companies should transparently account for and publicly report on the use of VCCs alongside internal mitigation efforts. This includes publicly disclosing gross and net GHG emission separately, clarifying how VCCs are being used in their decarbonisation plans, providing detailed information on the use and quality of VCCs, and if applicable, providing clear explanations when and why targets have been missed. Companies should also disclose plans to address the barriers that are preventing them from reducing their emissions.

Companies can rely on existing disclosure frameworks (see Guidance 2),[112] both mandatory and voluntary, to consistently report on their GHG emissions, including the reporting of VCCs used. The VCMI Monitoring, Reporting and Assurance (MRA) Framework[113] also provides a good basis for reporting transparently on credible corporate climate action and use of VCCs.

3.6.1 GROSS AND NET GHG EMISSIONS

IETA believes a company should clearly disclose information relating to any VCC it has purchased and retired and reporting of GHG emissions' inventories should be done both on a gross and net basis. Gross emissions reflect the GHG emissions within the company's value chain, while net emissions reflect the gross emissions minus any use of VCCs counting towards corporate targets. This aligns with many mandatory disclosure obligations and reflects the requirement to ensure that all interested stakeholders should be fully informed.

IETA believe a company should always report its gross emissions, as well as its net emissions. The purchase of VCCs should never be a substitute to direct efforts to reduce emissions in accordance with Guidance 3.

3.6.2 VCC INFORMATION

VCC information disclosure should include, at the minimum: Project or jurisdictional programme name, type, vintage, location, programme and methodology under which the VCCs were issued, purpose of retirement, retirement details and link to registry retirement listing and any relevant project-specific due diligence (e.g. CRAs). IETA encourages companies to report on the social and environmental benefits as well as on the risks of their VCCs.

Companies should consider specific disclosure requirements for VCCs use at the country level.[114] It is recommended that companies, especially multinationals, observe this trend which may differ from one country to another to both fulfil regulatory obligations and to build trust in the market through transparency.

3.6.3 DISCLOSURE WHEN MISSING TARGETS

IETA recommends that when companies use VCCs to compensate for under-delivery or missed targets, they should disclose through annual reporting why these targets were missed. This disclosure should explain all exogenous factors (e.g., macroeconomic volatility, policy lags, infrastructure unavailability), to avoid reputational risk from oversimplified assessments. Companies should report on the planned mitigation activity that could not take place, why it could not be implemented, and how long this may last, in line with best practices in quantifying an organisation's climate risk. Planned efforts to take corrective action and to get back on track with their science-aligned net zero pathway, should also be reported, including the anticipated time frame.

GUIDELINE 07

3.7 MAKE ROBUST, TRANSPARENT, SUBSTANTIATED AND CREDIBLE CLAIMS

IETA supports companies making robust, transparent, substantiated and credible claims consistent with the use of VCCs in their decarbonisation strategies and reflecting the environmental and social impact of their VCC purchases.

IETA supports both compensation as well as contribution claims, as best fits companies' decarbonisation strategies. Companies' claims need to comply with jurisdictional regulations, including regulation relating to voluntary use of VCCs, national arrangements for participation under Article 6 of the Paris Agreement, if applicable, and domestic compliance markets, as well as claims codes and other applicable guidance.

Any statement a corporate make in respect of VCCs it has purchased ("claim") should be clear as to where the abatement has been achieved and a company must ensure that it does not double count such abatement or make a double claim in respect of such abatement. Companies, however, can co-claim a mitigation outcome when both share the same emissions.[115]

As per section 3.6 above, IETA believes companies should be transparent about their use of VCCs and report all relevant VCC information including the type of claims being made associated with its use (see section 3.4). Companies need to be particularly vigilant when making environmental claims to ensure they are accurate and are not susceptible to misinterpretation by consumers. Legal guidance is advised.

3.7.1 COMPENSATION CLAIMS

Compensation claims apply when companies use VCCs to help meet their interim and long-term emissions reduction targets. Companies may determine the appropriate amount of scope 1, 2 or 3 emissions that can be addressed through VCCs, considering their own circumstances. The company compensates the GHG emissions within its scope by retiring VCCs for an equivalent amount of GHG emissions reductions or removals generated outside or inside the value chain (insetting) of that company. Compensation claims impart accountability and responsibility for a companys footprint.

TRANSPARENCY BUILDS TRUST—COMPANIES MUST DISCLOSE GROSS AND NET EMISSIONS, VCC DETAILS, AND MAKE ONLY CLEAR, CREDIBLE CLAIMS ABOUT THEIR CLIMATE IMPACT.

Compensation claims are being increasingly scrutinised under advertising laws and require a solid basis, including the exclusive use of high-quality VCCs, precise boundaries (scopes and sources included), and transparent methodologies.

IETA supports companies making robust compensation claims by using VCCs to count towards a company's GHG inventory 'gross emissions' and reporting separately the use of VCCs (see section 3.6.1). Companies should report transparently and accurately on the type of claims and substantiate the use of high-quality VCCs following recognised disclosure frameworks (see section 3.6).

IETA encourages companies to take full responsibility for meeting their targets, to support the Paris Agreement goals, and to be able to make robust and credible claims for using VCCs to meet their targets. IETA supports claims of being 'net zero aligned' when these are made in respect of the use of VCCs as a complementary tool to internal decarbonisation efforts. VCC use should be transparently disclosed alongside information on where the emissions mitigation occurred, and whether the mitigation is contributing to the host country NDC and aligned with domestic regulation – including Article 6 and domestic compliance markets, when applicable. IETA supports companies taking responsibility to stay on track in their net zero pathways, and that rules and frameworks allow pragmatic and actional approaches for companies to do so, as per section 3.4.4.

The use of VCCs for compensation claims should not be a substitute for decarbonisation efforts in the value chain, and the two should happen in tandem with full public disclosure (see section 3.6.3).

3.7.2 CONTRIBUTION CLAIMS

Contribution claims apply when companies use VCCs, but they do not use them to meet their interim and long-term emissions reductions targets. Contribution claims do not imply a reduction in a company's carbon footprint and should not be communicated as 'offsetting'.

Companies can use contribution claims towards global mitigation efforts where an organisation wishes to go above and beyond addressing their own emissions by investing in broader climate action, or for supporting new, innovative technologies which may be difficult to report using a tonne-for-tonne approach. A useful framework companies can use to make contribution claims is the VCMI's Claims Code of Practice.[116] Companies may also claim contributions to countries' NDCs as the mitigation activity is counted toward national GHG inventories.

3.7.3 AVOIDING DOUBLE COUNTING AND DOUBLE CLAIMING

"Double counting occurs when a single GHG emission reduction or removal is counted more than once towards achieving mitigation targets or goals. Double claiming occurs when the same GHG emission reduction or removal is claimed by two different entities towards achieving mitigation targets or goals within the same accounting system".[117]

IETA believes no corresponding adjustment (CA) is required for voluntary use of VCCs. GHG accounting of companies' emissions run in parallel with countries' GHG accounting under the Paris Agreement. IETA considers that a corporate that has purchased a non-CA VCC can claim it has done so as part of its own climate action targets, while these emission reductions and removals can simultaneously count toward the host country NDC. This clarity is vital to avoid unnecessary constraints on private sector climate action, and for companies to take responsibility for their emissions beyond regulatory compliance.

IETA supports the use of VCCs to finance the abatement of emissions in the host country and to help that country achieve its NDC. Companies can use VCCs towards a corporate target. At the same time, these VCCs can count towards the host country NDC if the host country has an economy wide NDC or if the VCCs fall in a sector within the NDC or national GHG inventory. Companies and countries need to both consistently report on the use of VCCs under their own reporting framework to avoid double counting and double claiming of emissions reduction or removals.

To avoid double counting and double claiming:

- A company purchasing VCCs should follow any regulation in place by the relevant Government body in the host country of the project to ensure the project activity and the use case for the relevant VCCs comply with the national legal framework and all relevant host country rules.
- A company purchasing VCCs should disclose all material details relating to the VCCs it has purchased as part of any claim it is making. This includes the host country of the project, where the abatement has occurred, the crediting programme and registry, project details, the amount and retirement reason (the use, and any Article 6 applying rule, if applicable) and where available, any corresponding adjustments applied. Labels or VCC project ratings should also be disclosed.

ROBUST CLAIMS REQUIRE MORE THAN WORDS— ONLY HIGH-QUALITY VCCs, TRANSPARENT REPORTING, AND FULL ACCOUNTABILITY BUILD CREDIBILITY AND AVOID GREENWASHING.

04 CONCLUSION

THE IETA GUIDELINES SERVE AS A FRAMEWORK FOR COMPANIES TO INCORPORATE VCCs INTO THEIR CLIMATE STRATEGIES. EMPHASISING IMMEDIATE, RIGOROUS ACTION IN SUPPORT OF THE PARIS AGREEMENT GOALS, THESE GUIDELINES ADVOCATE FOR COMPANIES TO COMMIT TO REACH NET ZERO BY 2050 OR SOONER.

This commitment must include measurement of all emissions scopes; implementing credible decarbonisation plans including the use of high-quality VCCs in line with the mitigation hierarchy; taking responsibility for their unabated and residual emissions using high-quality VCCs; robustly accounting and transparently reporting on their use of VCCs in their decarbonisation strategies and maintaining net zero. Robust, creditable and transparent claims are founded on these guidelines.

Acknowledging the critical role of the private sector, the IETA Guidelines urge companies to set interim internal emissions reduction targets and net zero pathways, avoid missing near- and long-term targets by compensating with VCCs, and to stay on track of their science-aligned net zero pathways through carbon markets. It urges companies to set emissions reduction and removals strategies to address their unabated emissions on their way to net zero, their residual emissions at net zero, at mantain it thereafter.

The Guidelines call on standard setter and regulators to work together with pragmatism on clear rules for the voluntary carbon market, aligned with country regulations and corporates drivers for the use of VCCs.

The IETA Guidelines are a call to action for companies to not only meet but exceed their climate targets supported by carbon markets, thereby contributing significantly to the global pursuit of the Paris Agreement goals. We acknowledge that the market and its infrastructure is rapidly evolving, so we welcome ideas to continue strengthening these Guidelines.

IETA'S GUIDELINES ARE A CALL TO ACTION—URGING COMPANIES TO CUT EMISSIONS FAST, USE HIGH-QUALITY VCCs WITH INTEGRITY, AND GO BEYOND TARGETS TO TRULY DELIVER ON THE PARIS AGREEMENT.

ENDNOTES

1. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf
2. https://www.ieta.org/guidelines-for-high-integrity-use-of-carbon-credits
3. https://ca1-nzt.edcdn.com/Reports/Net_Zero_Stocktake_2024.pdf?v=1732639610
4. https://www.accenture.com/us-en/insights/sustainability/destination-net-zero
5. https://www.ieta.org/wp-content/uploads/2024/02/Report_AlliedOffsets-VCM--Forecast_150224.pdf
6. https://files.sciencebasedtargets.org/production/files/SBTi-Business-Ambition-final-report.pdf
7. https://www.accenture.com/us-en/insights/sustainability/destination-net-zero
8. https://www.ieta.org/uploads/wp-content/Resources/Reports/Report_AlliedOffsets-VCM-Forecast_150224.pdf
9. https://www.bain.com/globalassets/noindex/2024/bain_report_the_visionary_ceos_guide_to_sustainability-2024.pdf
10. https://files.sciencebasedtargets.org/production/files/SBTi-The-Scope-3-challenge-survey-results.pdf
11. https://www.theclimateboard.com/research/vcmi/
12. https://vcmintegrity.org/wp-content/uploads/2025/07/A-Confident-Carbon-Market-Business-Perspectives.pdf
13. https://www.ieta.org/guidelines-for-high-integrity-use-of-carbon-credits
14. https://www.nccs.gov.sg/files/docs/default-source/default-document-library/Draft_Voluntary_Carbon_Market_Guidance_For_Public_Consultation__June_2025_.pdf
15. https://www.nature.org/en-us/what-we-do/our-priorities/tackle-climate-change/climate-change-stories/carbon-market-credits-offsets/corporate-uses-of-carbon-credits/
16. https://www.ieta.org/about
17. IETA understands unabated emissions as the organizational GHG emissions that remain annually while on the net zero pathway. Should an organization fail to stay on the net zero pathway, excess GHG emissions will be considered unabated emissions. Unabated emissions therefore also include GHG emissions in excess of the science-aligned net zero pathway. A proportion of unabated GHG emissions is forecast to be residual emissions at net zero.
18. IETA understands residual emissions as the unabated anthropogenic GHG emissions remaining at the net zero target date after implementing all technically and economically feasible activities to achieve GHG emission reductions across the value chain. Technically feasible means that an activity is commercially available.
19. https://www.nature.org/content/dam/tnc/nature/en/documents/c/m/CM_TNC_Bending-the-Curve-Corporate-Use-of-Carbon-Credits-for-Net-Zero.pdf
20. https://www.ecosystemmarketplace.com/publications/2023-em-all-in-on-climate-report/
21. https://openknowledge.worldbank.org/server/api/core/bitstreams/759965cc-fcd6-5167-b-890-77efc4bdbffb/content
22. https://icroa.org/about/glossary/
23. https://www.ieta.org/modelling-the-economics-of-article-6-capstone-report
24. https://www.ieta.org/voluntary-carbon-markets-and-ndc-implementation-ieta-nacs-workshop
25. https://www.unep.org/news-and-stories/press-release/global-annual-finance-flows-7-trillion-fueling-climate-biodiversity
26. https://www.sylvera.com/reports/carbon-credits-and-decarbonization
27. https://www.msci.com/documents/1296102/42267055/Using+Carbon+-Credits+to+Meet+Corp+Climate+Targets_Nov+2023.pdf
28. https://www.ecosystemmarketplace.com/publications/2023-em-all-in-on-climate-report/
29. https://www.bain.com/globalassets/noindex/2024/bain_report_the_visionary_ceos_guide_to_sustainability-2024.pdf
30. https://vcmintegrity.org/wp-content/uploads/2025/07/A-Confident-Carbon-Market-Business-Perspectives.pdf
31. https://vcmintegrity.org/coalition-to-grow-carbon-markets/
32. https://www.worldbank.org/en/publication/state-and-trends-of-carbon-pricing
33. https://www.ieta.org/visualising-article-6-implementation
34. https://www.iata.org/en/programs/sustainability/corsia
35. https://carbonpricingdashboard.worldbank.org
36. https://www.worldbank.org/en/publication/state-and-trends-of-carbon-pricing
37. https://www.nature.org/content/dam/tnc/nature/en/documents/c/m/CM_TNC_Bending-the-Curve-Corporate-Use-of-Carbon-Credits-for-Net-Zero.pdf
38. https://multimedia.europarl.europa.eu/en/webstreaming/press-conference-by-sandro-gozi-renew-fr-and-tiemo-wolken-s-d-de-co-rapporteurs-on-reaction-to-cance_20250623-1515-SPECIAL-PRESSER
39. https://www.oecd.org/en/publications/exploring-governments-efforts-to-shape-carbon-credit-markets_0bafe9af-en.html
40. https://unfccc.int/process-and-meetings/the-paris-agreement/article-6/article-6-decisions-and-documentation
41. https://icvcm.org
42. https://www.iata.org/en/programs/sustainability/corsia
43. https://unfccc.int/process-and-meetings/the-paris-agreement/article-6/article-6-decisions-and-documentation
44. https://icroa.org
45. https://sciencebasedtargets.org/net-zero
46. https://sciencebasedtargets.org/developing-the-net-zero-standard
47. https://sciencebasedtargets.org/blog/deep-dive-the-role-of-carbon-credits-in-sbti-corporate-net-zero-standard-v2
48. SBTi defines neutralization as the measures that companies take to counterbalance the climate impact of GHG emissions which are impossible to avoid after their net-zero target date. Neutralization involves permanent removal and storage methods of CO2 from the atmosphere. In order to achieve net-zero, once companies have achieved their long-term target, they must neutralize any residual emissions (usually less than 10% of base year emissions) using permanent carbon removals and storage.
49. SBTi defines residual emissions as emissions that cannot be completely eliminated despite implementing all available mitigation measures contemplated in pathways that limit warming to 1.5°C with no or limited overshoot. In the context of science-based targets, residual emissions refer to the company's scope 1, scope 2 and scope 3 emissions that remain once its long-term emissions reduction target has been achieved.
50. SBTi defines annual unabated emissions as the emissions that remain in a given year as a company progresses towards the delivery of its near- and long-term science-based target.
51. SBTI indicated a desire to increase recognition for companies investing in Beyond Value Chain Mitigation (BVCM), but at the time of this publication how SBTi will increase recognition is not yet clear. BVCM refers to mitigation action or investments outside of a company's value chain.
52. https://www.iso.org/standard/43279.html
53. Retiring a quantity of VCCs equivalent to all or part of the GHG inventory.
54. ISO 14068-1 defines unabated emission as GHG emission of the subject remaining after activities resulting in GHG emission reductions within the boundary of the subject. Unabated GHG emissions include, but are not limited to, residual GHG emissions. Residual emissions are defined as unabated GHG emission remaining after implementing all technically and economically feasible GHG emission reductions.
55. https://www.iso.org/netzero
56. https://www.iso.org/contents/news/2024/06/netzero-standard-underway.html

57. ISO Net Zero Guidelines defines offset as emissions reduction or removal resulting from an action outside the organization's boundaries used to counterbalance the organization's residual emissions. Offsets are usually represented by a credit that has been retired or cancelled in a registry by or on behalf of the organization that is seeking to counterbalance residual GHG emissions. Only offsets that are removals can be used to counterbalance residual emissions to achieve net zero.
58. ISO Net Zero Guidelines defines residual emissions as GHG emissions that remains after taking all possible actions to implement emissions reductions. Residual emissions are estimated for each year from the net zero target date (e.g. 2050), not for interim target dates, using a 1,5 °C aligned science-based pathway. All possible actions refer to what is technically and scientifically feasible.
59. ISO Net Zero Guidelines defines avoided emission as the potential effect on greenhouse gas emission that occurs outside the boundaries of the organization but arising through the use of its products or services, outside Scope 1 emissions, Scope 2 emissions and Scope 3 emissions.
60. https://vcmintegrity.org/vcmi-claims-code-of-practice/
61. VCMI defines remaining emissions as emissions that remain in a given year as a company progresses towards the delivery of its near and long-term targets.
62. https://vcmintegrity.org/scope-3-action/
63. VCMI defines excess emissions as the emissions gap between where emissions should be according to their target and where they currently are.
64. https://www.nccs.gov.sg/files/docs/default-source/default-document-library/Draft_Voluntary_Carbon_Market_Guidance_For_Public_Consultation__June_2025_.pdf
65. https://www.gov.uk/government/publications/voluntary-carbon-and-nature-market-integrity-uk-government-principles/principles-for-voluntary-carbon-and-nature-market-integrity
66. https://vcmintegrity.org/coalition-to-grow-carbon-markets/
67. https://icvcm.org/continuous-improvement--work-programs
68. https://www.unidroit.org/wp-content/uploads/2025/01/Study-LXXXVI-W.G.4-Doc.--3-Draft-Principles.pdf
69. https://ghgprotocol.org/corporate-standard
70. https://www.iso.org/standard/66453.html
71. https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/
72. https://www.fsb-tcfd.org/recommendations/
73. https://www.ifrs.org/content/dam/ifrs/groups/cdsb/cdsb-framework-2022.pdf
74. https://www.globalreporting.org
75. https://www.ifrs.org/content/dam/ifrs/knowledge-hub/resources/tpt/disclosure-framework-oct-2023.pdf
76. https://www.cdp.net/en/disclose/verification
77. https://sciencebasedtargets.org
78. https://www.transitionpathwayinitiative.org
79. https://www.missionpossiblepartnership.org
80. https://www.ipcc.ch/report/ar6/syr/
81. https://www.nature.org/content/dam/tnc/nature/en/documents/c/m/CM_TNC_Bending-the-Curve-Corporate-Use-of-Carbon-Credits-for-Net-Zero.pdf
82. https://www.ieta.org/mitigation-hierarchy-101
83. https://ghgprotocol.org/product-standard
84. https://www.iso.org/standard/43279.html
85. https://www.ieta.org/guidelines-for-high-integrity-use-of-carbon-credits
86. https://vcmintegrity.org/scope-3-action/
87. https://verra.org/wp-content/uploads/2025/03/S3S-Standard-v0.1.pdf
88. https://ghgprotocol.org/land-sector-and-removals-guidance%22%20/t%20%22_blank
89. https://verra.org/wp-content/uploads/2025/03/S3S-Standard-v0.1.pdf
90. Within the S3SP, the impact of the reduction or removal activity is quantified and issued as an 'intervention unit'. Subsequently, a company with an equivalent product in their value chain establishes a 'right to report' based on a feasible supply chain connection to the intervention and product. Companies can then make claims on the basis of intervention units with safeguards that prevent double counting and double claiming based on the company's tier in the supply chain and the total issuance of intervention units.
91. https://aimplatform.org/wp-content/uploads/2025/01/AIM-Platform-Criteria-Draft-for-Stakeholder-Comment.pdf
92. https://www.tandfonline.com/doi/full/10.1080/17583004.2024.2390840#d1e181
93. https://vcmintegrity.org/vcmi-claims-code-of-practice/
94. https://icroa.org/standard-endorsement/
95. https://climateactiondata.org
96. https://www.cdop.info
97. https://www.theclimatewarehouse.org/work/carbon-markets-infrastructure-working-group
98. https://g20sfwg.org
99. https://www.nccs.gov.sg/files/Article_6_Protocol_v1_11Nov2024_final.pdf
100. https://standardsdevelopment.bsigroup.com/projects/9025-12026
101. https://icvcm.org/continuous-improvement-work-programs/
102. https://icvcm.org/core-carbon-principles/
103. https://www.iata.org/en/programs/sustainability/corsia
104. https://icroa.org
105. https://unfccc.int/process-and-meetings/the-paris-agreement/article-6/article-6-decisions-and-documentation
106. CCP labeled VCCs or crediting programs endorsed by ICROA.
107. https://icroa.org
108. https://www.smithschool.ox.ac.uk/sites/default/files/2024-02/Oxford-Principles-for-Net-Zero-Aligned-Carbon-Offsetting-revised-2024.pdf
109. https://www.ipcc.ch/srccl/
110. https://icvcm.org/wp-content/uploads/2025/05/CIWP-Permanence-Report.pdf
111. Under CORSIA, VCCs must be issued from 2016 onwards, helping ensure up-to-date methodologies and real climate benefits. This can guide voluntary buyers in aligning with evolving quality standards.
112. https://www.ieta.org/the-evolving-voluntary-carbon-market-paper
113. https://vcmintegrity.org/wp-content/uploads/2023/11/VCMI-MRA-Framework.pdf
114. For example, California's requirement that all buyers and sellers of VCCs doing business in California must disclose this information, under AB 1305.management — Part 1: Carbon neutrality
115. An example of problematic double counting or double claiming occurs where a company buying a VCC counts the emissions reductions or removals while the selling company also includes the emissions reductions or removals within its inventory. Where companies or countries share the same emissions, this is co-claiming and should be distinguished from double counting. For example, a company reducing or removing its direct emissions (i.e. its Scope 1 emissions) would reduce its suppliers' Scope 3 emissions and both should be allowed to report/claim the benefit. The same occurs when a country claim the mitigation of a company reducing or removing emissions in their territory.
116. https://vcmintegrity.org/vcmi-claims-code-of-practice/
117. https://vcmintegrity.org/wp-content/uploads/2025/04/VCMI-Scope-3-Action-Code-of-Practice.pdf

IETA

Headquarters
Grand-Rue 11
CH-1204 Genève
Switzerland
+41 22 737 05 00

Brussels
Rue du Commerce
Handelsstraat 123
1000 Brussels
Belgium
+32 289 55 747

Washington
1001 Pennsylvania Ave. NW
Suite 7117
Washington, DC 20004
+1 470 222 IETA (4382)

Toronto
180 John Street
Toronto, ON
M5T 1X5

Singapore
62 Ubi Road 1 #04-24
Oxley Bizhub 2
Singapore 408734

IETA also has
representation in:
Beijing, London, Tokyo
and Auckland.

ieta.org