REQUIREMENTS

Organisational carbon footprints

Requirements for assurance

Part 2: Claims and Logo

Scope 1, 2 and 3 emissions

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Contents

1 Terms and definitions

For the purposes of this document the following terms and definitions apply:

Appended claim	An additional verification claim, which can be used in conjunction with a defined base claim.
Base claim	The verification claim that must be attained (e.g., reducing) to be eligible to pursue an appended claim (e.g., climate projects funded).
Carbon credit	A tradable financial instrument that is issued by a carbon-crediting programme. A carbon credit represents an emissions reduction to, or removal from, the atmosphere equivalent to one metric tonne of CO_2e, calculated as the difference in greenhouse gas emissions (hereafter 'emissions') from a baseline scenario to a project scenario. Carbon credits are uniquely serialised, issued, tracked and retired, or administratively cancelled by means of an electronic registry operated by an administrative body, such as a carbon-crediting programme.
Carbon removal	Anthropogenic activities removing CO_2 from the atmosphere and durably storing it in geological, terrestrial or ocean reservoirs, or in products.
Claim period	The time period in which the claim of verification is valid for.
Climate projects funded (CPF)	Demonstration of investment in decarbonisation within the applicant product(s), or in the ex-post carbon credit market, or investment in the development of the ex-ante carbon removals market.
CPF claim boundary	The part of the operational verification boundary to be used for the climate projects funded claim (does not include Category 11b or optional emissions). In most cases, this is the same as the operational verification boundary if Category 11b is not included.
Ex-ante carbon removal project	A project that removes emissions from the atmosphere whereby these removals have not yet occurred.
Ex-ante	Calculated or existing before a particular event.
Ex-post	Calculated or existing after a particular event.
Indirect use of sold products	Products that indirectly consume energy (fuel or electricity) during use. For example, clothing requires washing and drying, food requires cooking and refrigeration). This is referred to as Category 11b for the purposes of this document.
Annual decarbonisation target	Annual budget ringfenced for the purpose of achieving emissions reductions in the organisational carbon footprint.
Investment in decarbonisation	Using funds now for a project or initiative which has a future potential benefit, e.g., a new carbon removal technology.
Money for tonne	A methodology used to convert £1 to its greenhouse gas equivalent in tonnes.
Operational verification boundary	The scopes and categories to be verified by the Carbon Trust.
Purchase of carbon credits	Using funds now for a project or initiative where a benefit has already been realised, e.g., an ex-post carbon credit.

Reduction assessment boundary	The part of the operational verification boundary to be assessed for the like-for-like reduction assessment (based on the previous operational verification boundary and, i.e., exclusion of disposed BUs, exclusion of Category 11b or optional emissions).
Reduction carbon credits	Emissions reductions include avoided emissions, e.g., the deployment of renewable energy to replace planned fossil fuel power plants, programmes to update inefficient cook stoves, and the destruction of potent greenhouse gases like methane and nitrous oxide before they reach the atmosphere. In other cases, the emissions reduction requires physically storing the carbon where the emission was averted, e.g., installing carbon capture and storage (CCS) on industrial point sources or gas power stations (paying someone to avoid damage to natural and semi-natural ecosystems.)[1]
Removal carbon credits	Removal carbon credits are carbon credits issued from projects that remove CO_2 or greenhouse gases from the atmosphere. Removal projects could be: • Nature-based solutions like afforestation, reforestation, or mangrove restoration. • Technology-based solutions such as DACCS or enhanced rock weathering. • Hybrid solutions such as BECCS or biochar.

1.1 Abbreviations

BECCS	Bioenergy with Carbon Capture and Storage
DACCS	Direct Air Carbon Capture and Storage
ICAO	International Civil Aviation Organisation
ICROA	International Carbon Reduction and Offset Alliance
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
GHG	Greenhouse gases
SBTi	Science Based Targets initiative
CMP	Carbon management plan

[1] The Oxford Principles for Net Zero Aligned Carbon Offsetting, September 2020

2 General requirements footprint claims and logo use

2.1 General

- The Carbon Trust enables three categories of claims [see Table 1]. The claim may be used separately or in association with the Carbon Trust organisational carbon verification logo (‘the Logo’ hereafter).

Table 1. The types of claims.

Name	Verified footprint and claim	Verified comparison or status?	Logo?
Verified footprint (incl. Logo)	Yes	Status	Yes
Reducing	Yes	Comparison	Yes
Reducing and CPF	Yes	Comparison	Yes

- To be eligible for any of the three claims, including the Logo, the organisational carbon footprint shall be verified in accordance with the requirements in ‘Organisational carbon footprints: Requirements for assurance, part 1’ **(Org-RfA-1)** and the relevant requirements in ‘Organisational carbon footprints: Requirements for assurance, part 2’ **(Org-RfA-2)**.
- Where the organisation solely seeks a verified footprint (in compliance with the requirements of the chosen standard), they shall follow the requirements in Org-RfA-1 only [see Table 2]. This verified footprint claim excludes Logo use.
- Where the organisation does not meet the requirements of the relevant claim, the organisation is eligible for the verified footprint claim instead [see Table 2].

Table 2. The verified footprint claim, no Logo.

Name	Verified footprint and claim	Verified comparison or status?	Logo?
Verified footprint, no Logo	Verified footprint, no claim	Neither	No

- Depending on the claim the organisation wishes to make, the organisation shall define the operational verification boundary [5.3], the reduction assessment boundary [5.4] and the CPF claim boundary [6.1.1].
- Where the requirements in Org-RfA-2 differ from Org-RfA-1 and the organisation wishes to use a Logo claim, the requirements in Org-RfA-2 shall be conformed to.

2.2 Requirements updates and transition

- The Carbon Trust reserves the right to amend and update this document as necessary.
- Organisations using this document for purposes of obtaining verification, shall ensure that they are using the latest version available except where:
  - The project commences within six months of signing the contract and the requirements version has been released or updated within that period. In this case, the previous version may be used.

2.3 Licencing the Logo

- Following an achieved verification, and subject to a separate agreement, the organisation shall be licensed the Logo.
- To be licensed the use of the Logo, the organisation shall first:
  - Agree with the Carbon Trust Client Manager the information in Org-RfA-1, Section 3.1.
  - Complete a submission, which meets the requirements for verification following assessment by the Carbon Trust [see Org-RfA-1, Sections 4 and 5].
  - If seeking use of the Logo, the latest footprint period shall end no more than 15 months before the contract signing.

    Note: If the project does not start as planned due to the organisation's delays, the organisation shall make sure the end date is within 15 months of the project start.
- On completion of the verification, the organisation shall:
  - Use the Logo in conformity with all Logo licence terms.
  - Apply the marketing guidelines when communicating any information in relation to the verified claim.
  - Prepare the organisational footprint for re-verification ahead of the Logo expiry date.
  - Inform the Carbon Trust Client Manager if the organisation plans to remove the Logo.

2.4 Duration of verification

- The verification of greenhouse gas emissions ('emissions' hereafter) and reductions for particular reporting period(s) remains valid permanently (subject to rebaselining).

2.5 Duration of claim period

- The claim period of all claims (e.g., reducing) is one year following verification sign-off or the previous Logo license validity period.

3 Requirements for verified footprint claim

3.1 General requirements

- The organisation shall meet the requirements in Org-RfA-1 and Org-RfA-2, Section 2.
- The organisation shall choose the operational verification boundary.

3.2 Eligibility for the claim

- The verified footprint claim may be awarded for the following scenarios:
  - **Verified footprint –** Collect 12 months of data and verify one footprint period.
  - **Verified footprint enabling baseline comparison –** Collect 24 months of data and verify two footprint periods.
    - The first 12-month reporting period shall be the organisation's science-based target baseline (SBT) footprint period. The second 12-month reporting period shall be the current comparison year.
    - The baseline period may be older than 24 months but shall be no earlier than 2015.
    - For example, the first verification can be 2023 and 2015; the re-verification will be 2024 and 2015 etc.
    - No quantitative comparison shall be made in conjunction with the Logo claim.

3.3 Data quality assessments

- The verification shall check if the scoring (done by the organisation) is in line with the matrix in Appendix 1 of Org-RfA-1 and meets the thresholds in 3.3.1 and 3.3.2.
- Data granularity shall be at the appropriate level for the claim the organisation wishes to make.
- Where the organisation does not meet the data quality requirements under 3.3.1 and 3.3.2, the organisation may create a data quality improvement plan and re-submit for the verified footprint claim the following year (with the use of the Logo for both years) or use a verified footprint claim (without use of the Logo).
- The data quality assessment shall be completed for the operational verification boundary of the footprint.
- Where the operational verification boundary covers Scope 1, 2 and 3, there shall be two data quality assessments; one score for Scope 1 and 2, and one for Scope 3.
- Biases or other characteristics that could affect data quality and have been identified shall be investigated (e.g., by communicating with experts at a particular facility or elsewhere).

3.3.1 Scope 1 and Scope 2

- The average DQI score shall be at least 0.70.

Note: The above thresholds are subject to review.

3.3.2 Scope 3

- The average DQI score shall be at least 0.55.
- Scope 3, Category 11b or optional emissions shall be excluded from the data quality assessment.

Note: The above thresholds are subject to review.

3.4 Trade adjustment

- The organisation shall include trade adjustment in the Scope 2 emission factor.

3.5 Aircraft emissions

- If radiative forcing for air transport (passenger and freight) is ≥5% of total Scope 3, the associated emissions shall EITHER be:
    - Included in the footprint (and its inclusion disclosed) OR
    - Reported and disclosed separately.

  Note: Radiative forcing is not mandated by any standards, so when it is ≥5% of total Scope 3 emissions, the organisation may choose to report it separately rather than include it in the footprint.

4 Requirements for site level verification

4.1 General requirements

- If an organisation seeks site level verification, the organisation shall meet the following requirements:
  - The operational verification boundary for the claim shall cover all operational emissions of the chosen site. Operational emissions are defined as: stationary combustion, mobile combustion, fugitive emissions, process emissions, consumption of purchased electricity, consumption of heat, steam or cooling, and relevant upstream fuel-and energy-related emissions.

    Note 1: This is aligned with the boundary required to allocate emissions down to a product level to be used in a product carbon footprint (PCF).

    Note 2: The organisation shall clearly define whether an emissions source is considered within the boundary, e.g., whether a fleet is included within the site-level boundary.
  - Definition of the site shall be clear, including assets within the site level boundary.
  - Communication around the site level verification and the operational verification boundary shall be clear.
  - The organisation shall request technical committee approval through their Client Manager.
  - Other than the operational verification boundary requirements, the site level footprint and verification shall meet the requirements in Org-RfA-1 and 3.
  - The organisation may choose to include a reducing and/or climate projects funded claim onto this verification [see 5 and 6].

4.2 Operational verification boundary requirements

- 5.3 describes the requirements for an expanding operational verification boundary each year for a 'reducing' claim. For a site-level verification, this does not apply.
- The operational verification boundary specified in 4.1 shall be followed for the first and second verification.
- The organisation shall have set a Net Zero SBTi-aligned target by the third verification.

5 Requirements for reducing claims

5.1 General requirements

- The organisation shall meet the requirements in Org-RfA-1 and Org-RfA-2, Sections 2, 3 and 5.

5.2 Options for the reducing claim

- The claim may be awarded for **achieved** reductions based on the following:
  - **Year-on-year reductions —** collect 24 months of consecutive data and verify two footprint periods. The most recent data period shall show reductions compared to the previous rebaselined footprint, and the reductions will be verified.
    - The prior year footprint shall be rebaselined in line with 5.5.1.
  - **Reductions against a baseline —** collect 24 months of data and verify two footprint periods. The most recent data period shall show reductions compared to the rebaselined baseline footprint period, and the reductions will be verified.
    - The baseline period may be older than 24 months but shall be no earlier than 2015.
    - The baseline period shall also align to the organisation's science-based target (SBT) baseline footprint period where applicable.
    - The baseline year footprint shall be rebaselined in line with 5.5.1.
  - The organisation shall provide a carbon management plan (CMP), which shall be made publicly available following verification [see 5.6].
- Re-verification — verify the most recent year (one year following previous verification or baseline year). The most recent data period shall show reductions compared to the previous rebaselined footprint, and the reductions will be verified.
- The claim may be awarded for **planned** reductions based on the following situation:
  - Verify the 12-month footprint period and validate planned reductions through an accompanying CMP [see 5.6]. The re-verification shall then show achieved reductions between the baseline footprint period and the latest footprint period.
- The claim period duration shall be one year from sign-off (if first verification) or the previous Logo license (if re-verification).

5.3 Operational verification boundary requirements

- The operational verification boundary is the scopes and categories to be verified by the Carbon Trust.
- Whilst it is best practice to include all Scope 1, 2 and 3 emissions from first verification, the organisation's operational verification boundary shall include at **a minimum**:
  - First verification: all Scope 1 and 2 emissions.
  - Second verification: all Scope 1 and 2 emissions, and Scope 3 Categories 3, 6, 7, 8 and 13.
  - Third verification: all Scope 1, 2 and 3 emissions (all Scope 3 categories), and a Net Zero SBTi-aligned target set.
- The operational verification boundary shall be clearly defined.

  Note 1: Not all Scope 3 categories may be relevant for an organisation, but a statement justifying why it is not relevant shall be provided.

  Note 2: For site level verification, the operational verification boundary is different to this section and defined in 4.2.

  Note 3: Category 11b and optional emissions may be verified as part of the operational verification boundary.

5.4 Reduction assessment boundary requirements

- The reduction assessment boundary is the part of the operational verification boundary to be assessed for the like-for-like reduction assessment.
- The reductions shall be compared on a like-for-like basis (using the comparison year's operational verification boundary). When the comparison year's operational verification boundary is smaller than that of the current year, the reduction assessment is based on the smaller operational verification boundary.
- The rebaselined footprint shall also meet the data quality requirements in 3.3.
- As per SBTi boundaries, Category 11b and optional emissions (e.g., parts of Categories 14 and 15) may be excluded from the reduction assessment boundary and the CPF claim boundary. This shall be clear within communications.

5.5 Requirements for reductions

- The organisation shall have taken action(s) which (cumulatively) achieve(s) reductions in emissions related to the defined reduction assessment boundary.
- The organisation shall provide evidence for their reduction measures.
- The organisation may choose whether to show reductions on a market- or location-based approach.
    - The organisation shall not change approaches more than once.
- Where emissions reductions are on an absolute basis, there are no requirements regarding the size of any achieved quantitative reduction for this claim.
- Reductions may be allowed on an intensity basis:
    - The reduction shall be at least 2.5% (per year or compounded if reductions are against baseline year).
    - Revenue – the intensity metric shall be adjusted for inflation. This shall be done in a manner representative to the organisation's geographical coverage and product/sales portfolio. A consistent methodology shall be applied year on year. This adjustment shall be reviewed during the verification process.
    - Quantity – where the product/sales portfolio is made up of a diverse range of products, the organisation shall take a hybrid/normalisation approach e.g., Product A = 0.6 Product B. This shall be done in a manner representative e.g., by weight or revenue. This adjustment shall be reviewed during the verification process.

      Note 1: Other intensity metrics may be used and considered and will be reviewed during the verification process.
    - The organisation may switch between absolute and intensity reductions one time only.
- Organisations shall neither be rewarded nor penalised because of actions and events that are outside of their control/influence. These actions or events shall not be considered within the reduction assessment.
- Where there is large capital expenditure one year as part of the organisation's decarbonisation strategy (e.g., purchase of EVs), amortisations over X years lifetime of the asset may be taken into account for the reduction assessment.

  Note 2: The organisation shall provide evidence for the lifetime of the asset and use consistent assumptions for the amortisation of the asset across all footprints.

  Note 3: The amortisation is solely for the purpose of the reduction assessment. The verified footprint shall reflect the capital good in the year of purchase as per the GHG Protocol.

- Reductions eligible for the claim include, but are not limited to:
    - Actions within the organisation's control or influence.
    - Changes in the materials/resources used, or mass of resources used.
    - Purchase of certificates linked to an input (e.g., electricity, sustainable food crops) shall count as a reduction one time per input.
    - Switching supply to a lower emission alternative (e.g., purchasing RECs, use of biofuel, raw materials with lower emissions) shall count as a reduction one time per input.

      Note 4: These may contribute to the reduction percentage (up to 100% supply) if purchases increase incrementally.

      Note 5: One-time per input. An organisation can have many inputs, each of these can qualify as the reduction driver across different verification years if individually and separately their supply becomes sourced from a lower emission alternative (e.g., use of biofuel).
    - Maintaining a verified deforestation-free supplier means that the change in footprint due to amortised LUC may count as a reduction. The start of this data period shall be the cut-off in the verification standard defining when deforestation shall stop.

      Note 6: Inconsistent use of verification schemes is a risk to achieving reductions.
    - Switching to and maintaining supplier relationships, which demonstrate how suppliers are actively engaging with opportunities to reduce suppliers' footprints.
    - Not all reductions may occur in an organisation's supply chain or own operations, e.g., implementing energy efficiency measures for an electronic product, which would result in lower use-phase emissions, contributing to an overall reduction in the value chain carbon footprint.
    - Increasing the lifetime of products and showing reductions on a per use basis.
    - Other equivalent types of change may be considered on a case-by-case basis.

      Note 7: Indirect use of sold products (Category 11b) shall be excluded from the reduction assessment.
- Reductions which are **not eligible** for the claim:
    - New legislation in the country of sale
    - Use of offsets
    - Grid decarbonisation
    - Changes in recycling rates

  Note 8: Other equivalent types of change may be considered applicable on a case-by-case basis.
- Where the achieved reduction is in an area of the footprint with low data quality and high uncertainty, the Lead Assessor shall investigate the reduction to determine if they are confident that the footprint has reduced.
- The organisation shall also provide a CMP every footprint period [see 5.6].

5.5.1 Rebaselining

- A central theme is the maintenance of consistency – it is only possible to meaningfully compare two footprints if they were created using equivalent use of standards, methodology and data.
- Where there are structural changes to an organisation, e.g., disposal or acquisition of business unit (BUs), the reductions shall be reviewed on a like-for-like basis (excluding the disposed BU's emissions or including the acquired BU's emissions).

  Note 1: Consistency is not intended to be the same as accuracy regarding actual emissions, which are typically estimated using secondary emission factors.
- For re-verification, the footprint shall be compared against the rebaselined previously verified footprint result (which shall meet the requirements of Org-RfA-1).
- Rebaselining is necessary in order to accurately compare the two footprints for a reduction assessment, and shall be done in the following scenarios where they have a material impact:
  - Change in EFs or source
  - Change in activity data or source
  - Significant acquisitions or disposals
  - Methodology and calculation changes (including granularity)

  Note 2: The drive to create comparable results that enable meaningful reduction comparisons is in conflict with the common principle within footprint standards of data quality improvement. For example, if new better-quality data is used to calculate future footprints and improve the relevance of organisation's information, this may not be comparable to the original data using poorer quality data.
- The organisation shall rebaseline:
  - With a maximum rebaselining threshold of 5%* of the total footprint.**
  - Accounting for all structural changes (using all-year, same-year method if data is available).
  - Key considerations: context of published footprints, targets and materiality of un-adjusted difference, e.g., if an organisation's reduction target is 25% over ten years, and they publish their baseline and current years together, a 5% threshold may be too large.

    **Aligns with SBTi Criteria v5.1 Criteria C26 'Mandatory target recalculation' threshold for base year emissions is 5%. Hence 5% of target boundary, e.g., Scope 1 and 2 or Scope 3.*

    ***2% is recommended based on 1.5C reduction target of 4.2% in ten years. 5% (materiality) of that 4.2% is c. 2%, and the average annualised reduction is 4.2% p.a. Balancing with practical considerations.*
- The model should ideally function to facilitate seamless rebaselining.
- Rebaselining recalculations shall be in compliance to Org-RfA-1 and 3.
- The rebaselined footprint shall be formally restated in any communications where a comparison claim is made [see 2.1], within the agreed upon timeframe with your Client Manager.

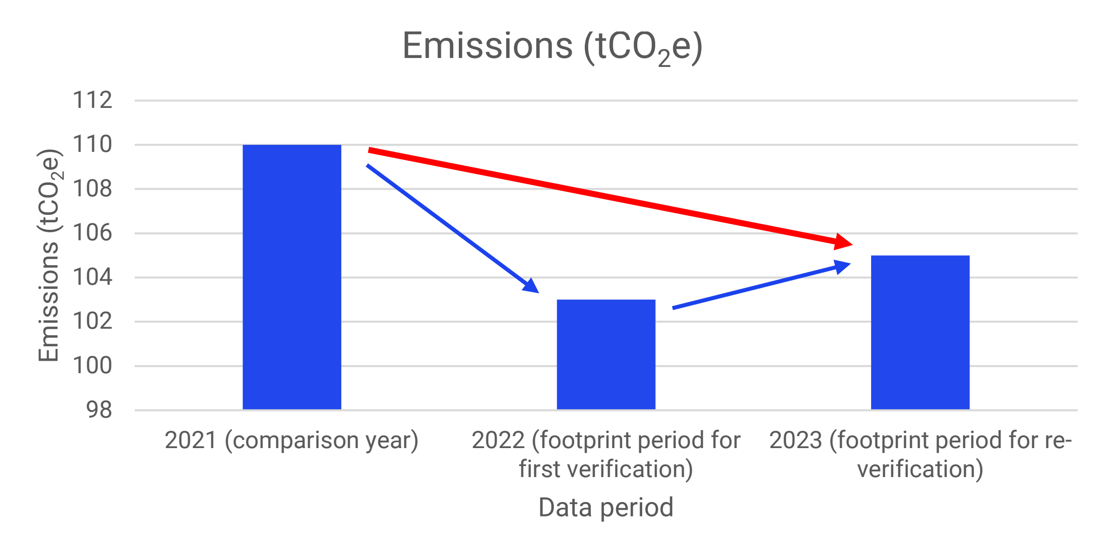
5.5.2 Banking large reductions

- If the organisation is unable to demonstrate a reduction, they may qualify for banking to maintain their reducing claim. This applies to the **'reducing claim – year-on-year'** only. The requirements in one of the two below scenarios shall be met:
- Scenario 1:
  - The initial reduction shall be greater than 5%, using non-rounded values [see Table 3].
  - The organisation shall show a reduction from a rebaselined previously verified footprint period, e.g., 2023 compared to 2021 [see Table 3].
  - For example [in relation to Table 3], if an organisation showed a reduction of 6% comparing 2022 to 2021, but showed an increase of 2% in 2023, this would qualify for banking as the organisation has demonstrated a reduction comparing 2023 to 2021 [see 5.4 for the reduction assessment boundaries].
  - Each banked reduction shall only be used once. For example [in relation to Table 3], the reduction made from switching to a lower emissions supplier in 2022 may be banked for the 2023 verification period. If in 2024 the organisation switched to renewable energy, creating a further reduction from 2023, this reduction measure may be banked if the organisation showed an increase in emissions in 2025.
  - Claims of this nature shall reference the original footprint year, so that the footprint period covered by a reduction claim is clear.

Table 3. Requirements for banking reductions and maintaining the claim.

Footprint period	Emissions (tCO_2e)	Change (%)
2021 (comparison year)	110	
2022 (footprint period for first verification)	103	-6%
2023 (footprint period for re-verification)	105	2%

Figure 1. Requirements for banking reductions and maintaining the claim.



- Scenario 2:
    - The organisation may amortise a large reduction over a number of years. The organisation shall amortise the reduction to >4.2% per year, comparing to the rebaselined previously verified footprint period.
    - This qualifies for banking for as long as the initial reduction spread over X years is >4.2%
    - If an organisation showed a reduction of 26% comparing 2021 to 2020 for example, this may qualify for banking for the following six years.
    - Each year, the organisation shall show that the initial, large reduction is >4.2% of the current operational verification boundary [see 4.2].

      Note 1: 4.2% has been chosen to align with a 1.5C scenario.

      Note 2: This is to encourage spend into large transformational changes that create a large reduction in an organisation's emissions.

5.6 Carbon management plan

- All products aiming to achieve the reducing claim shall provide a carbon management plan (CMP). The CMP shall include:
    - Claims about future reductions supported by a suitable, publicly disclosed, reduction plan.
    - Provide reference to the targeted reduction (%) and a detailed implementation plan to achieve the targeted emissions reductions related to specific activities, which will support achievement of the target. For example, switching to lower emission suppliers procuring renewable energy.
    - All relevant elements necessary to meet the targeted reduction, including but not limited to budgetary resources and technological developments.
- Failure to demonstrate planned reductions through a credible CMP may result in a non-verifiable claim.
- The CMP that is publicly disclosed may be of high-level detail if there is an internal, detailed CMP that can be shared with the Carbon Trust for the purpose of the verification process.

6 Requirements for reducing and climate projects funded claims

6.1 Summary of claim

- The purpose of the climate projects funded (CPF) claim is to drive investment in decarbonising the organisation's value chain and support the development of the carbon removals market. There are two main categories of funds referred to throughout. A third category is outlined below and in Table 3, this will be introduced in the future as outlined below.
- The CPF claim shall only be used in conjunction with a reducing claim [see 5].

6.1.1 CPF claim boundary

- The CPF claim boundary is the part of the operational verification boundary to be used for the claim (does not include Category 11b or optional emissions). In most cases, this is the same as the operational verification boundary if Category 11b is not included.
- The CPF claim boundary shall be clear within communications.

6.1.2 Annual decarbonisation target

- **Preferred:** Investment in decarbonisation projects which will reduce emissions from the organisation's CPF claim boundary.
- **Alternative:** Where the organisation can demonstrate that the funds could not be more impactfully spent on decarbonisation of its full value chain, the organisation may purchase ex-post carbon credits.

6.1.3 Investment in ex-ante carbon removals

- Initially every year the % to be spent on ex-ante carbon removals shall increase relative to the proportion of the annual decarbonisation target. Over time, further requirements will be introduced specifically for the purchase of ex-post carbon credits.
- Organisations shall invest a % of funds equivalent to a specified proportion of the CPF claim boundary in the development of carbon removal projects.
- Where relevant, the organisation may invest in carbon removal projects within their own operations or value chain.
- The carbon removals market is developing rapidly in response to the vital role they play in achieving Net Zero. The purpose of investment in ex-ante carbon removals is to support the development and scaling of both natural and technological long-term carbon removals. As removal types are proven and become available at scale, the requirements for this claim shall be updated to ensure investment in ex-ante carbon removals continues to support the development of new carbon removal solutions.

  Note: Where the organisation can claim value chain emissions reductions as a result of the implementation of the removals project, this investment shall be accounted for in the annual decarbonisation target.

6.1.4 Purchase of ex-post carbon removals

- The Carbon Trust recognises that to achieve Net Zero targets, residual emissions will need to be neutralised using ex-post carbon removals at the Net Zero target year or 2050, whichever is sooner.
- To support this, these requirements will be regularly reviewed and updated as the carbon removals market develops, in order to increase the amount of ex-post carbon removals accepted as part of the CPF claim over time [see Table 4].
- At this time, ex-post carbon removal projects shall be accounted for within the first category, the annual decarbonisation target.

6.2 General requirements

- Organisations shall meet all of the requirements in this section as well as:
  - The requirements in Org-RfA-1.
  - The requirements of the base claim as defined in:
    - Verified [see 3] AND
    - Reducing [see 5]
- The claim period duration for the CPF claim shall be 12 months.

6.3 Eligibility for the claim

- Organisations shall invest in decarbonisation within their value-chain and may purchase ex-post carbon credits through the following scenarios:
  - **Preferred:** Organisations shall demonstrate investment in decarbonisation within the stated CPF claim boundary to the equivalent amount as defined in Table 4. This equivalence is calculated using a money-for-tonne conversion.

    OR
  - **Alternative:** Organisations shall demonstrate both investment in the decarbonisation of the stated CPF claim boundary and the purchase of reduction or removal ex-post carbon credits to the equivalent amount as defined in Table 4.
    - There is no threshold for the split between investment in decarbonisation and the purchase of reduction and removal ex-post carbon credits. This shall be defined at the organisation's discretion.
    - The first principle of the CPF claim is to enable carbon reduction. Where organisations pursue the purchase of reduction or removal ex-post carbon credits, justification that this is the most impactful investment option available shall be provided.
- See 6.4 on how a money-for-tonne conversion is defined and requirements for investment in decarbonisation.
- The organisation shall also invest in carbon removal projects aligned with Table 4.
  - Organisations pursuing this appended claim shall demonstrate investment in ex-ante carbon removal projects [see 6.1.3]. The organisation shall demonstrate investment in natural and technological long-term carbon removal projects equivalent to at least the proportion defined in Table 4 of the stated CPF claim boundary on a money-for-tonne basis. The organisation shall invest in a diverse portfolio of ex-ante carbon removal projects. More details for how a money-for-tonne conversion is defined can be found in 6.4. The money-for-tonne conversion value shall be defined in the proposal with the organisation.
    - The organisation shall align with the share specified in Table 4. The relevant year shall be defined based on the 12-month footprint period being verified.
    - The organisation may invest in ex-ante carbon removals above the minimum threshold. Where the organisation invests above the minimum threshold, the required minimum percentage annual decarbonisation target must still be met.

Table 4. Required split between decarbonisation and removals investment as a proportion of the CPF claim boundary.

Year	2023	2024	2025	2026	2027
Minimum % annual decarbonisation target and/or purchase of reduction or ex-post carbon credits required as proportion of the CPF claim boundary	95%	93%	91%	90%	88%
Minimum % investment in ex-ante carbon removals required as proportion of the CPF claim boundary	5%	7%	9%	10%	12%
% purchase of ex-post carbon removal credits as proportion of the CPF claim boundary*	0%	0%	0%	0%	0%

**This category is not in use at this time but shall be introduced as the carbon removals market develops.*

- The % splits detailed in Table 4 will be reviewed annually by the Carbon Trust and adjusted so that there is a gradual transition across the defined categories in line with the below:
    - Over time, the split between investment in ex-ante carbon removal projects and the annual decarbonisation target shall shift towards greater investment in ex-ante carbon removal projects to support scaling of the carbon removals market as required to achieve Net Zero.
        - Likewise, it is recognised that there will need to be a transition from majority ex-ante carbon removals investment to majority ex-post carbon removals to achieve 100% of residual value chain emissions by the Net Zero target year or 2050. As the removals market develops, the requirements for the CPF claim will be updated to reflect this transition and the third category [see Table 4] shall be introduced.
- In addition to the CMP submitted in accordance with the requirements for the base claim (reducing), the organisation shall provide a climate project investment plan [see 6.7], which may be included as part of the overall CMP.
- Re-verification – the organisation shall undertake a re-verification exercise every 12 months. This shall include:
    - Verification of the investment in ex-ante carbon removals.
    - Verification of the spend of funds for the previous 12-month footprinting period and allocation of funds for decarbonisation within the value chain of the organisation for the next 12-month period.

      Note: The verification of reductions claims shall remain consistent with those defined in 5.

6.4 Requirements for the annual decarbonisation target

- The annual decarbonisation target is determined using a money-for-tonne approach.
- The carbon credit price per tonne shall be defined during project scoping and stated in the project contract. An indicative price per tonne of carbon for Q423 is £15.23.
- The price per tonne is reviewed by the Carbon Trust on a quarterly basis and is calculated using a combination of academic publications and market conditions.
- The calculation applied to define the level of investment required is:

$$(Boundary(tCO_2e)\ X\ Year\ \%)\ \ X\ Carbon\ Credit\ price\ per\ tonne$$

Note 1: Table 4 shows the minimum % annual decarbonisation target and/or purchase of reduction or removal carbon credits required as proportion of the CPF claim boundary.

- The organisation shall demonstrate that, at a minimum, funds equivalent to the total amount calculated in the above formula have been included in the business plan/been signed off by a member or members of the board (or equivalent senior leadership team) with authorisation to approve investments.
- There is no additionality requirement regarding the funding of decarbonisation within the CPF claim boundary as the principle purpose of the CPF claim is to ensure ongoing investment in decarbonisation. Should the organisation already be able to demonstrate investment in decarbonisation in alignment with the requirements of this claim, this will be accepted.
- The submitted CMP shall reference the intended use of funds for the forthcoming 12-month reporting period. This information may be published externally, but it is not a requirement.
    - The Carbon Trust shall review the suitability of the intended use of funds to support decarbonisation of the organisation. A failure to demonstrate suitable climate project investment plans and how these will achieve reductions may result in the organisation's claim not being verified.
- To ensure ongoing availability of funds for decarbonisation investment, the organisation shall include details of intended investments in decarbonisation in their CMP or Net Zero roadmap aligned with their business planning cycles.
- Beyond declaring how the funds have been spent to demonstrate investment in decarbonisation, there is no set/defined use of funds. Suitable investments could include:
    - CapEx investments: factory or facility upgrades, vehicle or manufacturing equipment upgrades, etc.
    - RevEx investments: funds for research and development, salary costs for sustainability focussed roles, etc.
    - Where an established methodology exists for the accounting of carbon removals within the CPF claim boundary, and those removals result in direct emissions reduction within the CPF claim boundary, this will be accounted for as part of the organisation's annual decarbonisation target. E.g., organisations with Forest Land and Agriculture (FLAG) activities within their operations/value chain may fund afforestation/sequestration projects as part of their annual decarbonisation target.
- The Carbon Trust recognises that there may be high-cost investments, which exceed the minimum annual decarbonisation target required on an annual basis. Where this can be demonstrated, the organisation may be allowed to carry over funds across years or claim an investment project across multiple years.
    - In cases where the organisation has made a substantial upfront investment above the minimum annual decarbonisation target required for the assessment year, the organisation shall:
        - Have disclosed details of the project and its achieved or forecast carbon savings externally.
        - Provide evidence of the funds spent, e.g., invoices, trial balance or general ledger.
        - Shall demonstrate ongoing commitment to carbon reduction, e.g., through the implementation of other measures to manage emissions.
    - If the organisation wishes to ringfence and carry forward allocated funds from one year to the next to support a higher value decarbonisation project in the future, the organisation shall:
        - Have disclosed details of the intended future project externally, e.g., in the CMP.
        - Provide details of the expected cost, planned timeline for implementation and expected carbon savings.

    Note 2: Applications will be reviewed on a case-by-case basis and at the discretion of the Carbon Trust.

- The actual reductions achieved through the implementation of a decarbonisation investment project shall not be assessed against any forecast reductions prior to project implementation.
- The organisation may spend some or all of the allocated funds on ex-post carbon credits [see 6.3]. If this is the preferred choice, the organisation shall meet the requirements from 6.5.
    - The first principle of the CPF claim is carbon reduction. Where the organisation pursues the purchase of reduction carbon credits, justification that this is the most impactful decarbonisation option available to the organisation shall be provided.

6.5 Requirements for carbon credits

- The carbon credit market is developing rapidly in response to the vital role of carbon removals in achieving Net Zero. Developments will be monitored closely and requirements for this claim shall be updated in line with best practice and market developments.

6.5.1 General requirements

- The organisation shall demonstrate due diligence for any carbon credit purchases or removals invested in. This may include but is not limited to:
    - Ratings Agency Advice.
    - Identification and review of the methodologies used for the carbon credits under consideration for purchase and documentation of findings, e.g., any articles or news items.
    - Reviews of articles or news items associated with particular methodologies and projects and documentation of findings.
    - Financial due diligence of the company or companies the organisation may purchase from.
    - Consideration of the purchase of carbon insurance.
    - Assessment of whether the carbon credit scheme under consideration has its own appropriate policy/process with regards to insurance of the scheme.
    - Further advice on criteria for due diligence assessments can be found in Appendix 1. The aspects detailed in Appendix 1 should be considered during any due diligence activities undertaken.
- Organisations should seek a ratings agency assessment of the carbon credits they intend to purchase and shall share the output of any such assessment with the Carbon Trust.

  Note 1: The Carbon Trust is not a provider or verifier of carbon credits. Notwithstanding any recommendation of the Carbon Trust on carbon credit schemes or providers or good due diligence practices, the organisation is responsible for satisfying itself that it has undertaken appropriate due diligence and remains responsible for continual monitoring of the carbon credit scheme. Should any changes occur with regards to the findings of the due diligence during the verification period of the claim, the organisation shall inform the Carbon Trust.

  Note 2: The Carbon Trust reserves the right to not accept carbon credits where concerns have been raised regarding the quality of the carbon credit scheme.

6.5.2 Requirements for the purchase of ex-post carbon credits

- The carbon credit price per tonne shall be defined by the Carbon Trust during project scoping and shall be stated in the project contract. An indicative price per tonne of carbon for Q423 is £15.23
  - Where a price per tonne of carbon can be provided to the organisation by the credit seller, this may be used to calculate the volume of carbon credits required to be purchased, provided the price per tonne is equal to or greater than that defined by the Carbon Trust in the organisation's contract.
- See the formula in 6.6 on how the required investment in ex-post carbon credits is determined. The organisation shall provide the carbon credit certificates, detailing type of credit, quantity, date of purchase, subject/company of purchase and carbon credit standard.
- Carbon credits shall represent genuine additional emissions reductions elsewhere and be permanent, with no leakage or double counting.
- Carbon credit projects shall be verified by an independent, accredited verifier.
- Carbon credits from projects are only issued after the emissions reduction or removal has taken place.
- Credits from projects are supported by publicly available project documentation on a registry, which shall provide information about the carbon credit project, quantification methodology and validation and verification procedures.
- Credits must be retired within 12 months. Proof of this retirement must be on a publicly available registry.
- Carbon credits purchased shall be approved by an accredited standards body such as ICROA or CORSIA ICAO.
- Carbon credits with a vintage greater than five years shall not be accepted as part of this claim.

  Note: At present ex-post removals purchased shall be accounted for in the annual decarbonisation target and will not count towards the required investment in removals. This position shall be reviewed regularly by the Carbon Trust and may be updated in line with the development of the carbon removals market.

6.6 Requirements for carbon removal projects

6.6.1 General requirements

- The organisation shall undertake and share the findings of due diligence actions undertaken in line with 6.5.1.

  Note 1: The Carbon Trust is not a provider or approver of carbon removal projects. Notwithstanding any recommendation of the Carbon Trust on carbon removal projects or good due diligence practices, the organisation is responsible for satisfying itself that it has undertaken appropriate due diligence and remains responsible for continual monitoring of the carbon removal project.

  Note 2: Should any changes occur with regards to the findings of the due diligence during the verification period of the claim the organisation shall inform the Carbon Trust.

6.6.2 Requirements for investment in ex-ante carbon removal projects

- The amount of investment in carbon removals shall be defined using a money-for-tonne approach.
- The carbon removal price per tonne shall be defined during project scoping and shall be stated in the project contract. An indicative carbon removal price per tonne of carbon for Q423 is £41.43
  - Where a price per tonne of carbon can be provided by the seller, (e.g., if ex-ante carbon removal are issued by the removals provider) this may be used to calculate the required investment in carbon removals, provided the price per tonne is equal to or greater than that defined in the organisation's contract.
- The price per tonne is reviewed by the Carbon Trust on a quarterly basis and is calculated using academic publications.
- The calculation applied to define the level of investment required is:

$$(CPF\ claim\ boundry\ (tCO2_e)\ X\ Year\ \%)\ \ X\ removal\ price\ per\ tonne$$

Note 1: Table 4 outlines the minimum % investment in ex-ante carbon removals required as proportion of CPF claim boundary.

- The organisation shall invest in a diverse portfolio of removals projects, including at least one natural long-term removal project (e.g., afforestation) and one technological long-term removal project (e.g., BECCs/DACCs). Required investment in ex-ante carbon removals is to support the development and scaling of both natural and technological long-term carbon removals not yet fully mature.
  - Where relevant, and provided the organisation complies with the requirement above, the organisation may invest in carbon removal projects within their own operations or value chain.

  Note 2: Where the organisation can claim value chain emissions reductions as a result of the implementation of the removals project, and there is a recognised methodology available for doing so, this investment shall be accounted for in the annual decarbonisation target. In instances where a removals project does not result directly in emissions reductions within the value-chain, this shall be accounted for as investment in ex-ante carbon removals.
- The organisation shall disclose details of the carbon removal projects they invested in as defined in 6.7 as well as the value of investment made in each project.
- The organisation shall upon request provide evidence of investments made, such as: invoices and, where available, certificates of investment.

6.7 Climate project investment plan

- The organisation shall meet the requirements for CMPs as defined in the relevant requirements section of their base claim [see 5.6], including the public disclosure requirements.
- In addition, organisations pursuing the CPF claim shall provide a climate project investment plan, detailing the following:
  - How the organisation intends to transition investment towards the purchase of long-term ex-post carbon removals by 2050 or where applicable by its Net Zero target date.
  - When developing the climate project investment plan, the organisation should consider:
    - How carbon removal prices may change over time.
    - The balance between investment to drive carbon reductions in the organisation and how this may affect the investment required in carbon removals.
    - Considerations or planned means for raising funds within the organisation to support the investment in the development of carbon removals technology and purchase of carbon removals by 2050 or the organisation's Net Zero target date.
    - Details of investments made in decarbonisation shall be disclosed, this may be included in the CMP/Net Zero roadmap disclosure.
  - If the organisation pursues the CPF claim for a product, they shall publicly disclose the following:
    - Their commitment to setting organisational Net Zero science-based targets in line with their CPF claim boundary.

      Note: Science-based targets are not required to have been validated by an external party; however, they must meet the requirements as defined within internationally recognised Net Zero target setting standards, e.g., the SBTi's 'Corporate Net Zero Standard', the 'ISO Net Zero Guidelines' or other widely adopted Net Zero target setting guidance.
    - Where the organisation has set science-based targets, they shall be disclosed.
    - Where reduction and/or removal ex-post carbon credits have been purchased, the organisation shall disclose the total volume of carbon credits purchased including:
      - The type of credit purchased, the carbon credit standard name, project name, project ID, retirement serial number, and retirement date.
      - The type of carbon credits purchased as a % proportion of the total volume purchased.
      - The ex-ante carbon removal projects invested in as well as the amount invested in each project.
      - Justification for the suitability of the removal's technology invested in.

    - The methodology used for any money-for-tonne investment in decarbonisation and removals.
- The Carbon Trust shall provide a template for completion by the organisation, which meets the disclosure requirements as defined in this section.

6.8 Requirements for re-verification

- The organisation shall confirm there has been no significant change to CPF claim boundary [see 6.1.1]. Should significant changes have been made, the organisation shall contact their Client Manager at the Carbon Trust.

6.8.1 Evidence of the annual decarbonisation target

- The organisation shall provide evidence to demonstrate that funds in the annual decarbonisation target during the previous 12-month reporting period have been spent. The Carbon Trust shall provide a template for the provision of this information.
- Should there have been any significant change to the climate project investment plan during the year, justify the reason for this change and provide an updated climate project investment plan based on the actual available funds for the period. The Carbon Trust shall review budget adjustments on a case-by-case basis.
- A sample of evidence may be requested to support the investments claimed. Examples of evidence, which may be requested includes but is not limited to:
    - Invoices for CapEx purchases made.
    - Total fully accounted costs for new employees and job descriptions for new roles.
- The organisation shall, in line with the requirements of Table 4, provide evidence that funds have been allocated to the annual decarbonisation target for the next 12-month period. The previously verified carbon footprint shall be used to determine the investment amount required.

6.8.2 Evidence investment in ex-ante carbon removal projects

- The organisation shall demonstrate investment in ex-ante carbon removal projects equal to the required percentage coverage as defined in Table 4. The previously verified carbon footprint shall be used to determine the investment amount required.
- The organisation shall provide an updated climate project investment plan reflective of market developments and changes within the organisation. Every verification cycle, the organisation shall be required to demonstrate that, in addition to meeting the requirements of this claim, they also meet the requirements of the reducing claim [see 5].

7 Verification maintenance requirements

7.1 Misuse of the Logo

- The organisation shall ensure that they only use the Logo in compliance with the Carbon Trust Logo license terms and the Carbon Trust Logo usage guidelines, and all of the verification requirements within Org-RfA-1 and Org-RfA-2.
- Ongoing surveillance is conducted by the Carbon Trust to check for adherence to the Logo requirements. Failure to adhere to these requirements may in the removal of the Logo for the organisation.
- The Carbon Trust reserves the right to use the full extent of the law to take all appropriate actions to ensure these requirements are enforced to uphold the integrity of the scheme.
- If the company wishes to re-verify the rebaselined footprint, the organisation shall inform the Carbon Trust Client Manager, in this case, the use of the Logo shall not be permitted.

7.2 Communications

- Communications relating to the organisational carbon footprint verification and any Logo usage shall be in line with the Carbon Trust Logo license terms and the Logo usage guidelines.

Appendix 1: Additional criteria for the due diligence assessment of carbon credits

When considering the below, the organisation should consider whether there are any processes in place, safeguards, policies or KPIs set to manage any potential risk associated with criteria and ensure the project does not have a negative impact upon other criteria in the project location.

Table 5. Specific criteria mentioned in due diligence assessments. Source: The Nature Conservancy.[2]

Technical	Additionality Baselines	Data sources Leakage	Permanence Uncertainty
Social	Benefit-sharing Climate justice Community leadership and engagement	Contribution to the SDGs Co-benefits certification Displacement risk	Land rights Worker health and safety
Environmental	Biodiversity Contribution to the SDGs	Co-benefits certification Water quality	
Counterparty	Delivery risk Experience	Implementation capacity Local relationships	Project history Reputation
Political	Border disputes Corresponding adjustments	Corruption Methodological revisions	National/subnational policy shifts Political instability
Other	Brand alignment Financial viability (for investment) Media coverage	Price Project complexity Project narrative and storytelling potential	Project scalability and replicability Reputational risk Site selection

Note: The lists provided in Table 5 are intended for guidance. They do not provide an exhaustive list of all criteria, which could be relevant during due diligence assessments.

[2] Offsets as ordered: Buyer due diligence to ensure carbon credit quality, The Nature Conservancy

VERSION HISTORY

Version	Date	Summary of changes	Authors	Approved by
1.0	20/09/2024	Initial version	Amrita Matharu, Associate Imogen Catterall, Senior Consultant Alice Ainsworth, Senior Consultant	Martin Barrow, Director Leo Cheung, Associate Director Martin Hockaday, Head of Assurance John Newton, Director

carbontrust.com

+44 (0) 20 7170 7000

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