



Accreditation Programme Guide

Version 2.0

March 2023

Contents

1.0 INTRODUCTION	3
1.1 Accreditation Description	3
2.0 ROLES & RESPONSIBILITIES	4
2.1 IETA Secretariat	4
2.2 Accreditation Committee.....	4
2.3 Independent Advisory Committee.....	4
2.4 VCM Organisation (Applicant)	4
2.5 ICROA Accredited Organisation	5
2.6 Auditor	5
3.0 PROGRAMME ELIGIBILITY	5
4.0 APPLICATION & AUDIT PROCESS	6
4.1 Applications & Audit Process.....	6
4.2 Light Touch Audit.....	8
5.0 TIMELINES	8
6.0 PENALTIES	9
7.0 DISPUTE RESOLUTION	10

1.0 INTRODUCTION

International Carbon Reductions and Offsetting Accreditation (ICROA) is an initiative housed within the International Emissions Trading Association (IETA). The ICROA Accreditation Programme (the Programme) defines and promotes best practices in carbon management services and the sourcing and use of high-quality carbon credits. The Programme and Code of Best Practice have been recognised since 2008 as the industry best practice for VCM organisations promoting greenhouse gas (GHG) emission reductions and offsetting to the highest standards of environmental integrity.

The objective of the Programme is to identify and recognise high-integrity organisations who provide carbon management services and/or the sourcing and use of high-quality carbon credits. This is achieved when organisations apply to the Programme and demonstrate compliance with the Code of Best Practice. To demonstrate compliance, VCM organisations (applicants) are subject to an annual compliance audit by a third-party Auditor. Applicants who pass the annual compliance audit are considered ICROA Accredited Organisations (Accredited Organisations) and can use the ICROA Accreditation Label (the Label).

The purpose of this document is to outline the Programme's purpose, structure, and the processes for obtaining the Label. This includes information on who is eligible to apply, Programme timelines, and the procedures in place to become an Accredited Organisation. This document also outlines how the Label may be used, penalties for non-compliance, and the complaints and appeals procedure.

This Programme Guide is one part in a series of documents used to define the Programme. Readers should view this document in conjunction with the following:

- Code of Best Practice
- Application Form
- Audit Form

1.1 Accreditation Description

ICROA Accreditation:

- a. is recognition by ICROA that a voluntary carbon management service organisation ("VCM organisation") competently adheres to the ICROA Code of Best Practice;
- b. enables the use of the ICROA Accreditation Label (in accordance with the requirements of the ICROA Accreditation Terms and Conditions);
- c. is achieved and maintained through satisfactory completion of:
 - i. the ICROA Application process (including confirmation that a VCM organisation meets the Eligibility Criteria); and
 - ii. an annual audit programme performed by third-party specialists;
- d. is maintained through ongoing compliance with the ICROA Accreditation Terms and Conditions and satisfactory completion of an annual compliance audit;

- e. is granted on a non-reliance basis and neither IETA nor ICROA accept any liability for decisions made by third parties that considers or attributes value to the existence of an ICROA Accreditation; and
- f. does not amount to any form of endorsement other than to accredit that the VCM organisation has satisfactorily completed the annual audit programme against the ICROA Code of Best Practice, nor does it:
 - i. give rise to a representation or endorsement to any third party of the VCM organisation;
 - ii. equate to any endorsement, accreditation, or verification by or on behalf of IETA; or
 - iii. confirm, accredit or verify any particular business activity, project or service offering of a VCM organisation.

2.0 ROLES & RESPONSIBILITIES

This section describes the different groups involved in the Programme and their responsibilities.

2.1 IETA Secretariat

The IETA Secretariat (the Secretariat) is responsible for managing the Programme and ensuring its effective operation, including appointing and overseeing the Auditors. The Secretariat is available to answer questions from Applicants and Accredited Organisations, as well as to clarify questions from the Auditors. The Secretariat connects applicants with the appropriate resources and maintains all Programme documentation and records. Disputes, complaints, and appeals are managed by the Secretariat.

2.2 Accreditation Committee

The Accreditation Committee provides leadership to the IETA Secretariat by administering, promoting, and expanding the Programme. The Accreditation Committee is accountable for determining the Programme's eligibility criteria and application processes, as well as providing feedback on the Code of Best Practice to the Secretariat. This committee also oversees the appointment of the Independent Advisory Committee.

2.3 Independent Advisory Committee

The Independent Advisory Committee (IAC) is a group of voluntary carbon market experts appointed by the Accreditation Committee. They are responsible for annually reviewing the Code and Programme and presenting recommendations for improvement to the Secretariat. The IAC plays an important role in advising the Secretariat on best practices and improvements to the Programme.

2.4 VCM Organisation (Applicant)

An Applicant is the VCM organisation applying to the Programme. An Applicant becomes an Accredited Organisation upon successful completion of the first compliance audit. The Applicant is therefore responsible for presenting information to demonstrate alignment with the Code in the form of controls, procedures, data, and documentation that show the organisation conducts operations to a high degree of integrity. The Applicant is responsible for completing the compliance audit in a timely manner and ensuring their ongoing compliance with the Code.

2.5 ICROA Accredited Organisation

An Accredited Organisation is responsible for maintaining compliance with the Code, following the guidelines outlined for appropriate use of the Label, and undergoing an annual compliance audit. The Accredited Organisation is responsible for reporting relevant information that is complete and accurate.

2.6 Auditor

The Auditor is an independent third-party specialist responsible for assessing the Applicants' and Accredited Organisations' information according to the prescribed audit activities in the Code in order to provide an independent opinion as to whether or not the organisation conforms with the Code. The Auditor assesses compliance and awards Accreditation. The Auditor applies commonly accepted audit practices at a review level for documentation and assessment. The Auditor may make recommendations for improving the Code or Programme to the Secretariat.

3.0 PROGRAMME ELIGIBILITY

Applicants must meet all of the following criteria to be eligible to apply to the Programme:

- The VCM organisation is committed to reducing its own GHG emissions and striving for a science-aligned reduction pathway aligned to the Paris Agreement goals.
- The VCM organisation has been in the business of providing offsetting services and has been actively trading in the VCM for at least one full year.
- The VCM organisation actively sells a service to retire ICROA-compliant carbon credits on behalf of corporates and/or individuals, for the purpose of voluntarily offsetting their carbon emissions.
- The VCM organisation is committed to achieving large absolute reductions across its client base and promoting alignment to the Paris Agreement goals.
- The minimum volume sold or retired annually by the organisation must be at least 10,000 tonnes of CO₂e.
- The VCM organisation's minimum annual financial turnover must be \$100,000 or the local currency equivalent.
- The VCM organisation must disclose to the IETA Secretariat any pending or ongoing litigation involving a member of IETA or another market participant.
- In applying to become Accredited, the VCM organisation agrees to undergo an annual compliance audit by a third-party independent Auditor to demonstrate compliance with the Code of Best Practice.
- The VCM organisation agrees to the Terms and Conditions of the Programme.

Additionally, VCM organisations must attest to the following in the Application Form:

On behalf of the company, I/we commit to actively advancing the following Principles:

- That corporates measure and publicly report their organisation's GHG emissions, including Scope 1, 2, and 3, following a recognised standard that is relevant to the intended use (i.e., ISO, Greenhouse Gas Protocol).

- That corporates strive to abate their GHG emissions in line with climate science to deliver a net-zero carbon reduction pathway by 2050 or sooner. The roadmap should include interim short- and medium-term targets that ensure action now and along the way.
- That progress towards these targets is monitored and publicly reported on an annual basis.

Applicants and Accredited Organisations are NOT required to be IETA members. Non-IETA applicants may apply for accreditation by following a similar process to IETA members. These Applicants will undergo a due diligence check by the Secretariat to ensure the company is real, operating in carbon markets, and does not pose a reputational risk to IETA if accredited by the Programme. Non-IETA Accredited Organisations will have access to the ICROA Annual General Meeting and will be included on communications specific to the Programme. Non-IETA Accredited Organisations will not have access to IETA member-only benefits such as access to IETA working groups, or discounted access to conferences and summits.

4.0 APPLICATION & AUDIT PROCESS

This section describes the different pathways by which Applicants and Accredited Organisations complete the application and audit processes. Non-IETA members applying to the Programme undergo additional steps as outlined in Section 4.2.

4.1 Applications & Audit Process

Applicants follow the application process if this is their first time applying to the Programme, or if their status as an Accredited Organisation has lapsed through either a failed audit or by choice. If an Applicant does not successfully complete their first audit, they may resubmit an application by following this process again. New applications can be submitted at any time; they will be processed in a timely manner depending on the availability of the Auditor.

Accredited Organisations that have passed the previous year's audit will follow this process starting at Step 7. Currently-accredited Organisations do not need to re-apply (Steps 1-6) each year unless their status as an Accredited Organisation has lapsed.

The following steps outline the full process:

1. Internal Evaluation

The VCM organisation shall review the Code of Best Practice and determine whether the organisation is eligible to apply for the Accreditation and meets all requirements in the Code. The VCM organisation shall also review the Terms and Conditions to ensure that all clauses therein will not pose a barrier to accreditation if the audit is passed.

2. Expression of Interest

Once the VCM organisation is confident that all criteria are met, it shall express interest by emailing the Secretariat's Programme Coordinator, Franco D'Aprile, at daprile@ieta.org.

3. Due Diligence (*Non-IETA members only*)

Non-IETA members will undergo a due diligence process similar to what is undertaken by the IETA Secretariat for new membership to IETA. This includes a questionnaire to understand the type of company, organisational ownership, staff comments, and potentially reaching out to references. The goal of the due diligence process is to ensure that only high-integrity companies are accredited against the Code.

4. Results of Due Diligence (*Non-IETA members only*)

Once the due diligence process is complete, the Programme Coordinator will inform the non-IETA member VCM organisation in a timely manner. The organisation will then proceed to Step 5, the application.

5. Application

The purpose of the application is for the Auditor to determine whether the Applicant meets the eligibility criteria and can proceed to the audit.

Upon receiving the expression of interest, the Programme Coordinator will connect the Applicant with the Auditor. The Auditor will set the Applicant up with the Application Form on the online audit platform. A timeline for completion will be communicated to the Applicant. Typically, the Applicant is requested to complete the application within 2 weeks of initiation. The Auditor will review the responses in the Application Form and may request clarifications or additional information from the Applicant which must be provided before the Auditor can make a decision on eligibility.

6. Results of Application

Once the application is completed, and all additional information requested by the Auditor has been provided, the Auditor will make a recommendation to the IETA Secretariat as to whether the Applicant can proceed to the audit. This decision will be communicated to the Applicant in a timely manner by the Programme Coordinator.

7. Audit

The purpose of the audit is to determine whether the Applicant or Accredited Organisation is in compliance with all requirements in the Code.

Upon successful completion of the application, and at a time indicated by the Secretariat, the successful Applicants and Accredited Organisations will undergo the annual audit. A representation of the Audit Form is available on the website so that organisations understand what is required, including examples of evidential documents deemed acceptable by the Auditor. During the audit, the Auditor may request clarifications or additional information which must be provided for the Auditor to make a final decision.

The annual audit is done in two batches throughout the year. Before each batch of audits begins, the Secretariat will host a kick-off webinar which should be attended by a minimum of one of the organisation's representatives who will be completing the Audit Form.

The organisation's representative(s) should be sufficiently knowledgeable about the organisation's operations that they can provide detailed responses to all audit questions. The representative(s) should have access to the required information and should be sufficiently dedicated to completing the form in full, and in a timely manner. Timelines and penalties associated with the audit are outlined in Sections 5.0 and 6.0 of this document.

8. Results of Audit

Once the audit form is reviewed, and all additional information requested by the Auditor has been provided, the Auditor will make a recommendation to the Secretariat as to whether the Applicant meets the requirements of the Code. This decision will be communicated to the Applicant in a timely manner by the Programme Coordinator.

9. Use of Accreditation Label

Use of the accreditation label occurs upon successful completion of the audit., Rules for use of the accreditation label are outlined in the Terms & Conditions.

10. Audit Completion Certificate

Upon successful completion of the audit and signing of the Terms and Conditions, the Accredited Organisation will be issued an Audit Completion Certificate and will be provided with a digital copy of the Accreditation Label. The Label can be used in accordance with the Brand Agreement. The Accredited Organisation's logo will be added to the ICROA website and will be used in marketing materials by IETA to promote educate others on the Programme.

The application, audit, and annual fees, as appropriate, must be paid in full by the Accredited Organisation prior to issuance of the Audit Completion Certificate and prior to use of the Label. Programme fees are detailed on the website.

4.2 Light Touch Audit

The Secretariat is evaluating the inclusion of a "light touch" renewal audit for organisations that have previously passed the audit and have consistently shown compliance with the Code.

5.0 TIMELINES

It is important that the audit process is completed in a timely manner. This is a shared responsibility between the Applicant / Accredited Organisation, Auditor, and Secretariat.

Each year there will be two audit cycles, one beginning in Q2 and one in Q4. The audit beginning in Q2 is the primary audit and most organisations will complete the process in this batch. Applicants that apply after the first batch audit has begun will be scheduled for the second batch

audit. Both audits will test the organisation's compliance with the Code for the previous calendar year. For example, audits conducted in 2023 will require evidence of compliance to the Code for the organisation's activities in 2022.

Audit timelines are communicated each year two to three months in advance of the start date. Accredited Organisations will be given a two-week period to notify the Secretariat should the timeline not be achievable. The Secretariat will do all they can to accommodate the Accredited Organisation's requirements. Failure to meet the audit timeline will result in penalties in cases where the schedule is not met.

6.0 PENALTIES

Actions by an Accredited Organisation that may result in the suspension, restriction, or termination of the organisation's Accreditation are outlined in the Terms and Conditions. Actions that may result in lesser penalties are described below.

If an Applicant

- fails to complete the Application Form in the timeline prescribed by the Secretariat after the expression of interest, or
- provides inadequate, ineffective, or incomplete responses in the Application Form

they will be issued a written warning, via email, with instructions and timelines to remedy the matter. If the instructions in this written warning are not followed, the Applicant will not be eligible to proceed to the audit until the necessary changes have been made. If the timeline in this written warning is not followed, the application will be closed, and the Applicant will be required to re-submit the Application Form when they are prepared to complete the full process. The re-submission of the Application Form is subject to a new application fee.

If an Applicant or Accredited Organisation

- fails to complete the Audit Form in the timeline prescribed by the Secretariat, or
- following a request from the Auditor, provides inadequate, ineffective, or incomplete responses in the Audit Form

they will be issued a written warning, via email, with instructions and a timeline to complete all corrective actions required in the view of the Auditor. Should the corrective action not be implemented / be deemed to be incomplete by the Auditor, the breach will be raised to the Accreditation Committee who will make the decision to cancel or suspend the audit or give the Applicant or Accredited Organisation a final notice to complete all outstanding actions within a set period of time.

If the instructions and timeline in this notice are not followed, the Applicant or Accredited Organisation will be required to re-submit the Audit Form in the next batch audit. If the Applicant

or Accredited Organisation fails to complete an audit in the year following the compliance year,¹ they will not be eligible for Accreditation or use of the Label for that compliance year. Additionally, if an Applicant or Accredited Organisation are required to re-submit the Audit Form in the next batch audit, they will be subject to a new audit fee. Failure to complete an audit may result in reputational damage to the Accredited Organisation.

All fees and payments, in favour of ICROA, are not refundable in part or whole if the application, audit, or Accreditation is failed, suspended, restricted, or terminated.

7.0 DISPUTE RESOLUTION

As outlined in the Terms and Conditions that must be agreed to by all Applicants and Accredited Organisations, the Programme's dispute resolution process is as follows:

- a) Any dispute between the parties with respect to the interpretation of any provision of these Conditions and with respect to the obligations imposed by it on you, as appropriate, shall be resolved as provided for in this clause.
- b) Neither party shall commence formal dispute resolution proceedings (to include litigation), until the earlier of:
 - i. the parties' designated representatives jointly concluding that resolution of the dispute through continued negotiation of the matter does not appear likely; and
 - ii. 60 business days after a party's written request was submitted to the other party and that other party has failed to appoint a designated representative.
- c) Prior to the initiation of any formal dispute resolution proceedings (to include litigation), the parties shall first attempt to resolve their dispute informally, as follows:
 - i. upon the written request of either party to the other, each party shall appoint a designated representative for the purpose of endeavouring to resolve such dispute;
 - ii. the designated representatives shall meet as often as either party reasonably deems necessary in order to gather and provide to the other all information with respect to the matter in issue which the party believes to be appropriate in connection with its resolution. The designated representatives shall discuss the problem and negotiate with each other in good faith in an effort to resolve the dispute informally;
 - iii. during the course of negotiations, all reasonable requests made by either party to the other for non-privileged information, reasonably related to these Conditions, shall be honoured in order that each of the parties may be fully advised of the other's position; and

¹ For example, if an Applicant or Accredited Organisation does not complete the Q2 nor Q4 batch audits in 2023 with regards to compliance year 2022, their next opportunity for the audit is Q2 2024. This audit will test compliance with the Code in compliance year 2023, meaning the organisation did not prove compliance with the Code in 2022 and will not be able to claim such, or display the Label, even if successful in passing the audit for the following compliance year.

- iv. the method of endeavouring to resolve the dispute shall be left to the discretion of the designated representatives.