



ICROA Code of Best Practice

Version 2.6

For use in 2026 to audit calendar year 2025 activities

January 2025

INTRODUCTION

The ICROA Approval programme has been recognised since 2008 as the industry standard for voluntary carbon market (VCM) services providers¹ (Organisations) promoting greenhouse gas (GHG) emission reductions, removals, and use of carbon credits to the highest standards of environmental integrity, in support of the Paris Agreement goals.

Approval is obtained annually through a third-party audit process based on the requirements outlined in this document, the ICROA Code of Best Practice (the Code). The Code sets out requirements and guidelines for high integrity and evolves as the VCM develops in order to always encompass best practices.

TERMINOLOGY

The Code is written using terminology to enable Organisations and third-party auditors to assess their compliance. The following terms are defined in accordance with established terminology of the international standards community:

- The term “**shall**” indicates a ‘requirement’ strictly to be followed, without deviation, in order to be in compliance.
- The term “**should**” indicates a ‘recommendation’ for a course of action that is preferred but not strictly required.
- The term “**may**” indicates a ‘permissible’ course of action within the limits of the Code.
- The term “**can**” indicates a ‘possible or capable’ situation that is actual or potential.

SECTIONS OF THE CODE OF BEST PRACTICE

The Code is structured as follows:

- **Section 1:** Transacting and Retiring Carbon Credits
- **Section 2:** GHG Emissions and Removals Inventories (Footprinting)
- **Section 3:** GHG Emission Reductions Advisory Services
- **Section 4:** Governance

Remarks:

- All Organisations applying to be Approved by ICROA shall meet the eligibility criteria listed in Appendix 1.
- All Organisations applying to be Approved by ICROA shall transact or retire carbon credits for voluntary purposes and shall comply with the requirements outlined in Section 1 of the Code.
- All Organisations applying to be Approved by ICROA shall comply with the governance requirements outlined in Section 4.

¹ Typically includes project developers, carbon credits retailers and consultants providing carbon management and compensation services.

- If an Organisation also provides a footprinting service and/or a GHG emission reductions advisory service, it shall comply with the requirements outlined in Sections 2 and/or 3, respectively.
- All Organisations applying to be Approved by ICROA should promote the requirements outlined in Sections 2 and 3.
- Services not covered by the Code include, but are not limited to, services related to compliance activities such as the provision of carbon credits and non-project-based carbon instruments (e.g., allowances) to support a client's current or future regulatory obligations. Furthermore, the Code does not cover environmental instruments or activities when they are not used to compensate for a client's footprint e.g., tree planting services, Energy Attribute Certificates (EACs). EACs are proof of ownership of zero-emission electricity and shall therefore not be used for compensation purposes but as an accounting tool to lower Scope 2 emissions. Consequently, EACs are not in the scope of The Code.

Please Note: If an organisation does not meet the requirements of the criteria marked with an “*” they may apply for Conditional Approval, refer to Appendix 2.

Section 1: Transacting and Retiring Carbon Credits

1.1² *Approved Organisations shall only transact³ or retire carbon credits issued by the following ICROA-Endorsed and Conditionally Endorsed⁴ Carbon Crediting Programmes:

- The American Carbon Registry
- The Architecture for REDD+ Transactions and The REDD+ Environmental Excellence Standard
- BioCarbon Standard
- The British Columbia Offset Program
- Carbon Standards International⁵ (*conditionally endorsed*)
- Cercarbono
- City Forest Credits
- International Carbon Registry – since January 29, 2025
- Isometric (*conditionally endorsed*)
- The Climate Action Reserve
- The Emissions Reduction Fund of the Australian Government
- The Global Carbon Council
- The Gold Standard

² This list of Endorsed or Conditionally Endorsed Organisations will be updated throughout the year as new Crediting Programmes positively complete their assessments and/or renew their Endorsements.

³ This includes buying carbon credits from a project developer, buying or selling carbon credits from / to another market participant, or selling carbon credits directly to an end user.

⁴ Conditional Endorsement is attributed to Carbon Crediting Programmes that meet ICROA's criteria for Endorsement and are pending the achievement of set threshold values in order to validate the full operationalisation of the Programme. These threshold values are currently defined as at least 10 projects registered and 100,000 carbon credits issued.

⁵ CSI has more than one registry; the only one to receive ICROA's Conditional Endorsement is CSI's Global C-Sink Registry: <https://global-c-registry.org/> — no other CSI registry is ICROA Endorsed.

- Plan Vivo
- Puro.earth
- Reverse
- Social Carbon (*conditionally endorsed*)
- The UNFCCC Clean Development Mechanism⁶
- The UK Woodland Carbon Code
- Verra's Verified Carbon Standard

This requirement applies where carbon credits are transacted or retired within the VCM. For the avoidance of doubt, Approved Organisations may transact or retire credits from non-endorsed Carbon Crediting Programmes when used for compliance purposes only. Evidence of use of credits will be sought by the auditor.

To be endorsed by ICROA, a Carbon Crediting Programme shall meet ICROA's Endorsement Criteria and pass an assessment from a designated third-party Assessor. Further details on this process are available [here](#). Programmes are also required to undergo a regular Endorsement Renewal.

1.1.1 Non-carbon Accounting Standards: Approved Organisations may transact or retire carbon credits that have another certification, such as for biodiversity or any other sustainable development component, so long as the underlying carbon credit is from one of the Endorsed Carbon Crediting Programmes listed above. For example, a project under Verra's Verified Carbon Standard may also achieve certification under Verra's Climate, Community and Biodiversity Standard to demonstrate additional benefits associated with the project. These carbon credits must be labelled as appropriate.

1.1.2 The following exceptions apply to the Endorsed Carbon Crediting Programmes in Section 1.1. Approved Organisations shall comply with these exceptions, if applicable:

1.1.2.1 Government schemes: Carbon credits issued by a national or subnational government scheme may be transacted or retired by an Approved Organisation on the strict condition that they are only used to compensate for a local footprint or as part of a local tax scheme, within this government's jurisdiction⁷. They shall not be transacted or retired internationally unless the scheme has been separately endorsed by ICROA. A link to the local registry shall be provided as evidence for any retirements made.

1.1.2.2 Non-compliant carbon credits from Endorsed Carbon Crediting Programmes: Carbon credits which are issued by Endorsed Carbon Crediting Programmes but are ex-ante or temporary do not meet ICROA's requirements on verification and permanence. They may be transacted forward but not retired by Approved Organisations or their clients.

⁶ Until further clarity is available on the new mechanism in development under Article 6 of the Paris Agreement.

⁷ For the avoidance of doubt, a government scheme is a Carbon Crediting Programme developed for or by a national or subnational government, and regulated and administered by the government. It does not include independent Carbon Crediting Programmes eligible for use in regulations such as the South Africa tax scheme, the Colombian tax scheme, or any other comparable regulation.

1.1.2.3 Bundling: As an exception, where Approved Organisations feel compelled to transact or retire carbon credits from non-Endorsed Carbon Crediting Programmes (e.g. regional, emerging, or innovative schemes that enhance VCM development and innovation), Approved Organisations shall demonstrate that the carbon credits were effectively bundled with carbon credit retirements from at least one Endorsed Carbon Crediting Programme on a one-to-one ratio. In such scenarios, Approved Organisations shall communicate to their clients that compensation is achieved only through carbon credits from the Endorsed Carbon Crediting Programme. Evidence of such communication is required. Any such bundling shall be communicated to the customer, shall happen at the time of the sale of carbon credits and shall be transparently reported. A maximum of 10% of an Approved Organisation's annual volume of credits transacted is permissible within this clause.

1.1.3 Approved Organisations should promote sustainable development in the projects that they develop and/or transact. Approved Organisations should communicate whether and how they have assessed the sustainability impacts of their projects and promote the co-benefits or refer to the UN sustainable development goals.

1.1.4 When Approved Organisations transact carbon credits in advance of verification and issuance of those credits (hereafter referred to as Carbon Credits Sold in Advance of Verification), they shall provide clients with appropriate and transparent levels of delivery assurance.

1.1.4.1 At a minimum, such Approved Organisations shall either:

- a) Provide a contractual guarantee of delivery or replacement by demonstrating the financial viability to underwrite such guarantee (i.e., contractual financial guarantee) or by having in place contractual appropriate safeguards to minimise the requirement for replacement and protect the guarantee; or
- b) When a delivery guarantee is not provided, have in place appropriate safeguards to minimise the risk of project under-performance. Appropriate safeguards mean the minimisation of, and insurance against, risks by reserving a portion of the project portfolio as a "buffer" to the extent reasonably required to safeguard performance adequately. Approved Organisations using such safeguards shall adjust their reservation practices based on experience and industry best practices where available.

1.1.4.2 At the point of sale, Approved Organisations shall transparently disclose if the delivery is guaranteed, the measures that are in place to minimise the risk of project under-performance, and what sources of reductions and/or removals are eligible replacements, as applicable.

1.1.4.3 At the point of sale, Approved Organisations shall make reasonably available⁸ the current development or operational status of the project and the expected date or dates of future verification and issuance.

1.1.4.4 If requested by clients, Approved Organisations shall make reasonably available, directly or on their website as applicable, the actual dates of verification and issuance; any deficiency in the verified volume relative to the volume sold to such clients; and the sources of any replacements.

1.1.4.5 Approved Organisations shall provide clients that purchase carbon credits with clear and easy-to-understand communication materials and shall encourage them to communicate the nature of their carbon credit purchases accurately and transparently.

1.2 Approved Organisations (or their clients) shall retire carbon credits used for voluntary compensation in a recognised third-party registry and shall clearly indicate for whom the credits are retired. Furthermore, when making a compensation claim, retirements shall be made in advance of such claim, or it shall be explained why this is not the case and provide substantiation including how risk is managed - both the contractual risks and reputational risks associated with marketing claims⁹.

1.3 Approved Organisations shall encourage clients to communicate their carbon inventory and GHG emission reductions activities, including but not necessarily limited to, the following:

- The client's total GHG emissions associated with the organisation, product, service, or event;
- Actions being taken by the client to reduce GHG emissions;
- Any GHG emissions that are being compensated for, and details of the project(s) generating the carbon credits (for example, if a portfolio approach is used);
- A link to the registry where the carbon credits have been retired; and/or
- Any uncertainties or risks associated with the carbon footprint or internal or external emission reductions.

Section 2: GHG Emissions and Removals Inventories (Footprinting)

2.1 Approved Organisations shall advise clients to measure their GHG inventory.

2.2 If Approved Organisations perform GHG inventory measurement activities for clients or sub-contracts these to a third-party, then they shall perform these activities in accordance with the

- WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (including the GHG Protocol's Scope 2 Guidance and Corporate Value Chain (Scope 3) Standard), or

⁸ For the purposes of this document, "reasonably available" will be taken to mean the following: in the instance of transactions to the public (also known as "consumer sales"), information will be considered to be "reasonably available" when made publicly available on an Approved Organisation's website or other publicly available materials or collateral. In the instance of corporate, or business-to-business, sales information will be considered to be "reasonably available" when included in written communications or documents (e.g., contractual documents) pertaining to the appropriate sale, either at the behest of the Approved Organisation or the Approved Organisation's client.

⁹ For the avoidance of doubt, this clause does not pertain to the forward procurement by a company of emission reductions to support a future strategy such as a commitment to Net Zero. This is regarded as a strategy and not a marketing claim.

- ISO 14064-1:2018.

Furthermore, they shall use, where possible, publicly available and nationally relevant emissions factors from reputable and recognised sources, for example, the IPCC, published Government data, or peer-reviewed studies.

Additionally, supplier-specific emission factors or calculations are encouraged, provided the supplier has derived their calculations using standards or guidance that are applicable to their operation and the intended use of the organisation completing the measurement.

2.3 If Approved Organisations conduct product or service footprints or sub-contract these activities to a third-party, then they shall determine these footprints on a lifecycle basis. Examples include:

- BSI PAS 2050,
- WBCSD-WRI GHG Protocol Product Life Cycle Accounting and Reporting Standard,
- Bilan Carbone documents,
- ISO 14067/14040/14044,

Or any other relevant and credible guidelines developed and/or adopted by international or national organisations in the future can provide guidance on how to estimate product and service emissions on a life cycle basis.

2.4 If Approved Organisations perform any footprinting measurement for air travel, then they shall provide evidence to the Auditor what Radiative Force Index (RFI) they apply when calculating air travel emissions.

2.5 If Approved Organisations provide calculators for clients to quantify trips, events, energy usage or sub-contract this to a third-party, then they shall ensure calculators are accurate to the latest published emission factors and recognised GHG accounting practices.

Section 3: GHG Emission Reductions Advisory Services

3.1 Approved Organisations shall encourage clients to set science-aligned GHG emissions reduction targets, aligned to the Paris Agreement goals. Clients shall be encouraged to perform a comprehensive assessment of opportunities to reduce direct and value chain emissions aligned with science¹⁰.

3.2 For product or service offers (e.g., carbon neutral deliveries), Approved Organisations shall encourage their clients to set carbon reduction targets and be transparent in reporting. Ideally, recognised protocols for applying the mitigation hierarchy/carbon neutrality, such as BSI PAS 2060, should be followed.

3.3. Approved Organisations shall encourage clients to transparently communicate performance relative to their short-, medium-, and long-term abatement targets. Likewise, product and/or

¹⁰ E.g. following guidance from the Science Based Targets initiative, or ISO 14068.

service activities should be transparently communicated and in the public domain (e.g., on the client's website).

3.4 Approved Organisations shall encourage clients to increase ambition and go beyond their GHG emission reduction targets through the use of voluntary carbon compensation.

3.5 Approved Organisations may outsource the assessment of internal emission reduction opportunities to a subcontractor, and under such circumstances, the subcontractor shall be contractually obligated to satisfy the requirements of this Section of the Code.

Section 4: Governance

4.1 Approved Organisations shall publicly disclose the following information: legal entity incorporation details, organisational structure, ownership structure, business objectives, main services, main responsible personnel and contact details.

4.2 Approved Organisations shall implement a science-aligned decarbonisation strategy for their own operations, with short- and medium-term targets.

4.3 Approved Organisations shall comply with relevant local, national and international laws and regulations.

4.4 Approved Organisations shall demonstrate they have no proven engagement in illegal, unlawful or unethical behaviour by the legal entity, ultimate beneficial owner(s) (UBO) or key personnel.

4.5 Approved Organisations shall publicly disclose, implement and enforce a quality control mechanism.

4.6 Approved Organisations shall have Know Your Customer (KYC), Anti-Bribery and Corruption (ABC) and Anti-Money Laundering (AML) public procedures in place.

4.7 Approved Organisations shall have public procedures to identify and handle any conflict of interest.

4.8 Approved Organisations shall enforce risk management procedures adapted to their business.

4.9 Where applicable, Approved Organisations shall maintain a system for receiving, investigating, and redressing grievances from relevant stakeholders.

Appendix 1 – Eligibility Criteria to Become an ICROA Approved Organisation

If an organisation does not meet the requirements of the criteria marked with an “” they may refer to Appendix 2.*

A.1: Eligibility Criteria

- A.1.1** The Organisation is committed to reducing its own GHG emissions and striving for a science-aligned reduction pathway aligned to the Paris Agreement goals.
- A.1.2** The Organisation has been in the business of transacting or retiring carbon credits for voluntary purposes for at least one full year.
- A.1.3 *** The Organisation actively sells a service to retire ICROA-Endorsed carbon credits on behalf of corporates and/or individuals, for the purpose of voluntarily compensating for their GHG emissions.
- A.1.4** The Organisation is committed to achieving large absolute emission reductions across its client base and promoting alignment to the Paris Agreement goals.
- A.1.5 *** The minimum volume sold or retired annually by the organisation must be at least 10,000 tonnes of CO₂e.
- A.1.6 *** The Organisation’s minimum annual financial turnover must be \$100,000 or the local currency equivalent.
- A.1.7** The Organisation must disclose to the ICROA Secretariat any pending or ongoing litigation involving a member of IETA or another market participant.
- A.1.8** In applying to become Approved, the Organisation agrees to undergo an annual compliance audit by a third-party independent auditor to demonstrate compliance with the Code. The Organisation accepts that the final determination of the third-party auditor is binding.
- A.1.9** The Organisation agrees to, and signs, the [Terms and Conditions](#) of the programme.

Appendix 2 – Conditional Approval

As an entry stage to full Approval: The ICROA Approval Programme recognises the need for an inclusive approach that accommodates organisations at different stages of their business maturity journey. To this end, we introduce the concept of “Conditional Approval.”

Organisations seeking Conditional Approval will follow the same procedure and fee schedule as organisations seeking full Approval.

A.2 : Conditional Approval

A.2.1 Eligibility

A.2.1.1 Organisations that do not meet the financial turnover requirement (\$100,000 or the local currency equivalent), the volume sold or retired requirement (10,000 tonnes of CO₂), and/or have transacted/held credits from non-ICROA Endorsed Carbon Crediting Programmes may be eligible for Conditional Approval. All other eligibility criteria must be met.

A.2.1.1.1 Organisations must show evidence that 0% of the credits they are holding, transacting¹¹, or retiring come from non-ICROA Endorsed Carbon Crediting Programmes at the time of application.

A.2.1.1.1.1 Organisations that are forward-selling on the blockchain or otherwise pre-selling credits from non-Endorsed Programs are not eligible for Conditional Approval, and may only apply once they've completely stopped these activities [sales, deliveries, payments, and/or any other commercial activity].

A.2.1.1.2 Once an organisation receives full Approval, it will no longer be eligible to participate in the Conditional Approval programme -- for the avoidance of doubt, fully Approved Organisations which fail their ICROA audit due to non-compliance with Section 1 of the Code may not apply for Conditional Approval.

A.2.2 Audit and Progression

A.2.2.1 Conditional Approval is valid through two ICROA annual audits.

¹¹ transact includes buying carbon credits from a project developer, buying or selling carbon credits from / to another market participant, or selling carbon credits directly to an end user

A.2.2.1.1 By the third audit, organisations must meet the requirements for full Approval, having used the second year to modify inconsistencies in order to comply with the Code.

A.2.2.1.2 If they fail to meet the full Approval requirements by the third audit, they will lose their Conditional Approval and will only be eligible for full Approval once they meet all the requirements.

A.2.3 Recognition

A.2.3.1 Conditionally Approved organisations shall be listed separately on the ICROA website.

A.2.3.1.1 They shall receive a distinct version of the ICROA logo that clearly indicates their conditional status.

A.2.3.1.1.1 This logo will be visually different from the standard logo and include the word “conditional,” to avoid confusion.

A.2.4 Compliance

A.2.4.1 Conditionally Approved organisations shall clearly communicate their conditional status in written communications, logo usage, and verbal representations.

A.2.4.1.1 Failure to disclose the holding, transacting, or retiring of non-Endorsed credits during the audit will result in the removal of the Conditional Approval

A.2.4.1.1.1 This may affect their future eligibility for Conditional and/or Full Approval

A.2.4.1.2 Failure to accurately represent their conditional status will result in a warning followed by automatic removal of their Conditional Approval status if not rectified within 5 working days.

A.2.4.1.2.1 Failure to comply may affect their future eligibility for Conditional and/or Full Approval