



CHARTER OF THE INTEGRITY COUNCIL FOR THE VOLUNTARY CARBON MARKET

THIS CHARTER has been adopted by a resolution of the Governing Board of the Integrity Council for the Voluntary Carbon Market (the “Integrity Council”) on [●].

This Charter should be read along with the Governing Principles of the Integrity Council and the Modalities and Procedures of the Integrity Council, each as may be amended from time to time.

1. INTEGRITY PRINCIPLES

- a. There is an urgent need to mitigate the climate crisis and a well-functioning voluntary carbon market (“VCM”) has a critical role to play. The VCM exists to accelerate a just transition to Net Zero by channelling finance that would not otherwise be available into projects and programs that genuinely reduce or remove greenhouse gas (“GHG”) emissions and are genuinely additional.
- b. In order to achieve its public purpose, create trust and build a liquid market of high-integrity credits that meets demand on the path to net zero, the VCM must complement international, national and regional climate change policies and measures and:
 - i. drive actions to reduce GHG emissions and enhance removal of GHGs that would not have happened otherwise and actions that go above and beyond policy and regulatory requirements and high-ambition science-based pathways for corporate decarbonisation;
 - ii. mobilize global finance and channel additional flows of finance to greenhouse

gas mitigation, especially in developing countries, and accelerate market uptake of solutions, whether nature-based, based on clean technologies or otherwise;

- iii. support the implementation of Nationally Determined Contributions (“NDCs”) and encourage both the development of more ambitious NDCs and long-term strategy as well as the implementation of science-based GHG reduction commitments by non-state actors;
 - iv. complement the actions undertaken and the mechanism(s) created under Article 6 of the Paris Agreement;
 - v. deliver sustainable development benefits and avoid or minimize negative impact in countries hosting VCM projects that respect the rights of, and have the active participation of or benefits sharing with, Indigenous Peoples and Local Communities; and
 - vi. support technical and institutional capacity to reduce GHGs and enhance removal of GHGs across a broad range of actors in the public, philanthropic and private sectors, academia and non-governmental organisations.
- c. The Integrity Council is the independent governance body established to set and enforce definitive global threshold standards for the VCM. The Integrity Council shall ensure strong governance in the VCM across three dimensions: (i) participant eligibility; (ii) participant oversight; and (iii) market functioning. The Integrity Council shall ensure the development of appropriate legal and accounting frameworks and anti-money laundering and know-your-customer guidelines for the VCM.
- d. The Integrity Council shall establish the Core Carbon Principles to ensure that high-integrity carbon credits are used in the VCM and these principles shall ensure credit-level integrity and the application of sound operational and governance procedures to such credits. The Core Carbon Principles shall ensure that the VCM clearly recognises projects, programs and credits that demonstrate high environmental and social integrity in order to build its trust and legitimacy.

Co-Chairs of the Integrity Council

2. GOVERNING PRINCIPLES AND MANDATE

- a. The Integrity Council shall operate according to its governing principles which include being purpose-driven, integrity, transparency, interdependence and inclusivity.
- b. These governing principles are set out in detail in the Governing Principles document, which shall be deemed to be incorporated in and form part of this Charter.

3. MODALITIES AND PROCEDURES

- a. The Integrity Council shall be an independent, stakeholder-led and self-regulating body.
- b. The umbrella governance body of the Integrity Council shall consist of the Governing Board, the Expert Panel and the Executive Secretariat.
- c. The governance framework is set out in detail in the Modalities and Procedures document, which shall be deemed to be incorporated in and form part of this Charter.

4. ADHERENCE TO THIS CHARTER

- a. All individuals and organisations involved directly or indirectly with the Integrity Council shall adhere to this Charter, the Governing Principles and the Modalities and Procedures, to the best of their abilities.

5. VARIATION OF THIS CHARTER

- a. This Charter is the constitutional document of the Integrity Council and may be varied only in accordance with the procedures set out in the Modalities and Procedures document.