

Guidance for Voluntary Climate Change Mitigation

Ārahitanga mō te Whakamauru Āhuarangi
Hurihuri Tūao



Ministry for the
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Context

Voluntary climate change mitigation can accelerate progress on climate change

Climate change poses a profound global and domestic challenge. Aotearoa New Zealand is already feeling the impacts, such as more frequent and intense extreme weather events, flooding, droughts and rising sea levels. These impacts are leading to increased pressure on communities, ecosystems and infrastructure. Tackling this crisis demands collective action from governments, businesses and individuals.

Businesses, which can be significant sources of greenhouse gas emissions, are playing a pivotal role in driving decarbonisation and investing in the transition. Such investment can increase the development of innovative technologies and accelerate their adoption. It can also lead to positive land-use changes, with wider co-benefits that help achieve environmental, social and economic goals. For example, funding native forest restoration also improves biodiversity, soil health and water quality. Organisations have immense impact across their entire value chain and are integral to helping New Zealand meet its international and domestic climate targets.

Robust, high-integrity voluntary carbon markets are key to harnessing these opportunities.

The Government supports participation in, and the domestic growth of, robust, well-functioning and high-integrity voluntary carbon markets that align with international best practice.

Who is this guidance for?

This guidance is intended for participants in voluntary carbon markets. The aim is to:

- set out the Government's expectations of participants
- reflect best practice for claims by organisations or groups who undertake voluntary climate change mitigation in New Zealand, including those who supply or use voluntary carbon credits.

This guidance replaces the interim guidance that was published in February 2022. It will be reviewed and updated before the start of New Zealand's second Nationally Determined Contribution (NDC2) period on 1 January 2031.

Compliance and voluntary carbon markets

This guidance applies to climate change mitigation that is undertaken voluntarily. Such action goes further than mandatory requirements, such as those under the New Zealand Emissions Trading Scheme (NZ ETS) or other land-use regulations.

Surrendering New Zealand Units (NZUs) as part of a legal requirement under the NZ ETS is not voluntary mitigation, regardless of whether the NZUs were purchased, freely allocated, or received from eligible removal activities.

An organisation should not make claims of voluntary mitigation for surrendering NZUs that are part of its compliance requirements under the NZ ETS.

Best practice approach for voluntary climate change mitigation

Voluntary climate change mitigation (voluntary mitigation) can play a crucial and complementary role in supporting New Zealand’s transition to a low-emissions, climate-resilient and sustainable economy. It can involve:

- reducing emissions within an organisation’s operations and supply chains (including through insetting)
- contributing finance to emissions reductions or removals outside the organisation (including through purchasing voluntary carbon credits for offsetting)
- supporting innovation that brings demonstrable climate benefits.

Mitigation hierarchy

In line with international best practice, organisations should apply a mitigation hierarchy when pursuing voluntary mitigation. This means prioritising decarbonisation and emissions reductions within your organisation or value chain. Voluntary carbon markets should not be used as a substitute for decarbonisation, but can play a complementary role in supporting climate action alongside ambitious emissions reductions, where it is not possible or commercially viable to eliminate emissions. Table 1 outlines the steps for following the mitigation hierarchy.

To support transparency and the integrity of voluntary carbon credits, project developers interested in supply should use [high-quality schemes that are endorsed or recognised by the New Zealand Government](#).

Table 1: Applying a mitigation hierarchy

Step	Rationale
Step 1: Identify, measure and report the emissions baseline (or base year).	<p>Establishing a credible baseline enables organisations to understand the sources and scale of their emissions, identify opportunities for abatement, and track progress over time. Transparent reporting of emissions demonstrates accountability and supports national and global efforts to monitor and manage climate impacts.</p> <p>See the Ministry’s Measuring Emissions Guidance for advice on identifying a suitable baseline.</p>
Step 2: Develop and implement a credible decarbonisation plan, outlining clear strategies and pathways for reducing emissions over time.	<p>As per international best practice, a credible plan may include key elements such as:</p> <ul style="list-style-type: none"> • alignment with the goals of the Paris Agreement and New Zealand’s climate targets • a comprehensive inventory of emissions across all relevant scopes • emissions reduction strategies that address all sources of emissions, prioritising feasible and effective abatement within operations and value chains

Step	Rationale
	<ul style="list-style-type: none"> • short- and long-term targets that reflect the organisation’s commitment to meaningful reductions • regular review and updating of targets and strategies to incorporate new technologies and best practice • public disclosure of emissions data and progress, using recognised reporting standards.
Step 3: Implement the decarbonisation plan, prioritising mitigation within the organisation and operations.	Prioritise implementing all feasible reduction and removal initiatives across operations, in line with international best practice.
Step 4: Where emissions cannot yet be eliminated, consider purchasing high-integrity carbon credits to address remaining emissions while implementing your decarbonisation plan.	<p>Where emissions cannot yet be eliminated, organisations may use carbon credits to help address remaining emissions, including during the transition to net zero, particularly in sectors where viable decarbonisation options are not yet available or practical.</p> <p>Use of carbon credits should complement, not replace, implementation of the decarbonisation plan and align with the six principles in this guidance.</p> <p>For significant investments, you may also seek additional assurance, including through independent carbon credit ratings or assessments.</p>

Principles for using carbon credits for voluntary mitigation

Organisations using carbon credits for voluntary mitigation should ensure that the carbon credits align with the following six principles.

Principle 1: Additional

The reductions or removals are due to a specific activity and would not have occurred in the absence of the incentives and revenue from credits.

This means the activity is beyond compliance, was not going to happen anyway and is not already required by regulation or other policy measures.

Additionality in forestry

The establishment of a new forest for climate change mitigation may be considered additional where the forest would not have been established in the absence of financial incentives or associated revenue streams.

In the New Zealand context, the timing of forest establishment is also a key consideration, as it can affect eligibility, environmental outcomes, and overall mitigation effectiveness.

Business-as-usual management from a forest established before 1990 in New Zealand, does not generate *additional* carbon removals and cannot be claimed as voluntary climate change mitigation. This is because there is an expectation that these forests maintain carbon stocks and sequestration rates under existing land-use practices and regulatory settings. As a result, ongoing or routine management of these forests is not additional. Only measurable and verified increases in carbon sequestration that result directly from a specific, new action, beyond business-as-usual management and existing legal requirements, could potentially be considered additional in these forests.

Forests established after 1989 may be eligible for voluntary carbon markets if not already registered in the NZ ETS.

Fulfilling compliance obligations (eg, surrendering NZUs) under the NZ ETS is legally required and is **not** additional.

Principle 2: Durable and permanent

Reductions or removals should be maintained over time and be unlikely to be reversed. Any subsequent reversals of credited climate change mitigation should be fully compensated for.

An organisation will need to consider how their claimed voluntary action demonstrates permanence and state how it will be managed if, for unforeseen circumstances, the voluntary action is reversed. How this is demonstrated and addressed will differ depending on the activity being claimed.

Example of permanence

Where an organisation uses a forest-based activity to support voluntary mitigation claims, it should explain how the durability and permanence of the emissions removals are managed over time, and how the risk of reversal is addressed.

This includes a combination of legal, contractual and operational measures, such as:

- long-term land-use restrictions or management obligations (for example, through land covenants with suitable terms, contractual commitments, or statutory requirements)
- clear allocation of responsibility for emissions reversals between parties (for example, between landowners, project developers, and credit buyers)
- monitoring and reporting arrangements to detect material changes in forest condition
- mechanisms to address reversals if they occur, such as replanting obligations, replacement mitigation, insurance or buffer arrangements.

The existence of a covenant or contract alone may not be sufficient. Organisations should consider the content, enforceability, duration and breach provisions of any permanence arrangements, and disclose how these collectively provide confidence that claimed mitigation outcomes will be maintained.

Principle 3: Real, measurable, verifiable outcomes and risk mitigation

Carbon credits representing voluntary climate change mitigation should deliver the tangible outcomes described and be based on activities that are appropriate for the project context and location.

Mitigation outcomes should be real, measurable and verifiable, and supported by credible monitoring, reporting and verification. Claims and credits should be underpinned by robust evidence and verified by an appropriately qualified, independent third party against a reputable and publicly disclosed standard. It is the responsibility of organisations involved in developing, supplying and using credits to ensure that voluntary mitigation is based on a valid activity to reduce or remove greenhouse gases, and that adequate records are maintained to support claims over time.

The applicable carbon standard will set out what will be verified. Organisations should use [high-quality schemes that are endorsed by the New Zealand Government](#).

Requirements for evidential rigour should be applied in a way that is proportionate and cost-effective, while remaining sufficient to support confidence in the integrity of the mitigation outcome.

The risk of any negative impacts, unintended consequences and spillover effects should be appropriately managed. As part of effective risk mitigation, organisations should only purchase credits from standards that have processes in place to identify, assess and manage risks that could undermine the claimed mitigation outcome, or its environmental integrity, including:

- the risk of reversals or under-delivery of emissions reductions or removals

- the risk of leakage, where emissions reductions or removals in one place lead to increased emissions elsewhere
- the risk of negative environmental impacts of unintended consequences arising from the mitigation activity.

Promoting high-integrity outcomes

Voluntary mitigation activities should be designed and implemented in a way that supports high environmental integrity, avoids harm to biodiversity and native ecosystems, and where possible, promotes nature-positive impacts. This includes ensuring that activities are ecologically appropriate for the area in which they are undertaken, and that potential adverse impacts on biodiversity, ecosystems and wider environmental values are avoided.

Where ecological risks remain, a recognised effects management hierarchy should be applied, which prioritises:

- avoiding activities or project designs that are likely to cause harm to biodiversity, ecosystems or other environmental values
- minimising potential adverse impacts where they cannot be fully avoided
- restoring or rehabilitating affected ecosystems where impacts do occur.

Organisations should preferentially purchase or use high-integrity carbon credits from activities that not only avoid adverse environmental impacts, but where applicable, also contribute to improving wider environmental outcomes, such as supporting indigenous biodiversity, ecosystem resilience, or water and soil health.

This information should be publicly disclosed. Together, these measures:

- support credible climate outcomes
- avoid undermining environmental values
- align with evolving international best practice that emphasises both rigorous measurement and effective risk management.

Principle 4: Transparent

Organisations should clearly state:

- the source of voluntary mitigation, including the standard and methodology used
- how the action follows the other five principles.

All stakeholders, including credit buyers, project developers, iwi, communities and third-party verifiers, can see and understand how all credits are credited, verified, traded and retired or cancelled, and what claims are being made.¹

While meeting this principle, standards will ensure that the public disclosure of information includes safeguards around sensitive information (such as the locations of threatened species or culturally sensitive information).

¹ This supports principle 6: Not double counted and supports accurate claims.

Subject to those safeguards, information should be publicly available and easy for anyone to find and access.

How can I be transparent?

Publish the details of how you have followed the principles of voluntary mitigation.

If a third party has made or facilitated the mitigation or purchase of carbon credits on your behalf, they should publish the details of how they comply with the principles.

In both cases, details could be published on a website, in a public disclosure statement or in an annual report.

Principle 5: Respectful of rights

Safeguards should be in place to ensure the rights and interests of all people (including Māori and local communities) are respected and upheld, in alignment with recognised international practice. This also applies to voluntary mitigation undertaken overseas.²

Respecting people's rights

Recognised international practice requires that activities that generate voluntary carbon credits are designed and delivered in a way that respects people's rights. This is often referred to as adhering to 'social safeguards'.

Respecting people's rights includes:

- acting consistently with people's rights in relation to land and water including, in New Zealand, common law and customary rights
- respecting local and indigenous knowledge and cultural practices including ensuring free, prior and informed consent processes
- providing safe and healthy working conditions compliant with labour laws.

New Zealand has endorsed the shared principles of the Coalition to Grow Carbon Markets. These state that organisations should:

- source carbon credits from activities that meet rigorous requirements for social, economic and environmental safeguards^{3,4}

² The third-party provider should ensure labour laws and human rights standards are adhered to, and that indigenous people and local communities are not being harmed due to the voluntary climate change mitigation project in the short or long term.

³ See principle 3: Real, measurable, verifiable outcomes and risk mitigation for further information on environmental safeguards.

⁴ Recognised good international practice includes social, environmental and economic safeguards to ensure projects are designed to deliver measurable benefits that extend beyond emissions reductions and removals. It includes respect for human rights, free, prior, and informed consent of Indigenous Peoples and local communities, fair and equitable benefit-sharing, do-no-harm to biodiversity and ecosystems, and access to effective grievance mechanisms.

- prioritise purchases based on the quality of the carbon credit and, where applicable, from activities that provide and demonstrate meaningful co-benefits for people and nature, ensuring transparent and equitable benefit-sharing
- offer pricing that reflects fair value for emissions reductions and removals being delivered.

Principle 6: Not double counted and supports accurate claims

Double counted (double use and double issuance)

Organisations should ensure that greenhouse gas emissions reductions or removals are only counted once towards achieving targets or compliance obligations. It is the responsibility of organisations to ensure that standards have processes in place to avoid and prevent double use and issuance.

Examples of double counting

Double use

- A unit is used for a claim of voluntary mitigation but not retired. That same unit is then surrendered to meet a compliance requirement or retired to make a second claim of voluntary mitigation.
- Multiple organisations use the same unit to count as progress towards their voluntary mitigation targets.
- An organisation meeting its commitments under SBTi⁵ supply chain targets should not:
 - use the same credit for compliance requirements under the NZ ETS
 - sell this credit on the voluntary market.

Double issuance

A unit of removals from an afforestation project is issued two credits at the same time:

1. A credit from the NZ ETS.
2. A credit in an independent standard for the voluntary carbon market.

Accurate claims

Ensure that claims representing reductions or removals are clear, accurate and transparent. Organisations should make any claim in line with principle 4 (Transparent).⁶

⁵ SBTi is the [Science-based Targets initiative](#). This is a framework that helps companies to take credible, science-based climate action.

⁶ Misleading or false voluntary mitigation claims could be considered a breach of the Fair Trading Act 1986 and could be investigated by the Commerce Commission. Only the courts can decide if there has been a breach, and they can impose severe penalties if the law has been broken.

Accurate claims and the Nationally Determined Contribution – avoiding double claiming

There are two recognised forms of voluntary mitigation claims:

- **contribution claims:** voluntary action that contributes to the nationally determined contribution (NDC) of the country in which the voluntary emissions reduction or removal occurs
- **exclusive use claims:** voluntary action that is not counted in, or is *additional to*, any country's NDC.

Both types of voluntary action can represent positive contributions to domestic and global climate action. To avoid misleading or false claims, organisations should be transparent about the nature of carbon credits they use, including whether the mitigation outcome is counted towards an NDC.

Contribution claims

Carbon credits representing voluntary mitigation that is counted towards a country's NDC should be claimed as contribution claims. An organisation should:

- clearly disclose that the claim represents a contribution to climate action
- specify whether the contribution relates to the NDC of New Zealand or a different jurisdiction (eg, that the activity represents a contribution to New Zealand's climate targets).

Exclusive-use claims

Carbon credits representing voluntary mitigation that is not counted towards a country's NDC may be cited in exclusive-use claims. These are claims such as 'carbon neutral' and 'net zero', where an organisation asserts exclusive use of the mitigation outcome. This reflects international norms.

Organisations should ensure that any such claims are:

- transparent
- in accordance with the requirements of the claims framework being used
- clear about the basis on which exclusive use is asserted.

Activities not currently included in the NDC

Undertaking voluntary mitigation in land-use categories which are not yet included in New Zealand's NDC accounting coverage will mean the action will not be double claimed by the Government and the project developer. Organisations can claim mitigation outcomes from these activities as 'exclusive use'.

The NDC accounting coverage may expand in the future as data and methodologies enable more accurate national monitoring and reporting.

The [Assessment Framework for Carbon Removals](#) outlines the steps required for any future inclusions in the NDC. If an activity becomes included in the NDC, mitigation outcomes from that activity would no longer support exclusive-use claims. They would instead support contribution claims, giving appropriate advance notice to provide certainty for investors.

Opportunities for exclusive claims through corresponding adjustments

The New Zealand Government does not currently offer letters of authorisation or corresponding adjustments for any voluntary carbon market activity, although this may change in the future. As a result, there is currently no process to adjust reductions or removals generated in New Zealand, where these outcomes are counted towards the NDC, for transfer out of the NDC. This may be reconsidered in the future.

Which activities does the NDC include?

Not all emissions and removal activities are currently included in New Zealand's NDC accounting. The NDC applies across the economy, and across all sectors. However, coverage of emissions and removals in the land-use, land-use change and forestry (LULUCF) sector is currently limited to **forestry**.

The NDC includes emissions and removals from all forest-related activities that contribute to the LULUCF sector. This includes afforestation and reforestation (of forests established after 1989), deforestation (any forest land conversions to non-forest land uses), forest management (of all forests that existed prior to 1990) and soil carbon changes on forest land.

Although forestry activities are restricted to 40 percent of New Zealand's land area, they comprise the majority of the country's land-based emissions and removals.

The NDC does not currently include emissions and removals from non-forest land uses (eg, cropland, grassland, wetlands and settlements), or those that arise from land-use changes between these land uses.

The exception is where the non-forest land-use change occurs on land which was deforested after 1989. In this case, all emissions and removals from vegetation and soils on this land are included in the NDC.

The exclusion of non-forest land-use emissions and removals from the NDC reflects the practical and methodological challenges of accurately measuring, attributing and managing anthropogenic⁷ emissions and removals from these activities at a national scale. However, under the Paris Agreement, parties are expected to expand NDC coverage over time to include all categories of anthropogenic emissions and removals. The Government is actively considering expanding NDC coverage to include non-forest land uses.

Accurate claims about co-benefits

Organisations are encouraged to finance and support voluntary mitigation that delivers additional environmental and social co-benefits. For example, funding native forest restoration can enhance biodiversity, soil health and water quality.

⁷ Caused by human activity.

You can make claims about co-benefits if the claims:

- are transparent, proportionate and supported by credible information and evidence
- do not overstate the outcomes
- align with the six voluntary market principles.

Claims of voluntary mitigation by cancelling NZUs

In the first instance, the Government recommends that those looking to make claims of voluntary mitigation do so through participation in voluntary markets rather than through the NZ ETS.

Holders of NZUs have the ability to cancel NZUs by applying to the Environmental Protection Authority to transfer them to a cancellation account to support voluntary claims. This removes the unit from the NZ ETS before it is used to meet a surrender obligation.

However, removing the unit from the NZ ETS does not guarantee an offset of emissions. There is a risk that the NZ ETS unit settings process could respond indirectly to cancellations by increasing the number of NZUs available in auctions. This brings the economy-wide additionality of cancelled NZUs into question, even if it represents real removals activity.

As New Zealand's voluntary markets develop and there are more projects and credits, we expect that there will be more options for organisations looking to make voluntary claims beyond purchasing and voluntarily cancelling NZUs. We will review the voluntary cancellation of NZUs for voluntary claims in the future, once credible domestic alternatives are more readily available.

Meeting the six principles

When organisations use the cancellation of an NZU in the New Zealand Emissions Trading Register as the basis for a claim of voluntary mitigation, the claim should follow all six principles.

Only two types of NZUs should be considered for cancellation, for the purpose of voluntary mitigation:

- Entitlement for Permanent Forest Sink Initiative Forestry (NZU_PFSI)
- Permanent p89 Forestry Removal Activities (NZU_PP89).

These are the only types of NZU that have permanence requirements that meet the voluntary market principles. NZUs derived from standard forestry (NZU_P89) require more due diligence and safeguards to demonstrate that they meet the principles.

Accurate claims

Organisations making claims of voluntary mitigation based on cancelled NZUs should be transparent that:

- it is a contribution claim on the basis that the removal activity is counted in the NDC⁸
- it is based on a cancelled NZU, including clear disclosure of unit type
- the activity that generated the unit aligns with the six principles.

⁸ However, additional NZUs could be issued through the NZ ETS settings, which could negate this positive contribution to the NDC.

Funding voluntary mitigation offshore

Organisations may choose to finance emissions reductions or removals in other countries through the purchase of carbon credits, which can enable positive global climate outcomes. Organisations should be transparent with any communications about claims from this activity, in line with principle 6: Not double counted and supports accurate claims.

Not all programmes are equal in their standards or integrity. We strongly recommend thorough due diligence when funding voluntary mitigation offshore. To ensure the activity adheres to the six principles, engage a reputable provider to verify the action.

Glossary

Terminology	Meaning
Additionality	A criterion under which an emissions reduction or removal would not have occurred in the absence of the incentives or finance provided by voluntary mitigation activity and goes beyond regulatory requirements and business-as-usual practice.
Cancellation (of a New Zealand Unit)	The removal of a New Zealand Unit from circulation in the New Zealand Emissions Trading Scheme Register so it cannot be used for compliance or transferred to another party.
Carbon credit	A verified and tradeable unit representing one tonne of carbon dioxide equivalent reduced or removed from the atmosphere, issued under a recognised carbon standard or registry.
Carbon standard	A set of rules and methodologies that govern how emissions reductions or removals are quantified, verified, issued and tracked as carbon credits within a voluntary carbon market.
Co-benefits	Environmental, social, economic or cultural outcomes that may arise alongside emissions reductions or removals from a voluntary mitigation activity but are separate from and additional to the climate mitigation outcome itself.
Contribution claim	A voluntary mitigation claim where an organisation transparently states that its action contributes to the nationally determined contribution of the country where the emissions reduction or removal occurs, rather than asserting exclusive use of the mitigation outcome.
Double claiming	Occurs when the same unit of emissions reduction or removal is claimed by both a jurisdiction towards the achievement of domestic or international climate targets and a sub-national entity like a corporation which retires the unit in order to make an offsetting claim (carbon neutrality or net-zero claim). Double claiming does not apply to contribution claims made by sub-national entities towards a jurisdiction's domestic or international climate targets.
Double counting	A situation where the same emissions reduction or removal is counted more than once towards climate targets or claims. This includes double issuance and double use.
Double issuance	Occurs when more than one carbon credit is issued for the same emissions reduction or removal, including across voluntary and compliance carbon markets.
Double use	Occurs when the same carbon credit or mitigation outcome is used more than once to support climate claims or targets, whether voluntary or compliance based.
Durability/Permanence	The extent to which an emissions reduction or removal is maintained over time and is unlikely to be reversed, and how any reversal risk is managed or addressed.
Exclusive-use claim	A voluntary mitigation claim where an organisation asserts exclusive use of a quantified emissions reduction or removal that is not counted towards any country's Nationally Determined Contribution. Under international norms, these are typically associated with claims of carbon neutrality or net zero.

Terminology	Meaning
Insetting	Climate change mitigation activities undertaken within your own supply chain (ie, across your operations, suppliers, sourcing regions or downstream activities) to reduce greenhouse gas emissions or enhance removals. Unlike offsetting, which typically involves purchasing credits from projects outside your supply chain, insetting focuses on directly addressing emissions where they arise, particularly scope 3 emissions.
Leakage	An increase in greenhouse gas emissions outside the boundary of an activity that occurs as a result of that activity, reducing or negating its climate benefit.
Nationally Determined Contribution	A country’s climate action commitment under the Paris Agreement, setting out how it will reduce emissions and/or increase removals and contribute to global climate goals.
Paris Agreement	<p>The Paris Agreement is a legally binding international treaty on climate change. Its main goal is to:</p> <ul style="list-style-type: none"> • hold ‘the increase in the global average temperature to well below 2°Celsius above pre-industrial levels’ and • pursue efforts ‘to limit the temperature increase to 1.5°Celsius above pre-industrial levels.’
Retire (a carbon credit)	The act of redeeming the emission benefit certified by the carbon credit, usually by informing the voluntary carbon market (VCM) registry that you wish to retire the credit, rendering it no longer available for further trades. The record of its retirement will then be kept on the VCM registry, and some crediting programmes/registries would also provide some certification of the retirement of the credit. Retirement applies to voluntary carbon credits and is distinct from the cancellation of NZUs under the NZ ETS.
Supply chain	The full network of upstream and downstream activities involved in producing, transporting, using and disposing of goods or services, where greenhouse gas emissions can occur at multiple stages beyond an organisation’s direct operations.
Value chain	The supply chain viewed through the lens of how value is created, transferred, or diminished at each stage, including through design, production choices, procurement, use and end-of-life management.
Voluntary carbon markets (VCM)	Markets in which carbon credits representing verified emissions reductions or removals are issued, transferred and voluntarily retired to support climate claims outside of mandatory compliance systems.
Voluntary climate mitigation	Tangible action taken beyond legal requirements that leads to the reduction or removal of greenhouse gas emissions, and is used to support voluntary climate claims.

Appendix: Case studies – voluntary climate mitigation claims

Purpose of these case studies

The examples below illustrate how an organisation might describe and disclose voluntary climate mitigation claims in line with this guidance. They are illustrative only and do not prescribe a single format. Organisations may use other reporting frameworks or standards, such as the Voluntary Carbon Markets Integrity Initiative Claims Code of Practice, provided claims are clear, accurate and demonstrate high-integrity activity.

Example 1: Permanent indigenous afforestation (NZ ETS – cancelled NZUs)	
Example of an organisation’s claim	We have voluntarily supported permanent indigenous afforestation in New Zealand by purchasing and cancelling New Zealand Units (NZUs) equivalent to our residual emissions for the reporting year. This represents a contribution to New Zealand’s climate targets and positive biodiversity outcomes.
Voluntary action undertaken	We financed the establishment and ongoing management of a permanent post-1989 indigenous forest located in Tolaga Bay, Tairāwhiti, registered in the New Zealand Emissions Trading Scheme (NZ ETS). The investment supports long-term carbon sequestration and wider biodiversity outcomes.
Basis of the claim	The claim is based on the voluntary cancellation of NZUs generated by a permanent post-1989 forest (NZU_PP89) during the period [state eg, 2025–30]. The units were cancelled in the New Zealand Emissions Trading Register and cannot be used for compliance or transferred to another party.
Nature of the claim	This is a contribution claim, as the removals from forestry are included in New Zealand’s nationally determined contribution (NDC) [state which one eg, NDC1]). We do not claim exclusive use of the mitigation outcome.
Additionality	The afforestation activity goes beyond regulatory requirements and would not have occurred at the same scale or pace without voluntary finance. We disclose that cancelling NZUs does not guarantee economy-wide additional mitigation, given the structure of the NZ ETS.
Durability and Permanence	The forest is subject to NZ ETS permanent obligations, including restrictions on deforestation and harvesting. Additional contractual safeguards are in place to manage reversal risk, including provisions addressing replanting or replacement if reversals occur.
Measurement and verification	Carbon removals are measured and verified in accordance with NZ ETS requirements. Forest area and unit issuance are recorded in the Register.
Leakage	The land-use change did not result in displacement of emissions (for example, through conversion of other land to pasture). This has been assessed at a project level and disclosed at a high level.
Respectful of rights	The project was developed and implemented with the formal agreement of the landowner and in compliance with all applicable laws. The project design considered local community interests and existing land-use rights. No involuntary land acquisition occurred, and there are no restrictions on customary access or resource use. No traditional knowledge or cultural expressions of tangata whenua groups were utilised in

Example 1: Permanent indigenous afforestation (NZ ETS – cancelled NZUs)

	undertaking or promoting the project without prior informed consent from those groups. No cultural heritage sites were damaged or destroyed as a result of the project.
Double counting and accurate claims	<p>The NZUs have been cancelled and cannot be used for compliance or future claims.</p> <p>We disclose the forest location and project details to help reduce the risk of double issuance.</p> <p>The mitigation outcome contributes to New Zealand’s NDC [state which NDC eg, if the credits were issued for the period 2025–30 then it contributes to NDC1].</p>

Example 2: Mixed exotic-indigenous forestry (voluntary market standard)

Example of an organisation’s claim	<p>We have financed afforestation that delivers verified carbon removals in New Zealand, contributing to national climate action.</p> <p>We worked directly with the landowners to finance 100,000 tonnes of CO₂e emissions removals over the period [state eg, 2025–30] via mixed eucalyptus–indigenous forestry model on a 1,000-hectare farm by planting over 1 million trees.</p> <p>This project helps New Zealand meet its NDC [state which NDC eg, if the credits were issued for the period 2025–30 then it contributes to NDC1]). This contribution supports climate action at a scale comparable to our residual emissions for the year.</p> <p>By working directly with farmers, we have contributed towards increasing economic, social and indigenous co-benefits. We have also made a positive contribution to biodiversity co-benefits.</p>
Voluntary action undertaken	We financed afforestation and maintenance of mixed species exotic indigenous permanent forest in Banks Peninsula, Canterbury. This has been verified under [state which internationally or domestically recognised voluntary carbon standard].
Basis of the claim	Credits are issued and retired through a voluntary carbon market standard.
Nature of the claim	This is a contribution claim, as the removals occur within New Zealand and are counted towards NDC [state which one, eg, NDC1]. We do not assert exclusive use of the mitigation outcome.
Additionality	The project would not have proceeded without voluntary finance. The afforestation activity funded to provide this claim is not required under existing regulation.
Durability and Permanence	<p>Permanence is addressed through contractual commitments, monitoring arrangements and buffer mechanisms consistent with the applied standard. This includes:</p> <ul style="list-style-type: none"> • a 50-year contractual term • in-person and LiDAR monitoring • monthly pest management.
Measurement and verification	Carbon removals are independently verified in line with the standard’s methodology. The standard is accredited by the Integrity Council for the Voluntary Carbon Market. The project also has an A- rating from [internationally recognised carbon credits rating agency].
Leakage	The planting and maintenance of this forest has resulted in a net decrease of emissions due to the land-use change from agriculture to forest. The project assessment considered land-use displacement and found no material risk of emissions leakage.
Respectful of rights	The project was developed with the informed agreement of landholders and complies with applicable labour, health and safety, and environmental laws. In conjunction with the relevant groups, project design considered resource activities undertaken and access to or across land utilised by either local communities or customary rights holders, and the project did not restrict that resource use or access.

Example 2: Mixed exotic-indigenous forestry (voluntary market standard)

Double counting and accurate claims	Credits are issued once, tracked in a public registry and retired before claims are made. We disclose that the mitigation outcome contributes to New Zealand’s NDC.
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Example 3: Agricultural methane mitigation technology (voluntary market standard)

Claim	We have supported the deployment of methane-reducing technology on New Zealand farms, delivering verified emissions reductions that contribute to national climate goals.
Voluntary action undertaken	We funded the deployment of agricultural methane mitigation technology on participating farms under an international voluntary carbon market methodology [state eg, Verra VM0041].
Basis of the claim	Emissions reduction units were issued and retired under a voluntary carbon market standard for the period [state eg, 2025–30].
Nature of the claim	This is a contribution claim, as agricultural emissions reductions contribute to New Zealand’s NDC [state which one eg, NDC1].
Additionality	Deployment would not have occurred without voluntary finance.
Durability and Permanence	This activity delivers emissions reductions, not removals. Durability is addressed through requirements for continued operation of the technology and monitoring over the crediting period.
Measurement and verification	Emissions reductions are calculated using recognised farm level emissions methods ([state which one eg, the Ministry for Primary Industries’ Farm Emissions Method]) and verified in accordance with the applied methodology.
Leakage	The technology does not reduce production or shift activity in a way that would increase emissions, and no material leakage risk has been identified.
Respectful of rights	Participation by landowners is voluntary and based on informed consent and formal agreements. The project complies with labour, health and safety, and animal welfare requirements. Data sharing and contractual arrangements respect landowner confidentiality and commercial interests.
Double counting and accurate claims	We disclose how emissions reductions are treated in relation to value-chain targets within the Science Based Targets initiative and ensure that they are not simultaneously claimed by multiple parties or for multiple purposes.

Example 4: Non-forest vegetation sequestration (outside the NDC)

Claim	We have financed revegetation projects that increase carbon sequestration from vegetation not currently accounted for under New Zealand’s NDC. The volume of sequestration is equivalent to our residual emissions for the 2024/25 reporting year supporting an exclusive-use claim (eg, net zero for the reporting year).
Voluntary action undertaken	We funded riparian planting and management, resulting in vegetation that does not qualify as forest under New Zealand’s NDC accounting rules.
Basis of the claim	Emissions removal units were issued for the period [state eg, 20–30] and retired under a voluntary carbon market standard.
Nature of the claim	The activity is outside the scope of the NDC [state which NDC eg, NDC1]. The measured and verified emissions reductions enable us to make an exclusive-use claim for the reporting year.
Additionality	The project goes beyond regulatory requirements and common land-management practice.
Durability and Permanence	Permanence risks and management arrangements are disclosed, including how reversals would be addressed if vegetation is removed or lost.

Example 4: Non-forest vegetation sequestration (outside the NDC)

Measurement and verification	Carbon outcomes are quantified and verified using [insert a recognised voluntary standard appropriate to non-forest vegetation].
Leakage	The project does not displace emissions-intensive activities to other land or locations. Evidence is provided that [eg, stock numbers],[eg, mowing] reduced in line with land used for the project
Respectful of rights	The project was developed with landowner agreement and in accordance with applicable laws. As a result of engagement with relevant local community and tangata whenua groups, existing access and use rights, and cultural interests were considered and agreed not to be adversely affected by the project.
Double counting and accurate claims	We clearly disclose that the activity is outside the NDC and explain the basis on which exclusive use is asserted. We acknowledge that if NDC coverage expands in the future, claim types may need to change.