



Australian
Carbon Industry
Code of Conduct

2022-2023

**Code Administrator
Annual Report**

September 2023



Acknowledgement of Country

The Carbon Market Institute through the ACI Code of Conduct recognises and pays its respects to Aboriginal and Torres Strait Islanders as the Traditional Owners of Australia.

In delivering this report, the ACI Code of Conduct acknowledge and thank Traditional Owners for their continuing custodianship of the lands, waters, skies, and communities, including young ones who are following in their footsteps, and where we live and work within today.

We acknowledge that sovereignty was never ceded and that Australia was and always will be Aboriginal land.



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Chair's Foreword

This year the industry experienced challenges on many fronts - with policy and legislative reforms following the Chubb Independent Review of ACCUs and heightened public scrutiny of integrity in the market. The Code of Conduct is well placed to help address such market developments because the principles underlying the Code's rules are:

- transparency and accountability;
- environmental and social integrity;
- legislative and regulatory compliance; and
- community trust

The Code aims to reinforce the regulatory framework and address issues that may impact the reputation of the carbon industry arising from a broad range of consumer and stakeholder interactions. The Code's many standards aim to promote best practise Free Prior and Informed Consent (FPIC) principles, ethical conduct; the provision of information and financial advice to clients; disclosure of interests and recommendations on clients taking independent legal and financial advice; complaints handling; and ongoing self-reporting and engagement with the Code Administrator.

I thank Code Signatories for their positive engagement with the Code compliance process this year and note that some Signatories have significantly improved the quality of the information they have provided on their market activities, the co-benefits of their work and their engagement with stakeholders. This is in the context of the new Code compliance process this year, and the importance of ensuring that an Executive or Director attests to Code compliance – which has enabled the streamlining and simplification of the self-audit report. While the audit is more streamlined this year, it still seeks and receives targeted documentary evidence of compliance.

I also note the outcomes of the Chubb Review and the government's response on each recommendation, and the importance of this response for the development of the Code. Of utmost importance is the Independent Review of the Code in 2023-24, and engagement with stakeholders to ensure that the Code remains fit for purpose to support the growth and integrity of the carbon market.

Lastly, the number of Code Signatories grows healthily year after year – a trend testifying that an enforceable, world-leading & best -practice Code matters greatly in the development of the carbon market.

I would like to thank my colleagues on the Panel, Ross Carter and Kim Lawrence, for their ongoing contributions to the Panel's work and recognise the tremendous efforts of Pip Stenekes, Director Code Integrity and Compliance and Dayana Flores, Engagement Manager with the Code Administrator for giving full effect and uplift to the compliance framework this year.

The Code Administrator is hosted by the Carbon Market Institute but functions with the necessary independence required. On behalf of the Panel, I also thank John Connor CEO for the CMI's continued investment in robust independence measures and its continued sponsorship.

Virginia Malley

Chair, Code Review Panel

Australian Carbon Industry Code of Conduct



CMI's CEO Remarks

The Carbon Market Institute (CMI) in its capacity as the host of the Code is pleased to present the fifth Annual Report on the Australian Carbon Industry Code of Conduct (the Code). Our growing list of Signatories should be congratulated for adopting the higher standards required under the Code.

This report shows that during the FY23 compliance period the Code is contributing to lifting best practice in the market. It was pleasing to see the recognition by the Chubb ACCU Review that the Code is contributing to integrity in the carbon market. FY23 saw a large uplift in positive engagement from Signatories, including high attendances at Code education and training events and a high quality of information shared in annual compliance reports. The statistics show Signatories are developing a better understanding of key Code commitments, there are greater signs Signatories are trying to engage earlier with Indigenous stakeholders and with best practice FPIC principles and there is a growing interest in delivering credits with co-benefits. However, as noted by the ACCU Review, there's always room for improvement.

There are some key questions the forthcoming three-yearly independent review of the Code will need to explore with governments, the carbon industry, consumers in the carbon market and First Nations peoples. This review will provide important inputs as the Government consults and implements the Code related recommendations from the ACCU Review, including the consideration of accreditation of carbon service providers to commence later in 2024.

The review will ask how we can increase the integrity of the carbon market in Australia and the associated social, Indigenous, economic and environmental benefits it can bring. It will consider the Code's relation with emerging international best practise standards like the Core Carbon Principles from the Integrity Council for the Voluntary Carbon Market, and also how the Code may expand to better support and protect consumers on the demand side of the market, including protections for purchasers of carbon credits or people relying on environmental claims made by Signatories.

The Code is a process that supports the carbon market to have better protections for consumers, and increased integrity, transparency, best practise processes for Free, Prior and Informed Consent, fairer benefit sharing for projects, and best practise evidence-based reporting on co-benefits and integrity claims. I am proud of the achievements in the last year and look forward their continued evolution.

I want to thank the Independent Review Panel, ably chaired by Virginia Malley, and acknowledge the tireless and significant efforts of the Code administration team led by Pip Stenekes and Dayana Flores with the valuable assistance of Vicki Mullen during the annual review.

John Connor
CEO
Carbon Market Institute



SNAPSHOT OF 2022-2023

Code statistics



4

Government
Partners and
Supporters



36

Code Signatories
at 30 June 2023



3

Code Signatories
withdrew from
the Code



10

Code Signatories
signed up to the
Code in FY23



29%

Growth of Code
Signatories since
FY22



3

Education &
Training Sessions
and workshops for
Code Signatories



1.9 K

Stakeholders,
Code Signatories
and consumers
reached

Compliance findings for FY23¹



33

Annual Reports
FY23 submitted



29

Signatories
Fully Compliant
for FY23



4

Signatories
Materially
Compliant for
FY23



1

Signatory Non-
compliant for
FY23

¹ Further details on these findings are in the 'Signatories Compliance in 2022-2023' section.



INTRODUCTION

About the ACI Code of Conduct

The Code framework aims to enhance the integrity, transparency and accountability of Australia's carbon industry, by monitoring, reviewing and defining industry best practice.

The Code is non-prescribed and voluntary, however Signatories must comply with the Code's key requirements and undergo an annual self-assessed audit to enhance this compliance. The Code aims to:

- 1) define industry best practice standards for carbon service providers, project owners, agents, aggregators and advisers in Australia's carbon industry;
- 2) promote consumer protection and appropriate and open interaction with between project owners, Native Title and Traditional Owners, other stakeholders and landowners;
- 3) provide best practise guidance for carbon service providers; and
- 4) promote market integrity, accountability and display international leadership in carbon project development.

The Code is not intended to replace or regulate any existing laws, including consumer protection, carbon farming, emissions reduction or environmental legislation, policy, regulations or guidance at local, state or federal government levels.

About this Report

The Code Administrator Annual Report 2022-2023 gives an overview of Signatories' compliance with the Code in 2022-2023 (1 July 2022 to 30 June 2023), also referred as FY23.

This report aims to create a clear picture of how Signatories are operating in the carbon market in FY23, including the strengths of the industry and where the challenges lie.

This report includes:

- a snapshot of the Administrator's annual compliance and monitoring activities;
- key engagement activities undertaken by the Administrator over FY23;
- an assessment of Signatories' compliance with the Code for FY23;
- a discussion of key areas for the Administrator to focus on for 2023-2024 (FY24); and
- future developments and key priorities for the Code in an evolving market.



OUR COMPLIANCE AND MONITORING ACTIVITIES

Achievements in 2022-2023

Changes to the compliance report process

As noted in the 2021-2022 Annual Report (FY22) and after consultation with Signatories, the compliance report assessment process for 2022-2023 Annual Report (FY23) was streamlined and strengthened to focus on some key areas the Administrator considers risky for the market.

The Signatory Annual Self-Audit Checklist for FY23 (referred to as the self-audit checklist) followed a similar format to the one used in FY22. For example, it focussed on how Signatories are:

- engaging with pre-project and project activities – including activities undertaken in the market before any written contracts are signed with clients;
- planning, registering, implementing and managing carbon projects in Australia;
- communicating with clients, consumers and stakeholders, including awareness of obligations under financial services regulations and reinforcing to clients the importance of independent legal/financial/technical advice and regulatory requirements around this; and

- trading carbon credits in the Australian market and relevant legal requirements.

The FY23 self-audit checklist had the following changes:

- addition of a *Code Compliance Declaration and Code Affirmation* (referred to in this report as an Attestation Statement) to be executed by a senior representative of the Signatory (to place the responsibility for compliance at the executive level of the business)²;
- more strategic set of questions for Signatories to answer (a total of 36 questions in FY23 in comparison with 50 questions in FY22) in four distinct sections;
- addition of focus questions in the audit to test Signatories on:
 - Native Title eligible interest holder consent and Indigenous stakeholder consultation processes;
 - compliance with the *Corporations Act* (including Australian Financial Services Licence (AFSL) requirements);
 - requirement to show consideration of how social, environmental and economic co-benefits can be delivered through Signatories' projects; and
- a streamlined, more strategic, requirement for Signatories to produce

² Consistent with section 2.5(6) of the Code which states that Signatories are required to provide an annual confirmation of their compliance with the Code, which

serves to reaffirm the Signatory's ongoing commitment to implementing the Code.



evidence to the Administrator to confirm compliance with the following³:

- adoption of a Stakeholder Consultation policy and a Complaints Handling policy;
- provision of the Code Fact Sheet to new clients; and
- (if applicable) provision of ERF guidance to clients.

Further details on the questions set out in the self-audit checklist is available in **Appendix 2** of this report. The FY23 Attestation Statement is extracted in **Annexure 3** of this report.

The Administrator replaced the category of “Foundational Compliance” used in the FY22 reporting period with a category of “Materially Compliant” for FY23. The Administrator’s compliance approach for the FY23 audit was therefore to assess Signatories as either “Compliant”, “Materially Compliant” or “Non-Compliant”. These categories are further described below and in *Complying with the Code Guidance for Signatories and Stakeholders* (June 2023).

New Code Guidance

To assist Signatories, the Code Administrator developed a new [Complying with the Code Guidance for Signatories and Stakeholder](#) (Code Guidance) which was published in June 2023. This guidance aims to provide a clear description of Code requirements set out in the Australian Carbon Industry Code of Conduct v2.0, which commenced on 1 July 2021. This guidance looks to assist prospective, new and existing Code Signatories in understanding Code obligations, including how to complete and

comply with the annual Code compliance report. The Code Guidance also aims to inform consumers or clients, eligible interest holders, governments and all other stakeholders about the Administrator’s approach to Code compliance and the Administrator’s Complaints Handling and Breaches Procedure.

While the Code Administrator aims to provide guidance to Code signatories on how to comply with the Code, it does not intend to offer any advice on how to comply with laws or regulatory frameworks applicable to Signatories. Accordingly, the Signatory should always seek appropriate, independent advice where necessary.

New policies under the Code

In undertaking its compliance monitoring or complaint handling responsibilities (including implementing the auditing and reporting process to confirm compliance by Signatories), the Administrator may receive personal or potentially sensitive commercial information from Signatories or other third parties and may store this information on a secure database accessible only to select staff of the Administrator.

The Administrator is also involved with decision making that may affect Signatories or other members of the public, including when implementing Code policies, making decisions about breaches of the Code or responding to and investigating complaints. Because of this, it is important to have an open and transparent policy on how the Administrator

³ This evidence is requested as an additional check and balance to the Signatories’ answers to the checklist questions (and to encourage accountability and transparency).



will manage any actual, potential or perceived conflicts of interest appropriately.

In 2023, the Administrator therefore published the following policies:

- the Code of Conduct's Confidentiality, Privacy and Data Use Policy (available [here](#)); and
- the Code of Conduct Conflict of Interest Policy (available [here](#)).

Code Signatories Survey 2023

In March 2023, the Code Administrator surveyed Signatories and industry partners and supporters seeking feedback and views on the Code and relevant changes in the market.

Individual survey responses were confidential (and securely stored) and only used for the following objectives:

- to better understand the effectiveness and impact of the Code
- to identify further Code education and training needs for Signatories and key stakeholders
- to streamline and strengthen the annual Code compliance self-audit framework
- to assess potential Code reforms in the context of the outcomes of implementation of the Chubb recommendations.

Education and Training sessions in 2023

In seeking to increase compliance and the quality of reporting from Signatories, the Administrator ran several education and training sessions and workshops to assist Signatories in FY23.

In FY23, the Code Administrator ran the following sessions:

- *Education & Training Session 1 – Australian Financial Services Licence Requirements under the Corporations Act 2001 (Cth)*: The aim of this training session was to support Signatories to understand Australian Financial Services Licence (AFSL) requirements under the Corporations Act in the carbon industry so they can confidently comply with the relevant federal legislation.
- *Code Masterclass in Best Practice for Free Prior and Informed Consent (FPIC)*: This workshop was run by the Administrator, during the Carbon Farming Industry Forum 2023 hosted by CMI. The aim was to provide a space where Signatories and Indigenous participants shared their experiences and discuss about practical steps in maintaining integrity while engaging with Indigenous stakeholders.
- *Education & Training Session 2 - Compliance self-audit checklist for Financial Year 2023*: This session focused on presenting to Signatories the new structure for the FY23 compliance reporting process, including the new self-audit checklist and Attestation Statement and how Signatories must submit their compliance reports and supporting evidence.





ENGAGEMENT WITH STAKEHOLDERS AND PARTNERS

Our engagement



7

Meetings with
Partner and
Stakeholder
representatives



5

Meetings and
engagement
with Code Panel
members



14

Meetings with
the Regulator
and Stakeholders



21

Meetings with
Code Signatories



10

Presentations by
Code Administrator
in external events



3

Education &
Training Sessions
and workshops for
Code Signatories



1.9 K

Stakeholders,
Code Signatories
and consumers
reached



Our Engagement role

Stakeholder and partner engagement is an important part of the Administrator's work to increase compliance and integrity in the market. The Administrator engages with any and all stakeholders interacting with the carbon market, including banks, investors, landholders, Indigenous organisations and groups, State and Territory governments, the Federal government, organisations developing best practice international standards and other non-government organisations.

During FY23, the Administrator maintained an active engagement with many different stakeholders and partners, meeting regularly with the federal and state governments; community representative and advocacy groups, including the Kimberley Land Council (KLC); the Indigenous Carbon Industry Network (ICIN); and regulatory bodies including the Department of Climate Change, Energy, the Environment and Water (DCCEEW), the Clean Energy Regulator (CER) and the Australian Securities and Investment Commission (ASIC).

Strengthening our Government Partnerships

Partnerships between the Code and governments are very important to ensure the integrity of the carbon market. The Code Administrator team, along with the Chair of the Independent Code Review Panel, met with various state and federal government partners throughout FY23 to promote the activities of the Code and to learn how best the Code can support existing regulatory processes.

The Administrator participated in two workshops hosted by the Queensland Government. The aim was to increase the understanding of entrants to the carbon market and landholders of the role of the Code in consumer protection in the context of the Queensland Government's Land Restoration Fund Investment Round 3. The Code participation in these sessions allowed the Administrator to connect with a bigger group of industry participants (such as non-signatory project developers) and supply-side consumers (such as farmers).

The Administrator also engaged with the Western Australian Government, a new Code Government partner in FY23. The Administrator met with and assisted the WA Department of Primary Industries and Regional Development to develop guidance used for their regional carbon farming funding program, including their carbon advisors voucher program.

At the end of FY23 the Code has the formal support of three state government partners - the Queensland Government, New South Wales (NSW) Government and the Western Australian Government.

Government Carbon Farming Funding

The Code Administrator welcomes state government recognition and support of the Code in contributing to integrity and the increased operationalization of best practice standards in the carbon market outside of the formal partnership arrangements.

The following carbon farming funding programs continue to require recipients of government funds to have Code Signatory



status to ensure best practice standards are upheld:

- Queensland Government's Land Restoration Fund (LRF)
- Western Australian (WA) Government's Carbon Farming and Land Restoration Program (Program)
- Tasmanian Government's Carbon Farming Advice Rebate Pilot Program

Engaging with Indigenous and Community Stakeholders

In seeking to align the Code with best practice in the carbon market, the Administrator focusses on listening to Indigenous and community representative group's perspectives on proper and ethical behaviour and engagement in the Australian carbon market.

During FY23, the Administrator engaged extensively with two key Indigenous stakeholders, ICIN and KLC. This engagement aimed to improve the Administrator's and Code Signatories' understanding and awareness of proper engagement with Indigenous landowners, Native Title Holders, Traditional Owners and Indigenous stakeholders, including best practise processes for obtaining free, prior and informed consent and delivery of co-benefits in the carbon market.

The Administrator values this connection with these groups and looks forward to consolidating and expanding this engagement with these and other organisations in the coming year.

Engaging with regulators

During FY23, the Administrator had many meetings with the CER and ASIC to discuss various issues, including the upcoming independent Code review, the implementation plan for the Chubb recommendations for the ACCUs scheme and requirements for carbon service providers to comply with the Corporations Act and obtaining an AFSL when providing financial services or advice or dealing in Australian Carbon Credit Units (ACCUs).

For the Administrator, identifying key issues in the market where additional guidance might be needed and strengthening engagement with regulators, particularly ASIC, is important. The Administrator also strives to prevent duplication of regulatory requirements, and to instead, reinforce and guide signatories towards a culture of best practice and beyond minimum compliance.

The Administrator intends to increase this engagement in FY24 and intends to integrate any legislative or policy changes (including those due to the implementation of the Chubb recommendations) into the upcoming Independent Review of the ACI Code of Conduct so that the Code may be properly updated.



SIGNATORIES COMPLIANCE IN 2022-2023

33



Code Signatories
submitted Annual
report for **2022-2023**
compliance period

70



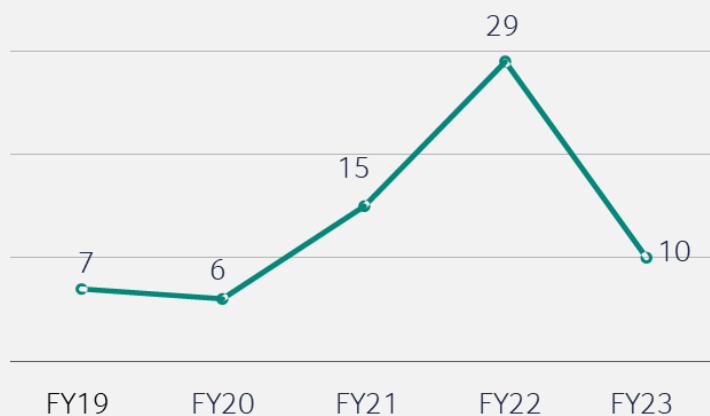
requests to provide
further information
were sent to Code
Signatories

32



Code Signatories
submitted Compliance
Declaration and Code
Affirmation fully
signed

Total number of non-compliances by Signatories (5 financial year history)



66%

decrease in number of
non-compliances
recorded in **2022-2023** vs
2021-2022 compliance
period .

Top 3 types of non-compliances

- ① Written stakeholder consultation policy
- ② Written policies and process for record keeping
- ③ Response to further information requested on time

85%



Code Signatories were recorded
as fully compliant in FY23 vs
29% of Code Signatories in FY22



Audit Compliance Approach

In June 2023, the Code Administrator started its annual compliance reporting process, where Signatories submitted a self-audit checklist to measure compliance with Code requirements over the last financial year and reaffirm ongoing commitment to implementing the Code standards for the subsequent year.

Implementation of the audit is an important function of the Administrator required under subsections 3.4(1)-(2) of the Code⁴.

The Administrator's annual compliance review may include requests for further information, further clarification and discussions between the Administrator and Signatories and may lead to further monitoring and verification of a Signatory's compliance with Code standards.

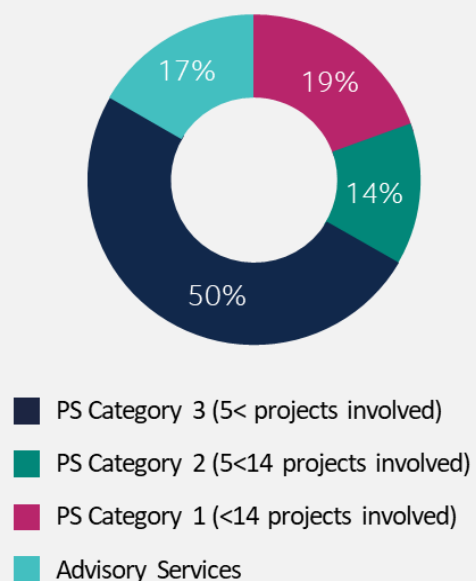
The Administrator may also use information gathered as a result of any complaints received.

Signatories were assessed as either "Compliant", "Materially Compliant" or "Non-Compliant" with the Code for FY23. Code Signatories may be assessed (in the Administrator's discretion) as "Materially Compliant", if they (a) met most of the relevant Code requirements; and (b) attested that they had already rectified any non-compliances, or the non-compliances would be rectified by 31 December 2023.

The Administrator takes the 'Materially Compliant' category and any commitment to rectify a non-compliance seriously. In each case, the Administrator confirms with the individual Signatory that rectification has occurred as agreed. The 'Materially Compliant' category is largely equivalent to the 'Foundationally Compliant' category used in FY22.

The Administrator's compliance assessment process, including the self-audit checklist, takes into consideration a Signatory's category under the Code. Under the Code, Signatories are assigned to a specific category depending on their business activities and the number of projects they are contractually involved in the carbon market. All Signatories who submit an annual self-audit report are either in the 'Project Services' (PS) or 'Advisory Services' category. Further information on these Signatory categories is available the Code's [Becoming a Signatory Guidance](#).

Signatories Category Type FY23



⁴ Section 3.4(1) of the Code provides: 'The Code Administrator has put in place arrangements for monitoring Signatories' compliance with the Code to ensure it delivers the desired outcomes. Signatories must agree to comply with the requirement for regular monitoring and to allow

audits on their compliance with the Code'. Section 3.4(2) provides: 'The Code Administrator will carry out the following monitoring and auditing measures and assess ongoing compliance with the Code through: (a) audit compliance checks...'



Findings of FY23 audit

In FY23, 34 out of a total of 36 Code Signatories⁵ were required to submit a self-audit report and a signed Attestation Statement (Appendix 3 to this report).

Of the two Signatories who were not required to submit a report, one Signatory signed up to the Code in mid FY23 and the other Signatory had a change of business ownership at the start of 2023. The Administrator agreed they were not required to submit a self-audit report until FY24 so the compliance assessment could be based on a whole year of activities in the market.

Out of 34 reports that were required, the Administrator received 33 reports. One Signatory did not submit a report. Section 3.4(1) of the Code is clear that Signatories must agree to comply with the requirement for regular monitoring of Code compliance by the Code Administrator, which includes audit compliance checks.

Accordingly, the Code Administrator has assessed this Signatory as non-compliant under the Code for FY23. The Administrator will investigate this potential breach of the Code in accordance with the Code provisions. If it is determined that a breach has occurred, the Code Administrator will record it as such. The Code Administrator will then consider what subsequent action should be taken, noting the relevant Signatory has confirmed it is not renewing its Code Signatory status for FY24⁶. The Administrator considers that any non-compliance with the self-audit report

process requirement under the Code is a serious matter.

Execution of the Attestation Statement is also an important requirement of the audit process. Apart from the Signatory mentioned above, there was only one other Signatory who did not comply with this requirement. This Signatory has agreed with the Administrator to rectify this non-compliance by 31st of December 2023.

Perhaps because of the new approach to the audit process, the new enhanced Code guidance and the training roll-out by the Administrator over FY23, the Code Administrator experienced an overall significant uplift in positive engagement from Signatories for the FY23 period. This has been reflected in the high quality of information shared by Signatories in their annual compliance reports, the overall transparency of Signatories and the timely responses received to requests for further information from the Administrator.

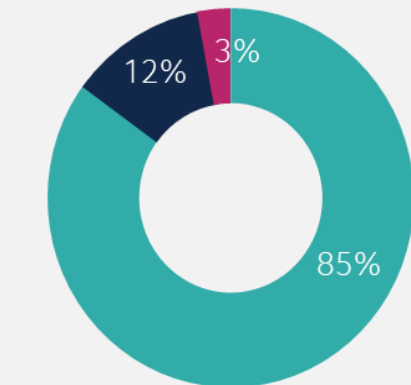
In summary, 85% (29) of Signatories were recorded as 'Fully Compliant' for FY23 (which represents a 222% increase compared with FY22 where only 29% (9) of Signatories were assessed as 'Fully Compliant'). In FY23, 12% (4) of Signatories were assessed as 'Materially Compliant' (which represents a decrease compared with FY22 where 61% (17) of Signatories were assessed as 'Foundationally Compliant', which is largely the same category as 'Materially Compliant'). Only one Signatory has been assessed as 'Non-Compliant' in FY23 (which represents a 50% decrease compared with FY22).

⁵ See complete list of Code Signatories in Appendix 1 to this report.

⁶ Further details on the Administrator approach can be found in section 3.4(2)(c) and 3.5(2) of the [Code text v2.0](#).



Signatories Compliance FY23

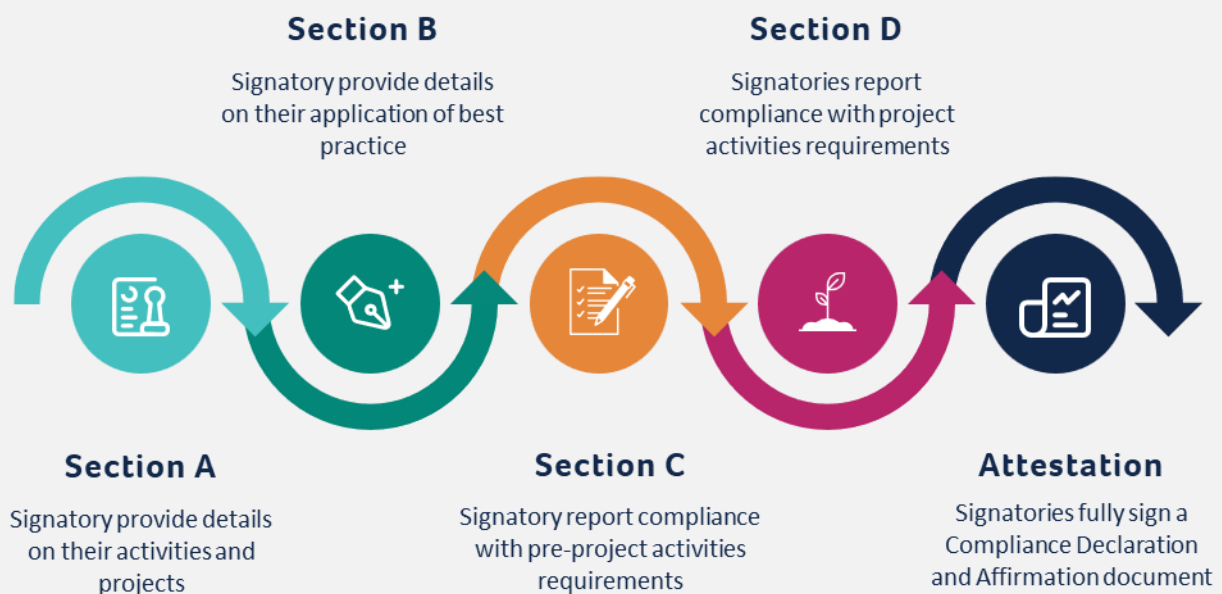


- Fully Compliant
- Materially Compliant
- Non-Compliant

Signatories that were assessed as Fully Compliant received a Compliance Notification Letter from the Administrator recognising their significant efforts to apply best practice in the Australian carbon industry. Signatories that were assessed as Materially Compliant received a confirmation recording the actions and timeframes within which they are required to rectify any non-compliances. Signatories assessed as Non-Compliant are followed up by the Administrator with appropriate actions or sanctions.

The Administrator has summarised key findings of Signatories' FY23 compliance based on Signatory responses to the four main sections of the self-audit checklist, as the 'breakdown of the self-audit section' graph show below:

Breakdown of the Self-Audit Sections





Section A: Details of Signatory Activities

Section A of the self-audit checklist was focussed on gathering information on Signatories' projects, market and business activities in FY23⁷. Amongst other things, this information is important to confirm that a Signatory is in the correct category under the Code.

The Administrator notes the following:

- **61%** of all ACCU scheme projects registered since 2018 to the present were operated by a Signatory to the Code; and
- **69%** of the total land-based ACCU scheme projects (including agriculture, savanna burning and vegetation methods) registered since 2018 to the present were operated by a Signatory to the Code.

In FY23, there has also been an increase in Signatories undertaking demand side or intermediary market activities, most importantly:

- **9%** of Signatories are now operating carbon credit trading platforms; and
- **29%** of Signatories reported that they are trading credits.

This may indicate evolution of the carbon market in Australia and a blurring of the distinction between supply and demand side activities⁸.

At a minimum, the Administrator will consider additional focus questions for the self-audit checklist for FY24 for some demand-side activities.

⁷ The Code Administrator's compliance function only focusses on projects commenced on or after 1 July 2018 because this is when the Code became operational.

61%



of overall ACCU projects registered since 2018 are covered by the Code



69%

of all land-based ACCU projects registered since 2018 covered by the Code

Signatories Activities FY23 (% of total Signatories)



⁸ Supply-side consumers are primarily involved with carbon farming projects on the ground and demand-side consumers with purchasing or investing in carbon credits.



Section B: Signatories' Processes

Section B focussed on how Signatories are engaging with co-benefits, best practise Native Title holder consent processes, complaints handling procedures, stakeholder engagement and general awareness of Code responsibilities. Signatories were required to provide evidence of their complaints handling procedure and written stakeholder policy for FY23 (if they had not previously done so).

Overall, 94% (31) of Signatories fully reported as required in this section. One Signatory was assessed as materially compliant because they did not respond to the Administrator's request for further information (the Signatory must rectify this by 31st December 2023).

Around 97% (32) of Signatories provided all evidence required by the Administrator, for example of having complaints handling and stakeholder engagement policies. One Signatory was assessed as materially compliant for this because they only had a draft policy, not adopted (the Signatory must rectify this by 31st December 2023).

52% (17) of Signatories reported that they have an area-based project occurring on Native Title Land and provided information on how they were engaging with Native Title Holders, including their consistency with the ICIN and CER guidance on best practise free, prior and informed consent as required by the Code.

In the case of co-benefits requirements, 94% (31) of Signatories provided the Administrator with an overview on how they take into consideration social, environmental and economic co-benefits when planning and implementing a project. Responses on co-benefits from Signatories varied in quality, indicating there is more work to be done here.

Improvement
in providing
evidence



97% of Signatories fully complied with evidence requested for FY23 vs 32% of Signatories in FY22

52%



Signatories reported that their project occurs on Native Title land in FY23 vs 39% of Signatories in FY22

94%



Code Signatories indicated they are considering how to deliver co-benefits when planning and implementing projects.



Section C: Pre-project Activities

Section C was focussed on section 2.2 of the Code which contains multiple requirements in relation to pre-project activities, communication with prospective clients and early engagement with Native Title Holders⁹. These activities occur before a carbon project is registered.

Almost 70% (23) of Code Signatories reported they engaged in pre-project activities over the last financial year. The rest reported Section C was not applicable, which means they were not engaging in pre-project activities in FY23.

Responses to Section C indicate an overall awareness of, and compliance with, their obligations under section 2.2 of the Code. For example, they all reported they had provided their clients with sufficient, accurate information in a medium of communication that is linguistically and culturally appropriate, allowing clients to make informed decisions. Signatories with projects on native title land confirmed they had made reasonable efforts to enter into legally binding agreements with Native Title holders and where possible Native Title claimants prior to project registration. This is discussed further in the key findings section below.

Of note, 74% (17) of Signatories undertaking pre-project activities in FY23 reported they had provided financial and feasibility advice to a client and confirmed they complied with the Australian Financial Services License (AFSL) requirements under the *Corporations Act 2001*.

⁹ Section 2.2 of the Code focusses on communication with clients, including on project development models; early engagement with interest holders including Native Title Holders; method requirements, project administration,

73%



Code Signatories (23) reported being engaged in pre-project activities over FY23

Improvement in reporting on pre-project activities



100% of Signatories fully complied with this section in FY23 vs 98% of Signatories in FY22



74%

Code Signatories reported providing financial and feasibility advice to a client, and complying with the Australian Financial Services License (AFSL) requirements under the Corporations Act 2001.

feasibility, credit generation, ANREU accounts, credit sales and whether they have an AFSL, risks of sequestration projects (including permanence periods, risks of reversal and carbon maintenance obligations); and co-benefits.



Section D: Project activities

Section D was focussed on reporting compliance with section 2.3 of the Code which contains Signatory requirements in relation to project activities¹⁰. Signatories are expected to meet these requirements if they are contractually involved with a registered carbon project in FY23.

Around 61% (20) of Code Signatories reported they were contractually involved with a carbon project over the last financial year. The rest reported Section D was not applicable to them which means that they were not engaging in project activities in FY23.

For Signatories undertaking project activities, 95% (19) indicated an overall awareness of, and compliance with, obligations under section 2.3 of the Code.

One Signatory self-reported two non-compliances in Section D. This Signatory committed to rectify these non-compliances within the timeframe agreed with the Administrator.

Of the 52% (17) of Signatories who have projects on Native Title Land, 70% of these (14 Signatories) reported identifying other agreements and land management plans made by Indigenous stakeholders and considering how their proposed projects align with these. This response shows that Signatories are trying to pursue a FPIC best practise process consistent with the ICIN Guidance on FPIC. ICIN states that *'project developers should ensure they genuinely understand the Indigenous community's point*

of view and their priorities for the land or resource (for example, those outlined in existing healthy country plans, Indigenous Protected Area (IPA) or other land management plans)'. This is an important part of a good FPIC process. The Administrator proposes to work further with Signatories in FY24 to improve understanding for this.



95%

Code Signatories were assessed as fully compliant for FY23

70%



Code Signatories undertaking project activities on native title lands considered other indigenous agreements and land management plans to improve the way projects are run

¹⁰ Section 2.3 of the Code focusses on requirements for a written project management plan for clients, managing risks of project activities, offsets reporting and auditing, good

record keeping, and best practise engagement and consultation with stakeholders when carrying out the project.



Complaints

Under the Code, Signatories are required to be responsive and deal appropriately with complaints received from clients and other stakeholders in a timely manner¹¹. Signatories must notify the Administrator of any complaints received against them and adhere to the Code's complaint handling process.

The Administrator received notice of one (1) self-reported complaint from a Signatory in FY23. For this one case, the Administrator was satisfied that the relevant Signatory managed the complaint consistently with Code requirements and the complaint was satisfactorily resolved.

During FY23, the Code Administrator did not receive notice of any other complaints from Signatories or from third parties.

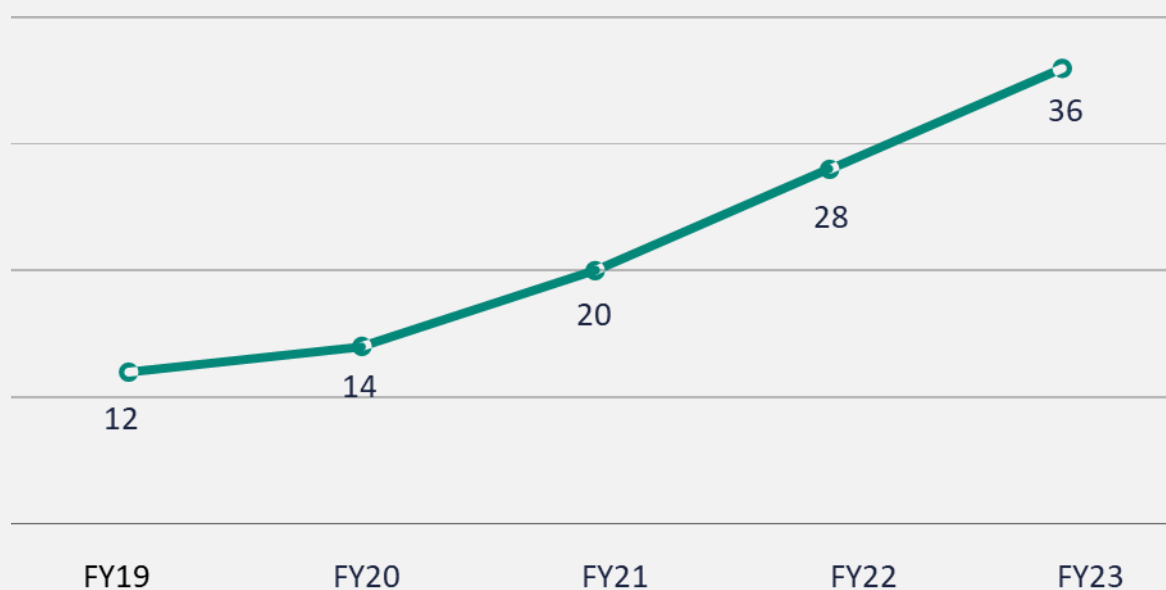
Compliance Trends

Code Signatories continue to increase. The proportion of land-based ACCU scheme projects run by Code Signatories is now **69%** (ie. projects with agriculture, savanna burning and vegetation type methods).

Key trends from the FY23 compliance review include:

- **A large uplift in positive engagement from Signatories for the FY23 period.** This has been reflected in the high levels of attendances of Signatories at Code education and training events, high quality of information shared by Signatories in their annual compliance reports and timely responses received to requests for further information from the Administrator.

Code Signatories Growth (5 financial year history)

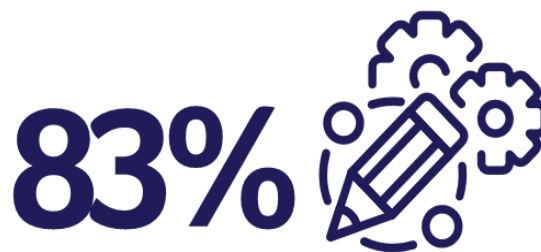


¹¹ See *Code Handling Complaints and Breaches - Guidance for Signatories* available on the Code website's Resources page.



- **Evolving Code annual audit, reporting and monitoring process.** The Administrator is moving towards an emphasis on greater responsibility of the Signatory's governing body and Executive in attesting compliance; the ongoing use of a self-audit checklist (simpler version with fewer questions)¹²; and reduced, more targeted, requirements for Signatories to provide documentation as evidence.
- **Higher levels of reported compliance in FY23.** On the basis of self-reporting, 85% of Signatories were assessed as 'Fully Compliant' in FY23 and only 12% of Signatories were assessed as 'Materially Compliant', both improvements compared with FY22.
- **An increase in Signatories undertaking demand side market activities in FY23.** For example, 9% of Signatories are now operating carbon credit trading platforms and 29% of Signatories reported they are providing advice on the trading of credits. The Code was developed primarily to protect supply side consumers from risks associated with Signatories undertaking a carbon project, including entering into agreements to run projects on their land, receiving advice about feasibility of a project or providing consent to a project. The Code focusses on building the integrity of Signatories' supply side activities. However, if Signatories are increasingly undertaking more demand side activities, such as trading in credits or providing investment advice, other types of consumers, such as purchasers of credits, may need to be better protected.

¹² The self-audit checklist is a practical way to ensure Signatories continue to report and ensure that they are in fact compliant with key requirements, and if not, requiring



ACCU projects undertaken by Code Signatories after 2018 are conditionally registered

Additionally, if it is considered the Code should have a role in protecting the demand-side integrity of the market generally, then the Code may need to consider further how it can support Signatories to assess how credits from their projects will be used and the credibility of purchaser's climate action plans.

The Administrator will consider this trend and whether existing regulation by ASIC and ACCC should be supplemented by any further Code standards or requirements. Whether the current scope of the Code needs to be expanded and whether Code standards need to be supplemented to better protect demand side consumers and to support demand-side integrity of the market will also be further explored and considered in the 2023 Code independent review

- **Signs of growing engagement with Indigenous stakeholders and attempts to operationalise best practice FPIC.** 52% of Code Signatories reported having an area-based project on Native Title Land. Many provided information on how they were trying to engage early and meaningfully

them to explain what they are doing to become compliant by a set date.



with Native Title Holders, Native Title claimants and other Indigenous stakeholders with their projects. Responses confirmed that Signatories are trying to be consistent with the ICIN and CER best practise guidance.

Many responses showed deep commitment, knowledge and experience within the industry. Key actions highlighted include allocating sufficient time and resources to engage early with native title holders for consent agreements and ensuring native title groups have access to sufficient information and independent legal advice. Other Signatory responses show there is still a lot of capacity that needs to be built within the industry so that best practise processes are understood and operationalised.

That there is a majority of ACCU projects managed by Code Signatories utilising conditional consent provisions under the *Carbon Credits (Carbon Farming Initiative) Act 2011* (CFI Act) (as they are still legally able to) indicates there is a need to improve on past practice.

The Administrator will continue to work with Signatories and engage further with Indigenous stakeholders, including KLC and ICIN to improve the standard for FPIC for Code projects. In addition, the current Code FPIC standard¹³ will be reviewed and updated in the upcoming three-yearly Code Independent Review.

This is important for FY24, especially in the context of the changes flagged to native title consent provisions under the CFI Act by the Government¹⁴. The Administrator will therefore continue to work with Signatories to operationalise and apply best practise FPIC principles to project activities no matter what the legal standard is or becomes. The role of the Administrator and the Code is important in this context as it allows the industry to anticipate, prepare for and adapt to legislative changes.

- **Growing interest in delivering credits with high-integrity and co-benefits.** Most Signatories (94%) report they are considering how to incorporate social, environmental and economic co-benefits when planning and implementing projects. Signatory responses in the audit varied in quality and understanding of co-benefits - for example, there did not appear to be a clear understanding that best practise delivery of co-benefits requires co-benefits to be at least evidence-based and potentially also additionally, verified. This indicates there is more work to be done by the Administrator with Signatories.

In terms of integrity claims the Administrator has also seen an increase in claims that projects are high-integrity or offer additional benefits. This is an area of increasing importance to the market given ASIC's recent focus on environmental claims and greenwashing interventions¹⁵.

¹³ Current Code standard is Signatories must use reasonable efforts to follow best practice processes set out in ICIN and CER Guidance taking into account current market conditions and industry practices.

¹⁴ Department of Climate Change, Energy, the Environment and Water, *ACCU Implementation - 2023 Consultation Paper*, August 2023, pgs 36-38.

¹⁵ [ASIC Report on Greenwashing](#) (10 May 2023) highlights 'vague and insufficiently explained claims' or claims with 'no



The Administrator proposes to engage further with DCCEEW, CER, ASIC, relevant state and territory governments, relevant international best practice standards and Code Signatories in FY24 with a view to developing further training and guidance for Signatories on claims about integrity and co-benefits. The Administrator may support the market by developing a co-benefits guidance paper or some high-level standardised reporting requirements to protect Signatories better against greenwashing accusations. The Administrator will engage with ASIC to ensure any guidance is fit for purpose.

- **Continued focus on AFSL requirements.**

17 Signatories reported they provided financial and feasibility advice to a client in FY23. They all reported they complied with the AFSL requirements under the Corporations Act 2001. The Administrator considers more training is required as the

requirements for providing financial advice and dealing in credits is complex and not always understood by market participants. The Administrator also notes ASIC's stated intention to have a direct focus on licensing and supervision of the carbon market in the next couple of years¹⁶.

The Administrator will consider these trends, further consult with Signatories, the Government and relevant regulatory bodies, to provide targeted guidance, education and training, and consider improvements in the audit process for FY24. These trends will also be relevant for the 2023 Code independent review.

reasonable basis to make a representation' or 'representations that are factually incorrect' as key risks,

which has direct relevance to how co-benefits are marketed for carbon projects.

¹⁶ [ASIC Corporate Plan 2023-27 \(Focus 2023-24\)](#)



LOOKING AHEAD

Code Administrator's priorities for FY24

The FY23 annual Code compliance review process provides the Code Administrator with important insights into topics and issues that can be further explored in FY24, to support Code Signatories, to generally increase the integrity of the carbon market, and to enhance engagement between the Code and key stakeholders.

Given the increasing focus and attention on Australia's carbon market (from governments, regulators and a wide range of interested parties), the Code Administrator is committed to working with Signatories to increase the integrity and credibility of the market and to provide further education and guidance on key best practise matters under the Code.



Code Signatories confirmed commitment to Code requirements for FY24.

In addition to supporting the Independent Review of the Code and the Chubb ACCU Review Implementation Plan, the Administrator anticipates a focus on the following in FY24:

- further articulation of best practise evidence-based reporting on co-benefits, including development of standards and/or guidance and training for Signatories;
- clarification of how the Code applies to parties involved in carbon market activities, including clients on the demand and supply side, service suppliers and market intermediaries. This can include whether the Code needs to better protect demand side consumers or should have a role in protecting the demand-side integrity of the market generally as part of the independent Code review.=
- the application of the Corporations Act 2001 to carbon market activities and the requirement to hold an AFSL (for certain market activities)¹⁷;
- further engagement with Indigenous stakeholders and First Nations carbon market participants to continue translating best practise principles for FPIC, co-benefit claims and benefit sharing to become more operational under the Code;
- further examining how Code Signatories can be prepared for reforms to native title eligible interest holder consent provisions as part of the Chubb Implementation Plan; and

¹⁷ Ibid



- engagement with banks and investors in the carbon market to explore further opportunities under the Code to de-risk investment opportunities in the market.

These aspects are important for building the integrity of the carbon market and the Code has an instrumental role in this.

2023 Independent Review of the Code – considerations

The Code requires an independent review every three years. The next review will kick off in late 2023 with the public release of a Terms of Reference for the review and an Expression of Interest for a reviewer. An independent reviewer will be appointed and there will be consultation with stakeholders between November 2023 - March 2024. It is intended that the Code independent review report be finalised along with recommendations for any changes to the Code by end of May 2024.

The independent Code review will progress alongside and be relevant for the Commonwealth Government's implementation program for the recommendations of the 2022 *Review into the Integrity of ACCUs* (the 'ACCU Review'). On 9 June 2023, the government published an Implementation Plan for the ACCU Review that outlines the timing and approach to implementing each recommendation. In August 2023 the Government released the *ACCU Implementation - 2023 Consultation Paper*, which sets out the priorities for consultation for August - September 2023.

Many of the ACCU Review recommendations are intertwined with the Code, because the Code is a process that supports the market (including operationally) to have integrity, transparency, best practise Free, Prior and Informed Consent, proper benefit sharing, credible claims and the education/training and proper regulation of carbon service providers and carbon market advisors.

Importantly for the Code, the Government:

- Is currently consulting with stakeholders on the ACCU Review's recommendation to amend the CFI Act to remove the option to conditionally register ACCU projects on Native Title lands prior to obtaining consent, in alignment with the principles of Free, Prior and Informed Consent (Recommendation 11);
- Will from November 2023 consult on the best approach to accrediting and regulating carbon service providers and carbon market advisors, noting the contribution of the Code to the integrity of ACCUs (Recommendation 12);
- Will consult and consider further work on co-benefits following the establishment of the Australian Carbon Exchange, and work being done by the CER on smart processes to identify co-benefits (Recommendation 13);
- Is considering the linking of carbon and nature repair benefits on the CER's registries (Recommendation 13);
- Is providing financial support for a Carbon Farming Outreach Program to support Australian farmers and land managers, including First Nations peoples, to participate in and benefit from carbon



markets and integrating low emission technologies and practices into their operations (Recommendation 14); and

- Is providing broader support for First Nations people to be 'at the heart of policy reform and decision' in acknowledgment of their unique expertise in cultural land management practices and their capacity to make a distinctive contribution to carbon markets, community and environmental outcomes (Recommendation 15).

The forthcoming independent review of the Code will align with and enhance the Government's process and be undertaken in this rapidly evolving environment for Australia's carbon market.

Accordingly, four issues will be central to this Code review, namely:

- Supporting the ongoing development and growth of Australia's carbon market;
- Supporting the integrity and transparency of carbon market activities, carbon projects and carbon credits;
- Ensuring that the rights of participants on the demand and supply side of the carbon market and other stakeholders are protected, enhanced and supported; and
- Respect for First Nations people, with acknowledgment of their unique knowledge, expertise, rights and interests.

These themes will be reflected in the Terms of Reference for the independent Review.



Appendix 1: Code Signatories as at 30 June 2023

- | | |
|----------------------------------|--|
| 1. Aboriginal Carbon Foundation | 24. Killin Management |
| 2. AgCoTech Australia | 25. Market Advisory Group |
| 3. Agriprove | 26. Natural Carbon |
| 4. Argyle Carbon | 27. NatureBase |
| 5. Australian Integrated Carbon | 28. Planning 4 Sustainable Development |
| 6. Biologic Carbon | 29. RegenCo Pty Ltd |
| 7. Blue Carbon S2C | 30. Select Carbon |
| 8. Canopy Nature Based Solutions | 31. Sensand |
| 9. Carbon Count | 32. South Pole Australia Pty Ltd |
| 10. Carbon Farmers of Australia | 33. Tasman Environmental Markets |
| 11. Carbon Farming Foundation | 34. Ternes Scientific |
| 12. Carbon Link Operations | 35. Terrawise |
| 13. Carbon Neutral | 36. DLF Family Trust |
| 14. Carbon West | 37. Upscale Carbon |
| 15. Climate Friendly | |
| 16. Climate Revive | |
| 17. CO2 Australia | |
| 18. Corporate Carbon | |
| 19. DIT AgTech | |
| 20. Ellis Richmond | |
| 21. Frontier Carbon | |
| 22. GreenCollar (Terra Carbon) | |
| 23. Carbon Sync | |

See [current Signatories to the ACI Code of Conduct](#)



Appendix 2: Signatory Annual Report 2023 (Self-Audit Checklist)

The annual report is a self-audit checklist that Signatories are required to complete and return to the Code Administrator at the end of each financial year. This year Annual Report was divided in the following 4 sections, which include the following questions:

Section A: Details of Signatory Activities

- A1. During the compliance year, did you engage in pre-project activities for any proposed Voluntary Carbon Offset or ERF project?
- A2. During the compliance year, were you contractually involved with any registered Voluntary Carbon Offset or ERF projects?
- A3. As defined by the rules of the relevant Scheme, what is your total number of ERF projects and/or what is your total number of Voluntary Carbon Offset Projects?
- A4. How many of the Voluntary Carbon Offset or ERF Projects (that you were contractually involved with) had commenced on or after 1 July 2018?
- A5. Of the projects that commenced on or after 1 July 2018 (as defined by the rules of the relevant Scheme), what is the estimated total volume of abatement over the life of the project(s) in tonnes of carbon dioxide equivalent (tCO₂-e)?
- A6. Please provide the project ID numbers for any registered projects that you were contractually involved with (IDs can be provided in an attached document) and the scheme it is registered with (eg. ERF or Verra).
- A7. Please provide the location(s) (State/Territory and postcode) for these projects.
- A8. If you did or did not engage in pre-project or project activities, please provide a summary of your participation in the carbon industry during the compliance year. Please provide an outline of what activities were you carrying out during the current compliance year.
- A9. If you have supply-side and demand-side clients, please provide a general description of your business and how you engage with your clients.

Section B: Code Compliance Details

- B1. Environmental and social integrity of activities - please provide an outline of how you ensure the environmental and social integrity of your activities.
- B2. Co-benefits - if you are engaged in carbon industry market activities, please provide an outline of how you take into consideration potential social, environmental and economic co-benefits in the planning and implementation of a project.
- B3. Engagement with Native Title Holders - if an area-based project you are involved with occurs on Native Title Land, please provide an outline of how you are engaging with Native Title Holders and their legal representatives, including how you are following the



relevant guidance published by the Clean Energy Regulator (CER). If your projects are not on Native Title Land, please response N/A.

- B4. Engagement with Native Title Holders – Please describe how your engagement is consistent with the Indigenous communities’ carbon projects consent guidance published by the Indigenous Carbon Industry Network (ICIN). If your projects are not on Native Title Land, please response N/A.
- B5. Consents from eligible interest holders - if you were contractually involved with registered ERF projects, were any of these projects conditionally registered? If so, please outline your plan to obtain consents from all eligible interest holders for these projects, the circumstances which required conditional registration and your reasons for seeking it.
- B6. For any of your projects (that have started pre-project or project activities this financial year) have you engaged with any other +Indigenous stakeholders (for example, Native Title claimants, Aboriginal Land Councils, or any other Indigenous organisation)? If so, can you briefly outline the type of engagement you have undertaken.
- B7. Code awareness - please outline steps you take to ensure that your clients, including all eligible interest holders, are aware of the Code and your complaints handling procedure for matters arising under the Code. Did you engage with new clients during FY23 period? If you had a new client or clients during the FY23 compliance period, please upload evidence of one example (on a de-identified basis) to show how you provided the Code Fact Sheet to a new client.
- B8. Complaints handling procedure – Did you previously provide the Administrator your complaints handling procedure? If you have not already provided this document to the Code Administrator, please upload a copy of your Complaints Handling Procedure. Please also provide the link to this document on your website.
- B9. Written stakeholder consultation policy - Did you previously provide the Administrator your written stakeholder consultation policy? if you have not already provided this to the Code Administrator, please upload a copy of your written stakeholder consultation policy.
- B10. Awareness of Code responsibilities - please outline steps you take to ensure that your employees and representatives are aware of the Code and their responsibilities under the Code.

Section C: Signatory Checklist for pre-project activities

- C1. Signatory has provided the client with sufficient, accurate information in a medium of communication that is linguistically and culturally appropriate for the audience and their level maturity in the carbon market, prior to project registration, allowing them to make informed decisions about whether to undertake a Carbon Offsets Project, and enter into an agreement with the Signatory.
- C2. Signatory has informed the client of the different project development models for undertaking a Carbon Offsets Project and discussed the preferred project development



model with clients - including costs, benefits and risks over the lifecycle of the project for that mode

- C3. Signatory has undertaken appropriate due diligence to ensure that the project owner has the legal right for the project and that all eligible interest holders are identified. Signatory has ensured that consents from eligible interest holders are sought in accordance with the requirements of the CFI Act.
- C4. Signatory has obtained information about consultation and decision-making procedures for Native title holders and claimants and has made available sufficient time and resources to enable these procedures (Refer Code section 2.2(3) and the Native Title Stakeholders Guidance for Signatories on the Code website).
- C5. If the project occurs on native title land, the Signatory has made reasonable efforts to enter into legally binding agreements with Native Title Holders, and where possible, Native Title Holders with a claim, prior to project registration. (Refer Code section 2.2(3) and the Native Title Stakeholders Guidance for Signatories on the Code website).
- C6. Signatory has provided all relevant information and advice to the client in accordance with the specific requirements of sections 2.2(4)-(11) of the Code. This includes information and advice concerning: ERF method requirements, ERF project administration, the feasibility of a project, estimates of carbon credit generation, crediting periods, the establishment of an ANREU account, options available for the sale of carbon credits (including the risks and implications of a Carbon Abatement Contract with the Regulator), and sequestration projects. Please advise if you have complied with section 2.2(5)(a) of the Code through the provision of an ERF Guide to a client. If YES, please upload the ERF Guide.
- C7. If Signatory has provided feasibility advice to the client, the Signatory complies with the Australian Financial Services License (AFSL) requirements under the Corporations Act 2001.
- C8. The Signatory has informed the client if the Signatory holds an AFSL and the implications of this in relation to any financial advice that can be provided.
- C9. The Signatory has disclosed to the client any interest or benefit the Signatory has in a carbon credit sales option.

Section D: Signatory Checklist for project activities

- D1. Signatory has developed a written project management plan in consultation with the client and other relevant stakeholders, that addresses all project obligations and responsibilities, and compliance requirements applicable to the project (Code sections 2.3(1) and (2)). Signatory has maintained regular contact with clients to identify whether the plan is being followed and that any issues arising are addressed in a timely and efficient manner.
- D2. Signatory has identified other agreements and land management plans made by Indigenous stakeholders in the area and considered how the proposed project aligns with these.



- D3. Relevant project risks have been identified and the Signatory has informed the client, as far as is reasonably possible, of these risks and how they can best be managed.
- D4. Signatory has identified any risks to native title rights and interests that arise from carrying out the project and has procedures to manage them.
- D5. Signatory has provided the client with a summary of the type of information and records that will be required for reporting and audit purposes for offsets projects, and it has advised the client, where relevant, that the project will be subject to mandatory audit and explained the processes involved.
- D6. Signatory has written policies and processes for record keeping which support compliance with the record keeping requirements under the relevant scheme, and that records are kept in a manner that supports easy access for audit and other compliance purposes.
- D7. Signatory has effectively communicated with clients, government agencies, and other stakeholders to provide them with relevant and accurate information about the projects that they are involved in.



Appendix 3: Code Compliance Declaration & Code Affirmation

Australian Carbon Industry Code of Conduct

Compliance Declaration & Code Affirmation for Signatories FY23

The Signatory Compliance Declaration and Code Affirmation for FY23 Annual Report process must be signed by a senior representative of the Code Signatory. This can be the Signatory's Chief Executive Officer, Managing Director, Company Secretary, Chief Financial Officer or other senior executive officer or a member of the Board as nominated and authorised by the Signatory's governing body

Code Compliance Declaration

I affirm that our organisation is a market participant¹⁸ in the Australian carbon industry.

I attest that our organisation has met the requirements of the Code for the 2022-2023 compliance period, and in particular the rules and standards set out in Part 2 of the Code as they apply to our organisation's carbon industry activities ('activities').

If there are matters where our organisation is not fully compliant with Code requirements (as identified in the Self-Audit Checklist), I attest that our organisation has proposed an appropriate process to ensure that it will be in compliance with all items in the Self-Audit Checklist by 31st December 2023.

Our organisation is committed to developing and conducting its business and activities in accordance with industry best practice, and in a professional and ethical manner.

Accordingly, I attest that all activities covered by this Compliance Declaration have been undertaken:

- in accordance with all applicable laws and regulations,
- in a transparent and accountable manner,
- in a manner that ensures environmental and social integrity, and
- in a manner that facilitates community trust.

I further attest that our organisation has:

¹ The Code aims to define industry best practice for entities providing **project services** and **advisory services** within Australia's Carbon Industry. Signatories to this Code can include project owners, aggregators, and agents who provide direct project services to clients. Signatories can also include entities that provide advisory services to clients (such as carbon or environmental market-related consultants, auditors, lawyers, traders/brokers and financial consultants) and entities that provide services for the registration, implementation, and management of carbon projects under the ERF and other Voluntary Offset Schemes (such as legal/financial/technical advice and/or the trading of carbon credits in the carbon market). While specific Code requirements focus on pre-project and project activities, it is noted that 'Client' is defined in the Code to mean both supply-side consumers and demand-side consumers (such as a Carbon Credit Purchaser).



- taken reasonable steps to avoid any actions, omissions or business practices that could harm the reputation and integrity of the carbon industry or adversely impact the Code's objectives,
- considered the application of the *Corporations Act 2001* (Cth) to its activities undertaken during the 2022-2023 compliance period and confirmed to its governing body whether or not it should hold an Australian Financial Services Licence (AFSL),
- ensured that all client agreements are in writing and comply with section 2.5(1) of the Code,
- recommended to all new clients during the 2022-2023 compliance period that they should obtain independent legal and financial advice before signing an agreement with our organisation,
- disclosed to all new clients during the 2022-2023 compliance period the Signatory's financial interest in the relevant project before the client signs an agreement with our organisation,
- taken reasonable steps to clearly inform clients about the Code, published the latest version of the Code on our website, and ensured that our employees and representatives are aware of their responsibilities under the Code.

.....
Name of authorised representative

.....
Company Name (Code Signatory)

.....
Signature

.....
Date

Affirmation of Code commitment

I affirm our organisation's ongoing commitment to the Code.

.....
Name of authorised representative

.....
Company Name

.....
Signature

.....
Date



Declaration & Affirmation to be tabled with Signatory's governing body.

I affirm that this signed Declaration and Affirmation will be tabled at the next meeting of our organisation's governing body.

.....
Name of authorised representative

.....
Company Name

.....
Signature

.....
Date

