



This note updates CMI members and seeks feedback on a draft CMI Member and Sponsorship Policy (The Policy) detailed at Appendix A below. This will replace the Interim Policy detailed at Appendix B. Feedback can be discussed in a special member meeting to be conducted in week of 20 November (exact date tba) or provided in writing by COB 1 December 2023 to [info@carbonmarketinstitute.org](mailto:info@carbonmarketinstitute.org)

## **Background: Why introduce a Member and Sponsorship policy?**

In November 2022, the CMI launched its new 2025 Strategic Plan, clarifying its role as an independent, member-based institute accelerating the transition to net zero emissions. The Plan updates CMI's mission to focus on accelerating the use of market-based solutions and supporting best practice in decarbonisation to limit warming to 1.5°C. A key objective within the Strategic Plan is to support members to urgently decarbonise with credible climate strategies and transformative investments.

With this in mind, and amidst a sharpening focus on the integrity of national, corporate and industry group commitments, including increasing expectations from regulators, investors and the community for credible private sector transition plans, CMI decided to review its membership and sponsorship policy.

Membership applications previously required support for CMI's constitutional objectives, which include supporting industries to transition to a net-zero emissions economy, and acknowledgement of CMI's Advocacy Policies, noting these policies are not represented as reflecting the views of individual members. The new policy will continue such commitments and include acknowledgement of the latest strategic plan.

The new policy will reinforce CMI's commitment to the global transition and the important role that carbon markets and participants can play in decarbonising and accelerating climate investments. It will guide CMI's support for member organisations in developing and demonstrating their commitments, and underpin the legitimacy and effectiveness of CMI engagement, educational activities, and events.

CMI acknowledges that transition pathways will be complex and varied across its diverse membership base, particularly for those companies in the hard-to-abate sectors. It believes that carbon markets should be a critical policy tool to help support and/or drive investments in deep on-site decarbonisation or elsewhere as those investments take shape. Importantly, carbon markets can also deliver nature positive outcomes that help to address our biodiversity crisis. To recognise and harness that potential, carbon market participants need to operate with high integrity and the use of carbon markets needs to contribute to the urgently required emissions reductions.

The draft policy applies an approach that is based on self-assessment in the first instance with CMI assisting development and understanding of key principles. As regulator and investor disclosure requirements increase, CMI is confident that its member organisations will step up to the task of transparently demonstrating their transition approach, and in turn supporting investment and public confidence in decarbonisation and the important role of carbon markets.

## **Process**

To provide clarity for new and existing members and event sponsors, CMI's Board approved an interim policy in February 2023 and subsequently commenced a research and consultation process to finalise a longer-term policy. To support this, CMI commissioned EY to review CMI's 2022 membership survey, international best practise guidelines and the work of comparable membership organisations in guiding best practice. This research also included targeted consultations with members and stakeholders.

The CMI Board and team have now agreed on the final draft policy for which it seeks feedback via consultation with all members by 1 December 2023.



## **Draft Member and Sponsorship Policy (See Appendix A for full details)**

The draft policy sets out a series of criteria for climate and/or transition plans (transition plans) that existing and new members will be expected to meet to be eligible for specific membership categories.

To be eligible for full membership, carbon-intensive members (emitting greater than 100,000tCO<sub>2</sub>e Scope 1 emissions per annum) and large corporations (annual revenue greater than \$5 million), will have a publicly available Transition Plan by mid-2025. These should address five broad criteria and may be informed by best practise external guidance, including frameworks such as the Task Force on Climate-Related Financial Disclosures (TCFD), Science Based Targets initiative (SBTi), among several others (see Appendix A examples). A CMI guidance note will be available from mid-2024. New or members renewing after 1 July 2025 will advise CMI of their transition plans and will be required to confirm that they address the criteria.

For carbon-intensive and large corporations that do not meet the transition plans criteria, the Associate category of membership and associated services will be available for CMI to continue to facilitate vital knowledge sharing and education. This category offers no voting rights with respect to the Board or constitutional amendments, however the same free or discounted access is available to expert roundtables, events, bespoke engagement and market intelligence. Invitation to certain Taskforces and relevant Working Groups can also be agreed where appropriate.

Small Corporate members, existing Associate members and Individual members will not be affected in this phase but will be encouraged to implement a plan that addresses the Transition Plan guidance. All relevant members who are not already, signatories or industry supporters to the Carbon Industry Code of Conduct will also be encouraged to join. More information [here](#).

Eligibility for sponsorship at the top Diamond and Platinum Partner tiers of major CMI events will require carbon-intensive and large corporate members to demonstrate achievement of progress against key Transition Plan criteria listed below.

To allow members adequate time to prepare for the changes, the final policy is intended to come into effect from 1 July 2025. Through its Corporate Climate Leadership Working Group, educational activities (such as forthcoming Masterclass series) and other events, CMI will provide guidance to companies in the development of transition plans.

Over the next 12 months, the Board will also consider consequences that may apply from 1 July 2025, if CMI becomes aware that full members are not reasonably addressing the transition plan criteria.

Any review or changes to threshold or criteria that may flow from the next strategic plan (to be decided in late 2025), will have similar consultation and implementation lead times as for this draft policy.

## **Interim policy (See Appendix B for full details)**

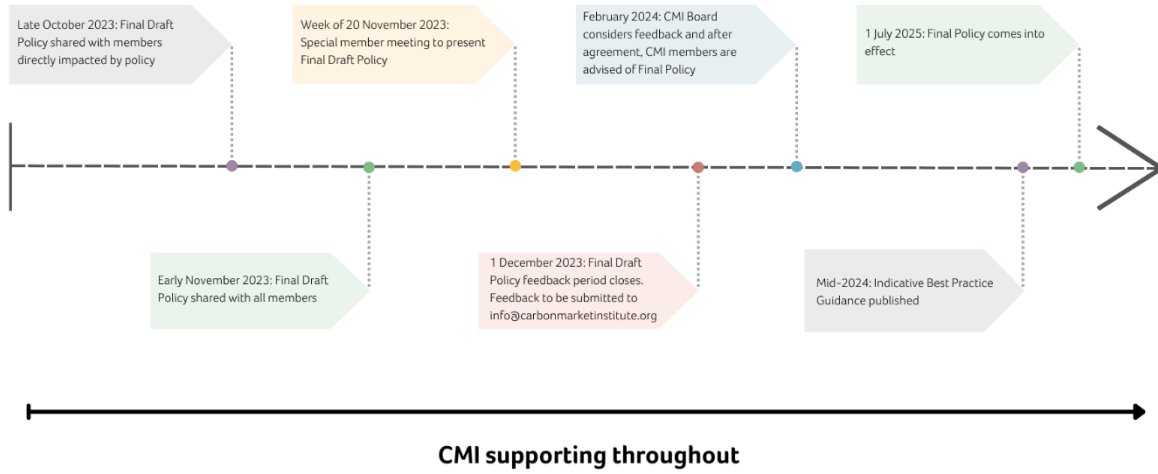
Until the final policy comes into effect, the interim policy as amended will continue to apply.

New membership applications from large emitters with an increasing carbon footprint will be accepted into the Associate membership category and will be limited from sponsorship at top Diamond and Platinum Partner tiers of major CMI events. This covers companies that emit over 100,000 t CO<sub>2</sub> Scope 1 emissions per year and who are increasing emissions through construction of new or expanded fossil fuel facilities.

Existing CMI member large emitters in this category will retain their current membership status, until the final policy takes effect on 1 July 2025. This category will be limited from sponsorship at top Diamond and Platinum Partner tiers of major CMI events.



## Member and Sponsorship Policy Timeline





## Appendix A

### Draft membership and sponsorship policy (applies from 1 July 2025)

<b>*Membership category (new or renewing)</b>	<b>Requirements</b>	<b>Sources of indicative best practise guidance (examples only – final guidance to be published from 1 July 2024)</b>
<p>Large “full” members (individuals, partnerships, corporates with revenue over \$5 million, and those emitting &gt;100,000tCO<sub>2</sub>e Scope 1 emissions p.a)</p>	<p>1. Report on material scope 1, 2 and 3 emissions</p>	<ul style="list-style-type: none"> <li>• Australian, New Zealand or local jurisdictional climate reporting requirements</li> <li>• National Greenhouse Energy Reporting System (NGERs)</li> <li>• GHG Protocol</li> <li>• Taskforce on Climate-related Financial Disclosure (TCFD) recommendations</li> <li>• UK Transition Plan Taskforce</li> <li>• Science-based Target Initiative (SBTi) sector guidance</li> <li>• International Standards Organisation Net Zero Guidelines</li> <li>• Climate Action100+ Net Zero Benchmark Framework</li> </ul>
	<p>2.</p> <p>a) Set short, medium and long term targets for Scope 1 and 2 emissions, in line with a 1.5C pathway to achieve net zero by 2050.</p> <p>b) Demonstrate efforts to progress towards targets that address material Scope 3 emissions</p>	<ul style="list-style-type: none"> <li>• TCFD Disclosure recommendations</li> <li>• SBTi sector guidance</li> <li>• International Standards Organisation Net Zero Guidelines</li> <li>• Climate Action100+ Net Zero Benchmark Framework</li> </ul>
	<p>3. Prioritise taking actions to reduce emissions within value chain while also addressing residual or hard-to-abate emissions with high integrity carbon credits</p>	<ul style="list-style-type: none"> <li>• Oxford Principles</li> <li>• Voluntary Carbon Markets Integrity Initiative (VCMi) Code of Conduct</li> <li>• SBTi sector guidance</li> <li>• Australian Carbon Industry Code of Conduct</li> </ul>
	<p>4. Implement actions consistent with an organisational commitment to achieving decarbonisation objectives and as informed by best practise industry sector frameworks or standards</p>	<ul style="list-style-type: none"> <li>• UK Transition Plan Taskforce implementation guidance</li> <li>• SBTi sector guidance</li> <li>• Climate Action100+ Net Zero Benchmark Framework</li> </ul>



	<p>5. Processes for Transition Plan to be reviewed and updated every three years, with progress reported annually (for clarity, this does not require CMI sign off, just a transparent public process)</p>	<ol style="list-style-type: none"> <li>1. International Sustainability Standards Board (ISSB) / TCFD recommendations</li> <li>2. Climate Disclosure Project (CDP)</li> <li>3. Global Reporting Initiative</li> <li>4. UK Transition Plan Taskforce</li> <li>5. Agreed national mandatory requirements in financial statements</li> </ol>
	<p><b>Sponsorship:</b> To be eligible for sponsorship at the top Diamond and Platinum Partner tiers of major CMI events, there will need to be demonstrable achievement of key elements of CMI’s Membership Policy</p>	N/A
Small and Individual Corporate full members	Transition Plan encouraged as per above requirements, but not mandatory as indicator of membership status	N/A
Associate members	Transition Plan encouraged where relevant as per above requirements, but not mandatory as indicator of membership status	N/A
Professional Network members (individuals)	N/A	N/A

## Additional requirements and mediation

CMI members and sponsors are requested to support CMI’s Constitutional Objectives and acknowledge its [2025 Strategic Plan](#) and [Advocacy Policy Positions](#).

A member or potential member may request a review of a determination affecting them by the CMI Membership Committee for subsequent recommendations to the Board.

\*CMI membership categories are as follows:

- *Full member:* For organisations, partnerships or corporations participating in carbon markets with appropriate transition plans where relevant as identified by this policy, this category provides the full range of member benefits, including voting rights with respect to the Board or constitutional amendments.
- *Associate member:* This category is for industry associations, government and regulatory agencies, research institutes, and not for profit organisations. It will now include relevant corporations identified by this policy unable to advise of transition plans addressing all criteria above. To facilitate vital knowledge sharing and education, this category has access to free or discounted expert roundtables and events, and there is flexibility for access to certain Taskforces and relevant Working Groups. Associates are unable to participate in Board member elections or vote on constitutional change.
- *Professional network member:* For climate change and business professionals and students as individuals, providing access to market and policy developments and key CMI events. It does not offer voting rights or access to any CMI Taskforces or Working Groups



## Appendix B

### Interim member and sponsorship policy (applies until 1 July 2025)

Membership category	Requirements
New Corporate full members emitting >100,000tCO <sub>2</sub> e Scope 1 emissions p.a and who are increasing emissions through construction of new or expanded fossil fuel facilities.	<ul style="list-style-type: none"> <li>Accepted into Associate membership category</li> <li>Limited from sponsorship at top Diamond and Platinum Partner tiers of major CMI events</li> </ul>
Existing Corporate full members emitting >100,000tCO <sub>2</sub> e p.a and who are increasing emissions through construction of new or expanded fossil fuel facilities.	<ul style="list-style-type: none"> <li>Retain their current membership category</li> <li>Are limited from sponsorship at top Diamond and Platinum Partner tiers of major CMI events</li> </ul>
Other full Large, Small or Individual Corporate members	N/A
Associate members	N/A
Professional Network members	N/A

### Additional requirements and mediation

CMI members and sponsors are requested to support CMI's Constitutional Objectives and acknowledge its [Advocacy Policy Positions](#).

A member or potential member may request a review of a determination affecting them by the CMI Membership Committee for subsequent recommendations to the Board.