

Code of Conduct fact sheet

January 2023



Australian
Carbon Industry
Code of Conduct



This Fact Sheet provides a general overview of the Carbon Industry Code of Conduct for clients and other stakeholders of Signatories to the Code. If you have been provided this Fact Sheet, you are engaging with an organisation that has formally committed to upholding best practice standards in relation to emissions reduction, emissions avoidance and sequestration projects. This Fact Sheet, or a version thereof developed by the Signatory organisation, must be provided by Signatories to their clients, as part of the Signatory's requirements under the Code of Conduct.

What is the Carbon Industry Code of Conduct?

The Australian Carbon Industry Code of Conduct (the Code) is a voluntary Code that aims to promote market integrity, consumer protection and appropriate interaction with project stakeholders in Australia's carbon reduction and sequestration industry.

The Code provides guidance for carbon service providers on best practice engagement with their clients and other stakeholders, including (but not limited to) Native Title Holders, representative bodies, land managers and project owners.

Hosted by the Carbon Market Institute (CMI), the Code aims to address issues that impact market integrity and reputation of the carbon industry and promote international leadership in carbon service provision.

Who are the current Signatories to the Code?

All Signatories to the Code are [listed on the Code of Conduct website](#), and consists of entities providing carbon project services and carbon advisory services to clients regarding:

- i. the registration, implementation, and management of carbon projects in Australia;
- ii. the provision of legal/financial/technical advice; and
- iii. the trading of carbon credits in the Australian market.

These Signatories have agreed to meet the minimum best practice requirements for operating in the carbon industry, as set out in the Code, including:

- Providing full transparency and accountability
- Ensuring environmental and social integrity of the scheme
- Complying with legislation and regulation
- Facilitating community trust in the outcomes of the scheme.

If you are unsure of whether an organisation is covered by the Code or believe an organisation has made misleading claims about their Signatory status, please contact the Code Administrator:

code.administrator@carbonmarketinstitute.org

Is the Code compulsory for anyone undertaking a carbon project?

No. The Carbon Industry Code of Conduct is a voluntary Code. Signatories to the Code have committed to developing and operating in an industry that is built on community trust, transparency, accountability, social and environmental integrity, and is in compliance with the law.

What is the role of the Code Administrator?

The Code provides guidance to all Signatories about the operation and requirements of the Code. The Code Administrator has oversight of Signatories, and undertakes education, monitoring and enforcement activities. The Administrator is also responsible for:

- Developing training and supporting material on the Code to assist Signatories;
- Engaging with the independent Code Review Panel;
- Reviewing compliance including undertaking audits and initiating enquiries into compliance;
- Handling complaints and alleged breaches;
- Enforcing sanctions;
- Preparing an annual report on the Code's operations; and
- Overseeing the strategic growth and direction of the Code.



What is the role of the Code Review Panel?

The oversight, monitoring and direction of the Code of Conduct and Code Administrator is undertaken by the Code Review Panel (the Panel). Established in June 2021, the Panel is an independent body made of three members, who are all independent of the Code and its Signatories.

The Panel operates under a Terms of Reference and meets regularly to consider:

- Complaints handling processes and activities;
- Appeals of enforcement actions; and
- The Code Administrator's ongoing approach to compliance.

What should I do if I have a concern, or a complaint about a Signatory?

If you have a concern or would like to make a complaint to or about a Signatory as relevant to the Code, you are encouraged to take the following actions:

1. Ensure you have a copy of the Signatory's complaints handling process.

Signatories are required to provide information to you about their internal complaints process, including clearly explaining how you are to lodge complaints with them. If you have not been provided information on the Signatory's process for handling complaints, request this information from the Signatory directly.

2. Raise the issue with the Signatory organisation directly in the first instance.

If a complaint is raised with a Signatory organisation, they are required to:

- acknowledge that they have received your complaint and provide an expected timeframe for resolution of the complaint.
- provide you with feedback within 21 days of receiving the complaint, and inform them if additional time is needed to undertake a more detailed investigation.
- complete their investigation and provide you with final feedback within 45 days of receiving the complaint.

3. If your complaint is unresolved, contact the Code Administrator.

In the event that you are not able to raise the complaint directly with the Signatory, or if your complaint has not been actioned or acknowledged within this timeframe, or you are dissatisfied with the outcome of a complaint, you may contact the Code Administrator directly by email to notify us of this issue, and/or submit a complaint through the complaints form [on the Code of Conduct website](#).

4. If relevant, contact other consumer protection organisations.

You are also encouraged to raise the complaint with the relevant consumer protection organisation or scheme regulator (see Appendix 1, section 5 of the Code). In this case, you should notify the Administrator that you have done so, if it is relevant to the Code of Conduct.

What are Signatories' obligations to clients and other stakeholders?

Clients of Signatories may include project stakeholders such as (but not limited to) Native Title Holders, Native Title and landholder representative bodies, landowners, land managers, project owners, corporate clients and other credit purchasers.

As part of their commitment to the Code, Signatories have obligations to their clients, as well as to Eligible Interest Holders (EIHs). These obligations apply to their business activities both before a project commences, as well as during the project's lifetime, including:

- specific information, advice, and documentation that Signatories must provide to you.
- specific ways in which they must engage or consult with you as a client or as an EIH.



Summary of Signatory Obligations

Outlined below is a list of items that Signatories are required to engage with their clients, EIHs and other stakeholders on (including a section reference where you can find more detail in the Code of Conduct text).

Provision of information

- Signatories must ensure that their clients are made aware of the Code, and must provide clients with a copy of this fact sheet (2.5(2)) and (2.5(7))
- Signatories must provide sufficient, accurate, accessible, timely and ongoing information and advice to clients to allow them to make informed decisions and to ensure compliance with relevant requirements and legislations. It is expected that this is done before an application to register a project is lodged (2.2(1)) through (2.2(12))
- Signatories must inform clients that there are different project development models for undertaking a carbon project, and must discuss the Signatory's model with the client. It is expected that this is done before an application to register a project is lodged (2.2(2))

Handling complaints

- Signatories must have an appropriate internal complaint handling procedure that is fair, efficient and transparent, must make their clients aware of the procedure, and must be responsive to clients and other stakeholders at all times (2.5(4))

Legal rights, consents and appropriate engagement

- Signatories must ensure that the project owner has the legal right for the project, including the right to carry out the project and receive credits generated by the project (2.2(3))
- Signatories must ensure that all Eligible Interest Holders are identified (2.2(3))
- Signatories are required to engage early (expected to commence prior to application to register a project) and in an ongoing manner with Native Title Holders, and where possible, Native Title Claimants and other Traditional Owners, following best practices set out in the ['Seeking free, prior and informed consent from Indigenous communities for carbon projects'](#) guidance published by the Indigenous Carbon Industry Network (ICIN). Signatories must also follow the ['Native title, legal right and eligible interest-holder consent guidance'](#) published by the Clean Energy Regulator (2.2(3))
- As appropriate, Signatories must engage with relevant representative bodies within Indigenous communities to ensure appropriate engagement with Traditional Owners (2.2(3))
- Signatories must ensure that Native Title Holders and relevant legal representatives are provided sufficient information, including with relation to: the intention to register a project over Native Title Land or Waters; rights to give or deny consent; implications of the project; the existence of the Code; and any approvals required from any government or regulatory authority (2.2(3))
- Signatories must seek to ensure that legally binding agreements (including consent agreements) with Native Title Holders are entered into prior the Signatory applying to register a project (2.2(3))
- Signatories must seek to ensure that they genuinely understand the perspectives of Indigenous persons and their priorities for the land or resource which is to be the subject of the carbon project (2.2(3))
- Signatories must provide copies of written records of stakeholder engagements with Indigenous peoples to them, as appropriate (2.3(5))

Risk disclosure

- Signatories must disclose risks related to the project to their clients (2.3(2))



Plans and agreements

- Signatories must develop a written project management plan in consultation with the client and other relevant stakeholders, ensuring that the plan is provided to and understood by the client, and ensuring that the plan is followed over the duration of the project (2.3(1))
- Signatories must ensure that agreements with clients are in writing, clear and transparent, and provide for orderly succession of the project proponent (2.5(1))

Financial advice and financial interests

- Signatories must inform clients whether or not they hold an Australian Financial Services Licence (AFSL), and the implications of whether or not they hold an AFSL (2.2(10))
- Signatories must disclose the Signatory's financial interest in the project (2.5(2))

Independent legal advice

- Signatories should recommend to the client that the client obtains independent legal and/or financial advice (2.5(2))

For further information, refer to the [Code of Conduct website](#), or [contact the Code Administrator](#).

for more information please contact

Code Administrator

code.administrator@carbonmarketinstitute.org



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