The Climate Label

2025 Certification Standard

For detailed technical guidance, a Technical Appendix is forthcoming.

1. Eligibility

Entities Eligible for Certification

The Climate Label is a leading symbol of climate action by consumer goods and business services companies. Companies can seek certification of a corporate entity, subsidiary, or brand, but not of individual products or services. To protect the integrity and reputation of The Climate Label and related marks, companies within sectors that appear on the Restrictions on Eligibility for Certification list are ineligible for certification.

The certification is offered primarily to corporate brands; however, non-brand entities, such as events or film projects, may be eligible to achieve certification if they can meet the criteria and demonstrate alignment with the mission and goals of The Change Climate Project (TCCP), which administers The Climate Label.

2. Measurement

Requirements for Greenhouse Gas Inventories

a. Measurement Boundary

Entities seeking certification in 2025 are required to count their cradle-to-customer emissions from the full 2024 calendar year. This includes emissions related to all products, services, and business activities. Fiscal year data can be used as long as six or more months overlap with the 2024 calendar year.

Measurement boundaries are based on the Greenhouse Gas Protocol and include all Scope 1 emissions, all Scope 2 emissions, and 8 out of the 15 categories of Scope 3 emissions, as shown below.

Table 1: Measurement Boundary Requirements

SCOPE 1	SCOPE 2
Direct Emissions	**Indirect Emissions**
• Fossil fuels used at your facilities • Fuel consumed by your vehicles	• Electricity used at your facilities • Steam bought and used at your facilities
SCOPE 3	
Supply Chain Emissions	**Not Included in Certification:**
3.1 Purchased goods and services 3.2 Capital goods 3.3 Upstream emissions from fuel and energy 3.4 Upstream transportation and distribution 3.5 Waste from operations 3.6 Business travel 3.7 Employee commuting 3.9 Downstream transportation and distribution	3.8 Upstream leased assets 3.10 Processing of sold products 3.11 Use of sold products 3.12 End-of-life treatment of sold products 3.13 Downstream leased assets 3.14 Franchises 3.15 Investments*

* Required for Finance and Investment Firms - Certifying entities with significant financial holdings must also measure Greenhouse Gas Protocol Scope 3.15 emissions following PCAF standards. Institutions assumed to have significant financial holdings include asset managers/owners, retail and commercial banks, insurance companies (when functioning as asset managers), real estate investment trusts (REITs), and companies with at least 5% of revenue associated with these activities.

b. Data Requirements

Use of activity data vs. modeled or estimated data: Certifying entities are *strongly encouraged* to use activity data or physical data for Scope 1 and 2 emissions, and Scope 3 categories with emissions equal to or more than 5% of the total inventory. Companies with science-aligned reduction targets are *required* to use activity data or physical data (e.g., kilowatt-hours, not dollars spent on electricity) for Scopes 1 & 2 starting in their second annual certification year.

c. Inventory Measurement & Verification

While all GHG inventories must follow the boundaries defined in Table 1, measurement and verification requirements depend on the certifying entity's annual revenues.[1] Once the GHG inventory has been submitted, TCCP evaluators will review it for compliance with the Standard.

Table 2: Measurement and Verification Requirements

Small certifying entities: 2024 revenues below $5 million	
Estimate your emissions using the Business Emissions Evaluator (BEE) or equivalent pre-approved tool using sector, geography, financial, and other firmographic data. Third party verification is not required.	
If you measure your emissions using the BEE or another tool, here's what you need to submit: A complete inventory with attestation.	
Medium certifying entities: 2024 revenues $5-100 million	
Prepare a measurement report, detailing total emissions by scope and category, generated using the Business Emissions Evaluator (BEE), a third-party calculator, or an internally-built tool, as long as it aligns to the GHG Protocol and meets the measurement boundary requirements. Third party verification is not required.	
If you measure your emissions using the BEE, here's what you need to submit: 1) A complete measurement report from the BEE. 2) A 'good faith' attestation confirming the accuracy and completeness of GHG inventory and underlying data	*If you don't use the BEE, here's what you need to submit:* 1) A complete measurement report that clearly describes your methodology, including: total Scope 1-3 emissions, reported in tCO2e and broken down by GHG Protocol categories, an index of all operational data used, citations for each GHG emission factor applied, description of boundaries, assumptions, and materiality threshold applied. 2) A 'good faith' attestation confirming the accuracy and completeness of GHG inventory and underlying data.
Large entities: 2024 revenues above $100 million	
Prepare a measurement report, detailing total emissions by scope and category, can be generated using the Business Emissions Evaluator (BEE), a third-party calculator, or an internally-built tool, as long as it aligns to the GHG Protocol and meets measurement boundary requirements. A third-party verifier must review the inventory (see below for details).	
If you measure your emissions using the BEE, here's what you need to submit: 1) A complete measurement report from the BEE. 2) A 'good faith' attestation confirming the accuracy and completeness of GHG inventory and underlying data. 3) A third party verification report that clearly verifies your data inputs and conforms to the "Requirements for Third-party Verification" section below.	*If you don't use the BEE, here's what you need to submit:* 1) A complete measurement report that clearly describes your methodology, including: total Scope 1-3 emissions, reported in tCO2e and broken down by GHG Protocol categories, an index of all operational data used, citations for each GHG emission factor applied, description of boundaries, assumptions, and materiality threshold applied. 2) A third party verification report that verifies your data inputs AND methodology, and conforms to the "Requirements for Third-party Verification" section below.

[1] If multiple subsidiary entities within a larger company seek to achieve certification, the combined revenue of all certified entities will be used to determine certification requirements.

d. Requirements for Third-Party Verification and Assurance

When required, all third-party carbon inventory verifications should follow these five common principles: relevance, completeness, consistency, transparency, and accuracy. Assurance reports must conform to one of these standards: ISO 14064-3, ISAE3000, ISAE 3410, or Corporate GHG verification guidelines from ERT. Assurance reports must specify the level of assurance provided by the report as either limited or reasonable.

Third-party verifiers (e.g. environmental auditors or consultants) must be able to demonstrate the following:

- At least five years of corporate history working in carbon accounting and/or lifecycle analysis at product and company levels, with at least 25 documented client engagements involving corporate or product level footprints.
- At least five years of corporate history auditing and/or verifying corporate GHG footprints of companies with over $100 million in annual revenue.
- Ability to demonstrate independent control and ownership from the company under review to avoid any conflicts of interest.
- Ability to act as an unbiased third party in the verification process.
- At least five years of corporate history with one or more of the third-party verification standards referenced in this Section 2d.

e. Counting Clean Energy Purchases

Energy Attribute Certificates (EACs, such as RECs and GOs) that are bundled with or unbundled from energy purchases may be used to make “market-based” adjustments to the Scope 2 emissions tied to electricity consumption. Inventory submissions should include both location-based and market-based totals, where applicable, and all Climate Transition Budget calculations (see Section 3) will use the market-based total.

Vintages of all EACs used to make market adjustments must match the emissions year or the certification year. For example, when considering 2024 Scope 2 emissions, EACs must have a vintage of 2024 or 2025. EACs must originate within the market where the electricity consumption occurs.

If there is a question about the eligibility of renewable energy instruments, TCCP evaluators will defer to the GHG Protocol.

f. Corrections to Measurement Reports

In the case of errors or omissions that exceed a 5% materiality threshold from a prior submission, the certified entity is required to restate emissions from the affected year(s). In the case of lower restated emissions, companies may carry forward, up to one year, any excess invested Climate Transition Budget amounts. In the case of higher restated emissions, companies are encouraged to cover any prior year Climate Transition Budget deficits.

3. Climate Transition Budget

The Climate Transition Budget (CTB) is a company's minimum total required investment in the Net Zero transition, and brings financial structure and transparency to corporate climate transition plans.

Requirements for Calculation and Allocation

Certifying entities must calculate a CTB to determine the minimum amount they must invest in qualifying projects across Value Chain Abatement (VCA), Beyond Value Chain (BVC), and Other Contributions to the net-zero transition (defined in Sections 4-6) in order to achieve certification. Companies are encouraged to exceed the minimum.

a. Carbon Fee

The CTB is the product of the total GHG inventory (tCO2e) and the carbon fee for the year in which certification occurs (see Table 3). A preliminary CTB can be calculated for planning purposes at any time during Measurement. A final CTB must be calculated using assured inventory data.

Table 3: Carbon fee ($/tonne in USD)

	2025	2026	2027	2028
Scope 1, 2, & 3 emissions	$15	$18	$21	avail. 9/1/25

b. Required CTB Allotment to Value Chain Abatement (VCA)

A minimum portion of the CTB must be allotted to qualifying VCA projects (defined in Section 4), following the minimum percentages in Table 4. There is no cap.[2]

Table 4: Minimum VCA allotment

	2025	2026	2027
< $100m annual revenue	10%	10%	10%
> $100m annual revenue	10%	20%*	30%*

*Entities > $100m that are seeking certification for the first time may allot a minimum of 10% of the CTB to qualifying VCA spend.

[2] For example, in 2025, a company with a CTB of $100,000 must allot at least $10,000 to VCA projects and up to $90,000 to BVC projects. It could, alternatively, split the CTB 50/50 between VCA/BVC. It could also choose to exceed the CTB and allot $150,000 to VCA.

c. CTB Allotment to Beyond Value Chain (BVC) projects and Other Contributions

The portion of the CTB that is not allotted to VCA must be invested in a combination of BVC projects and Other Contributions, following the requirements below. A maximum of 15% of the CTB may be allotted to Other Contributions.

d. Requirements for Timing of Investments

Timing of VCA investment can include new expenditures (capital or operating) made or accrued during four consecutive quarters in the certification year and/or the emissions year[3] that contribute toward reducing value chain emissions. Certifying entities may choose their time frame based on their spending and budgeting practices.

BVC investment and Other Contributions can take place during the emissions year or the certification year, up to the date of submission.

4. Value Chain Abatement

Qualifying Value Chain Abatement (VCA) investments include projects undertaken to reduce emissions within a company's direct operations or supply chain. Common ways to reduce emissions include fuel switching, installation of clean energy, and use of low carbon materials.

Refer to the Technical Appendix for documentation requirements for VCA investments.

Requirements for Planning

a. Reduction Action Planning

Certifying entities must submit a minimum of two Reduction Action Plans (RAPs) that describe specific actions to reduce emissions within the next 12-24 months. If a certifying entity has annual revenues over $5 million, at least one RAP must apply to Scope 3 emissions.

b. Target Setting

If the certifying entity has over $100 million in annual revenues, it must set a science-aligned reduction target for 2030. This target applies to all emissions included in Table 1. The target can be a default target of 50% absolute reductions based on a 2024 emissions baseline, a target validated by the Science Based Targets Initiative, or a well documented science-aligned target that is sector specific. Entities with less than $100 million in annual revenues are *strongly encouraged* to set a 2030 science-aligned target.

[3] The certification year is the year in which the certification process is completed, and the emissions year is the year preceding certification.

c. Reduction Progress

All re-certifying entities must annually submit the following data to enable tracking of progress toward reduction action plans and science-aligned targets:

- Absolute emissions
- Emissions intensity
- Reduction Action Plan completion status

Certifying entities should aim to complete RAPs within two years of setting them, and should demonstrate emission reductions in line with their science-aligned targets or a general goal of 50% reduction by 2030.

Qualifying VCA Investments

e. Eligible VCA Categories

VCA projects must be linked to activities that are expected to reduce emissions below levels that would be expected without the VCA investment. Certifying entities must determine the highest potential sources of reductions across their Scope 1, 2, and 3 emissions sources. Certifying entities are strongly encouraged to focus VCA investments on their top sources of emissions, defined as the GHGP categories that account for the greatest share of emissions. Investments in equipment (other than energy-generating equipment) should not fund projects that would happen due to regular replacement of depreciated equipment, or capacity expansion projects needed to support business growth. Table 5 describes eligible categories of VCA investment.

VCA projects do not qualify if they are otherwise required in order to comply with an existing law or regulation.

Table 5: Eligible VCA Categories

Spend Requirement: at least 10% of the CTB (2025)	**Eligible Expenses**
Materials and Manufacturing	
Low-carbon material purchases > Purchase of low-carbon input alternatives	Price premium > Additional direct costs
Low-carbon material switching > Equipment to support integration of new technologies, materials, products, or processes	Capital/lease/services costs
GHG capture equipment	Capital/lease/services costs

Energy Procurement and Production	
Low-carbon electricity > PPAs/VPPAs bundled with RECs/EACs > Voluntary green tariffs	Price premium > Additional direct cost to buy electricity
Clean energy generation > Solar panels, wind turbines, etc. > Cost to install equipment on supplier's facility	Capital/lease/services costs
Direct fuel switching > Cost to transition suppliers to consuming lower carbon fuels	Capital/lease/services costs
Efficiency and Electrification	
Energy efficiency > Lighting, HVAC, other building efficiency > Manufacturing process efficiency	Capital/lease/services costs
Efficient logistics > Low carbon shipping	Price premium > Additional direct cost for services
Electrification > Installation of heat pumps > Installation of clean cooking equipment > Conversion to EV fleets > Charging stations / EVSE	Capital/lease/services costs

5. Beyond Value Chain

Qualifying Beyond Value Chain (BVC) investments include market-based instruments to accelerate the net-zero transition outside of the value chain. Common instruments include carbon credits, carbon removals, and unbundled Energy Attribute Certificates.

The level of BVC investment must be determined based on the VCA threshold requirements in Section 3a.

Refer to the Technical Appendix for documentation requirements for BVC investments.

Qualifying BVC Investments

Table 6: Eligible BVC Categories

Spend Requirement: no min/max	Eligible Expenses
Voluntary carbon market	
Carbon credits > Nature-based avoidance and removals credits > Energy and industry avoidance and removals credits (incl. CDR)	Direct share of costs
Other market-based instruments	
Energy Attribute Certificates > unbundled RECs, GOs, etc	Direct share of costs
Zero-emission transport credits > SAF, ZEMBA, etc	Direct share of costs

Requirements for Carbon Credits

a. Acceptable Methodologies for Third-Party Verification

Carbon credits must be verified under methodologies from one of the following carbon crediting programs: Gold Standard, Verified Carbon Standard, Climate Action Reserve, American Carbon Registry, or European Biochar Certificate.

In addition, all carbon credits that meet the ICVCM's Core Carbon Principles ("CCP-approved methodologies") as of the date of purchase are eligible, as long as they meet the vintage year restrictions in Section 5b.

Carbon credits from project categories that have specifically received a status of "Rejected" on the ICVCM website, before the date of purchase, are not eligible to be used toward certification.

b. Vintage Year Restriction

All carbon credits from forestry and land-use projects must have a vintage year from 2018 to 2024. All carbon credits from other project types must have a vintage year from 2021 to 2024.

c. Eligible Carbon Credit Types and Categories

All carbon credit purchases must be from the approved project categories and types in Table 7. Certifying entities are encouraged, but not required, to follow the portfolio allocation principles outlined in the Oxford Principles for Net-Zero Aligned Carbon Offsetting.

Table 7: Eligible Carbon Credit Types

Project Categories	Eligible Project Types	Eligible Vintage Years
Emissions Removed or Avoided From Nature	**Agriculture & Grasslands:** e.g. avoided ecosystem conversion, grassland & rangeland management, soil carbon, biochar **Blue Carbon:** e.g. mangroves, coastal conservation, wetland & seagrass restoration **Forestry:** e.g. afforestation, avoided deforestation, improved forest management, peatland restoration, REDD+, reforestation	2018 to 2024
Emissions Avoided from Energy and Industry	**Chemical / Industrial:** e.g. manufacturing, high-GWP gas capture, N2O abatement **Household & Community:** e.g. cookstoves, composting, household energy efficiency, water filtration **Renewable Energy:** e.g. biomass, geothermal, small-scale hydropower*, solar, wind **Transportation:** e.g. electric vehicles	2021 to 2024
Carbon Dioxide Removals (CDR)**	**Engineered Removals:** e.g. direct air carbon capture **Open System Carbon Removals:** e.g. oceans, mineralization	2021 to 2024
Excluded Project Types	HFC-23 Destruction Large-scale Energy Efficiency in non-LDCs*** Large-scale Hydro Tokenized credits	n/a (not allowed)

* “Small-scale" follows UN CDM definitions (i.e., < 15MW for renewables and < 60 GWh in annual improvements from energy efficiency)

** Carbon Dioxide Removals apply to new project types where methodologies have not yet been developed, so verification is not possible.

*** A list of the UN’s Least Developed Countries (LDCs) can be found here.

d. Third-party Carbon Credit Ratings

Certifying entities are encouraged, but not required, to evaluate third-party project ratings from providers including BeZero, Calyx Global, Renoster, and Sylvera.

Requirements for Other Market-Based Instruments

e. Energy Attribute Certificates

Expenditures on RECs, GOs, and other EACs such as sustainable aviation fuel (SAF) credits and zero-emission shipping credits may count toward the BVC allocation, provided that they have not already been used to make market-based adjustments to emissions reported anywhere in the GHG inventory.

f. Open Allocation for Non-Conforming Carbon Instruments

Up to 15% of the total investment in BVC projects may fund market-based instruments that do not conform to the requirements above, because they are not verified under one or more of the standards listed in Section 5a, and/or have not yet been issued and retired. This provision is intended to shape the markets by encouraging supply-side growth for high quality projects, emerging methodologies, and early-stage CDR markets. Examples include carbon removal purchases, Advanced Market Commitments, and offtake agreements.

6. Other Contributions to the Net Zero Transition

Qualifying Other Contributions include investments that are expected to indirectly accelerate the global Net Zero transition. Combined investment in these categories may not exceed 15% of the CTB.

Refer to the Technical Appendix for documentation requirements for Other Contribution investments.

Table 8: Eligible Categories for Other Contributions

Spend Requirement: none required; may spend up to 15% of the CTB (2025)	**Eligible Expenses**
Planning, Research, and Development	
Capacity-building & change management > Sourcing strategy > Staff salaries	Direct share of costs

Net zero consulting services > GHG accounting, Life Cycle Assessments, climate strategy planning	Direct share of costs
Software > Carbon accounting tools > Supplier engagement tools	Direct share of costs
Capital for the Net-Zero Transition	
Investments in equity or debt at below market rates that accelerate clean energy deployment > Loans or loan guarantees > Subordinate equity positions	Principal amount of investment
Market Transformation Initiatives	
Supplier engagement initiatives and collaborations	Participation fees
Advocacy & Climate Justice	
Investments in advocacy for the just transition > Pro-climate lobbying > Employee climate engagement & training > Employee incentive programs > Climate justice programming > Community investments	Direct share of costs

Certified entities are strongly encouraged to engage in lobbying, education and stakeholder (e.g. customer, supplier, employee, consumer) mobilization efforts in support of climate solutions. Applications for certification must include a brief summary of such activities completed in the prior calendar year. This reporting will not be made public, but should generally include one or more of the following activities:

1. Climate Lobbying: Support climate policy at any political level directly or in collaboration with an advocacy or trade organization.
2. Internal Climate Literacy: Engage your team in The Climate Label certification process and conduct education sessions to increase staff understanding of climate issues.
3. Consumer Climate Literacy: Engage consumers in The Climate Label certification process and importance of climate action.

In addition, use of the certified marks in marketing is an important form of advocacy. Re-certifying companies must provide evidence of at least one (1) example of the label in use on either digital or physical materials.

7. Public Disclosure

Entities with active certifications must disclose the following information in the Brand Profile Directory on the public website of The Change Climate Project:

1. GHG inventory totals for the emissions year, categorized as Scope 1, 2, and/or 3 emissions, including any emissions corrections/adjustments. Reporting of historical total emissions by year is also strongly encouraged
2. Total annual emissions intensity figures for the emissions year and all available prior certification years
3. Summary of reduction action plans and science-aligned targets (if set)
4. Progress toward past reduction action plans
5. Total amount of the CTB and investment allocations to VCA projects, BVC projects, and Other Contributions
6. A list of the project types supported by BVC investments
7. Types of products and/or services provided by the certifying entity