



Climate

Appendix B

Green-e® Climate Code of Conduct

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I. PREAMBLE

This Code of Conduct for Green-e® Climate contains the Ethical Guidelines, Certification Categories, and Disclosure & Verification Requirements that apply to sellers of Green-e Climate Certified Greenhouse Gas (GHG) Emission Reduction Products (“Certified Products”).

II. MISSION STATEMENT

Green-e® Climate seeks to:

- Bolster consumer confidence and ensure credibility of voluntary consumer GHG emission reduction purchases;
- Expand the retail market for GHG emission reduction products; and
- Provide consumers with clear information about retail GHG emission reduction products to enable them to make informed purchasing decisions.

III. ETHICAL GUIDELINES

Seller wishing to use the Green-e® Climate logo or to claim Green-e® Climate certification for any of their Certified Products agrees to do the following.

- 1) Conduct an annual independent verification of product sales and purchases for Certified Products according to the Green-e® Climate Audit Process.
- 2) Undergo biannual marketing compliance review to ensure that marketing materials comply with the Green-e® Climate Code of Conduct.
- 3) Provide customers with adequate and accurate information on the Certified Products as defined in the Green-e® Climate Code of Conduct.
- 4) Use the Green-e® Climate logo only in compliance with the logo usage requirements and guidelines outlined in the Green-e® Climate Logo Use Agreement under “Use of Logo” and in accordance with the Green-e® Climate Code of Conduct, including using the specified artwork and colors as indicated.
- 5) Use the Green-e® Climate Certified logo only in conjunction with products that are certified by Green-e® Climate.
- 6) Sell GHG emission reductions only once; take reasonable actions (inquiry and contractual commitments) to ensure that any wholesale GHG emission reductions purchased for resale have not been sold to any other party.
- 7) Sell only Certified Products from projects that were certified by a Green-e® Climate Endorsed Program’s eligible protocols.
- 8) Agree to use only environmental marketing claims in advertising that are factually based (and can be objectively verifiable to the extent technically possible) and:

- a. be sufficiently clear and prominent to prevent deception; and
 - b. not overstate environmental attributes or benefits, expressly or by implication;
- 9) Notify customers, in accordance with the notification procedures contained in this document, and the Green-e[®] Governance Board annually if/when a Certified Product does not meet its eligibility requirements and:
- a. Offer the customer a refund if the Certified Product reflects a different emission reduction product than that for which they have paid; and
 - b. Notify customers that this product is no longer certified and cease use of the Green-e[®] Climate logo.

The requirements and guidance in the Code of Conduct are put in place to ensure that customers receive adequate disclosure about what they buy while also allowing for some flexibility due to the varying market conditions and uncertainty about new certification programs. As Green-e[®] Climate and the voluntary carbon markets evolve CRS will work with Sellers through the Climate Marketers Advisory Committee (CMAC) to improve this guidance.

IV. CERTIFICATION CATEGORIES

Seller can certify one or more Certified Products with Green-e[®] Climate. A separate Appendix A is required for each Certified Product Seller wants to certify. All sales must be in metric tons of carbon dioxide equivalent.¹ A Certified Product is defined by its mix of GHG emission reductions as detailed in the Product Content Label (see Section VI.D). Two different types of products can be certified.

- A Fixed Mix Product -The same combination and proportion of GHG emission reductions from project type(s), location(s) and Endorsed Program(s) is sold to all customers.²
- A Customized Mix Product - A customer can choose a unique combination of different GHG emission reductions from project type(s), location(s) and Endorsed Program(s).

Green-e[®] Climate will only certify GHG emission reduction products that are supplied fully (100%) from GHG emission reductions certified by Endorsed Programs.

¹ For sales in other units, such as pounds, a conversion equivalency must be included (i.e. 2,204.6 pounds = 1 metric ton).

² For example, a Certified Product that is sourced from 50% Renewable Energy from the U.S. that is certified by VCS, and 50% Energy Efficiency from India that is certified by the Gold Standard, where the customer does not have the ability to choose a different percentage mix, would be a Fixed Mix product.

A. Third Party Distributors

A Third Party Distributor is a company designated by Seller to distribute a Certified Product on Seller's behalf.³ Seller is responsible for procuring supply for all Certified Products sold by a Third Party Distributor operating on Seller's behalf, and is responsible for demonstrating ownership of all GHG emission reductions underlying Certified Products in participating registries and tracking systems. A Third Party Distributor receives money and processes the order for sales of a Certified Product, but it does not take ownership of GHG emission reductions. Each Third Party Distributor must provide Seller's auditor with the sales data sufficient to conduct the Verification Process Audit of Certified Product.

An example of a Third Party Distributor is a company that sells clothing online and allows its customers the option of offsetting the shipment of their clothing order by purchasing a Certified Product procured by a particular Seller. The Third Party Distributor collects the fees from the customer and processes the order, while Seller retires the appropriate quantity of its Certified Product on behalf of the Third Party Distributor's customers.

Another example of a Third Party Distributor is a company that operates a convenience store, whereby the customer has the option of purchasing an offset at checkout in the form of a card (or Point of Purchase tag). As in the previous example, the Third Party Distributor collects the fees from the customer and processes the order, while Seller retires the appropriate quantity of its Certified Product.

B. Requirements of Third Party Distributors

A Certified Fixed Mix Product may be sold through a Third Party Distributor in accordance with the following requirements:

- A Seller of a Certified Product must submit Appendix G with the contact information for Third Party Distributor;
- Each Third Party Distributor must sign a Third Party Agreement with the Center for Resource Solutions;
- Each Third Party Distributor must provide Seller's auditor access to all records associated with the sale of Certified Product necessary for Seller to satisfy its obligations under the annual Verification Process Audit of Certified Product. There must be an auditable trail from end-use consumer of a Certified Product to Seller;

³ Seller is the main point of contact with Green-e Climate. Seller can designate Third Party Distributors in Appendix A – The Green-e Climate Application Form.

- Each Third Party Distributor must submit to a twice-annual marketing compliance review to ensure that disclosures and marketing materials comply with the Green-e Climate Code of Conduct;
- A Third Party Distributor cannot use the Green-e Climate logo on any marketing materials or on their website except directly in association with the sales channel of Certified Product;
- All disclosures made in connection with sales of a Certified Product by a Third Party Distributor must follow the Customer Disclosure Requirements contained in this document, and must list Seller as the provider of the Certified Product (rather than the Third Party Distributor); and
- The following language must be used in conjunction with the Green-e Climate logo:

“[Third Party Distributor] has partnered with [Seller] to sell this Green-e Climate Certified GHG Emissions Reduction Product. The offset you purchase is supplied by [Seller] rather than by [Third Party Distributor].”

C. Web Hosts

A Web Host is a company that allows Seller to sell a Certified Product through the Web Host’s website.⁴ A Web Host does not receive or process money for sales of a Certified Product, nor does it take ownership of GHG emission reductions. The Web Host simply facilitates the direct purchase of Certified Product by the customer from the Seller. The auditor for Seller will not require any additional information from the Web Host in order to conduct the Verification Process Audit of the Certified Product.

An example of a Web Host is a company that sells cheese online and allows the customer the option of offsetting the shipment of their cheese. During the checkout process, the user must authorize the purchase of Certified Product as a separate transaction in order for the customer to purchase the Certified Product directly from Seller. The Web Host does not directly process any sales of Certified Product nor does it obtain ownership of the Certified Product.

D. Requirements of Web Hosts

Certified Fixed Mix Products can be sold through Web Hosts under the following circumstances:

- A Seller of a Certified Product must submit Appendix G with the contact information for Web Host;
- All disclosures made in connection with sales of a Certified Product by a Third Party Distributor must follow the Customer Disclosure Requirements contained

⁴ Seller is the main point of contact with Green-e Climate. Seller can designate Web Host in Appendix A – The Green-e Climate Application Form.

in this document, and must list Seller as the provider of Certified Products (rather than the Web Host or a Third Party Distributor);

- Web Hosts must undergo twice-annual marketing compliance review to ensure that marketing materials comply with the Green-e Climate Code of Conduct. Since Web Hosts do not have a contractual relationship with Green-e Climate, the Seller signing up the Web Host is held accountable by the Center for Resource Solutions for any lack of compliance;
- Web Host cannot use the Green-e Climate logo on any marketing materials or on the website except directly in association with the sales channel of Certified Product; and
- The following language must be used alongside the Green-e Climate logo:
“[Web Host] has partnered with [Seller] to offer this Green-e Climate Certified GHG Emission Reduction Product. The offset you purchase is sold by [Seller] and not [Web Host]. Green-e Climate does not have a contractual relationship with [Web Host].”

E. Restrictions on Third Party Distributors and Web Hosts

If the sale of GHG emission reductions is a primary business of a company, this company is ineligible to be considered either a Third Party Distributor or Web Host. Exceptions to this rule will be granted in limited cases for certain Third Party Distributors, under the conditions detailed in Section F below.

Each Third Party Distributors must have a direct relationship with a Seller (i.e. a Third Party Distributor cannot sign up another Third Party Distributor).

Certified Customized Mix Products are *not* eligible for sales by Third Party Distributors. *Only* Certified Fixed Mix Products can be sold through Third Party Distributors.

F. Qualifications for Eligible Primary Business Third Party Distributors

In the event that the sale of GHG emission reductions is the primary business of a company, the company will be eligible to qualify as a Third Party Distributor of a Seller’s Green-e Climate only under the following circumstances:

1. The company offers its customers (via a web-based sales channel) a choice of GHG Emission Reduction Products from at least 4 unique GHG Emission Reduction Types.⁵
2. The company acts as a Third Party Distributor for a total of 4,000 metric tons or fewer of a Green-e Climate Certified product or products annually.⁶

⁵ Note that this does not require the company to *only* transact Green-e Climate Certified GHG emission reductions. It is acceptable for a company to sell multiple carbon offset products, with only a subset of those products being recognized as Green-e Climate Certified.

All other requirements of third party distributors as detailed in Section B remain in effect as well, including the condition that Third Party Distributors may use in the Green-e Climate logo *only* in direct association with the Certified Product(s).

G. Fees for Third Party Distributors and Web Hosts

All sales by Third Party Distributors and through Web Hosts will be deemed by the Center for Resource Solutions to be the sales of the Seller on whose behalf the Certified Products have been sold or marketed, and Seller's volumetric fees will be assessed to include these sales.

V. ENDORSED PROGRAMS

Endorsed Programs are independent third-party greenhouse gas (GHG) Project Certification Programs that ensure specific GHG reduction projects result in real, verified, enforceable, permanent, and additional reductions. The specific principles and criteria that Endorsed Programs should meet are outlined in the Green-e Climate Standard. Sellers who seek Green-e Climate certification for the sales of GHG emission reduction products (offsets) must source from projects that are certified by one of the Endorsed Programs.

Currently, there are five Endorsed Programs under Green-e Climate. The Endorsed Programs and any specific restrictions are the following:

1. Gold Standard

All Gold Standard VERs are eligible with the following exception related to Hydro projects:

- Outside the United States only Hydro projects with a capacity under 10 MW are eligible.
- In the United States only Hydro projects creating emission reductions from new generation capacity on a non-impoundment or new generation capacity on an existing impoundment, that meets one or more of the following conditions are eligible:
 - a. The hydropower facility is certified by the Low Impact Hydropower Institute;
 - b. The facility is a run-of-the-river hydropower facility with a total rated nameplate capacity equal to or less than 5 MW. Multiple turbines will not be counted separately and cannot add up to more than a 5 MW nameplate capacity; and/or

⁶ If a Third Party Distributor exceeds this figure in a given sales year, their eligibility to remain considered a Third Party Distributor will be forfeited and the company will have to join Green-e Climate as a Seller in the following sales year if they wish to retain use of the Green-e Climate logo and engage in Green-e Climate Certified transactions.

- c. The hydropower facility consists of a turbine in a pipeline or a turbine in an irrigation canal.

In the United States and Canada, the Green-e Governance Board will consider on a case-by-case basis GHG emission reductions resulting from new incremental capacity on an existing dam, where the “new” output is equal to or less than 5 megawatts. Green-e will not certify GHG emission reductions from new impoundments of water.

With the exceptions listed above, the following CDM Gold Standard project types are eligible:

- Renewable Energy; and
- Energy Efficiency.

2. Voluntary Carbon Standard (VCS) 2007

All Voluntary Carbon Units are eligible as long as they are certified according to VCS2007, with the following exceptions:

- Agriculture, Forestry and Other Land Uses (AFOLU) projects are eligible as long as the Seller provides proof that the native species requirements under the Green-e Climate Standard are met.
- No projects that qualify as additional using the VCS "Test 2 – Performance Test" are eligible, unless the performance standard used explicitly lists the eligible technologies.
- Projects certified according to previous versions of the VCS that are grandfathered in under VCS2007 are not eligible under Green-e Climate.
- Outside the United States, Hydro projects must be under 10MW in capacity to be eligible.
- In the United States only Hydro projects creating emission reductions from new generation capacity on a non-impoundment or new generation capacity on an existing impoundment that meets one or more of the following conditions are eligible:
 - a. The hydropower facility is certified by the Low Impact Hydropower Institute;
 - b. The facility is a run-of-the-river hydropower facility with a total rated nameplate capacity equal to or less than 5 MW. Multiple turbines will not be counted separately and cannot add up to more than a 5 MW nameplate capacity; and/or
 - c. The hydropower facility consists of a turbine in a pipeline or a turbine in an irrigation canal.

In the United States and Canada, the Green-e Governance Board will consider on a case-by-case basis GHG emission reductions resulting from new incremental capacity on an existing dam, where the “new” output is equal to or

less than 5 megawatts. Green-e will not certify GHG emission reductions from new impoundments of water.

With the exceptions listed above, the following VCS2007 project types are eligible:

- Renewable Energy;
- Energy Efficiency;
- Agriculture, Forestry and other Land Uses (AFOLU);
- Methane Capture;
- HFC Destruction; and
- SF₆ Destruction.

3. Clean Development Mechanism

Clean Development Mechanism (CDM) Certified Emission Reductions (CERs) are eligible with the following exceptions:

- Due to permanence issues, no CDM Land-Use, Land-Use Change and Forestry (LULUCF) projects are eligible; and
- No Hydro projects with a capacity over 10 MW are eligible.

With the exceptions listed above, the following CDM project types are eligible:

- Renewable Energy;
- Energy Efficiency;
- Methane Capture;
- HFC Destruction; and
- SF₆ Destruction.

4. Green-e Climate Protocol for Renewable Energy

The following project types are eligible under the Green-e Climate Protocol for Renewable Energy:

- Renewable Energy.

5. Climate Action Reserve

Effective May 25, 2010, Climate Action Reserve Climate Reserve Tonnes (CRTs) are eligible with the following exceptions:

- The Green-e Governance Board has decided to withhold endorsement of the Climate Action Reserve Forest Protocol pending resolution of processes expected to lead to changes in the Forest Protocol.

With the exceptions listed above, the following Climate Action Reserve project types are eligible:

- Livestock - U.S.
- Landfill - U.S.
- Urban Forest
- Livestock - Mexico
- Landfill - Mexico
- Coal Mine Methane
- Organic Waste Digestion
- Nitric Acid Production
- Ozone Depleting Substances

VI. CUSTOMER DISCLOSURE REQUIREMENTS

To maintain the integrity of the Green-e[®] brand, CRS requires Seller to meet Green-e[®] Climate's standards for environmental quality and consumer disclosure outlined in the Green-e[®] Climate Standard and the Green-e[®] Climate Code of Conduct. Sellers must provide their customers factual, and in some cases standardized (where specified below), information about their Certified Products so that customers have sufficient information to make informed purchasing decisions. All requirements in this document are in English. If a Seller wishes to market their Certified Product in other languages they will have to work with Green-e[®] Climate to provide accurate translations. In this case, Green-e[®] Climate reserves the right to ask the Seller for compensation for the time devoted to ensure accurate translations of documents.

This section outlines Seller's responsibilities to disclose product information to all customers prior to their purchase of a Green-e[®] Climate Certified product. This section also outlines appropriate uses of the Green-e[®] Climate logo, language for describing Green-e[®] Climate and language for describing Seller's relationship with CRS and Green-e[®] Climate.

CRS will verify that Seller is following these requirements through a twice annual review of Seller's marketing materials (all media, including printed and electronic materials, and TV and radio spots) in February and August. If Seller is found to be out of compliance with the requirements contained in this document, at the direction of CRS, Seller will either have to revise their marketing materials to meet the requirements within 30 days of receiving notice from CRS, or immediately desist using the Green-e[®] Climate logo or making reference to Green-e[®] Climate in any of its marketing materials for this product.

The specific disclosure requirements vary depending on the sales channel that is utilized. The three different sales channels that can be used for a Certified Product are:

- Web sites⁷ (including partnerships with third party distributor Web sites);
- Individually negotiated contracts (also known as over-the-counter transactions); and
- Retail sales in booths at fairs or conferences, other retail outlets or through third party distributor arrangements.

Table 1. Sales Channel Disclosure Requirements

SALES CHANNEL	PRODUCT CONTENT LABEL REQUIRED	PROJECT LIST REQUIRED	PRICE, TERMS & CONDITIONS REQUIRED	PHONE NUMBER FOR SELLER REQUIRED
Web site (Seller)	Yes	Yes	Yes	Yes
Website (Third party Distributor)	Yes	Web link to Project List required	Yes	Yes
Individually Negotiated Contracts	Yes	Web link to Project List required	Yes	Yes
Retail	Yes	Web link to Project List required	Yes	Yes

A. General Language Guidelines

All marketing claims made about a particular product must be factually based. Seller should adhere to the following general guidelines for all marketing materials produced.

- 1) Be clear and prominent to prevent deception.
- 2) Do not overstate environmental attributes or benefits, expressly or by implication.
- 3) Do not show pictures of GHG emission reduction project types that are not contained in your product mix. For example, do not show a picture of trees if your product only includes emission reductions from a landfill gas methane capture project.
- 4) When advertising both certified and non-certified products on the same marketing piece, clearly differentiate between which products are Green-e[®] Climate certified and which products are not Green-e[®] Climate certified. If Seller offers both certified and non-certified products, the Green-e[®] Climate logo can only appear alongside the Certified Products and nowhere else on the marketing piece.

⁷ Note that Green-e Climate will conduct an upfront review of Seller's website to check for compliance with relevant customer disclosure requirements prior to initiating formal certification.

Following is approved language for describing Green-e® Climate – modifications to descriptions must be pre-approved by Green-e® Climate Program staff (see Section 2. Approval, below). This language must be present on the Product Content Label; Price, Terms and Conditions; and Seller's Web site. All other marketing materials must either include the following language for describing Green-e® Climate or the Green-e® Web site (www.green-e.org):

“Green-e® Climate is an independent certification program for greenhouse gas emission reductions (offsets) sold in the voluntary market. The Green-e® Climate logo provides a way to identify products that meet the program's high environmental and consumer protection standards. For more information on Green-e® Climate certification requirements, or to find certified products, see www.green-e.org or call 888-63-GREEN.”

B. Green-e® Climate Logo Use

CRS encourages the use of the Green-e® Climate logo, so customers can easily identify your Certified Product as environmentally superior and independently verified. Seller of a Certified Product can only use the Green-e® Climate logo in compliance with the logo usage standards and guidelines outlined in the *Green-e® Logo Use Guidelines*.⁸ Violators of the usage standards and guidelines can lose their eligibility to use the Green-e® Climate logo.

For marketing materials that promote more than one GHG emission reduction product, the logo should be placed so that it is clearly related only to Certified Products. If all products offered through a Seller's Web site are Certified Products, the Green-e® Climate logo can be displayed on the front page. Whenever the Green-e® Climate logo is featured on a Web site, the logo should be a direct link to the Green-e® Web site (www.green-e.org).

C. Product Content Label Requirements

1. Product Content Label

The Product Content Label includes the projected GHG emission reduction resource mix and should be available to all customers who buy a Certified Product.

- For Web site transactions, the Product Content Label is required to be presented to customers prior to making the purchase.
- For all individually negotiated transactions, the Product Content Label has to be included in the contract.
- For retail sales, the Product Content Label has to be on the paper or other documentation a purchaser is given.

⁸ Green-e® Logo Use Guidelines can be found at: <http://www.green-e.org/docs/Green-e%20Logo%20Use%20Guidelines.pdf>

- The Product Content Label also has to be sent to all customers upon purchasing the Certified Product as a part of their welcome materials.

2. Product Content Label Format

The format of the Product Content Label must include at a minimum:

- a. The Project Types in the Certified Product with project type percentages or metric tons,⁹ geographic disclosure of facility location(s), and the name of the Endorsed Program that certified the project;
- b. The year(s) in which the supplied GHG emission reductions were created;
- c. Customer service contact information (including phone number, Web site and e-mail address); and
- d. The Green-e[®] Climate Certified logo with the required Green-e[®] Climate description text.

An example of a product content label format that is consistent with the requirements is illustrated below.

Figure 1: Example Product Content Label¹⁰

⁹ A Seller can choose to list the specific tons sold from each Emission Reduction Type instead of percentages.

¹⁰ This format is illustrative. Sellers can change the design of the Product Content Label as long as the required information, as detailed in *Section C. Product Content Label Requirements*, is included.

Product Name **Product Content Label**

Project Type	Project Certification	Project Location	% of Product [*]
Energy Efficiency	Gold Standard	Mexico	20%
Landfill Gas Capture	Voluntary Carbon Standard	Tanzania	40%
Renewable Energy	Green-e Climate	United States	20%
Digester Gas	Clean Development Mechanism	China	20%

The emission reductions supplied were created in:

2007-2008



Green-e Climate is an independent certification program for greenhouse gas emission reductions (offsets) sold on the voluntary market. It provides a way to identify products that meet the program's high environmental and consumer-protection standards. For more information on Green-e Climate certification requirements, or to find certified products, see www.green-e.org or call 888-63-GREEN.

*The percentages listed are prospective. Actual figures may vary. For more information on how much they can vary see *Price, Terms & Conditions*.

For Product Content Labels appearing online, distributed via e-mail or other data formats, the Endorsed Program(s) under Project Certification must be a direct link to the appropriate Endorsed Program section on the Green-e[®] Web site. For example, the “Voluntary Carbon Standard” listed in the above Product Content Label is a hyperlink to the part of the Green-e[®] Web site that provides information for customers on the Voluntary Carbon Standard.

The eligible project types are listed on the Green-e[®] Climate Endorsed Programs page.¹¹ Seller can choose to be more specific for each Project Type, provided that the disclosure is an accurate reflection of the supply of GHG emission reductions. For example, if Seller wants to disclose that the GHG emission reductions are from wind energy (instead of the broader renewable energy category), this is fine if it matches the actual supply of GHG emission reductions.

The minimum geographic claim for each project type is the country where the project took place. As with project type, Seller can make a more precise disclosure (such as California instead of United States), as long as this is an accurate reflection of the GHG emission reductions supplied.

For every project type listed there must be at least one project listed on Seller's *Project List* that fits the disclosure. Any Product Content Label that follows the above

¹¹ Green-e Climate Endorsed Program's: http://www.green-e.org/getcert_ghg_endorsed.shtml

guidelines is eligible for use with the Certified Product.

D. Project List

Seller is required to maintain and regularly update an online, publicly available, *Project List* of all projects used to supply the Certified Product. In order to ensure accurate customer disclosure, Sellers should only list projects that will be used to supply GHG emission reductions for the Certified Product. Due to verification timelines and efforts to match the time of purchases with the time GHG emission reductions were created and acquired, the projects listed on the Project List might vary from the eventual certified list of projects that were used to supply a given product. In case of such variance Sellers should substantiate why certain projects were no longer used to supply for a given product sale.

The specific information that is required to appear on the Web site for each unique project is:

- Name of Project;
- Project Type;
- Location (Country);
- Project Start Date; and
- Certification Program (ie. one of the Endorsed Programs) with link to the Endorsed Program page hosted on the Green-e Climate website (http://www.green-e.org/getcert_ghg_endorsed.shtml).

Every time a project is added to the Project List the Seller is required to notify Green-e® Climate about the new project with all of the information listed above. We also encourage, but do not require, Seller to include a general project description.

If Certified Product transactions are not done over the internet, the Seller must still have a Web site with a Project List that is updated to reflect their current portfolio of projects.

E. Price, Terms and Conditions

Seller must make available to all customers the Price, Terms, and Conditions that clearly describe the customer's responsibilities in purchasing the Certified Product. The Price, Terms, and Conditions should be displayed in a simple and easily understandable format.

1. Requirements

Price, Terms and Conditions should be:

- a. Available to all customers on the Certified Products option's Web site prior to purchasing the product; and
- b. Sent to new customers upon purchasing the Certified Product option as a part of their welcome materials.

2. Format

The Price, Terms, and Conditions must include at a minimum:

- a. Name of the Seller and/or third party distributor from whom the customer is purchasing or with whom the customer is contracting (if a subsidiary or joint venture, list name of parent company);
- b. Primary customer service contact information, including customer service number, billing address and email or Web site, if available;
- c. The proposed fee, including fixed and variable charges and taxes;
- d. Information on how customer will be billed;
- e. Any other conditions required of the customer;
- f. The Green-e[®] Climate Certified Logo with the following disclosure language:

"[Product] is certified by Green-e[®] Climate, which requires companies to provide their customers with this notice of Price, Terms and Conditions of service. For more information about Green-e[®] Climate, write Green-e[®], PO Box 29512, San Francisco, CA 94129 or log onto www.green-e.org, or call toll-free 1-888-63-GREEN."

- g. A description of what a GHG emission reduction/offset is:

"This is greenhouse gas (GHG) emission reduction product. It represents the reduction of a specific quantity of GHGs. By purchasing this product, you alone have the right to all associated claims about the environmental benefits it embodies. This product is to be regarded as a real environmental commodity, not a donation or investment in a future project. The GHG emission reductions you purchased are sourced from verified projects. Your purchase of this product stimulates market demand for emission reduction projects, leading to more projects that can help mitigate the effect of climate change."

and,

- h. A description of what the Product Content Label represents:

"The Product Content Label represents the prospective mix of resources that will be used to supply your offset purchase. The actual percentages or metric tons of GHG emission reductions by type may vary by a small percentage. In the case of a significant variance, the Seller of the Certified Product is obligated to provide you with more accurate historical disclosure. For more information see the Green-e[®] Climate Code of Conduct available at www.green-e.org."

If there are state or country guidelines for format and content of Price, Terms, and Conditions, Seller should adhere to the state or country guidelines, provided that the minimum Green-e[®] Climate requirements described above are met. If the state or

country required format is obtuse, excessively long, or unclear, then it is suggested that Seller supply their customers with a summary sheet of key information.

F. Marketing Materials

Green-e[®] Climate requirements for consumer disclosure for the different types of marketing materials appear under the subheadings below. All marketing materials are subject to the language guidelines in Section A above. Please also note that Green-e[®] Climate will monitor product claims for factual accuracy and clarity.

To ensure your materials are consistent with Green-e[®] Climate requirements, Green-e[®] Climate Program staff can pre-approve any marketing materials in a timely manner. Materials for review should be sent to Green-e[®] Climate Program staff. Advance review or pre-approval of materials is recommended, not required. For questions call: 415-561-2100, fax: 415-561-2105.

Seller must adhere to the following guidelines for each type of marketing material.

1. Materials with a Purchase Mechanism

This section applies to all materials with a purchase mechanism. This includes, but is not limited to direct mail, electronic mail, brochures, door-to-door solicitation, and phone subscriptions.

Seller must include in all product-specific promotional materials with a purchase mechanism that are distributed to consumers, by either printed or electronic means, the following information:

- a. Product Content Label;
- b. Product Pricing; and
- c. Required contract length and fee for early termination if applicable¹².

All language must be consistent with the General Language Guidelines in Section A above. Use of the Green-e[®] Climate logo in such ads must be consistent with logo usage standards in Section B above.

2. Materials without a Purchase Mechanism

This section applies to all materials without a purchase mechanism. This includes, but is not limited to direct mail, electronic mail, print ads, billboards, and posters.

All language in materials without a purchase mechanism must be consistent with the General Language Guidelines in Section A of this document. Use of the Green-e[®] Climate logo in such ads must be consistent with the Green-e[®] Logo Use Guidelines.

¹² For sellers who offer customers contracts for automatic renewals of Certified Products over time.

3. TV and Radio Spots (scripts or tapes)

All language in TV or radio spots must be consistent with the General Language Guidelines in Section A of this document. Use of the Green-e[®] Climate logo in TV ads must be consistent with the Green-e[®] Logo Use Guidelines.

4. Seller Websites

Web sites must contain the Project List. If customers can sign up for the Certified Product on the Web site, they should be able to click-through the Product Content Label and Price, Terms and Conditions (As described in Sections D and E respectively) prior to completing their purchase.

All language on the Web site must be consistent with the General Language Guidelines in Section A of this document. Use of the Green-e[®] Climate logo on Seller Web site must be consistent with the Green-e[®] Logo Use Guidelines.

5. Electronic Media Ads (i.e. ad banners)

All language in electronic media ads must be consistent with the General Language Guidelines in Section A above. Use of the Green-e[®] Climate logo in such ads must be consistent with the Green-e[®] Logo Use Guidelines.

6. Customer Welcome Packet

As described in Sections D and E above, Sellers who offer customers contracts for automatic renewals of Certified Products over time, are required, by either printed or electronic means, to provide customers with the Product Content Label and Price, Terms, and Conditions within 60 days of purchasing the product.

G. Carbon/GHG Calculators

If a Seller hosts a carbon or GHG calculator on their Web site to inform consumers about their impact on GHG emissions, the following disclosures have to be met.

- 1) All emission factors, assumptions and methodologies used to calculate emissions from specific activities have to be available with a direct link from the Carbon/GHG Calculator.
- 2) A Seller needs to be able to demonstrate to Green-e[®] Climate that the emission factors, assumptions and methodologies utilized are based on official numbers from government agencies, the US EPA, the World Resources Institute, the GHG Protocol Initiative or similar initiatives.

Green-e[®] Climate intends to work with Sellers and the CMAC to adopt a set of emission factors, assumptions and methodologies that all Sellers will be required to utilize. At such time, this section of the Code of Conduct will be updated.

H. Seller Call Center Guidelines

This section is designed to inform Seller of a Certified Product about the information that customers should be able to obtain by calling Seller's customer service. These guidelines do not represent what Green-e[®] Climate requires call centers to tell every customer. Instead, they represent the information Green-e[®] requires to be available through customer service.

Cost – Pricing information to customers for a variety of products. Information to the customer of any other fees (which had not been previously discussed) that she or he would be liable for if she or he subscribes.

Product Content Label – Accurate information on the contents of the Product as described on the Product Content Label. Green-e[®] Climate requires that no misleading claims be made.

Projects – Information on the Projects listed on the Project List.

Product Certification – Information on whether this product is a Green-e[®] Climate Certified Product.

Green-e[®] Climate – Information on Green-e[®] Climate.

What is Green-e[®] Climate?

Green-e[®] Climate is an independent certification program for greenhouse gas emission reductions sold in the voluntary market. It provides a way to identify products that meet the program's high environmental and consumer protection standards. For more information on Green-e[®] Climate certification requirements, see www.green-e.org or call 888-63-GREEN.

What Does Green-e[®] Climate Certification Guarantee?

When you see the Green-e[®] logo associated with a GHG emission reduction product it means:

- 100% of the supply for the Certified Product comes from projects certified by one of Green-e[®] Climate's Endorsed Programs.
- The product contains only GHG emission reductions from new projects, those that were implemented after January 1, 2000 or later.¹³

¹³ For projects implemented prior to 2000 that were granted exemption from the Timing Test, the call center must disclose this information.

- The purchaser of a Green-e® Climate certified product is the sole "owner" of the GHG emission reduction purchased from a specific project activity.
- The seller offering the product agrees to abide by the Green-e® Climate Code of Conduct governing its ethical treatment of customers.

Green-e® Contact Information for Customers

Web site: www.green-e.org; Call toll free: 1 888 63-GREEN.

Company Information – For utilities selling GHG emission reduction products, information on whether the Seller is affiliated with a regulated utility is required. For all Sellers of GHG emission reduction products, the Web site address for the Seller and Certified Product must be provided.

Environmental Benefits of Emission Reduction Products – Seller must be able to tell the customer what the environmental benefits of his or her purchase are. Green-e® Climate requires that Seller not overstate environmental attributes or benefits, expressly or by implication.

I. Marketing Compliance Review

To verify that Seller offering a Certified Product is fulfilling the requirements of Green-e® Climate and displaying the Green-e® Climate logo correctly, CRS will conduct a biannual review of marketing materials, including direct mail, print ads, customer subscription package, radio and TV scripts, Web site and customer service call centers. Seller is responsible for providing all materials to Green-e® Climate staff upon request. During this compliance review, CRS staff will confirm that Seller is not making false or misleading statements about their product and that they have made pricing, project information, and contract disclosure to consumers in the form required by Green-e® Climate and described in this document. During Marketing Compliance Review, CRS will identify specific marketing and environmental claims and ask for substantiation of those claims. In addition, CRS will ensure that providers display the Green-e® Climate logo properly and that they describe Green-e® Climate using approved language. The Marketing Compliance Review occurs twice per year, once in August and once in February. During the August Marketing Compliance Review, Green-e® Climate staff will review marketing materials used during January 1 through June 30 of the current year. During the February Marketing Compliance Review, Green-e® staff will review marketing materials in use from July 1 through December 31 of the previous year.

J. Historical Disclosure

If there are significant differences (as defined below) between what has been disclosed to customers on the Product Content Label and what was actually supplied, the Seller is required to provide a historical disclosure to all customers who purchased the Certified Product. In more egregious, cases Seller should offer a refund if requested by a customer. The specific variances that would trigger a

historical disclosure and the ability of customers to receive refunds for their purchases are detailed below.

The Product Content Label is a prospective mix of the resources used to supply the Certified Product. If Seller deviates by more than 20% of the figure listed in the Product Content Label, they must provide the customer with a historic product content label.

Example:

Project Type	Project Certification	Project Location	% of Product*
Energy Efficiency	Gold Standard	Mexico	30%
Landfill Gas Capture	Voluntary Carbon Standard	Tanzania	70%

In the Product Content Label above, Seller must deliver the following:

Energy Efficiency, Gold Standard, Mexico:

30% +/- (.2*30%), or 30% +/- 6% = *Between 24% and 36%*.

If Seller's Certified Product is composed of less than 24% or more than 36% of Energy Efficiency from Gold Standard, Seller must notify customer and provide them with a historic Product Content Label.

If Seller deviates by more than 40% from the figure listed in the Product Content Label, they must notify customer and provide them with a historic Product Content Label. In addition, Seller must provide a monetary refund if the customer requests one.

K. Three Month Check-In

Initial compliance with Green-e® Climate requirements will be checked prior to the formal processes of annual verification and marketing compliance review. This check-in will take place after approximately three months of participation in Green-e® Climate. The evaluation will consist of the following items.

- A review of Seller's Web site to check for compliance with the Green-e® Code of Conduct and Customer Disclosure requirements.
- Seller will be required to send in an un-audited report of any sales of Certified Product made thus far and how Seller plans to acquire the supply to meet this demand.
- A conference call with Green-e® Climate staff to answer any Green-e® Climate related questions that may have arisen after spending three months in the program.

L. Non-Compliance

If Seller is found to be out of compliance with Green-e[®] Climate requirements, it will be notified in writing by Green-e[®] Climate Program staff. At such time, Seller will be given the opportunity to rectify any non-compliant items. Seller is invited to work with Green-e[®] Climate Program staff to ensure its compliance with Green-e[®] Climate requirements before marketing materials are printed. Sellers revising marketing materials to gain compliance should provide such amended materials to Green-e[®] Climate Program staff for review.

VII. VERIFICATION OF CERTIFIED PRODUCTS

A. Overview

Seller must conduct an annual verification process to substantiate product purchases, sales, and claims. Seller must employ an independent certified public accountant or certified internal auditor to conduct this verification in accordance with the procedures set forth in the Green-e[®] Climate Verification Process Audit Protocol. The results of the verification must be submitted to CRS the last weekday of May during the year following the year for which sales are being audited. The exact due date for this submission will be determined on a year to year basis and will be communicated to Seller well in advance. For more information, see section D, below.

B. Components of Verification

The verification protocol requires Sellers offering a Certified Product to demonstrate through the use of company contracts, invoices, reports from Endorsed Programs and billing statements that:

- 1) Seller retired or transferred to customers GHG emission reductions in quantity and type sufficient to meet customer sales for each specific product;
- 2) GHG Emission reductions came from eligible GHG emission reduction projects, certified by an Endorsed Program;
- 3) Information provided to customers on the Product Content Label is accurate; and
- 4) By attestation, Seller has no knowledge of double counting, double selling or double claiming of the GHG emission reductions used to supply the Certified Product.

C. Administrative Issues

- 1) Verification will take place on an annual, calendar year basis.
- 2) Verification will require that Seller fill out worksheets and attestations, obtain attestations, contracts or Endorsed Program reports in accordance with the Supply Verification Instructions for the Endorsed Program and other

supporting documents, and hire an independent auditor or certified internal auditor to verify the accuracy of the information. The auditor will provide a report to CRS testifying to the results of the audit.

- 3) If a Certified Product or the Certified Product's certification contract is terminated, the Certified Product is still required to undergo verification for the sales year(s) it was certified.

D. General Overview of Annual Verification Timeline

- 1) In January of the year immediately following the sales year being verified, Green-e[®] Climate will provide annual verification materials to all Sellers.
- 2) By the end of February, Seller must submit an unaudited report of all Green-e[®] Climate certified transactions conducted in the previous year. The form for this unaudited report will be provided in January.
- 3) Throughout the spring, Green-e[®] Climate staff will provide support for all Sellers undergoing the verification process and for the auditors they have hired.
- 4) Completed and audited verification materials will be due to Green-e[®] Climate the last weekday of May, as defined in the January mailing. Only in rare circumstances will extensions be granted, and any request for extension must be submitted no later than two weeks prior to the due date.
- 5) If Seller does not submit completed and audited materials by the due date, and has not been granted an extension by Green-e[®], Seller may be penalized up to \$500 per day until the materials are submitted. If after two weeks the materials are still not submitted, the Certified Product(s) for which the materials are outstanding will be recommended to the Green-e[®] Governance Board for immediate decertification. A Seller that has failed to submit audit materials and has consequently been recommended for decertification and/or decertified will still be obligated to provide audited verification materials.
- 6) The exact dates, deadlines and additional aspects of the verification timeline will be made public as soon as they are finalized for each sales year, and will be provided to Sellers with the January mailing mentioned above.
- 7) CRS will provide Seller with a Verification Report once verification is complete. Seller must post verification report on their Web site.

VIII. ENFORCEMENT AND CENSURE

Green-e[®] Climate will only monitor Seller for compliance with the guidelines presented in this document. In no way do these guidelines or Green-e[®] Climate's compliance review process provide safe harbor against any possible action by the Federal Trade Commission, state attorneys general, or other regulatory bodies with jurisdiction over these issues, with respect to marketing activities or specific advertising claims made by participating Seller.

In the event that Seller fails to meet the Green-e® Climate requirements listed above, including but not limited to verification, marketing compliance review, customer disclosures and logo use, Green-e® Climate will initiate an enforcement process. The enforcement process will be suspended at any step upon Seller's satisfactory compliance with all items. The extension of deadlines or the suspension of any requirements is within the sole discretion of the CRS Executive Director.

If Seller is found to be misusing the Green-e® Climate logo or otherwise out of compliance with the requirements described in this document or knowingly using deceptive or unethical marketing practices or advertising, Seller will be denied the right to use the Green-e® Climate logo or a statement of verification in relation to this/these product(s); the product will be decertified. Additionally Seller will not be permitted to certify any new Certified Products for 12 months without approval of the Green-e® Governance Board. After 12 months, the Green-e® Governance Board may at its discretion deny certification of any new Certified Products for which Seller seeks certification. Also, if Seller distributes false or significantly inaccurate information about their product, their customers must be given an option to terminate their contract free of termination or other fees and be able to receive a refund for purchases of a Certified Product that was misrepresented by Seller.

IX. DEFINITIONS

Additionality – A criterion applied to GHG projects stipulating that project-based GHG reductions may only be quantified if the project or project activity “would not have happened anyway” – i.e., that the project or project activity (or the same technologies or practices it employs) would not have been implemented in the project baseline scenario and/or that project activity emissions are lower than baseline emissions.

Certified Product – Under Green-e® Climate, a product is defined by its resource mix (e.g. 60% forestry, 38% renewable energy, 2% manure management), generation location for its resources, Endorsed Program certification, and the geographic area in which it is sold. A Certified Product is a mix of GHG emission reductions that are supported by eligible Endorsed Program protocols and follow the requirements of this Code.

Certify – The process of the review of a verification report and subsequent approval under Green-e® Climate that a Certified Product offered by a Participating Seller meets all program requirements as specified in this and related Green-e® Climate documents.

Customer Logo Use – Any and all uses of the Green-e® logo by Eligible Retail Customers, whether in advertising, public display or otherwise. Customer use of the Green-e® logo must be in accordance with all logo use requirements and the Customer Logo Use Agreement.

Double Claiming – A situation prohibited under Green-e® Climate in which more than one end-user claims the same GHG emission reduction benefits.

Double Counting – A situation prohibited under Green-e® Climate in which the same GHG emission reduction is counted more than once in any of the following: a GHG registry, towards a regulatory or voluntary emission reduction target, by an end user.

Double Sale – A situation prohibited under Green-e® Climate in which the same GHG emission reduction is sold to more than one party, resulting in a situation of double claiming or double counting.

Endorsed Programs – A GHG Project Certification Program identified by Green-e® Climate stakeholders and the Green-e® Governance Board as meeting the requirements set forth in this and related documents under Green-e® Climate.

Green-e® Climate Logo – The certification mark, registered and owned by the Center for Resource Solutions, representing a Certified Product, conforming with and used in conformance with the requirements of this Code.

Greenhouse Gas (GHG) – Gases that trap heat in the atmosphere and are emitted through natural processes and human activities. Green-e® Climate addresses GHG emission reductions that originate from the six principal greenhouse gases included in the Kyoto Protocol, namely carbon dioxide, nitrous oxide, methane, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride (CO₂, N₂O, CH₄, HFCs, PFCs and SF₆ respectively).

GHG Emission Reduction – Reductions, removals or the permanent storage of greenhouse gases produced by: 1) projects or project activities that have been validated, verified and certified according to the program requirements of an Endorsed Program; or, 2) the retirement of GHG emission allowances from an Endorsed Emission Allowance Program. GHG emission reductions must originate from projects or parts of projects, or from emission allowances, that meet the principles and criteria contained in the Green-e® Climate Standard. They must meet the requirement of real, verifiable, permanent and enforceable. They may not be claimed or registered by more than one end-user (quantified in metric tons of carbon dioxide equivalent).

GHG Emission Reduction Type – Any unique combination of project type, endorsed program, and project location from which the GHG emission reductions are sourced.

GHG Emission Reduction Product – A product comprised of quantified GHG emission reductions. GHG emission reductions contained in a GHG Emission Reduction Product may originate from one or more types of greenhouse gas reductions or greenhouse gas reduction projects, and must represent GHG emission

reductions that are not claimed or counted by any other entity. A GHG emission reduction product may be used by an end use consumer to claim GHG emission reductions in an amount equivalent to the product's stated GHG emission reduction value. Quantified in metric tons of carbon dioxide equivalent.

GHG Project Certification Program – A program composed of program requirements, a program administrator and related governance entities that provides oversight for the production, verification and certification of GHG emission reductions according to: 1) '*procedural and technical standards*' for the validation, monitoring, and verification of GHG reduction projects; 2) '*contractual standards*' for information disclosure and avoidance of double-issuance and double-counting of GHG emission reductions; and 3), '*accounting standards*' that specify consistent methods for estimating baseline emissions, accounting for emission leakage, and establishing project additionality. Such programs are termed an Endorsed Program once such a program has been approved by the Green-e[®] Governance Board.

Independent – Independent entails an absence of a financial interest in entities directly involved in the production of GHG emission reductions. A requirement for entities engaged in the development, verification and certification of GHG emission reductions, as well as the administration of GHG Program requirements.

Project List – A Project List is a list of the projects from which Seller sourced the Certified Product. The Project List must include project name, project type, project location, endorsed program, and date of implementation, and must be posted on Seller's Web site.

Seller – As used in this document, Seller refers to the company that is selling a Green-e[®] Climate Certified Product. Participating GHG Sellers must adhere to disclosure, contractual and marketing requirements contained in Green-e[®] Climate documents.

Retirement – Retirement occurs when a GHG emission reduction is used by the owner of the GHG emission reduction. Use of a GHG emission reduction may include, but is not limited to, 1) use by an end use customer, marketer, generator, or utility to comply with a statutory or regulatory requirement, 2) a public claim associated with the purchase by an end use customer, or 3) the sale of or public claim on any component attributes of a GHG emission reduction for any purpose. Once a GHG emission reduction is retired, it may not be sold, donated, or transferred to any other party. No party other than the owner may make claims associated with retired GHG emission reduction.

Third Party Distributor – A third party distributor is a company that sells a Certified Product without any direct relation to procurement, but rather through an arrangement with a Seller of a Certified Product.

Validate/Validation – The assessment and approval of documents describing a project’s conformance with project eligibility requirements of a Participating GHG Project Certification Program, including, as applicable, information on project design, the baseline scenarios, the demonstration of additionality, and an appropriate monitoring plan. Validation of a project or project activity typically occurs prior to the verification of emission reductions.

Verifiable – This is a requirement for GHG emission reductions under this program. Entails that GHG emission reductions must result from projects whose performance can be readily monitored and verified.

Verified GHG Reduction – A GHG emission reduction that has been verified by an independent third party entity as produced under conditions meeting the program requirements of a Participating GHG Project Certification Program.

Verification Report – A report prepared by an independent third party entity, pursuant to a verification, which reports the findings of the verification process, including the quantity of GHG emission reductions that have been found to have been generated.

Voluntary GHG Cap and Trade Emission Allowance Program – A GHG reporting and trading system within which entities make a legally binding commitment to meet certain GHG emission reduction targets. Such a system may include the allocation to entities of emission allowances that represent the right to emit a specific quantity of GHGs. Entities may trade emission allowances.

Welcome Materials – Any materials distributed by Seller to the customer after the purchase of a Certified Product has occurred.