



Appendix B  
Green-e® Climate Code of Conduct

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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) Emissions Reduction Products (“Certified Products”).

## **I. PROGRAM MISSION**

Green-e Climate seeks to:

1. Bolster consumer confidence and ensure credibility of voluntary consumer GHG emissions reduction purchases;
2. Expand the retail market for GHG emissions reduction products (carbon offsets); and
3. Provide consumers with clear information about retail GHG emissions reduction products to enable them to make informed purchasing decisions.

## **II. 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 Verification Audit Process.
2. Undergo biannual marketing compliance review to ensure that website and 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 Certified logo only in conjunction with products that are certified by Green-e Climate.
5. 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.
6. Sell GHG emissions reductions only once; take reasonable actions (inquiry and contractual commitments) to ensure that any wholesale GHG emissions reductions purchased for resale have not been sold to any other party.
7. Supply Certified Products with GHG emissions reductions only from projects that were certified by or approved under 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 verified 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 Green-e Climate Program staff and customers, in accordance with the compliance review, verification, and non-compliance activities sections of this document, if/when a Certified Product does not meet its eligibility requirements.

### III. PRODUCT CERTIFICATION REQUIREMENTS

#### A. Certification Categories

Seller can certify one or more Certified Products with Green-e Climate. A separate Appendix A is required for each Certified Product. A Certified Product is defined by its mix of GHG emissions reductions as detailed in the Product Content Label (see Section V.F). Two different types of products can be certified under the Green-e Climate Program:

1. Fixed Mix Product –The same combination and proportion of GHG emissions reductions from project type(s), location(s), and Endorsed Program(s) is sold to all purchasers of the Certified Product.<sup>1</sup>
2. Customized Mix Product – Each customer is allowed to choose a unique proportion of different GHG emissions reductions from specified project type(s), location(s), and Endorsed Program(s).<sup>2</sup>

#### B. Product Requirements

Certified Products must be sold as carbon dioxide equivalent (CO<sub>2</sub>e). Certified Products must be sold in units of metric tons of carbon dioxide equivalent. If Seller chooses to sell the Certified Product in quantities other than metric tons, such as pounds, a conversion equivalency to metric tons must be provided, either in the form of the quantity sold in metric tons (e.g. "...your purchase of 1,000 lbs CO<sub>2</sub>e (0.45 metric tons CO<sub>2</sub>e)..."), or in the form of a conversion equation (i.e. 2,204.6 lbs = 1 metric ton).

The following three sales channels may be used for a Certified Product:

1. Websites<sup>3</sup> – web-based, over-the-counter transactions; including partnerships with Third-party Distributors and Web Hosts (see Section VI of this document);
2. Individually negotiated contracts – non-web-based, over-the-counter transactions; and
3. Retail sales – in-person, over-the-counter transactions; sales in booths, at fairs or conferences, or at other retail outlets or through Third-party Distributor arrangements.

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<sup>1</sup> 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. See Section V.F.2 for a sample Fixed Mix Product Content Label.

<sup>2</sup> For example, a Certified Product that is sourced from Renewable Energy from the U.S. that is certified by VCS, and Energy Efficiency from India that is certified by the Gold Standard, where the customer has the ability to choose a unique percentage mix, would be a Customized Mix product. See Section V.F.2 for a sample Customized Mix Product Content Label.

<sup>3</sup> 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 (see Section VII.A of this document).

Sales and marketing of Certified Products must comply with the customer disclosure requirements in this document.

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

### **C. Claims Regarding Certification**

Only Sellers that have entered into an active Green-e Climate Logo Use Agreement with the Center for Resource Solutions may claim that their offset product(s) is Green-e Climate Certified.

Third-party Distributors are limited to the claim that they distribute or sell Seller's Green-e Climate Certified Product on behalf of Seller. See the requirements for Third-party Distributors in Section VI.B of this document. Web Hosts are limited to the claim that Seller sells its Green-e Climate Certified Product through the Web Host's website, or that the Web Host facilitates the direct purchase of the certified product from Seller. See the requirements for Web Hosts in Section VI.D of this document.

Seller's customers (purchasers of the Certified Product) are allowed to resell or transfer to another the GHG emissions reductions they purchase from Seller (provided they have not been retired). However, those customers may not claim that the GHG emissions reductions they are selling or transferring are Green-e Climate Certified, unless the customer enrolls in the Program as a participating Seller, or enrolls as a Third-party Distributor of Seller's Certified Product.

## **IV. ENDORSED PROGRAMS**

Endorsed Programs are independent, third-party greenhouse gas (GHG) Project Certification Programs that ensure additional GHG reduction projects result in real, verified, enforceable, and permanent reductions. The specific principles and criteria that Endorsed Programs must meet are provided in the Green-e Climate Standard. Participating sellers must source reductions exclusively from projects that are certified and/or approved under one of the Endorsed Programs (see Subsection IV.B) for Green-e Climate Certified Products.

### **A. Project Type Categories**

The following Project Type Categories should be used as reference for eligibility restrictions within Endorsed Programs where project protocols of the Programs do not de facto designate project types. Program participants may be more specific than, but must be at least as specific as these categories when specifying project type on the Product Content Label.<sup>4</sup>

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<sup>4</sup> For more information on the Product Content Label, see Section V.F of this document below.

Project Type	Description
Renewable energy	<ul style="list-style-type: none"> <li>• Renewable<sup>5</sup> electricity generation</li> <li>• Fuel switch to or use of renewable energy sources for heating/cooling, hot water, and/or other processes</li> <li>• Production of biofuels</li> </ul>
Energy efficiency	<ul style="list-style-type: none"> <li>• Energy efficiency improvements (reductions in use or consumption of electricity or fuel) for residential, commercial, or industrial components and/or systems that do not result from new uses of renewable energy</li> <li>• Improvements to efficiency of energy [generation,] distribution and transmission</li> <li>• Combined heat and power (CHP, cogeneration) or trigeneration</li> <li>• Reductions in consumption through recovery and/or recycling of waste, and/or self-generation</li> <li>• Recovery and reutilization of GHGs other than CH<sub>4</sub></li> </ul>
Methane capture	<ul style="list-style-type: none"> <li>• CH<sub>4</sub> avoidance, destruction, capture, and/or reutilization at landfills, livestock facilities (dairies and beef cattle facilities), other waste management or treatment facilities, or industrial facilities</li> </ul>
Agriculture, Forestry and Other Land Use (AFOLU) <sup>6</sup>	<p>Forestry</p> <ul style="list-style-type: none"> <li>• Afforestation, reforestation, and/or revegetation</li> <li>• Improved forest management</li> <li>• Reduced emissions from deforestation and degradation (REDD), avoided conversion</li> </ul> <p>Agriculture</p> <ul style="list-style-type: none"> <li>• Reduction of methane emissions from rice cultivation</li> <li>• Reduction of direct GHG emissions associated with cropping practices</li> <li>• Adjustment of tillage, rotation, and/or other soil and crop management practices to increase sequestration</li> </ul> <p>Land Use</p> <ul style="list-style-type: none"> <li>• Land restoration</li> </ul>
Industrial process emissions	<ul style="list-style-type: none"> <li>• Reduction of direct emissions of CO<sub>2</sub> or CH<sub>4</sub> associated with industrial activities</li> <li>• Fuel switch to a lower carbon fuel</li> <li>• Electrification</li> </ul>
Transportation	<ul style="list-style-type: none"> <li>• Mass transit projects</li> <li>• Modal shift</li> <li>• Low-GHG vehicle fleets</li> <li>• Energy efficiency improvements in transportation</li> </ul>
Industrial gas destruction <sup>7</sup>	<ul style="list-style-type: none"> <li>• Destruction, avoidance, or reduction of HFC, PFC, SF<sub>6</sub>, N<sub>2</sub>O gases from industrial processes</li> </ul>

<sup>5</sup> Renewable resources include solar, wind, hydropower, biomass, and geothermal.

<sup>6</sup> May be disaggregated to specify agriculture, forestry, or other land use.

<sup>7</sup> May be disaggregated to specify destruction of individual gases: HFC, SF<sub>6</sub>, N<sub>2</sub>O, etc.

## B. Endorsed Programs

Currently, there are five Endorsed Programs under Green-e Climate. The Endorsed Programs and any specific restrictions are presented below in alphabetical order.

### *1. The Clean Development Mechanism*

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

1. No Land-Use, Land-Use Change and Forestry (LULUCF) projects are eligible; and
2. No hydropower projects with a capacity over 10 MW are eligible. For a “grouped” project, consisting of more than one instance of the project activity at multiple locations within a defined geographic boundary, which is certified as a group or program of activities, the total capacity of the grouped project may exceed 10 MW capacity; however, no single instance of the project within the group shall exceed the 10 MW capacity limit.

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

1. Renewable Energy;
2. Energy Efficiency;
3. Methane Capture; and
4. SF<sub>6</sub> Destruction.

### *2. The Climate Action Reserve*

The following Climate Action Reserve project types are eligible:

1. Livestock - U.S.
2. Landfill - U.S.
3. Urban Forest
4. Livestock - Mexico
5. Landfill - Mexico
6. Coal Mine Methane
7. Organic Waste Digestion
8. Nitric Acid Production
9. Ozone Depleting Substances
10. Forestry (Forest Protocol version 3.0 or newer)

### *3. The Gold Standard*

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

1. Outside of the United States and Canada, hydropower projects must be under 10 MW in capacity in order to be eligible. For a “grouped” project, consisting of more than one instance of the project activity at multiple locations within a defined geographic boundary, which is certified as a group or program of activities, the total capacity of the grouped project may exceed 10 MW capacity; however, no single instance of the project within the group shall exceed the 10 MW capacity limit.
2. In the United States or Canada, only GHG emissions 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 is eligible:
  - a. The hydropower facility is certified by the Low Impact Hydropower Institute (LIHI);
  - b. For Canadian hydropower facilities only, the facility is EcoLogo<sup>®</sup> certified; or
  - c. The hydropower facility consists of a turbine in a pipeline or a turbine in an irrigation canal.

For facilities falling under a. or b. above, only output generated during the period of LIHI certification or EcoLogo certification is eligible for Green-e Climate Certified sale.

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

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

1. Renewable Energy; and
2. Energy Efficiency.

### *4. The Green-e Climate Protocol for Renewable Energy*

Only those renewable energy projects approved by CRS prior to September 19, 2011 are eligible. A list of approved projects can be found on the Green-e Climate website.

### *5. The Verified Carbon Standard [formerly The Voluntary Carbon Standard] (VCS)*

All Verified Carbon Units (VCUs) are eligible as long as they are certified according to VCS 2007 or VCS version 3.0 (*effective July 7, 2011*), with the following exceptions:

1. Agriculture, Forestry and Other Land Uses (AFOLU) projects are eligible with substantiation from Seller that the native species requirement and other project-specific requirements for biosequestration projects under the Green-e Climate Standard are met.
2. 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.

3. Projects certified according to previous versions of the VCS that are grandfathered in under VCS 2007 are not eligible under Green-e Climate.
4. Outside of the United States and Canada, hydropower projects must be under 10 MW in capacity in order to be eligible. For a “grouped” project, consisting of more than one instance of the project activity at multiple locations within a defined geographic boundary, which is certified as a group or program of activities, the total capacity of the grouped project may exceed 10 MW capacity; however, no single instance of the project within the group shall exceed the 10 MW capacity limit.
5. In the United States or Canada, only GHG emissions 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 is eligible:
  - a. The hydropower facility is certified by the Low Impact Hydropower Institute (LIHI);
  - b. For Canadian hydropower facilities only, the facility is EcoLogo<sup>®</sup> certified; or
  - c. The hydropower facility consists of a turbine in a pipeline or a turbine in an irrigation canal.

For facilities falling under a. or b. above, only output generated during the period of LIHI certification or EcoLogo certification is eligible for Green-e Climate Certified sale.

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

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

1. Renewable Energy;
2. Energy Efficiency;
3. Agriculture, Forestry and other Land Uses (AFOLU);
4. Methane Capture; and
5. SF<sub>6</sub> Destruction.

## V. 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 provided in this document. 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.<sup>8</sup>

This section outlines Seller’s responsibilities to disclose product information to all customers of Certified Products prior to and after their purchase of a Green-e Climate Certified product. This section also outlines

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<sup>8</sup> All requirements in this document are in English. If a Seller wishes to market their Certified Product in other languages they must work with Green-e Climate to ensure accurate translations. In this case, Green-e Climate reserves the right to ask Seller for compensation for the time devoted to ensure accurate translations of documents.

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 its Marketing Compliance Review and Verification activities (see Sections VII and VIII of this document). The specific disclosure requirements vary depending on the sales channel that is utilized.

## A. General Guidelines

All marketing claims made about a Certified Product must be factually-based and verifiable by Seller. Seller must adhere to the following general language guidelines for all marketing materials related to the Certified Product:

1. Be clear, accurate, and specific in describing and promoting the Certified Product, and display this information prominently in order to prevent deception.
2. Do not overstate environmental attributes or benefits, expressly or by implication.
3. Do not show pictures of GHG emissions reduction project types that are not contained in your product mix. For example, do not show a picture of trees if the Certified Product only includes GHG emissions reductions from a landfill gas methane capture project.
4. When describing, advertising, or selling both certified and non-certified products on the same marketing piece or website, 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 in association with the Certified Product and nowhere else on the marketing piece, and with the name of the Certified Product in particular. For example, if selling the Certified Product through a program of a different name, Seller may use the Green-e Climate logo as long as the name of the Certified Product is provided.
5. Green-e Climate must not be listed or represented as having certified only a portion of a product.
6. Where referring to carbon offset certification, use the full and correct name of the Program, "Green-e Climate," as opposed to simply "Green-e."
7. Where used to describe an offset, use the correct unit of "carbon dioxide-equivalent" or "CO<sub>2</sub>e," as opposed to "carbon dioxide" or "CO<sub>2</sub>."
8. Do not misrepresent the nature or benefits of Green-e Climate certification. Program descriptions, where provided, should be both accurate and adequate to convey the nature of certification. Additionally, the context in which the Program is described or referenced should not be misleading in terms of the nature of benefits of certification. For example, if Green-e Climate is included in a list with GHG project certification programs, there should be adequate explanation of the Program as differentiated from project certification, or a link to such explanation.

Seller must disclose the price and quantity of the Certified Product sold to the customer.<sup>9,10</sup>

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<sup>9</sup> For individually negotiated transactions and retail sales, pricing information is not required to be displayed on Seller's website.

In the case that Seller offers customers multi-year purchase agreements, the quantity of the Certified Product to be delivered (and verified by Green-e Climate) each year must be disclosed to the customer, either within the agreement (schedule of delivery) or historically by June 1<sup>st</sup> of the following year.

The following language describing Green-e Climate must be presented on the Product Content Label; Price, Terms, and Conditions; and Seller's website:

*"Green-e® Climate is an independent certification program for greenhouse gas emissions 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, visit [www.green-e.org/climate](http://www.green-e.org/climate) or call 888-63-GREEN."*

Any modification of this language must be pre-approved by Green-e Climate Program staff. Additional and/or more detailed descriptions of the Program are allowed on Seller's website, given that general language guideline V.A.8 above is satisfied.

## **B. Guidelines for Products supplied by Projects Approved under the Green-e Climate Protocol for Renewable Energy**

Sellers utilizing projects approved under the Green-e Climate Protocol for Renewable Energy are not excluded from the product requirements in Section III.B of this document, which require that all Certified Products be sold as carbon dioxide equivalent (CO<sub>2</sub>e), preferably in units of metric tons (and where different, providing a conversion equivalency to metric tons). The quantity of offsets purchased by a customer, as well as the price paid per offset must be disclosed in metric tons CO<sub>2</sub>e.

Sellers utilizing the Green-e Climate Protocol for Renewable Energy must not sell or market Certified Products as kilowatt- or megawatt-hours (kWh or MWhs) of renewable energy, renewable energy certificates (RECs), or any kind of renewable energy product. Apart from the content itself, the organization and presentation of information must not suggest that Green-e Climate certified carbon offsets are renewable energy products. For example, while an individual page or paragraph may properly distinguish between RECs and offsets, the context and placement of this information must also not suggest that Seller is marketing carbon offsets as RECs.

Sellers that choose to include equivalencies to kWhs or MWhs generated in marketing materials must be clear, accurate based on the project(s) being used, and specific in order to prevent deception and confusion in the marketplace. Sellers should be able to provide their kWh/MWh equivalency calculation methodology to substantiate their claims.

Where Seller also sells RECs as a part of its business, Sellers must clearly distinguish between their REC products and their offset products, in terms of both content and organization of content. Please see the

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<sup>10</sup> Where the Certified Product is being sold as a part of a "bundle" of other products, the price of the Certified Product must be disclosed separately from the overall price of the "bundle" and be expressed in terms of currency per metric ton CO<sub>2</sub>e or currency for quantity of metric tons CO<sub>2</sub>e. Additionally in this case, if the quantity purchased is disclosed in other terms (e.g. % of their purchase offset), Seller must provide customers with a brief methodology for this calculation.

Green-e Energy National Standard and Code of Conduct for best practices regarding sales and marketing of RECs. To the extent that marketing activities associated with other non-certified products are deemed to affect the perception of the Certified Product or the Green-e programs and brand, they may violate the ethical guidelines contained in this document and serve as basis for decertification.

Seller also must not sell RECs *with* a Certified Product in order to somehow transact the renewable attributes along with GHG emissions reductions. A REC and an offset cannot both be delivered for the same MWh, and the attributes embodied in a REC cannot be disaggregated and sold separately. With offsets, sellers are delivering the emissions reductions only, and RECs must be retired for substantiation and to prevent double selling/counting. The remaining non-carbon attributes are retired with the unsold REC.

Projects approved under the Green-e Climate Protocol for Renewable Energy must be referred to as “approved,” as opposed to “certified” or other.

Sellers utilizing projects approved under the Green-e Climate Protocol for Renewable Energy must abide by the Green-e Climate Protocol for Renewable Energy Program Rules (Appendix F to the Green-e Climate Logo Use Agreement).

Following is approved optional language for describing the Green-e Climate Protocol for Renewable Energy:

*“The Green-e® Climate Protocol for Renewable Energy is an offset project protocol that establishes the eligibility requirements for grid-connected renewable energy projects in the United States, including the methodologies used to assess additionality and calculate the emission reductions, and other requirements related to tracking, prevention of double-counting and double-claiming, and verification. Projects approved under the Green-e Climate Protocol for Renewable Energy are eligible to supply emissions reductions to Green-e Climate certified offset products.”*

### **C. Guidelines for Sellers that are Nonprofit Organizations**

Nonprofit organizations are often interested in allowing customers the option of classifying their purchase of the Certified Product as a tax-deductible donation. This donation model is acceptable under Green-e Climate. However, Seller must not characterize the offset itself as a donation; this is prohibited under the rules of Green-e Climate. Seller may characterize the transaction as the customer making a donation to Seller and Seller subsequently retiring offsets on behalf of the donator (which still affords the donator with ownership of emissions reductions, though it is not a “purchase” per se). Though Seller is not required to acknowledge a “purchase” in these cases, Seller must still acknowledge the delivery or transfer of GHG emissions reductions.

For example, characterizing the transaction as “supporting [name of Seller]” is appropriate, while “supporting [Certified Product]” or “supporting the reduction of greenhouse gases” is not.

## D. Guidelines for Products with Special Features

Green-e Climate certifies offsets that meet the criteria laid out in this document. Sellers may wish to market aspects of an offset product that fall outside of these criteria. In such cases, it is necessary for Seller to clearly state that Green-e Climate does not certify certain aspects of the product.

For example, if Seller is claiming that part or all of the revenue associated with sales of the Certified Product is allocated toward avian protection, it must be clearly stated in the area where this aspect of the product is discussed that Green-e Climate does not certify the avian protection aspect of the product, only the offset itself.

Likewise, if Seller is claiming that a specific portion of revenue associated with sales of the Certified Product is set aside for development of new projects, Seller must clearly state in the area where this aspect of the product is discussed that this activity is not verified by Green-e Climate, and that only the offset product itself is certified.

## E. Green-e Climate Logo Use

CRS encourages the use of the Green-e Climate logo, so customers can easily identify the Certified Product as environmentally superior and independently verified. Seller of a Certified Product may only use the Green-e Climate logo in compliance with the logo usage standards and guidelines outlined in the Green-e Logo Use Guidelines (Appendix H to the Green-e Climate Logo Use Agreement).<sup>11</sup> 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 emissions reduction product, the logo must be placed so that it is clearly related only to Certified Products. If all products offered through Seller's website are Certified Products, the Green-e Climate logo may be displayed on the home page. Whenever featured on a website, the Green-e Climate logo must be a direct link to the Green-e Climate website ([www.green-e.org/climate](http://www.green-e.org/climate)).

In addition to use in conjunction with descriptions, advertisements, or sales of a Certified Product, Seller may also feature the Green-e Climate logo on a "partners page" or other list of utilized standards or associated organizations. The logo must not, however, appear in conjunction with uncertified products.

## F. Product Content Label Requirements

The Product Content Label reports the GHG emissions reduction resource mix used to supply the Certified Product as well as other specified product attributes.

### *1. Delivery of the Product Content Label*

The Product Content Label must be made available to all customers who buy a Certified Product in accordance with the following:

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<sup>11</sup> Available online at: <http://www.green-e.org/docs/Green-e%20Logo%20Use%20Guidelines.pdf>

- a. For website transactions, the Product Content Label is required to be presented to customers prior to the point of purchase.
- b. For all individually negotiated transactions, the Product Content Label has to be included in or appended to the contract.
- c. For retail sales, the Product Content Label has to be included with documentation given to a purchaser prior to sale.
- d. For retail sales utilizing offset cards, a Product Content Label as such does not need to be delivered; however, the information conveyed in a Product Content Label must be delivered in accordance with the requirements for offset cards in Section V.J.
- e. The Product Content Label also must be sent to all customers as a part of their welcome materials.
- f. For Customized Mix products, Seller must provide a Product Content Label displaying the combination of different GHG emissions reductions from project type(s), location(s), and Endorsed Program(s) being offered, with the proportion of each listed as “up to 100%” or “up to [total number of specific tons]” prior to or at the point of purchase. After the customer has selected the proportions of different GHG emissions reductions from project type(s), location(s), and Endorsed Program(s), Seller must provide customer with a Product Content Label which reflects the customer’s unique selections, which will be verified as a part of the annual verification audit. Seller must provide this unique Product Content Label to the Customized Mix product customer within 30 days of purchase.
- g. In the case that Seller offers customers multi-year purchase agreements for delivery of Certified Products over time, Seller is required, by either printed or electronic means, to provide these customers with the Product Content Label at the inception of the contract, annually by June 1<sup>st</sup><sup>12</sup>, within 60 days of contract renewal (in the case of automatic renewal), and in the event of any change to the Certified Product or Product Content Label during the period of the contract.

## *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, geographic disclosure of project location(s), the name of the Endorsed Program that certified the project, and the percentage or metric tons of each unique resource mix<sup>13</sup>;
- b. The year or a range of years in which the supplied GHG emissions reductions were created (the vintage);
- c. Customer service contact information (including phone number, website and e-mail address); and
- d. The Green-e Climate Certified logo with the required Green-e Climate description text.

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<sup>12</sup> If the Product Content Label is provided and maintained on Seller’s website, Seller is not required to provide the Product Content Label annually by June 1<sup>st</sup>.

<sup>13</sup> A Seller can choose to list the specific tons sold from each emissions reduction type instead of percentages.

An example of a product content label format that is consistent with the requirements is illustrated below.<sup>14</sup>

Figure 1: Example Product Content Label (Fixed Mix)

Product Name Product Content Label			
Project Type	Project Certification	Project Location	% of Product
Energy Efficiency	<a href="#">Gold Standard</a>	Mexico	40%
Landfill Gas Capture	<a href="#">Verified Carbon Standard</a>	Tanzania	60%

The emission reductions supplied were created in: 2011-2012




**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](http://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*.

Figure 2: Example Product Content Label (Customized Mix)

Product Name Product Content Label			
Project Type	Project Certification	Project Location	% of Product
Energy Efficiency	<a href="#">Gold Standard</a>	Mexico	Up to 100%
Landfill Gas Capture	<a href="#">Verified Carbon Standard</a>	Tanzania	Up to 100%

The emission reductions supplied were created in: 2011-2012



**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](http://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*.

<sup>14</sup> This format is illustrative. Sellers can change the design of the Product Content Label as long as the required information, as detailed in this Section, is included.

For Product Content Labels appearing in an electronic format, the Endorsed Program(s) reported on the Product Content Label must be a direct hyperlink to the Endorsed Program page on the Green-e Climate website ([http://www.green-e.org/getcert\\_ghg\\_endorsed.shtml](http://www.green-e.org/getcert_ghg_endorsed.shtml)).

The project type reported on the PCL must be at least as specific as the project types listed in Subsection IV.A. Seller may choose to be more specific, provided that the disclosure is an accurate reflection of the supply of GHG emissions reductions. For example, if Seller wants to disclose that the GHG emissions reductions are from wind energy (as opposed to renewable energy), this is permissible provided it matches the actual supply of GHG emissions reductions.

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

The vintage reported should not be a range of years that extends more than two years into the future from the date of sale unless the Product Content Label is accompanying a multi-year purchase agreement. Where this is the case and the range of years extends more than two years into the future, then additional disclosure in the Price, Terms, and Conditions is necessary (see Section V.H.2). Additionally, the following language must be included as a footnote at the vintage on the Product Content Label:

*“This Product Content Label is accompanying a multi-year purchase agreement. Please find more information about the vintage years reported here and the delivery and verification of offsets in the terms and conditions of the agreement.”*

Product Content Labels that are delivered annually by June 1<sup>st</sup> in accordance with the delivery requirements for multi-year purchase agreements (Section V.F.1.g) must report an accurate vintage year for the most recent delivery under the agreement.

Any Product Content Label that follows the above guidelines is eligible for use with the Certified Product.

The prospective mix of the resources reported on the Product Content Label must be accurate to within 20% of the percentage listed. This will be checked at the time of the Green-e Climate Annual Verification Audit.

**Example:**

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

In the above example, Seller must deliver the following:

Energy Efficiency, Gold Standard, Mexico:

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

Seller's Certified Product must not be composed of less than 24% or more than 36% of Energy Efficiency from the Gold Standard.

Non-compliance activities are associated with deviation from this 20% margin. See Section VIII.E of this document.

## G. 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, regardless of the sales channel utilized (for individually negotiated transactions and retail sales, a URL to the project list must be provided at the point of purchase). For every project type reported on the Product Content Label, there must be at least one project listed on Seller's project list that fits the disclosure.

If Seller offers both certified and non-certified products, Seller must clearly differentiate between projects that are used to supply GHG emissions reductions for its Green-e Climate Certified Product and projects that are not.

Due to verification timelines and efforts to match the time of purchases with the time GHG emissions reductions were created and acquired, the projects listed on the Project List might vary from the eventual list of projects that were used to supply a given product.

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

1. Name of Project<sup>15</sup>;
2. Project Type<sup>16</sup>;
3. Project Location<sup>17</sup> (Country);
4. Project Start Date; and
5. Certification Program (i.e. Endorsed Program) – the name of the Endorsed Program must be a hyperlink to the Endorsed Program page of the Green-e Climate website ([http://www.green-e.org/getcert\\_ghg\\_endorsed.shtml](http://www.green-e.org/getcert_ghg_endorsed.shtml)).

It is recommended, but not required, that Seller also include a general project description.

Where a change is made to the project list affecting projects used to supply a Certified Product, Seller is required to notify Green-e Climate Program staff. Where a project is added to the project list, Seller is required to notify Green-e Climate Program staff about the new project with all of the information listed

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<sup>15</sup> Where different, Seller should also provide the name of the project as is recorded in the Registry of the Endorsed Program.

<sup>16</sup> Sellers must be at least as specific as the eligible project types are listed on the Green-e Climate Endorsed Programs web page. Seller may choose to be more specific, provided that the disclosure is an accurate reflection of the supply of GHG emissions reductions.

<sup>17</sup> The minimum geographic claim for each project type is the country where the project is located. Seller may choose to be more specific, provided that this is an accurate reflection of the GHG emissions reductions supplied.

above.

## **H. Price, Terms, and Conditions**

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

### *1. Delivery of the Price, Terms, and Conditions*

The Price, Terms, and Conditions must be made available to all customers who buy a Certified Product in accordance with the following:

- a. For website transactions, the Price, Terms, and Conditions are required to be presented to customers prior to the point of purchase.
- b. For individually negotiated transactions, the Price, Terms, and Conditions have to be included in or appended to the contract.
- c. For retail sales, the Price, Terms, and Conditions have to be included with documentation given to a purchaser prior to the sale.
- d. For retail sales utilizing offset cards, the Price, Terms, and Conditions as such do not need to be delivered; see Section V.J for specific requirements for offset cards.
- e. The Price, Terms, and Conditions also must be sent to all customers as a part of their welcome materials.
- f. In the case that Seller offers customers multi-year purchase agreements for delivery of Certified Products over time, Seller is required, by either printed or electronic means, to provide these customers with the Price, Terms, and Conditions at the inception of the contract, within 60 days of contract renewal (in the case of automatic renewal), and in the event of any change to the Certified Product or Price, Terms, and Conditions during the period of the contract.

### *2. Price, Terms, and Conditions Format*

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

- a. Name of Seller (and Third-party Distributor, where appropriate) from whom the customer is purchasing or with whom the customer is contracting (if a subsidiary or joint venture, also provide the name of the parent company);
- b. Primary customer service contact information, including customer service phone number, billing address and email or website, if available;
- c. The proposed fee for the Certified Product, including fixed and variable charges and taxes, in the

form of dollars per metric ton CO<sub>2</sub>e or dollars for quantity (specified) of metric tons CO<sub>2</sub>e<sup>18,19,20</sup>;

- d. Information on how customer will be billed;
- e. Any other conditions required of the customer;
- f. The Green-e Climate Certified Logo, along with the following disclosure language:

*"[Certified Product Name or 'This offset 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 PO Box 29512, San Francisco, CA 94129, log onto [www.green-e.org](http://www.green-e.org), or call toll-free 1-888-63-GREEN."*

- g. The following description of what a GHG emissions reduction/offset is:

*"This is greenhouse gas (GHG) emissions 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 emissions reductions you purchased are sourced from verified projects. Your purchase of this product stimulates market demand for emissions reduction projects, leading to more projects that can help mitigate the effect of climate change."*

and,

- h. The following 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 emissions 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](http://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.

In the case of a multi-year purchase agreement for delivery of the Certified Product over time, Price, Terms, and Conditions, must additionally include the following language:

*"Multi-year Purchase Agreement – Quantities of [Certified Product Name] that are delivered over time in accordance with the schedule of delivery specified in this purchase agreement meet Green-e Climate vintage and verification requirements. Green-e Climate verifies the delivery of this Certified Product each year. If Green-e Climate certification of this Product is terminated prior to the end of the term of this purchase agreement, the remainder of the quantity of Certified Product specified in this agreement will be delivered at the time of*

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<sup>18</sup> Where the fee varies or where it is reported to the customer elsewhere, Seller may provide in the Price, Terms, and Conditions a reference to where the price per ton and quantity of the Certified Product is reported to the customer in other purchase documentation received prior to the point of purchase (e.g. a customer-specific contract or purchase agreement).

<sup>19</sup> For individually negotiated transactions and retail sales, pricing information is not required to be displayed on Seller's website.

<sup>20</sup> Where the Certified Product is being sold as a part of a "bundle" of other products, where the customer is a commercial buyer, and for individually negotiated transactions only, it is acceptable for Seller to report on the Price, Terms, and Conditions that pricing information is available to the customer upon request.

*termination and subsequently verified by Green-e Climate, or you will be offered the option of a refund to cover any undelivered product.*

*The vintage reported on the Product Content Label indicates the year that the GHG emissions reductions that supply the offset product occur. A range of years as the vintage indicates that offsets will be delivered over time, and so the vintage of the GHG emissions reductions will fall within this range and not exceed the year of delivery. Green-e Climate requires annual verification of deliveries under this purchase agreement. Green-e Climate also requires that a Product Content Label with an accurate vintage year accompany all deliveries under this agreement.”*

## **I. Marketing Materials**

Green-e Climate requirements for consumer disclosure in different types of marketing materials appear below. All marketing materials are subject to the guidelines in the Sections 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, or email [climate@green-e.org](mailto:climate@green-e.org).

### *1. Materials with a Purchase Mechanism*

This section applies to all materials with a purchase mechanism, including, but 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. Price, Terms, and Conditions; and
- c. Required contract length and fee for early termination if applicable<sup>21</sup>.

All language must be consistent with the guidelines in the Sections above. Use of the Green-e Climate logo in such materials must be consistent with the Green-e Logo Use Guidelines.

### *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, electronic promotional materials, billboards, posters, flyers, and one-sheets.

All language in materials without a purchase mechanism must be consistent with the guidelines in the Sections above. Use of the Green-e Climate logo in such materials must be consistent with the Green-e

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<sup>21</sup> For sellers who offer customers contracts for automatic renewals of Certified Products over time.

Logo Use Guidelines.

### *3. TV and Radio Spots (including scripts and tapes)*

All language in TV or radio spots must be consistent with the guidelines in the Sections above. Use of the Green-e Climate logo in TV ads must be consistent with the Green-e Logo Use Guidelines.

### *4. Seller Website(s)*

Websites must contain the Project List, regardless of the sales channel utilized. If customers can sign up for or purchase the Certified Product on the website, they must be provided with the Product Content Label and Price, Terms, and Conditions (as per the sections above) prior to completing their purchase.

All language on the website must be consistent with the guidelines in the Sections above. Use of the Green-e Climate logo on Seller website 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 guidelines in Sections 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*

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.

All language in these materials must be consistent with the guidelines in Sections above. Use of the Green-e Climate logo in such materials must be consistent with the Green-e Logo Use Guidelines.

## **J. Offset Cards**

For the purposes of this Program, offset cards are defined as pre-printed, single-denomination (uniform quantity and type of product) cards (need not be in actual card form) used for in-person, over-the-counter offset transactions. Offset cards, where used, must be provided to the customer at the point of purchase.

Offset cards must include at a minimum:

- a. Seller Name;
- b. Seller customer service contact information (including phone number, website and e-mail address);
- c. Name of the Certified Product;

- d. The quantity in metric tons CO<sub>2</sub>e<sup>22</sup> sold with the card;
- e. The project types in the Certified Product;
- f. The project location(s) (country);
- g. The name of the Endorsed Program(s) that certified the project(s) utilized;
- h. The percentage or metric tons of each unique resource mix;
- i. The vintage;
- j. The following text directing the customer to Seller's Project List:  
*"Information about the projects used to supply this offset product can be viewed at: [web address for Seller's Project List]."*
- k. The Green-e Climate Certified logo accompanied by the following text:  
*"[Certified Product Name] is certified by Green-e® Climate. For more information, log on to [www.green-e.org](http://www.green-e.org) or call 1-888-63-GREEN."*
- l. The following text directing the customer to more information:  
*"For a full Product Content Label and Price, Terms, and Conditions for this Green-e Climate Certified Product, [directions to Product Content Label and Price, Terms, and Conditions, e.g. "visit {web address}"] or "contact {Seller Name} at {phone number/email}]."*

For example, the following text can be included on the offset card to meet these requirements:

*"This card represents 0.5 metric tons CO<sub>2</sub>e of A-Great Offset Product. 50% is supplied by 2011 emissions reductions from Venezuela landfill methane capture projects certified under the Verified Carbon Standard, and 50% is supplied by 2011 emissions reductions from U.S. forestry projects certified under the Climate Action Reserve. A-Great Offset Product is certified by Green-e® Climate. For more information, log onto [www.green-e.org](http://www.green-e.org) or call 1-888-63-GREEN. Information about the projects used to supply this offset product can be viewed at <http://www.linktoonlineprojectlist.com>. For a full Product Content Label and Price, Terms, and Conditions for this product, please contact A-Great Seller at 1-555-A-GREAT-1."*

## K. Carbon/GHG Calculators

If Seller hosts a carbon or GHG calculator on its website to inform consumers about their impact on GHG emissions or their purchase of offsets, the following disclosures must be met.

1. All emission factors, assumptions, and methodologies used to calculate emissions from specific activities must be made available via a direct link from the online carbon/GHG calculator.
2. Seller must be able to demonstrate to Green-e Climate that the emission factors, assumptions, and methodologies utilized are based on official numbers from authoritative and credible sources (e.g. the U.S. EPA, the IPCC, the UNFCCC, the World Resources Institute, or similar governmental, intergovernmental, non-governmental organizations or initiatives).

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<sup>22</sup> The quantity may be conveyed in units other than metric tons, such as pounds; however, in this case, a conversion equivalency to metric tons must be provided, either in the form of the quantity sold in metric tons (e.g. "...your purchase of 1,000 lbs CO<sub>2</sub>e (0.45 metric tons CO<sub>2</sub>e)..."), or in the form of a conversion equation (i.e. 2,204.6 lbs = 1 metric ton).

At some point in the future, Green-e Climate may adopt, in consultation with the CMAC, a required set of emission factors, assumptions, and methodologies for utilization in carbon/GHG calculators. At such time, this section of the Code of Conduct will be updated.

## **L. Seller Call Center Guidelines**

This section contains the minimum information about a Certified Product that must be available to customers contacting Seller's customer service.

*Cost* – Pricing information (on a per ton or quantity of offsets basis) for a variety of products; information regarding any other applicable fees (which had not been previously discussed).

*Product Content Label* – Accurate information regarding the contents of the Certified Product(s) as reported on the Product Content Label. Green-e Climate requires that no misleading claims be made.

*Projects* – Information regarding the projects included in the online project list (see Section V.G above for more information).

*Product Certification* – Information on whether an offset is Green-e Climate Certified.

*Green-e Climate* –

*What is Green-e® Climate?*

Green-e Climate is an independent certification program for greenhouse gas emissions 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](http://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 emissions 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 purchaser of a Green-e Climate Certified Product is the sole "owner" of the GHG emissions reductions purchased from a specific project activity.
- The seller offering the certified offset agrees to abide by the Green-e Climate Code of Conduct governing its sales of Certified Products and disclosure to customers.

*Green-e Contact Information for Customers*

Website: [www.green-e.org](http://www.green-e.org); Call toll free: 1-888-63-GREEN.

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

*Environmental Benefits of GHG Emissions 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.

## **VI. THIRD-PARTY DISTRIBUTORS AND WEB HOSTS**

### **A. Third-party Distributors**

A Third-party Distributor is a company designated by Seller to distribute the Certified Product on Seller's behalf.<sup>23</sup> Seller is responsible for procuring supply for the Certified Product sold by a Third-party Distributor operating on Seller's behalf, and is responsible for demonstrating ownership of all GHG emissions reductions underlying the Certified Product in participating registries and tracking systems. A Third-party Distributor receives money and processes the order for sales of the Certified Product, but it does not take ownership of GHG emissions reductions. Each Third-party Distributor must provide Seller's auditor with the sales data sufficient to conduct the Verification Process Audit of the 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 GHG emissions reductions for the 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 an offset card. 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**

#### *1. Distributors Using Website, Individually Negotiated Transactions, or Retail Sales Channels*

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

- a. Seller of the Certified Product must submit to the Center for Resource Solutions Appendix G with the contact information for Third-party Distributor;
- b. Each Third-party Distributor must sign a Third Party Agreement with the Center for Resource Solutions;
- c. Each Third-party Distributor must provide Seller's auditor access to all records associated with the sale of the Certified Product necessary for Seller to satisfy its obligations under the Annual

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<sup>23</sup> 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.

Verification Audit of the Certified Product. There must be an auditable trail from end-use consumer of the Certified Product to Seller;

- d. 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;
- e. A Third-party Distributor may not 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;
- f. All disclosures made in connection with sales of the Certified Product by a Third-party Distributor must follow the Customer Disclosure Requirements contained in this document (including providing the Product Content Label and Price, Terms, and Conditions prior to the point of sale, and providing a link to Seller's Project List for the Certified Product), and must list Seller as the provider of the Certified Product (rather than the Third-party Distributor); and
- g. 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]."*
- h. Third-party Distributors may not themselves enlist distributors of the Certified Product.

## 2. Distributors of Offset Cards

Offset cards may be sold through a Third-party Distributor in accordance with the following requirements, provided that the Third-party Distributor is distributing only offset cards for Seller<sup>24</sup>:

- a. Seller must submit to the Center for Resource Solutions an updated list of the Third-party Distributors selling offset cards that is sorted by type of operation and Certified Product being distributed. The list should be submitted at each Marketing Compliance Review period and in the event of any change to the list or Certified Product;
- b. Each Third-party Distributor must provide Seller's auditor access to all records associated with the sale of the offset cards (Certified Product) necessary for Seller to satisfy its obligations under the Annual Verification Audit of the Certified Product. There must be an auditable trail from end-use consumer of the Certified Product to Seller;
- c. A Third-party Distributor may not use the Green-e Climate logo on any marketing materials or on their website (logo use is limited to the offset card);
- d. In addition to the minimum information in Section V.J, the following language must be included on the offset card:  
*"This [type of operation] [or Name of 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 this [type of operation]."*
- e. Third-party Distributors may not themselves enlist distributors of the Certified Product.

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<sup>24</sup> Third-party Distributors that are distributing "offset cards" and a Certified Product through other website, individually negotiated transaction, or retail sales channels must adhere to the requirements in Section VI.B.1.

## C. Web Hosts

A Web Host is a company that allows Seller to sell the Certified Product through the Web Host's website.<sup>25</sup> A Web Host does not receive or process money for sales of the Certified Product, nor does it take ownership of GHG emissions reductions. The Web Host simply facilitates the direct purchase of the Certified Product by the customer from Seller. The auditor for Seller will not require any additional information from the Web Host in order to conduct the Annual Verification 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 the 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 the Certified Product nor does it obtain ownership of the Certified Product.

## D. Requirements of Web Hosts

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

1. Seller of the Certified Product must submit Appendix G with the contact information for Web Host;
2. 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, Seller signing up the Web Host is held accountable by the Center for Resource Solutions for any lack of compliance;
3. 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 the Certified Product;
4. All disclosures made in connection with sales of the Certified Product through a Web Host must follow the Customer Disclosure Requirements contained in this document, and must list Seller as the provider of the Certified Products (rather than the Web Host or Third-party Distributor); and
5. The following language must be used in conjunction with the Green-e Climate logo:

*"[Web Host] has partnered with [Seller] to offer this Green-e® Climate Certified GHG Emissions 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 emissions 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 Seller (i.e. a Third-party Distributor may not enlist another Third-party Distributor).

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<sup>25</sup> 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.

Certified Customized Mix Products are not eligible for sales by Third-party Distributors. Only Certified Fixed Mix Products may be sold through Third-party Distributors.

#### **F. Qualifications for Eligible Primary Business Third-party Distributors**

In the event that the sale of GHG emissions reductions is the primary business of a company, the company will be eligible to qualify as a Third-party Distributor of Seller's Green-e Climate Certified Product(s) only under the following circumstances:

1. The company offers its customers (via a web-based sales channel) a choice of GHG Emissions Reduction Products from at least 4 different offset sellers.<sup>26</sup>
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(s) annually.<sup>27</sup>

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 Associated with Third-party Distributors and Web Hosts**

Separate fees are assessed to Sellers for use of Third-party Distributors and Web Hosts as described in the Green-e Climate Certification Fee Schedule (Appendix C to the Green-e Climate Logo Use Agreement).

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

No fees are assessed by CRS to Third-party Distributors or Web Hosts.

### **VII. PROGRAM COMPLIANCE REVIEWS**

#### **A. Upfront Review**

An upfront review will verify compliance with the Green-e Climate Code of Conduct Customer Disclosure requirements at the time of certification, including that Seller has developed and posted or prepared for distribution a compliant Product Content Label and Price, Terms, and Conditions, and that Seller is not making false or misleading statements about their product in publically available materials.

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<sup>26</sup> Note that this does not require the company to *only* transact Green-e Climate Certified GHG emissions 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.

<sup>27</sup> 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.

## **B. Three Month Check-In**

Initial compliance with the Green-e Climate Code of Conduct 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:

1. A review of Seller's website to check for compliance with the Green-e Code of Conduct and Customer Disclosure requirements, including that Product Content Label, Price, Terms, and Conditions, and project list are posted (where required), correct, and in compliance.
2. Seller may be required to submit 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.
3. A conference call with Green-e Climate staff to answer any Green-e Climate-related questions that may have arisen during the first three months.

## **C. 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, but not limited to, the following:

- Customer service call centers,
- Direct mail ads, inserts, and other materials,
- Electronic ads,
- Offset cards,
- Print ads,
- Price, Terms, and Conditions,
- Printed and electronic promotional materials,
- Product Content Label,
- Project list,
- Radio and TV ads and scripts,
- Website, and
- Welcome or customer subscription packages and materials.

Seller is responsible for providing all materials to Green-e Climate staff upon request.

During Marketing 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 as described in this document. CRS may also identify and ask for substantiation of specific marketing and environmental 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 February and once in August. During the February Marketing Compliance Review period, Program staff will review marketing materials in use from August 1 of the previous year to January 31 of the current year. During the August Marketing Compliance Review period, Program staff will review marketing materials in use from February 1 to July 31 of the current year.

A Certified Product that has undergone the Marketing Compliance Review at least three times may be eligible to forego the February review provided that Program staff has recorded excellent performance during previous reviews. Where this is the case, Marketing Compliance Review may occur on an annual basis, as granted by and at the discretion of Green-e Climate Program staff, on a per product basis. Where granted, an annual Marketing Compliance Review would occur in August of each year, and Program staff would review marketing materials in use since the last Marketing Compliance Review (materials in use between August 1 of the previous year and July 31 of the current year). Green-e Climate Program staff reserves the right to reinstate the biannual review schedule at any time.

#### **D. Non-compliance Activities**

If any of the above Green-e Climate Marketing Compliance Review activities reveal areas of non-compliance with Green-e Climate requirements, Seller will be notified in writing by Green-e Climate Program staff. Seller must revise their marketing materials to address any non-compliant items or immediately desist using the Green-e Climate logo or making reference to Green-e Climate in any of its marketing materials for the Certified Product in question within 30 days of receiving notice from Program staff. Program staff will verify that items have been sufficiently addressed.

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.

Historical customer disclosure may be required in some instances of non-compliance. Continued non-compliance will trigger enforcement and censure activities as described in Section IX of this document.

### **VIII. VERIFICATION OF CERTIFIED PRODUCTS**

#### **A. Overview**

Seller must conduct an Annual Verification Audit to substantiate product purchases, sales, and claims. Seller must employ a qualified<sup>28</sup> independent certified public accountant or certified internal auditor to conduct the Verification Audit in accordance with the procedures set forth in the Green-e Climate Annual Verification Audit Protocol. The results of the Verification Audit must be submitted to CRS during the calendar year following the reporting year (the calendar sales year for which sales are being verified/audited) in accordance with the Annual Verification Submission Timeline and Deadlines document for that reporting year, which will be provided to Seller well in advance of submission deadlines. For more information, see Subsection D below.

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<sup>28</sup> Qualifications for auditors are provided in the Green-e Climate Annual Verification Audit Protocol.

## **B. Components of Verification**

The Verification Audit 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 emissions reductions in quantity and type sufficient to meet customer sales for each specific product;
2. GHG emissions reductions came from eligible GHG emissions 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 emissions reductions used to supply the Certified Product.

Please see the Green-e Climate Annual Verification Audit Instructions for detailed information.

## **C. Administrative Issues**

1. The Annual Verification Audit will take place on an annual, calendar year basis.
2. The Annual Verification Audit will require that Seller fill out worksheets and attestations, obtain attestations, contracts and/or Endorsed Program reports in accordance with the 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 the Verification Audit for the sales year(s) it was certified.

## **D. General Overview of Annual Verification Timeline**

1. In February of the year following the reporting year, Green-e Climate will provide Annual Verification Audit materials to Seller.
2. By the end of February, Seller must submit an Unaudited Report of all Green-e Climate certified transactions conducted in the previous calendar sales 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 Audit Process and for the auditors they have hired.
4. Completed and audited Verification Audit materials will be due to Green-e Climate in accordance with the Annual Verification Submission Timeline and Deadlines document for that reporting year (provided in February as a part of annual verification materials). Only in rare circumstances will extensions be granted, and any request for extension must be submitted prior to the deadline provided in the Annual Verification Submission Timeline and Deadlines document.

5. If Seller does not submit completed and audited materials by the due date, and has not been granted an extension by Green-e Climate Staff, 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. Seller that has failed to submit Verification Audit materials and has consequently been recommended for decertification and/or decertified will still be obligated to provide audited Verification Audit 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 reporting year, and will be provided to Sellers with the February delivery of Verification Audit materials referenced above.
7. CRS will generate a Verification Report of aggregated certified sales information once the Annual Verification Audit Process is complete.

## **E. Non-compliance Activities**

For instances in which Green-e Climate Verification activities reveal significant differences between what has been disclosed or sold to customers and what was actually supplied, Seller is required to make affected customers whole, and/or provide historical disclosure to all affected customers, where necessary. In some cases, Seller may also be required to offer a refund to affected customers.

If Seller deviates by more than 20% from the project mix percentages listed on the Product Content Label (see Section V.F of this document), Seller must provide the customer with a historic product content label. If Seller deviates by more than 40%, Seller must provide the customer with a historic product content label, as well as offer to provide a monetary refund.

Refusal to make affected customers whole and/or provide historical disclosure to affected customers as required will trigger enforcement and censure activities as described in the following section.

## **IX. 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, otherwise out of compliance with the requirements described in this document, distributing false or significantly inaccurate information about their product, 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. In this case, Seller must notify customers that the product is no longer Green-e Climate certified and cease use of the Green-e Climate logo. 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. 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.

## X. 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** – A carbon offset product certified by Green-e Climate. 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 emissions reductions that are supported by eligible Endorsed Program protocols and follow the requirements of this Code of Conduct.

**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.

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

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

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

**Endorsed Program** – A GHG Project Certification Program identified by stakeholders and the Green-e Governance Board as meeting the requirements set forth in the Green-e Climate Standard and related documents, and which has been endorsed by the Board as an eligible source of supply under the Green-e Climate Program.

**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 of Conduct.

**Greenhouse Gas (GHG)** – Gases that trap heat in the atmosphere and are emitted through natural processes and human activities. Green-e Climate addresses GHG emissions reductions that originate from any gas that has been determined by the Intergovernmental Panel on Climate Change (IPCC) to have a radiative forcing effect on the atmosphere, including but not necessarily limited to the six principal GHGs included in the Kyoto Protocol: carbon dioxide, nitrous oxide, methane, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride (CO<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub>, HFCs, PFCs and SF<sub>6</sub>).

**GHG Emissions Reduction** – A reduction, removal or the permanent storage of GHGs 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 one or more GHG emission allowances from an Endorsed Program. GHG emissions reductions must originate from projects, or from emission allowances, that meet the principles and criteria contained in the Green-e Climate Standard. They must meet the requirements of real, verifiable, permanent and enforceable. They may not be claimed or registered by more than one end-user.

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

**GHG Emissions Reduction Product – (Offset Product, Offset)** – A product comprised of quantified GHG emissions reductions. GHG emissions reductions contained in a GHG Emissions Reduction Product may originate from one or more types of GHG emissions reductions or GHG reduction projects, and must represent GHG emissions reductions that are not claimed or counted by any other entity. A GHG emissions reduction product may be used by an end-use consumer to claim GHG emissions reductions in an amount equivalent to the product's stated GHG emissions reduction value. GHG emissions reduction products are quantified in units 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 emissions reductions according to: (1) procedural and technical standards for the validation, monitoring, and verification of GHG emissions reduction projects; (2) contractual standards for information disclosure and avoidance of double-issuance and double-counting of GHG emissions reductions; (3) accounting standards that specify consistent methods for quantifying baseline emissions and GHG reductions, and accounting for emissions leakage; and (4) eligibility criteria including project additionality and permanence (see “Endorsed GHG Project Certification Program”).

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

**Offset Card** – A pre-printed, single-denomination (uniform quantity and type of product) card (need not be in actual card form) used for in-person, over-the-counter offset transactions.

**Project List** – A Project List is a list of the projects from which Seller sourced the Certified Product. The Project List must be posted on Seller's website and meet the requirements provided in this document.

**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.

**Registry** – A software-based system in place to issue emissions reductions, track the ownership of emissions reduction and record retirement of emissions reductions, also referred to as a tracking system.

**Retirement** – Retirement occurs when a GHG emissions reduction is used by the owner of the GHG emissions reduction. Use of a GHG emissions 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 emissions reduction for any purpose. Once a GHG emissions 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 emissions reduction.

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

**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 GHG emissions reductions.

**Verified** – A requirement for GHG emissions reductions under this program; entails that it has been demonstrated that GHG emissions reductions have been produced from a project.

**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 emissions 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 emissions 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.