



Green-e® Climate Code of Conduct  
Version 6.4

Revised: December 2016

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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 Reductions (“Certified Offsets”). A Certified Offset is a GHG emissions reduction that has been certified and issued by an eligible Endorsed Program under an eligible protocol or methodology, and the sale and marketing of which meets the requirements of this Code of Conduct, and the exclusive and correct delivery of which has been verified in accordance with this Code of Conduct and the Green-e Climate Verification Audit Protocol.

## **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 reductions (carbon offsets); and
3. Provide consumers with clear information about retail GHG emissions reductions to enable them to make informed purchasing decisions.

## **II. ETHICAL GUIDELINES**

Seller using the Green-e Climate logo or claiming Green-e Climate certification for any portion of their carbon offset sales agrees to do the following:

1. Conduct an annual independent verification of sales and purchases for Certified Offsets 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 Certified Offsets as defined in the Green-e Climate Code of Conduct.
4. Use the Green-e Climate Certified logo only in conjunction with offsets that are certified by Green-e Climate and projects used for Green-e Climate certified sales.
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 Offsets only with GHG emissions reductions (emissions reduction credits) from projects registered under a Green-e Climate Endorsed Program’s eligible protocols or methodologies.
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 Offset does not meet its eligibility requirements.
10. Maintain and demonstrate sufficient control over the sale of the Certified Offset so that requirements for and assessments of the Certified Offset, customer disclosure, and sales, as described herein, capture and are sufficient to affect actual sales of the Certified Offset. All sales of a Certified Offset by an entity other than Seller or via a website or other channel not directly controlled by Seller must occur in accordance with the requirements in Section VI of this document.

### **III. CERTIFICATION REQUIREMENTS**

#### **A. Certification Categories**

Green-e Climate will certify carbon offsets sold by project and/or in mixes of project type, location, and Endorsed Program:

1. Sales by Project– GHG emissions reductions from specific eligible projects are sold to customers based on their preference.
2. Fixed Mix Sales – A fixed combination and proportion of GHG emissions reductions from specified project type(s), location(s), and Endorsed Program(s) is sold to customers.<sup>1</sup>
3. Customized Mix Sales – 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>

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<sup>1</sup> For example, a mix of Certified Offsets that is sourced 50% from Renewable Energy from the U.S. that is certified by VCS, and 50% from Energy Efficiency from India that is certified by the Gold Standard, where the customer does not have the ability to choose a different mix, would be a Fixed Mix of offsets. See Subsection V.L.1.b for a sample Fixed Mix Content Label.

<sup>2</sup> For example, a mix of Certified Offset 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 mix, would be a Customized Mix of offsets. See Subsection V.L.1.b for a sample Customized Mix Content Label.

## B. Sales Requirements

Certified Offsets must be sold as reductions of carbon dioxide-equivalent (CO<sub>2</sub>e), and in units of metric tons of CO<sub>2</sub>e. If Seller chooses to sell Certified Offsets in units other than metric tons (such as pounds), a conversion equivalency to metric tons must be provided in the appropriate sales channel, either as 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 Offset:

1. Online<sup>3</sup> – internet-based, over-the-counter transactions;
2. Offline – non-web-based, over-the-counter transactions through individually negotiated one-time, multi-year, or automatic recurring purchases or contracts; and
3. In-person – in-person, over-the-counter transactions; sales in booths, at fairs or conferences, or at other retail outlets.

Third-party distributors may sell through any of these three channels as well, in accordance with Section VI of this document.

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

## C. Claims Regarding Certification

Only Sellers that have entered into an active Green-e Climate Logo Use Agreement or Third Party Agreement with the Center for Resource Solutions may claim to be selling Green-e Climate Certified Offsets. Seller's customers (purchasers of the Certified Offset) may resell or transfer the GHG emissions reductions they purchase from Seller to another party, provided they have not been retired. However, these purchasers may not claim to be selling or transferring Green-e Climate Certified Offsets.<sup>4</sup> These purchasers may also not publically claim or suggest that they are providing or delivering Green-e Climate certified offsets, particularly to their customers, who in turn may not claim to be offsetting or receiving Green-e Climate Certified offsets, without being enrolled as a Seller or Third-party Distributor.

Third-party Distributors are limited to the claim that they distribute or sell Seller's Green-e Climate Certified Offsets on behalf of Seller. See the requirements for Third-party Distributors in Subsection VI.B of this document. Web Hosts are limited to the claim that Seller sells its

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<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 and at regular intervals throughout the contract period (see Section VII of this document).

<sup>4</sup> Purchasers that are not participating Sellers or registered Third-party Distributors (see Section VI) may also not claim to be purchasing Certified Offsets on behalf of others where this suggests delivery of offsets.

Green-e Climate Certified Offsets through the Web Host’s website, or that the Web Host facilitates the purchase of Certified Offsets from Seller. See the requirements for Web Hosts in Subsection VI.D of this document.

#### IV. ENDORSED PROGRAMS

Green-e Climate will only certify carbon offsets that are supplied fully (100%) with GHG emissions reductions certified by Endorsed Programs. Endorsed Programs are independent, third-party greenhouse gas (GHG) Project Certification Programs (“GHG Programs”) that ensure that additional GHG reduction projects result in real, verified, enforceable, and permanent reductions. The specific principles and criteria that Endorsed Programs and eligible supply must meet are provided in the Green-e Climate Standard. Participating sellers must source reductions exclusively from projects registered with one of the Endorsed Programs (see Subsection IV.B) for Green-e Climate Certified Offsets.

##### 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 (left-hand column in the table below) when specifying project type on the Carbon Offset Content Label for a Fixed or Customized Mix of offsets.<sup>5</sup>

Project Type	Description
Renewable energy	<ul style="list-style-type: none"> <li>• Renewable<sup>6</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>
Fuel switching	<ul style="list-style-type: none"> <li>• Fuel switch to a lower carbon, non-renewable fuel</li> </ul>

<sup>5</sup> For more information on the Carbon Offset Content Label, see Subsection V.L of this document below.

<sup>6</sup> Renewable resources include solar, wind, hydropower, biomass, and geothermal.

<b>Project Type</b>	<b>Description</b>
Landfill methane capture	<ul style="list-style-type: none"> <li>• CH<sub>4</sub> avoidance, destruction, capture, and/or reutilization at landfills</li> </ul>
Livestock methane capture	<ul style="list-style-type: none"> <li>• CH<sub>4</sub> avoidance, destruction, capture, and/or reutilization at livestock facilities (dairies and beef cattle facilities)</li> </ul>
Coal mine methane capture	<ul style="list-style-type: none"> <li>• CH<sub>4</sub> avoidance, destruction, capture, and/or reutilization at coal mines</li> </ul>
Agriculture, Forestry and Other Land Use (AFOLU) <sup>7</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>• 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>8</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>

## **B. Endorsed Programs**

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

### *1. The American Carbon Registry*

*Effective June 3, 2013*, American Carbon Registry (ACR) Emission Reduction Tons (ERTs) are eligible, with the following exceptions:

<sup>7</sup> May be disaggregated to specify agriculture, forestry, or other land use.

<sup>8</sup> May be disaggregated to specify destruction of individual gases: HFC, SF<sub>6</sub>, N<sub>2</sub>O, etc.

- a. Eligibility is limited to projects approved and credits certified in accordance with standards and methodologies approved by ACR after v2.0 of the *ACR Standard* in 2010.
- b. Projects that have been operational for five years without becoming validated or producing verified emissions reductions according to ACR's or another Endorsed Program's requirements are not eligible.
- c. 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.

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

- Agriculture, Forestry and other Land Uses (AFOLU);<sup>9</sup>
- Energy Efficiency;<sup>10</sup>
- Industrial Process Emissions;<sup>11</sup>
- Renewable Energy; and
- Transportation.

## 2. The Climate Action Reserve

The following Climate Action Reserve project types are eligible:

- Coal Mine Methane;
- Forest (v3.0 or newer);
- Mexico Forest;
- Mexico Landfill;
- Mexico Livestock;
- Nitric Acid Production;
- Nitrogen Management (v1.1 or newer);
- Organic Waste Composting (v1.1 or newer);
- Organic Waste Digestion;
- Ozone Depleting Substances;
- Rice Cultivation (v1.1 or newer);
- U.S. Landfill;

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<sup>9</sup> Eligibility of projects registered under the Afforestation and Reforestation of Degraded Lands methodology is limited to those registered under version 1.1 of the methodology or later.

<sup>10</sup> Eligibility of projects registered under the Energy Efficiency Measures in Thermal Application of Non-Renewable Biomass methodology is limited to those registered under version 1.1 of the methodology or later.

<sup>11</sup> Eligibility of projects registered under the Conversion of High-bleed Pneumatic Controllers in Oil and Natural Gas Systems methodology is limited to those registered under version 1.1 of the methodology or later.



- U.S. Livestock; and
- Urban Forest.

### 3. *The Gold Standard*

All Gold Standard VERs are eligible with the following exceptions:

- Projects registered under methodologies that do not meet the additionality criteria in Section 5.1.c(g) of the Green-e Climate Standard are not eligible. Substantiation from Seller is required that additionality requirements under the Green-e Climate Standard have been met.
- 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.
- In the United States or Canada, only GHG emissions reductions from new hydropower 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:
  - The hydropower facility is certified by the Low Impact Hydropower Institute (LIHI);
  - For Canadian hydropower facilities only, the facility is EcoLogo<sup>M</sup> certified; or
  - 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 offsets sourcing GHG emissions reductions from new impoundments of water.

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

- Renewable Energy; and
- Energy Efficiency.

### 4. *The Verified Carbon Standard (VCS)*

All Verified Carbon Units (VCUs) are eligible as long as they are certified according to VCS 2007 or VCS version 3, with the following exceptions:

- a. 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.
- b. Projects validated under VCS 2007 that have qualified as additional using the VCS "Test 2 – Performance Test" are not eligible, unless the performance standard used explicitly lists the eligible technologies.
- c. Projects certified according to previous versions of the VCS that are grandfathered in under VCS 2007 are not eligible under Green-e Climate.
- d. 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.
- e. In the United States or Canada, only GHG emissions reductions from new hydropower 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:
  - i. The hydropower facility is certified by the Low Impact Hydropower Institute (LIHI);
  - ii. For Canadian hydropower facilities only, the facility is EcoLogo<sup>M</sup> certified; or
  - iii. 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 offsets sourcing GHG emissions reductions from new impoundments of water.

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

- Renewable Energy;
- Energy Efficiency;
- Agriculture, Forestry and other Land Uses (AFOLU);

- Livestock Methane Capture;
- Landfill Methane Capture;
- Coal Mine Methane Capture; and
- SF<sub>6</sub> Destruction.

The Clean Development Mechanism (CDM), was an Endorsed Program between January 2008 and January 2014. However, due to a lack of interest by carbon offset providers offering Green-e Climate certified offsets, the Green-e Governance Board vote to defer endorsement of the CDM until sufficient commercial interest in the CDM warrants use of staff time to evaluate and monitor the CDM Program for compliance with the Green-e Climate Standard. Accordingly, effective February 5, 2015, Green-e Climate's endorsement of the CDM is suspended due to lack of use by program participants. The CDM must be reevaluated against the Green-e Climate Standard in order for endorsement to be reinstated.

## **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 customer disclosure provided in this document. Sellers must provide their customers factual, and in some cases standardized (where specified below), information about their Certified Offsets so that customers have sufficient information to make informed purchasing decisions.<sup>12</sup>

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

Green-e Climate Program staff 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 certification category and sales channel that are used.

### **A. General Guidelines**

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

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<sup>12</sup> All requirements in this document are in English. If a Seller wishes to market their Certified Offset 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 beyond what is specified in the Appendix C Fee Schedule for the time devoted to ensure accurate translations of documents.

1. Be clear, accurate, and specific in describing and promoting Certified Offsets, and display this information prominently in order to prevent deception.
2. Do not overstate environmental attributes or benefits, expressly or by implication.
3. Misleading or deceptive sales tactics are prohibited.
4. Do not show images of GHG emissions reduction project types that are not contained in your offset mix. For example, do not show a picture of a forest if Certified Offsets only include GHG emissions reductions from a landfill gas methane capture project.
5. When describing, advertising, or selling both certified and non-certified offsets on the same marketing piece or website, clearly differentiate between which offsets are Green-e Climate certified and which offsets are not Green-e Climate certified. If Seller offers both certified and non-certified offsets, the Green-e Climate logo and/or other indicator of Green-e Climate certification can only appear in association with the Certified Offset and the Certified Offset must be clearly identifiable.<sup>13</sup> Also do not employ “bait and switch” tactics in which a Certified Offset is offered or advertised and then substituted for a non-certified offset.
6. Green-e Climate must not be listed or represented as having certified only a portion of an offset.
7. Non-certified offsets must not be presented as “certifiable,” or equivalent.
8. Where referring to carbon offset certification, use the full and correct name of the Program, “Green-e Climate,” as opposed to only “Green-e.”
9. 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>.”
10. 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 Programs, there should be adequate differentiation from project standards and certification, or a link to such explanation.

To the extent that marketing activities associated with the sales of other non-certified offsets are deemed to affect the perception of Certified Offsets or the Green-e brand, they may violate the ethical guidelines contained in this document and serve as basis for decertification.

## **B. Disclosure of Price and Quantity**

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<sup>13</sup> Also see Subsection V.M.1. for Sales by Project, disclosure is also required where a project is used to supply both Certified and non-Certified offsets.

Seller must disclose the price and quantity of Certified Offsets sold to the customer.<sup>14,15</sup> Price must be disclosed in the Price, Terms and Conditions (see Subsection V.N of this document). Quantity must be disclosed through the appropriate sales channel at the point of sale.

For Automatic Recurring Purchases, the price, quantity, terms and conditions (see Subsection V.K) must be provided to the customer prior to initial purchase, and at the time of renewal or annually by June 1<sup>st</sup>.

In the case that Seller offers customers Multi-year Purchase Agreements, the quantity and vintage of Certified Offsets 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.

### **C. Green-e Climate Description Language**

The following language describing Green-e Climate must be presented on the Carbon Offset Content Label or with Project Information (in the case of Sales by Project); on the Price, Terms, and Conditions; and on Seller's website:

*"Green-e® Climate is an independent certification program for greenhouse gas emissions reductions (carbon offsets) sold in the voluntary market. The Green-e Climate logo identifies carbon offsets that meet the program's high environmental and consumer protection standards. For more information on Green-e Climate certification requirements, visit [www.green-e.org/climate](http://www.green-e.org/climate) or email [climate@green-e.org](mailto:climate@green-e.org)."*

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 guidelines in Subsection V.A.8 above are satisfied.

### **D. Guidelines for Sellers of Renewable Energy-derived Offsets**

Sellers must not sell or market Certified Offsets as kilowatt- or megawatt-hours (kWh or MWhs) of renewable energy, renewable energy certificates (RECs), or any kind of renewable energy or electricity product. The organization and presentation of information must not suggest that Green-e Climate certified carbon offsets are renewable energy products. For example, while an

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<sup>14</sup> For offline individually negotiated transactions and in-person retail sales, pricing information is not required to be displayed on Seller's website.

<sup>15</sup> Where Certified Offsets are being sold as a part of a "bundle" of other products, the price of the Certified Offsets need not be disclosed separately from the overall price of the bundle if they are not being priced separately, provided that the price of the bundle is disclosed and it is clear and prominent to the customer that the price of the bundle includes the offset. Also in this case, though we strongly recommend that actual quantity sold/delivered be disclosed to each customer in metric tons CO<sub>2e</sub>, Seller may alternatively provide customers with the ability to calculate their quantity of offsets based on units of the bundle delivered disclosed with a conversion factor (e.g. metric tons of offsets delivered per Btu of natural gas). If Seller wishes to also disclose the quantity purchased in other terms (e.g. % of their purchase offset), Seller must provide customers with a brief methodology for this calculation.

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 renewable energy.

Sellers that choose to include equivalencies to kWhs or MWhs generated in marketing materials must be clear and accurate based on the project(s) used, as well as 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.

Seller also must not sell or market Certified Offsets together with the RECs associated the same generation for the purpose of transacting both. A REC and a carbon 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 associated with the generation must be retired for substantiation and to prevent double selling/counting. The remaining non-carbon attributes are retired with the unsold REC.

#### **E. Guidelines for Sellers also Selling Renewable Energy or Renewable Energy Certificates (RECs)**

Sellers must clearly distinguish between their REC products and their carbon offset offerings, in terms of both content and organization of content. Please see the Green-e Energy National Standard and Code of Conduct for best practices regarding sales and marketing of RECs.

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

Nonprofit organizations are often interested in allowing customers the option of classifying their purchase of Certified Offsets 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 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 Offsets” is not.

#### **G. Guidelines for Offsets or Sales 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 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 offset.

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

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

#### **H. Guidelines for Sellers of Certified Offsets that are “Bundled” with Other Products**

Certified Offsets may be sold bundled with other products or services, such as natural gas, for example. In this case, the price of the Certified Offsets need not be disclosed separately from the overall price of the bundle if they are not being priced separately, provided that the price of the bundle is disclosed and it is clear and prominent to the customer that the price of the bundle includes the offset. The actual quantity sold/delivered must be disclosed to each customer in metric tons CO<sub>2</sub>e prior to purchase, or the Seller may alternatively provide customers with the ability to calculate their quantity of offsets based on units of the bundle delivered disclosed with a conversion factor (e.g. metric tons of offsets delivered per Btu of natural gas). If Seller wishes to also disclose the quantity purchased in other terms (e.g. percent of their purchase offset), Seller must provide customers with a brief methodology for this calculation.

Where the customer buying the bundle that includes Certified Offsets is a commercial buyer, and for offline 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.

In addition other required disclosures in Subsections V.L.1 and V.N, the following disclosure language is also required in the case of gas offset programs and products<sup>16</sup>:

- On the Price, Terms, and Conditions:

*“The greenhouse gas emissions being offset with [this product/program or name of product/program] are those associated with the combustion of natural gas at the point of consumption only, and do not include lifecycle emissions that occur during extraction, production, or delivery.”*

All other Customer Disclosure requirements in Section V of this document apply.

#### **I. Guidelines for Sellers using Multi-year Purchase Agreements for Certified Offsets**

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<sup>16</sup> Gas offset programs that do offset lifecycle emissions may modify this disclosure statement for accuracy. The modified statement must be pre-approved by Green-e Climate Program staff.

Certified Offsets may be sold using Multi-year Purchase Agreements or contracts for the purchase and delivery of Certified Offsets over a number of years. In this case:

- The quantity and vintage of Certified Offsets 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;
- Seller is required, by either printed or electronic means, to provide the customer with either the Carbon Offset Content Label (for Fixed and Customized Mix sales, see Subsection V.L.1) or Project Information (for Sales by Project, see Subsection V.M.1), at the inception of the contract, annually by June 1<sup>st</sup>, within 60 days of contract renewal, and in the event of any change to the Mix of Certified Offsets or Carbon Offset Content Label (for Fixed and Customized Mix sales) or any change to projects used or Project Information (for Sales by Project) during the period of the contract. Carbon Offset Content Labels and Project Information that is delivered annually by June 1<sup>st</sup> must report an accurate vintage year for the most recent delivery under the agreement; and
- 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, and in the event of any change to the Certified Offsets or Price, Terms, and Conditions during the period of the contract.

In addition other required disclosures in Subsections V.L.1 and V.N, the following disclosure language is also required in the case of Multi-year Purchase Agreements:

- On the Price, Terms, and Conditions:

*“Quantities of carbon offsets that are delivered over time in accordance with this purchase agreement meet Green-e Climate vintage and verification requirements. Green-e Climate verifies the delivery of these Certified Offsets each year. If Green-e Climate certification is terminated prior to the end of the term of this purchase agreement, the remainder of the quantity of Certified Offsets specified in this agreement will be delivered at the time of termination and subsequently verified by Green-e Climate, or you will be offered the option of a refund to cover any undelivered offsets.*

*The vintage reported indicates the year that the GHG emissions reductions occur. A range of years extending into the future 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 disclosure of accurate vintage year be provided annually.”*

- On the Carbon Offset Content Label, where the range of vintage years reported to the customer extends more than two years into the future:

*“This Carbon Offset 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.”*

All other Customer Disclosure requirements in Section V of this document apply.



## **J. Guidelines for Sellers offering Automatic Recurring Purchases of Certified Offsets**

Certified Offsets may be purchased continuously over time through automatic renewals of a purchasing agreement or sustained enrollment in a purchasing plan. In this case, the quantity, price, terms and conditions (see Subsection V.N), and either the Carbon Offset Content Label (for Fixed and Customized Mix sales, see Subsection V.L.1) or Project Information (for Sales by Project, see Subsection V.M.1), as required, must be provided prior to initial purchase, and at the time of each recurring purchase or annually by June 1<sup>st</sup>.

All other Customer Disclosure requirements in Section V of this document apply.

## **K. Green-e Climate Logo Use**

CRS encourages the use of the Green-e Climate logo, so customers can easily identify the Certified Offset as environmentally superior and independently verified. Seller of a Certified Offset 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>17</sup> Violators of the usage standards and guidelines can lose their eligibility to use the Green-e Climate logo.

For marketing materials that promote both Certified and noncertified offsets, the logo must be placed so that it is clearly related only to Certified Offsets. If all offsets offered through Seller's website are Certified Offsets, 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 Certified Offsets, Seller may also feature the Green-e Climate logo on a "partners page" or other list of standards used or associated organizations. The logo must not, however, appear in conjunction with uncertified offsets or projects that are not used to supply Certified Offsets.

## **L. Disclosure Requirements for Fixed and Customized Mix Certification and Sales**

### *1. Carbon Offset Content Label Requirements*

The Carbon Offset Content Label reports the mix of GHG emissions reductions used to supply the Certified Offsets as well as other specified offset attributes.

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<sup>17</sup> Available online at: <http://www.green-e.org/climate-portal>

a. Delivery of the Carbon Offset Content Label

The Carbon Offset Content Label must be made available to all customers who buy a Fixed or Customized Mix of Certified Offsets, in accordance with the following:

- i. For website transactions, the Carbon Offset Content Label is required to be presented to customers prior to the point of purchase.
- ii. For all individually negotiated transactions, the Carbon Offset Content Label has to be included in or appended to the sales agreement or contract.
- iii. For in-person sales, the Carbon Offset Content Label has to be included with documentation given to a customer prior to sale.
- iv. For in-person sales of Offset Cards, a Carbon Offset Content Label as such does not need to be delivered, though all of the same information that is conveyed in a Carbon Offset Content Label (see the following Subsection V.L.1.b) must be delivered in accordance with the requirements for Offset Cards in Subsection V.P.
- v. For Customized Mix sales, Seller must provide a Carbon Offset 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 historical Carbon Offset 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 historical Carbon Offset Content Label to the Customized Mix customer within 30 days of purchase.
- vi. For Multi-year Purchase Agreements, Seller is required, by either printed or electronic means, to provide the customer with the Carbon Offset Content Label at the inception of the contract, annually by June 1<sup>st</sup><sup>18</sup>, within 60 days of contract renewal, and in the event of any change to Mix of Certified Offsets or Carbon Offset Content Label during the period of the contract.
- vii. For Automatic Recurring Purchases, Seller is required, by either printed or electronic means, to provide the customer with the Carbon Offset Content Label prior to initial purchase, and at the time of each recurring purchase or annually by June 1<sup>st</sup>.

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<sup>18</sup> If the Carbon Offset Content Label is provided and maintained on Seller’s website, Seller may provide the customer with a link to the online Carbon Offset Content Label annually by June 1<sup>st</sup> instead of providing it by printed or electronic means.

b. Carbon Offset Content Label Format

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

- i. The project types, geographic locations, and names of the Endorsed Programs under which projects have been validated and registered, and the proportions (percentage) or metric tons of each unique combination of these<sup>19</sup>;
- ii. The following language explaining the percentages shown:  
*“The percentages listed are prospective. Actual figures may vary. For more information on how much they can vary see the Price, Terms & Conditions.”*
- iii. The year or a range of years in which the supplied GHG emissions reductions were created (the vintage); and
- iv. The Green-e Climate Certified logo with the required Green-e Climate description text found in Subsection V.C.

We also recommend including the URL for the online Project List (see the following subsection) on the Content Label. Example Carbon Offset Content Label formats that are consistent with these requirements are shown below.<sup>20</sup>


**Figure 1: Example Carbon Offset Content Label (Fixed Mix)**

**Mix Name 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:

2012-2014



Visit a list of our projects here: <http://www.insertprojectlisturl.sample/>.

**Green-e Climate** is an independent certification program for greenhouse gas emission reductions (carbon offsets) sold in the voluntary market. The Green-e Climate logo identifies carbon offsets that meet the program's high environmental and consumer-protection standards. For more information on Green-e Climate certification requirements, visit [www.green-e.org](http://www.green-e.org) or email [climate@green-e.org](mailto:climate@green-e.org).

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

<sup>19</sup> A Seller can choose to list the specific tons sold from each project type instead of percentages.

<sup>20</sup> This format is illustrative. Sellers can change the design of the Carbon Offset Content Label provided that the required information, as detailed in this Section, is included.

**Figure 2: Example Carbon Offset Content Label (Customized Mix), non-historical**


Mix Name <b>Content Label</b>			
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: 2012-2014

Visit a list of our projects here: <http://www.insertprojectlisturl.sample/>.

**Green-e Climate** is an independent certification program for greenhouse gas emission reductions (carbon offsets) sold on the voluntary market. The Green-e Climate logo identifies carbon offsets that meet the program's high environmental and consumer-protection standards. For more information on Green-e Climate certification requirements, visit [www.green-e.org](http://www.green-e.org) or email [climate@green-e.org](mailto:climate@green-e.org).

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



For Carbon Offset Content Labels appearing in an electronic format, the Endorsed Programs reported must be a direct hyperlink to the Endorsed Program page on the Green-e Climate website (<http://www.green-e.org/programs/climate/endorsed-programs>).

The project type reported on the Carbon Offset Content Label 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), provided that this is an accurate reflection of the GHG emissions reductions supplied.

The vintage reported may be a range of years. This range should not extend more than two years into the future from the date of sale unless the Carbon Offset 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 is necessary (see Subsection V.N.2.i) and the following language must be included as a footnote at the vintage on the Carbon Offset Content Label:

*“This Carbon Offset 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.”*

Carbon Offset Content Labels that are delivered annually by June 1<sup>st</sup> in accordance with the delivery requirements for multi-year purchase agreements (Subsection V.L.1.a.vi) must report an accurate vintage year for the most recent delivery under the agreement.

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

The prospective mix of the resources reported on the Carbon Offset 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:**

<b>Project Type</b>	<b>Project Certification</b>	<b>Project Location</b>	<b>% of Product*</b>
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 mix 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 Subsection VIII.E of this document.

**2. Project List**

For Fixed and Customized Mix certification and sales, Seller is required to maintain and regularly update an online, publicly available, list of all projects used to supply the Mix of Certified Offsets, regardless of the sales channel utilized (for individually negotiated transactions and in-person sales, a URL to the Project List must be provided at the point of purchase). For every project type reported on the Carbon Offset 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 offsets, Seller must clearly differentiate between projects that are used to supply GHG emissions reductions for its Green-e Climate Certified Offsets 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 mix of offsets.

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

- a. Name of Project<sup>21</sup>;
- b. Project Type<sup>22</sup>;
- c. Project Location<sup>23</sup> (Country);
- d. Project Start Date; and
- e. Endorsed Program.

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 Fixed or Customized Mix of Certified Offsets, 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 above.

## **M. Disclosure Requirements for Sales by Project**

### *1. Project Information Disclosure*

- a. Delivery of Project Information

For sales of Certified Offsets by project, Seller must disclose to customers specific information on the individual project(s) used to supply specific quantity of Certified Offsets. This Project Information must be made available to all customers in accordance with the following:

- i. For website transactions, Project Information is required to be presented to customers prior to the point of purchase.
- ii. For all individually negotiated transactions, Project Information must be included in or appended to the sales agreement or contract.
- iii. For in-person sales, Project Information must be included with documentation given to a customer prior to sale.

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<sup>21</sup> Where different, Seller should also provide the name of the project as is recorded in the Registry of the Endorsed Program.

<sup>22</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>23</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.

- iv. For Multi-year Purchase Agreements, Seller is required, by either printed or electronic means, to provide the customer with Project Information at the inception of the contract, annually by June 1<sup>st</sup>, within 60 days of contract renewal , and in the event of any change to projects used or Project Information during the period of the contract.
- v. For Automatic Recurring Purchases, Seller is required, by either printed or electronic means, to provide the customer with Project Information prior to initial purchase, and at the time of each recurring purchase or annually by June 1<sup>st</sup>.

b. Project Information Format

Project information disclosure to customers must include the following at a minimum for each project used:

- i. Name of Project<sup>24</sup>;
- ii. Project Type<sup>25</sup>;
- iii. Project Location<sup>26</sup> (Country);
- iv. Project Start Date;
- v. Endorsed Program<sup>27</sup>;
- vi. Endorsed Program Registration ID Number;
- vii. Quantity of reductions purchased from the project;
- viii. Vintage year of reductions purchased<sup>28</sup>;
- ix. The Green-e Climate Certified logo with required Green-e Climate description text found in Subsection V.C.

It is recommended, but not required, that Seller also include a general project description. It is also recommended that Seller provide the above information using a “label” format.

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<sup>24</sup> Where different, Seller should also provide the name of the project as is recorded in the Registry of the Endorsed Program.

<sup>25</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>26</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.

<sup>27</sup> If Project Information is presented electronically, then the Endorsed Program reported must be a direct hyperlink to the Endorsed Program page on the Green-e Climate website (<http://www.green-e.org/programs/climate/endorsed-programs>).

<sup>28</sup> The vintage reported may be a range of years. This range should not extend more than two years into the future from the date of sale unless Project Information is included in 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 is necessary (see Subsection V.N.2.h).

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

Project Information that is delivered annually by June 1<sup>st</sup> in accordance with the delivery requirements for Multi-year Purchase Agreements (Subsection V.M.1.a.iv) must report an accurate vintage year for the most recent delivery under the agreement.

Seller is required to notify Green-e Climate Program staff prior to the addition or discontinuation of a project used to supply Certified Offsets, along with all of the information listed above.

## **N. 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 Certified Offsets. 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 Offset 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 in-person sales, the Price, Terms, and Conditions have to be included with documentation given to a customer prior to the sale.
- d. For in-person sales utilizing Offset Cards, the Price, Terms, and Conditions as such do not need to be delivered; see Subsection V.P for specific requirements for Offset Cards.
- e. For Multi-year Purchase Agreements, 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, and in the event of any change to the Certified Offsets or Price, Terms, and Conditions during the period of the contract.
- f. For Automatic Recurring Purchases, Seller is required, by either printed or electronic means, to provide the customer with the Price, Terms, and Conditions prior to initial purchase, and at the time of each recurring purchase or annually by June 1<sup>st</sup>.



## 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 Offsets, including fixed and variable charges and taxes, in the form of dollars per metric ton CO<sub>2</sub>e or dollars for specified quantity of metric tons CO<sub>2</sub>e<sup>29,30,31</sup>;
- d. Information on how customer will be billed;
- e. Duration or term of the contract or purchase agreement;
- f. Any other conditions required of the customer;
- g. The Green-e Climate Certified Logo, along with the following disclosure language:

*“These carbon offsets are 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, visit [www.green-e.org/climate](http://www.green-e.org/climate), email [climate@green-e.org](mailto:climate@green-e.org), or call (415) 561-2100.”*

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

*“These carbon offsets represent the reduction of a specific quantity of greenhouse gas (GHG) emissions. By purchasing these offsets, you alone have the right to all associated claims about the environmental benefits they embody. Carbon offsets are to be regarded as a real environmental commodity, not a donation or investment in a future emissions reduction project. The verified GHG emissions reductions you purchased are sourced from projects that have been validated and registered under high-quality project standards.”*

and,

- i. In the case of a Multi-year Purchase Agreement, Price, Terms, and Conditions, must additionally include the following language:

*“Quantities of carbon offsets that are delivered over time in accordance with this purchase agreement meet Green-e Climate vintage and verification requirements. Green-e Climate verifies*

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<sup>29</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 Offsets 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>30</sup> For offline, individually negotiated transactions and in-person sales, pricing information is not required to be displayed on Seller’s website.

<sup>31</sup> Where the Certified Offsets are 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.

*the delivery of these Certified Offsets each year. If Green-e Climate certification is terminated prior to the end of the term of this purchase agreement, the remainder of the quantity of Certified Offsets specified in this agreement will be delivered at the time of termination and subsequently verified by Green-e Climate, or you will be offered the option of a refund to cover any undelivered offsets.*

*The vintage reported indicates the year that the GHG emissions reductions occur. A range of years extending into the future 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 disclosure of accurate vintage year be provided annually.”*

- j. For Fixed and Customized Mix certification and sales only, the following description of what the Carbon Offset Content Label represents:

*“The Carbon Offset Content Label represents the mix of project types, locations, and verification programs that will be used to supply your offsets. 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 Offsets 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).”*

- k. For gas offset programs and products, the following language about emissions associated with natural gas<sup>32</sup>:

*“The greenhouse gas emissions being offset with [this product/program or name of product/program] are those associated with the combustion of natural gas at the point of consumption only, and do not include lifecycle emissions that occur during extraction, production, or delivery.”*

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.

## **O. 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 offset 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

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<sup>32</sup> Gas offset programs that do offset lifecycle emissions may modify this disclosure statement for accuracy. The modified statement must be pre-approved by Green-e Climate Program staff.

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, 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 promotional materials for Certified Offsets with a purchase mechanism that are distributed to consumers, by either printed or electronic means, the following information:

- a. Project Information or Carbon Offset Content Label;
- b. Price, Terms, and Conditions; and
- c. Required contract length and fee for early termination if applicable<sup>33</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 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)*

All Seller websites related to Certified Offsets must follow the General Guidelines found in Subsection V.A and must include the disclosure language found in Subsection V.C, regardless of the sales channel utilized. Use of the Green-e Climate logo on Seller website must be consistent with the Green-e Logo Use Guidelines.

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<sup>33</sup> For Automatic Recurring Purchasing.

For Fixed and Customized Mix certification and sales, Seller is required to maintain and regularly update an online Project List, per requirements in Subsection V.L.2.

If Seller makes online sales, the website must include:

- a. A Carbon Offset Content Label for Fixed or Customized Mix sales (see Subsection V.L), or Project Information for Sales by Project (see Subsection V.M), such that it is presented to the customer prior to purchase.
- b. Price, Terms and Conditions (see Subsection V.N), such that they are presented to the customer prior to purchase.

#### *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*

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.

For Automatic Recurring Purchases, Seller is required, by either printed or electronic means, to provide the customer with the Price, Terms, and Conditions and Project Information or Carbon Offset Content Label at the inception of the contract, and either annually by June 1<sup>st</sup> or at the time of contract renewal.

### **P. Offset Cards**

For the purposes of Green-e Climate, Offset Cards are defined as pre-printed, single-denomination (uniform quantity and type of offsets) cards, stickers, tags, certificates, etc. that are 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 the following information:

1. Seller Name;
2. Seller customer service contact information (including phone number, website and e-mail address);

3. The quantity in metric tons CO<sub>2</sub>e<sup>34</sup> sold with the card;
4. The project types, project locations, and Endorsed Programs used, and the percentage or metric tons of each unique combination of these corresponding to a Fixed Mix of Certified Offsets;
5. The vintage;
6. The following text directing the customer to Seller's Project List:  
*"Information about the projects used to supply these carbon offsets can be viewed at: [web address for Seller's Project List]."*
7. The Green-e Climate Certified logo accompanied by the following text:  
*"These carbon offsets are certified by Green-e® Climate. For more information, log on to [www.green-e.org](http://www.green-e.org) or call (415) 561-2100."*
8. Directions on how the customer can obtain a full Carbon Offset Content Label and Price, Terms, and Conditions if desired.

For example, the following text can be included on the Offset Card to meet these requirements:

*"This [card/sticker/etc.] represents an emissions reduction of 0.5 metric tons CO<sub>2</sub>e. 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. These carbon offsets are certified by Green-e® Climate. For more information, log onto [www.green-e.org](http://www.green-e.org) or call (415) 561-2100. Information about the projects used to supply these carbon offsets can be viewed at <http://www.linktoonlineprojectlist.com>. For a full Carbon Offset Content Label and Price, Terms, and Conditions, please contact A-Great Seller at 1-555-A-GREAT-1."*

## Q. Carbon Calculators

If Seller hosts a carbon or GHG calculator on its website to inform consumers about their impact or their purchase of carbon offsets, the following requirements 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>34</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).

## **R. Seller Call Center Guidelines**

This Subsection contains the minimum information about Certified Offsets 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).

*Carbon Offset Content Label* – For Fixed and Customized Mix certification and sales, accurate information regarding the Mix of Certified Offsets as reported on the Carbon Offset Content Label. Green-e Climate requires that no misleading claims be made.

*Projects* – Information regarding the projects used or (for Fixed and Customized Mix sales) included in the online Project List (see Subsection V.L.2 above for more information).

*Offset 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 carbon offsets 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 (415) 561-2100.

*What Does Green-e® Climate Certification Guarantee?*

When you see the Green-e logo associated with GHG emissions reductions it means:

- 100% of the GHG emissions reductions sold and delivered come from projects validated and registered with one of Green-e Climate's Endorsed Programs.
- The purchaser of a Green-e Climate Certified Offset 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 Offsets and disclosure to customers.

*Green-e Climate Contact Information for Customers*

Website: [www.green-e.org](http://www.green-e.org), email: [climate@green-e.org](mailto:climate@green-e.org), call toll free: 1-888-63-GREEN.

*Company Information* – For utilities selling GHG emissions reductions (carbon offsets), information on whether Seller is affiliated with a regulated utility is required. For all Sellers, the web address for Seller and Certified Offsets must be provided.

*Environmental Benefits of GHG Emissions Reductions (carbon offsets)* – 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 Certified Offsets on Seller's behalf. Seller is responsible for procuring supply for Certified Offsets sold by a Third-party Distributor operating on Seller's behalf, and is responsible for demonstrating ownership of all GHG emissions reductions in participating registries. A Third-party Distributor receives money and processes the order for sales of Certified Offsets, 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 annual Green-e Climate Verification Audit of the Certified Offset sales.

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 Offset 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 Offset 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 GHG emissions reductions for the Certified Offset on behalf of the Third-party Distributor's customers.

### **B. Requirements of Third-party Distributors**

#### *1. Distributors Using Online, Offline, or In-person Sales Channels*

Certified Offsets may be sold through a Third-party Distributor in accordance with the following requirements:

- a. Seller of the Certified Offsets must submit to Program staff an 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 Certified Offsets necessary for Seller to satisfy its obligations under the Annual Verification Audit of Certified Offset sales. There must be an auditable trail from end-use consumer of the Certified Offsets 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 Offsets;
- f. All disclosures made in connection with sales of Certified Offsets by a Third-party Distributor must follow the Customer Disclosure Requirements contained in this document (including providing the Price, Terms, and Conditions, and Project Information or Carbon Offset Content Label, and link to Seller’s Project List prior to the point of sale);
- g. Disclosure of price and quantity (see Subsection V.B);
- h. The following language must be used in conjunction with the Green-e Climate logo:  
*“[Third-party Distributor] has partnered with [Seller] to sell these Green-e® Climate Certified carbon offsets. The offsets you purchase are supplied by [Seller] rather than by [Third-party Distributor].”*
- i. Third-party Distributors may not themselves enlist or employ distributors of Certified Offsets.

## 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>35</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 Offset Card being distributed. The list should be submitted with each Marketing Compliance Review submission and in the event of any change to the list or Offset Card;
- b. Each Third-party Distributor must provide Seller’s auditor access to all records associated with the sale of the Offset Cards (Certified Offsets) necessary for Seller to satisfy its obligations under the annual Verification Audit of Certified Offset sales. There must be an auditable trail from end-use consumer of the Certified Offset to Seller;

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<sup>35</sup> Third-party Distributors that are distributing both Offset Cards and Certified Offsets through other website, individually negotiated transaction, or in-person sales channels must adhere to the requirements in Subsection VI.B.1.



- 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 itself);
- d. In addition to the minimum information in Subsection V.P, the following language must be included on the Offset Card:  
*“This [type of operation or Name of Distributor] has partnered with [Seller] to sell these Green-e® Climate Certified carbon offsets. The offsets you purchase are supplied by [Seller] rather than by [this type of operation or Name of Distributor].”*
- e. Third-party Distributors may not themselves enlist distributors of the Certified Offset.

### **C. Web Hosts**

A Web Host is a company that allows Seller to sell Certified Offsets through the Web Host’s website. A Web Host does not receive or process money for sales of the Certified Offsets, nor does it take ownership of GHG emissions reductions. The Web Host simply facilitates the direct purchase of Certified Offsets 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 Certified Offset sales.

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 Offsets as a separate transaction in order for the customer to purchase the Certified Offsets directly from Seller. The Web Host does not directly process any sales of the Certified Offsets nor does it obtain ownership of the GHG emissions reductions.

### **D. Requirements of Web Hosts**

Certified Offsets may be sold through Web Hosts under the following circumstances:

1. Seller must submit to Program staff an 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 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 Offsets;
4. All disclosures made in connection with sales of Certified Offsets through a Web Host must follow the Customer Disclosure Requirements contained in this document; and
5. The following language must be used in conjunction with the Green-e Climate logo:

*“[Web Host] has partnered with [Seller] to offer these Green-e® Climate Certified carbon offsets. The offsets you purchase are 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, unless:

1. The company offers its customers (via a web-based sales channel) a choice of GHG Emissions Reduction options from at least four different offset sellers.<sup>36</sup>
2. The company acts as a Third-party Distributor for a total of 4,000 metric tons or fewer of Green-e Climate Certified Offsets annually.<sup>37</sup>

Exceptions to this rule may be granted in limited cases. All other requirements of Third-party Distributors as detailed in Subsection VI.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 Certified Offsets.

Each Third-party Distributor must have a direct relationship with Seller (i.e. a Third-party Distributor may not enlist or employ another Third-party Distributor).

## **F. 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 Offsets have been sold or marketed, and Seller’s volumetric fees will be assessed to include these sales.

No fees are assessed by Green-e Climate to Third-party Distributors or Web Hosts. However, 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 delivered, Third Party Distributors may be required to make affected customers whole, and/or provide historical disclosure to all affected customers, where necessary. In some cases, Third Party Distributors may also be required to offer a refund to affected customers.

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<sup>36</sup> Note that this does not require the company to *only* transact Green-e Climate Certified Offsets. It is acceptable for a company to sell multiple carbon offset packages, with only a subset of those being recognized as Green-e Climate Certified.

<sup>37</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.

## **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 Price, Terms, and Conditions, and in the case of Fixed or Customized Mix sales, a compliant Carbon Offset Content Label and Project List. The upfront review will also verify that Seller is not making false or misleading statements about their offsets in publically available materials.

### **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 a Carbon Offset 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 Offsets made thus far and how Seller plans to acquire the supply to meet this demand.
3. A conference call with Green-e Climate Program 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 and any Third-party Distributors and Web Hosts offering Certified Offsets are fulfilling the requirements of Green-e Climate and displaying the Green-e Climate logo correctly, Green-e Climate Program staff will conduct a biannual review of marketing materials including, but not limited to, the following:

- Carbon Offset Content Label (for Customized Mix sales and Fixed Mix sales only);
- 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;

- Project List<sup>38</sup>;
- Radio and TV ads and scripts;
- Website; and
- Welcome or customer subscription packages and materials.

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

During Marketing Compliance Review, Green-e Climate Program staff will confirm that Seller is not making false or misleading statements about their offsets 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. Green-e Climate Program staff may also identify and ask for substantiation of specific marketing and environmental claims. In addition, Green-e Climate Program staff 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 Seller 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. 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 Certified Offsets within 30 days of receiving notice from Program staff. Program staff will verify that items have been sufficiently addressed.

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<sup>38</sup> For Sales by Project, this is the list of all projects used to supply Certified Offsets. For Sales of Fixed or Customized Mixes, this is the list of all projects used to supply the Mixes of Certified Offsets.

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 OFFSETS AND SALES**

### **A. Overview**

Seller must conduct an annual Verification Audit to substantiate carbon offset purchases, sales, and claims. Seller must employ a qualified<sup>39</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 Green-e Climate Program staff 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 VII.D below.

### **B. Components of Verification**

The Verification Audit Protocol requires Sellers offering Certified Offsets 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;
2. GHG emissions reductions came from eligible GHG emissions reduction projects, registered with an Endorsed Program;
3. Project information and information provided to customers on the Carbon Offset 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 Certified Offsets.

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

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<sup>39</sup> Qualifications for auditors are provided in the Green-e Climate Annual Verification Audit Protocol.

### **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 complete worksheets and attestations, obtain attestations, contracts and/or Endorsed Program registry 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 of Agreed-upon Procedures to Green-e Climate testifying to the results of the audit.
3. If Certified Offsets or the Seller's offset certification contract is terminated, the sales of Certified Offsets are still required to undergo the Verification Audit for the sales year(s) they were sold as 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 Program staff will provide support for all Sellers undergoing the Verification Audit 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 Program 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 Offsets 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. Green-e Climate 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 delivered, 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.

In the case of Fixed or Customized Mix certification and sales, if Seller deviates by more than 20% from the project mix percentages listed on the Carbon Offset Content Label (see Subsection V.L.1.b of this document), Seller must provide the customer with a historic Content Label. If Seller deviates by more than 40%, Seller must provide the customer with a historic 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 offsets, 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 these offsets; the offsets will be decertified. In this case, Seller must notify customers that the offsets are no longer Green-e Climate Certified and immediately 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

Certified Offsets that was misrepresented by Seller. Additionally, Seller will not be permitted to certify any new Certified Offsets 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 Offsets 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 baseline or status quo scenario and/or that project activity emissions are lower than baseline emissions. For more information on additionality requirements of Green-e Climate, see the Green-e Climate Standard.

**Automatic Recurring Purchases** – Purchases of Certified Offsets continuously over time through automatic renewals of a purchasing agreement or sustained enrollment in a purchasing plan.

**Certified Offset** – A carbon offset sold as Green-e Climate Certified. Green-e Climate will certify carbon offsets sold by project or in mixes of project type, location, and Endorsed Program. A Certified Offset is a GHG emissions reduction that has been certified and issued by an eligible Endorsed Program under an eligible protocol or methodology, and the sale and marketing of which meets the requirements of this Code of Conduct, and the exclusive and correct delivery of which has been verified in accordance with this Code of Conduct and the Green-e Climate Verification Audit Protocol.

**Certify** – The process of the review of a verification report and subsequent approval under Green-e Climate that Certified Offsets offered by a participating Seller meet 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 or Standard 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 reductions (supply) under the Green-e Climate Program.



**Gas Offset Program or Product** – A natural gas product in which the natural gas is “bundled” or sold along with carbon offsets in order to neutralize the GHG emissions associated with the use of the natural gas.

**Green-e Climate Logo** – The certification mark, registered and owned by the Center for Resource Solutions, representing a Certified Offset, 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 permanent storage of GHGs produced by: (1) projects or project activities or programmes of activities that have been validated and registered according to the 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, project location, and Endorsed Program from which the GHG emissions reductions are sourced.

**GHG Project Certification Program (GHG Program)**– A program composed of 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-sales 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 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.

**Multi-year Purchase Agreement** – A purchase agreement or contract for the purchase of Certified Offsets for more than a single year.

**Offset Card** – A pre-printed, single-denomination (uniform quantity and type of offsets) card (need not be in physical 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 Certified Offsets. For Fixed or Customized Mix certification and sales, 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 Green-e Climate Certified Offsets. Participating Sellers must adhere to disclosure, contractual and marketing requirements contained in Green-e Climate documents.

**Registry** – An electronic system for issuance, tracking, trading, and retirement of GHG emissions reductions and emissions reduction credits.

**Retirement** – Retirement occurs when a GHG emissions reduction or credit is used by the owner of the GHG emissions reduction. 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 Certified Offsets without any direct relation to procurement of supply of GHG emissions reductions, but rather through an arrangement with Seller of Certified Offsets.

**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 occurred at a project or programme of activities.

**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 Certified Offsets.