

RESTART ENERGY DEMOCRACY CARBON STANDARD

Terms And Definitions

Date: 25th March 2023

Version 1.0

Terms and Definitions within the RED Carbon Standard

Unless the context otherwise requires, the following terms shall have the following meaning:

Adaptation	In human systems, the process of adjustment to actual or expected climate and its effects, to moderate harm or exploit beneficial opportunities. In natural systems, the process of adjustment to actual climate and its effects; human intervention may facilitate adjustment to expected climate and its effects.
Additionality	The GHG emissions after the implementation of the project are lower than those that would have occurred in the baseline scenarios.
Afforestation	Conversion to the forest of land that historically has not contained forests.
Air Pollution	Degradation of air quality with negative effects on human health or the natural or built environment due to the introduction, by natural processes or human activity, into the atmosphere of substances (gasses, aerosols) which have a direct (primary pollutants) or indirect (secondary pollutants) harmful effect.
Baseline Emissions	The CO ₂ e emissions that would have happened in the Baseline Scenario before the implementation of a Project.
Baseline Scenario	Reference scenarios (also known as "baseline" or "no-action" scenarios) describe a future state of society and/or the environment in which no new environmental policies are implemented beyond those already under development

	today, or in which these policies have no discernible influence on the issues under consideration.
Blockchain	A system in which a record of transactions made in bitcoin or another cryptocurrency is maintained across several computers that are linked in a peer-to-peer network.
Carbon Credits or CCs	A transferable instrument certified by the RED Carbon Standard, that represents an emission reduction/removal of one metric ton of carbon dioxide, or an equivalent amount of other greenhouse gasses (CO ₂ e), that can be traded, sold, or retired. A CC is issued in the Registry of the RED Carbon Standard and includes all Environmental Benefits and SDG Benefits associated with such CCs.
Climate Change	Refers to a change in the state of the <i>climate</i> that can be identified (e.g., by using statistical tests) by changes in the mean and/or the variability of its properties and that persists for an extended period, typically decades or longer. Climate change may be due to natural internal processes or external forces such as modulations of the solar cycles, volcanic eruptions, and persistent anthropogenic changes in the composition of the atmosphere or land use.
Co-benefits	The positive effects that a policy or measure aimed at one objective might have on other objectives, thereby increasing the total benefits for society or the environment. Co-benefits are often uncertain and depend on local circumstances and implementation practices, among other factors. Co-benefits are also referred to as ancillary benefits.
Corresponding Adjustments	Making a corresponding adjustment means that when Parties/countries transfer a mitigation outcome internationally to be counted toward another Party's mitigation pledge, this mitigation outcome must be 'un-counted' by the Party that agreed to transfer it.
CO₂e Reduction	Reduction of GHGs in CO ₂ equivalence.
CO₂e Removal	Removal of GHGs in CO ₂ equivalence.

Crediting Period	The period during which a Project can obtain tokenized carbon credits.
Cryptocurrency / Digital Wallet	An app that allows cryptocurrency users to store and retrieve their digital assets.
Digital Carbon Credit	A carbon credit minted on the RED Carbon Registry, using blockchain technology.
Distributed Ledger	Is a consensus of replicated, shared, and synchronized digital data geographically spread across multiple sites, countries, or institutions. Unlike with a centralized database, there is no central administrator. It is also called a shared ledger or distributed ledger technology or DLT.
Do No-Harm Assessment	Project Developers must demonstrate in the Project Design Document at the Validation Section that the project activity results in a net-positive impact on social, economic, and environmental factors true the authorisations and documents required by current legislation (such as an environmental impact assessment in line with the No Net Harm Principles).
Eligibility	Having the necessary qualities or satisfying the necessary conditions or suitability to be chosen, selected, or allowed to do something.
Emissions Reduction Calculation	The difference between the GHG emissions and/or removals in the baseline scenario and the GHG emissions and/or removals in the project scenario.

<p>Environmental Benefits</p>	<p>All right, title, interest, and benefit arising from or associated with, and which does not significantly harm any of the environmental objectives provided in Article 9 of the EU Taxonomy Regulation, namely:</p> <ul style="list-style-type: none"> • climate change mitigation; • climate change adaptation; • sustainable use and protection of water and marine resources; • the transition to a circular economy; • pollution prevention and control; • protection and restoration of biodiversity and ecosystems.
<p>Environmental, Social, and Governance Criteria or ESG Criteria</p>	<p>A set of universal standards for a company’s operations. Environmental criteria encompass the effect that an entity’s activities have on the environment directly or indirectly. Social criteria examine how the entity manages relationships with employees, suppliers, customers, and the communities where it operates.</p> <p>Governance criteria deal with an entity’s leadership, executive pay, audits, internal controls, and shareholder rights;</p>
<p>ERC-721</p>	<p>A free, open standard that describes how to build non-fungible or unique tokens on the Ethereum blockchain</p>
<p>FIAT</p>	<p>A type of currency made legal tender by government decree in a specific country.</p>

<p>First submission</p>	<p>First submission date is the date on which the project developer or franchisee submits the intention to certify the project to the standard.</p>
<p>Franchisee</p>	<p>A company, verified user who acquires the RED V-LEC Franchise and the right to access and use certain functionalities of the Application.</p>
<p>Greenhouse Gas Emissions or GHG Emissions</p>	<p>Gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of terrestrial radiation emitted by the Earth's surface, the atmosphere itself, and by clouds. This property causes the greenhouse effect. Water vapor (H₂O), <i>carbon dioxide (CO₂)</i>, <i>nitrous oxide (N₂O)</i>, <i>methane (CH₄)</i>, and <i>ozone (O₃)</i> are the primary GHGs in the Earth's atmosphere. Moreover, there are several entirely human-made GHGs in the atmosphere, such as the <i>halocarbons</i> and other chlorine- and bromine-containing substances, dealt with under the Montreal Protocol. Besides CO₂, N₂O, and CH₄, the <i>Kyoto Protocol</i> deals with the GHGs sulphur hexafluoride (SF₆), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and nitrogen trifluoride (NF₃). The GHG emissions considered by RED Carbon Standard will be those emitted by the industrial plants and human activities, but also those escaped in the atmosphere from the soil of forest biomass degradation.</p>
<p>Green Sustainability Certificate</p>	<p>A document that demonstrates the degree of sustainability of a company or individual who supports the financing of a sustainable project through tokenized carbon credits purchases on the Application, showing the amount of CO₂ reduction or removed from the atmosphere.</p>

	<p>The Green Sustainability Certificate is an ERC-721 non-fungible token and it is issued at the request of RED or REO-G holders.</p>
<p>Grievance Mechanism</p>	<p>A grievance mechanism is a formal, legal, or non-legal (or "judicial/non-judicial") complaint process that can be used by individuals, workers, communities and/or civil society organizations who are adversely affected by certain business activities and operations. Grievance mechanisms are sometimes also referred to as 'complaints', 'redress' or 'accountability' mechanisms.</p>
<p>Independent Validation and Verification Body</p>	<p>An independent body (companies or certified organization) who has the experience or competence to validate and verify statements related to greenhouse gasses (GHG), as for example the validation and verification of GHG emission reduction/removals projects.</p> <p>The validation and verification of GHG statements is carried out in accordance with the criteria/requirements of the RED Carbon Standard.</p>
<p>Initial Assessment</p>	<p>First section of the RED Carbon Standard template of the PDD which includes the title of the project, location, the benefits, the technology used, the start date of the project, the estimated number of CCs, the estimated emission reduction/removals calculation, methodology used, additionality etc.</p>
<p>Issuance</p>	<p>The generation, minting of tokenized carbon credits by the RED Carbon Standard to Project Developers following the</p>

	successful certification of reduction or removals emissions by the Project.
Leakage	The potential sources of emission leakage shall be described and calculated according to the applicable Methodology. The Independent Verification Body will also check the leakage sources and their calculation, if applicable.
Methodology	A set of approved rules and conditions that a Project shall follow in its implementation to obtain tokenized carbon credits.
Minting	Same as Issuance.
Monitoring Period	The period for which tokenized carbon credits are claimed and approved.
Monitoring Report	The document created by the Project Developer that contains the request for minting tokenized carbon credits (EMO) based on verified reduction or removals emissions.
MWAT	An ERC-20 fungible token having utility in the RED Platform Application as a virtual battery for Green Tokens storage and a conventional token for the acquisition of Green Tokens, as well as for other functionalities and rights in the Application.
Project	Any project that carries out sustainable and climate-related activities to create CCs and has been approved by RED Carbon Standard and is listed on the dedicated page in the Platform.

Project Boundary	<p>Project boundaries are the defined identifiers of what clients and project professionals have determined is included within project work. Within the project scope statement, those completing the project can include a project boundaries identification section that clearly defines the extent of project work expectations. The boundaries are measurable characteristics that all involved with the project can agree upon. Understanding which results clients expect from project professionals can help everyone involved make clear decisions about project content.</p>
Project Developer	<p>Any project owner that is interested as/through a Franchisee, in certifying through RED Carbon Standard sustainability projects with the purpose of issuing tokenized carbon credits and selling them in the Certification app on the RED Platform.</p>
Project Design Document (PDD)	<p>The main project document that details all elements of a Project, such as technology, start date, crediting period, methodology, emissions reduction/removals calculation, public consultation, SDG indicators etc.</p>
Project Emissions	<p>Project emissions mean carbon emissions accounted for in relation to energy or fuel use in production activity within the project boundary. The project developer must explain the baseline scenario used, the project emission, leakage used in the calculation of the estimated emission reduction/removals according to the applicable methodology and create the list of the indicators from SDGs that will be monitoring in the project activity and explain it.</p>
Project ID	<p>Registration number, received after approval of all documents, used by the client to monitor the progress of the</p>



	project certification in the Certification app on the RED Platform.
RED	Digital carbon credit named RED Carbon Credit that is issued when the project is certified following the RED Carbon Standard certification process.
RED Carbon Standard	A voluntary independent standard, as it may be updated from time to time, which provides the rules for any sustainability projects (renewables, agriculture, forestry, energy efficiency, hydrogen etc.) seeking certification and enabling them to get Tokenized Carbon Credits.
RED Carbon Standard Registry	Projects certified with the RED Carbon Standard will be listed in our RED Carbon Standard Registry. The registry is built using blockchain technology that will benefit both project developers and buyers thanks to the transparency and non-permutability of data.
RED Platform Application	The website/mobile application available at https://redplatform.com , offering certain functionalities, including the functionality related to sustainability projects.
RED V-LEC	RED Franchise, that verified users should acquire in order to become franchisees with the right to access and use certain functionalities in the Certification app on the RED Platform.
Retirement	The voluntary cancelation of the tokenized carbon credits requested by the Project Developer/Franchiser/Buyer/Verified User/Trader in support of a Project.

<p>Retroactive Projects</p>	<p>Retroactive projects have a project start date no more than one year prior to the date of the project first submission in the Certification app on the RED Platform.</p>
<p>Regular Projects</p>	<p>Regular projects are those projects which have a start date after the project's first submission date.</p>
<p>Smart Contract</p>	<p>A self-executing contract with the terms of the agreement between buyer and seller being directly written into lines of code.</p>
<p>Sustainable Development Goals Benefits or SDGs Benefits</p>	<p>Any rights, title, interest, and benefits arising from or associated with the Sustainable Development Goals set by the United Nations under Paragraph 54 of United Nations General Assembly Resolution A/RES/70/1 of 25 September 2015.</p>
<p>The Paris Agreement</p>	<p>A legally binding international treaty on climate change adopted in Paris, on 12 December 2015 and entered into force on 4 November 2016.</p>
<p>Tokenized Carbon Credits</p>	<p>Sustainability linked digital tokens that are minted on the Registry of the RED Carbon Standard, using blockchain technology, in relation with the Carbon Credits.</p>
<p>Validation documents</p>	<p>All documents created by the Independent Validation and Verification Body and Franchiser and submitted to RED Carbon Standard to approve and certify the Project and its co-benefits.</p>
<p>Verification documents</p>	<p>All documents created by the Independent Validation and Verification Body and Franchiser and submitted to RED</p>

	Carbon Standard to approve tokenized carbon credits issuance.
Verified User	A user of the RED Platform Application who passed the Know Your Client requirements of RED Platform.



DOCUMENT UPDATE

Version	Date	Comments or additional information
1	25.03.2023	Initial version of the document