

# THE Rubicon Carbon Tonne Standard

**Quality is the cornerstone of Rubicon Carbon's mission to scale the carbon market with confidence.**

The Rubicon Carbon Tonne Standard (RCT Standard) describes how we define high quality carbon projects and the actions we take to ensure that the credits in the RCT portfolio<sup>1</sup> meet our high standards. We deliver quality through a two step process: First, we vet projects against our quality criteria. Then, we actively monitor the credits in our portfolio and adjust their composition to maintain a risk-determined buffer pool of credits which can be retired alongside retirements from our product portfolios to enhance the climate impact of the credits we sell.

<sup>1</sup> The RCT portfolio consists of the credits that back the RCT as well as those in the affiliated risk-determined buffer pool.

## Quality Criteria

**We invest in carbon credits that meet our standards at both the registry program and project levels.**

Robust governance is vital to ensure that credits are created, verified, sold, and retired in a credible manner. We seek to align our quality criteria with the ICVCM Core Carbon Principles, but also support innovative approaches outside of the established VCM registries where assurance can be provided via endorsements from expert review, independent auditing, and public reporting. We purchase credits from registry systems demonstrating the following attributes:

<b>EFFECTIVE OVERSIGHT</b>	Effective and transparent governance shall be in place to ensure validity of registry activities and quality of carbon projects and credits.
<b>CREDIT CONTROL SYSTEM</b>	Controls shall be in place to manage and track the issuance and retirement of credits along their chain of custody to avoid fraud and double-counting.
<b>INDEPENDENT VALIDATION AND VERIFICATION</b>	The system shall ensure that methodologies, project activities, and credit issuances are validated and verified by independent experts.

<b>TRANSPARENCY</b>	The system shall make information on project activities, such as project design, credit issuances, monitoring reports, monitoring organization details, and any findings of nonconformity or punitive action, available to the public in a clear and accessible manner.
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High quality carbon projects must demonstrate that project activities have a positive climate impact and work to avoid causing social and environmental harms. We purchase credits from projects demonstrating the following attributes:

<b>ADDITIONALITY</b>	The emissions reduction or removal activity would not have occurred in the absence of the carbon project. It is not required by any regulations or policy incentives, it is not a common practice in the region, and carbon revenues were considered in development of the project or are demonstrated to be vital to the financial viability of the project.
<b>ROBUST EMISSIONS QUANTIFICATION</b>	The quantification of emissions reductions or removals is based on scientific methods and uses a conservative approach that accounts for uncertainty.
<b>NO DOUBLE-COUNTING</b>	Emissions reductions or removals shall only be counted once. This includes quantification of emissions associated with project activities, but also issuance and retirement of the credits as well as claims made against the environmental attributes of the project activities outside of the credit scheme.
<b>PERMANENCE</b>	The emissions reductions or removals are permanent, or any risk of reversal is assessed and mitigated via a compensation mechanism. <sup>2</sup>
<b>SOCIAL AND ENVIRONMENTAL BENEFITS AND SAFEGUARDS</b>	Project activities have safeguards in place to avoid contributing to social and environmental harms and should contribute to sustainable development goals, where possible.

## Delivering Quality Carbon Credits

Assessing and mitigating carbon credit quality risks when investing in carbon credits is a challenge for buyers. We deliver high quality carbon credits to our customers by applying our rigorous quality criteria when sourcing our credits, and we actively monitor and manage our portfolio to ensure that the tons we retire on behalf of our customers are the best available. We do this using a risk-based approach that is tailored to maximize the impact of our portfolio. We take the following steps to ensure the quality of our product:

<sup>2</sup> We seek to align our carbon credit permanence requirements with the ICVCM Core Carbon Principles, and may update this standard as they develop.

<b>DIVERSIFICATION</b>	We seek to diversify our portfolio across different project types, geographies, vintages, and standards to minimize risk and maximize impact.
<b>PRE-INVESTMENT DUE DILIGENCE</b>	Before making a decision to purchase credits or invest in a carbon project, we conduct a due diligence assessment to ensure that the project meets our quality standards.
<b>ONGOING MONITORING</b>	We conduct ongoing monitoring and quality assurance to independently quantify the climate impact of the credits we purchase and sell. We maintain our own, proprietary view of risk at the project and credit level.
<b>ACTIVE PORTFOLIO MANAGEMENT</b>	We actively manage our portfolio to ensure that we provide our customers with high-quality credit products. This includes, but is not limited to, adjusting the composition of our portfolios and maintaining a buffer reserve of credits which can be retired alongside the credits we retire on behalf of our customers in order to ensure the impact of their VCM investments.

## Conclusion

At Rubicon Carbon, we are committed to providing our customers with high-quality carbon credits that meet the highest standards of quality. Carbon credits play a critical role in helping organizations achieve their net-zero and/or climate commitments, but only if they are sourced and managed correctly. By applying strict criteria for carbon project and registry quality, ongoing monitoring and quality assurance, and active portfolio management, we aim to ensure that the credits we purchase and retire on behalf of our customers are the absolute best available, and deliver the advertised carbon impact.