

CORSIA Eligible Emissions Unit Programme Change Notification Form

Version 2.0; Effective from 10 January 2022

PART A: ABOUT THIS FORM

Once an emissions unit programme is approved by the ICAO Council as eligible to supply CORSIA Eligible Emissions Units, the programme commits to notify the ICAO Secretariat of any “material changes” to its “Scope of Eligibility”, *including any unilateral decision to revoke or invalidate a class of CORSIA-eligible emission units within the programme’s Scope of Eligibility*, for further review¹ by the Technical Advisory Body (TAB) that advises the ICAO Council on the eligibility of emissions units for use in CORSIA.

*TAB Procedures*² defines a “Material Change” as an update to a programme’s *Scope of Eligibility* that would alter the programme’s response(s) to any questions in its application form and further inquiries from the TAB over the course of the programme’s assessment, including programme-initiated unit invalidation and/or revocation. (paragraph 7.3.).

TAB Procedures defines a CORSIA Eligible Emissions Unit Programme’s *Scope of Eligibility* as “the extent and limits of a programme’s eligibility, which is defined, assessed, and granted on the basis of the programme-level governance structures, measures or mechanisms, and procedures that programmes have in place at the time of their initial submission of application materials to the ICAO Secretariat; and any updates to these procedures that are communicated to TAB during the course of its assessment; and as defined in the general or programme-specific eligibility parameters set out in TAB’s recommendations” (paragraph 4.5).

Annually, TAB will indicate deadlines for programmes to notify ICAO of any such material changes. These notifications should be submitted by the next deadline after the material change has occurred; the upcoming deadlines are indicated in the version of the *TAB Work Programme and Timeline* document that is currently effective. This document is available on the CORSIA website³.

Material changes should be disclosed using this form. TAB will then consider the need for any further review, in line with *TAB Procedures*. If TAB identifies that the change is indeed material and should be further assessed, it will invite public comments on the consistency of the proposed revision with the Emissions Unit Criteria (EUC) and *Guidelines for Criteria Interpretation*. The ICAO Secretariat will inform the programme of TAB’s decision to more deeply assess the programme’s modification, or its confirmation that the modification is consistent with the CORSIA EUC. The programme will also be informed of the date by which the review will be completed. The length of the review should be determined by the severity and scale of the material change.

PART B: PROGRAM CHANGE NOTIFICATION(S)

¹ Any unilateral programme-initiated invalidation and/or revocation of a class of CORSIA-eligible emissions units is considered to be a “material change” to the CORSIA-eligible programme’s *Scope of Eligibility*. Such units are regarded as immediately ineligible for use for CORSIA purposes in light of absence of assurance that it will administer the units consistent with its *Terms of Eligibility*. The units will be reflected as exclusions from the programme’s *Scope of Eligibility* in the ICAO Document “CORSIA Eligible Emissions Units” upon Council’s confirmation of the update. Once a programme notifies ICAO that it wishes to exclude a class of units from its eligibility scope, and in order to provide the most accurate and timely information available prior to Council’s confirmation of the update, the ICAO Document “CORSIA Eligible Emissions Units” will identify in a footnote that the programme requested a change to its *Scope of Eligibility* to exclude certain units subject to a decision by the ICAO Council and, if possible, clearly specify the affected class of units. The programme’s *Scope of Eligibility* that is deemed valid by the ICAO Council will be reflected in the ICAO Document titled “CORSIA Eligible Emissions Units” in a timely manner

² In *TAB Procedures*, paragraphs 4.5, 7.3 and 8.2 – 8.6 in particular pertain to the *Scope of Eligibility* and notification and assessment of material changes.

³ The *TAB Work Programme and Timeline* and *TAB Procedures* documents are available here:
<https://www.icao.int/environmental-protection/CORSIA/Pages/TAB.aspx>

The Programme is requested to provide the following information regarding any modification(s) to the programme’s *Scope of Eligibility* that could constitute a “material change” as described above. Report each change separately by duplicating (copying and pasting) the table below as needed.

Programme name: American Carbon Registry (ACR)

CHANGE 1
a. Description of the change (e.g., the addition, modification, deletion undertaken):
<p>The names and titles of Program’s senior staff / leadership, including board members is as follows:</p> <p>Environmental Resources Trust (ERT) / American Carbon Registry (ACR) Management:</p> <p><u>Board of Directors of Environmental Resources Trust (all also Winrock Board members)</u> Maqsoda Maqsodi, President and CEO, Winrock International William Bumpers, Winrock Honorary Director, (Retired) Baker Botts Law Firm Michaela Edwards, Partner at Capricorn Investment Group John Nees, Founding Partner of the Getty Land Company Stacy Swann, CEO and founding partner of Climate Finance Advisors</p> <p><u>Officers of Environmental Resources Trust</u> Mary Grady, President and Chief Executive Officer Judith Weishar, CFO</p> <p><u>American Carbon Registry Senior Staff</u> Mary Grady, Executive Director Jessica Bede, Managing Director Mary Jane Coombs, Director of Industrial Programs Kurt Krapfl, Director of Forestry Breffni Lynch, Director of Registry Operations Brad Kahn, Director of Communications</p>
b. Rationale for the change:
<p>Board, management and staff changes (departures, additions, promotions) as normal in due course of business.</p>
c. Where the change is reflected in the Programme’s documentation or other resource(s) ⁴ :
<p>The change is noted publicly on the “About Us” webpage of ACR’s website: https://americancarbonregistry.org/about-us/mission</p>
d. Information originally submitted to and assessed by TAB that would be altered as a result of this change (copy and paste in the field below); including any and all relevant descriptions or explanations provided by the Programme in its Application Form and accompanying materials and/or in response to any further inquiries from TAB during the course of the assessment(s) that informed TAB recommendations on the Programme’s current eligibility:
<p>References to the ACR leadership were included in the March 2022 Re-assessment Application, including:</p> <p><i>Section III, Part 1, D. Programme Senior Staff / Leadership</i> <u>Board of Directors of Environmental Resources Trust (all also Winrock Board members)</u> Rodney Ferguson, President and CEO, Winrock International William Bumpers, Winrock Honorary Director, (Retired) Baker Botts Law Firm</p>

⁴ If documents or resources evidencing the change are not publicly available, please include this information in an attachment to this form and clearly identify any business-confidential information.

Suzanne Siskel, Winrock Board Vice Chair, EVP & COO of The Asia Foundation
John Nees, The Getty Land Company

Officers of Environmental Resources Trust

Mary Grady, President and Chief Executive Officer
Lauren Nichols, Vice President
Mike Myers, CFO/Treasurer
Charlotte Young, Secretary

American Carbon Registry Senior Staff

Mary Grady, Executive Director
Lauren Nichols, Managing Director
Margaret Williams, Technical Director
Maris Densmore, Director of Engineered Solutions
Kurt Krapfl, Director of Forestry
Jessica Bede, Director of Registry Operations

e. How the information in “d.” would be revised and submitted to any future (re-)assessment process, by updating the information in “d.” to reflect any / all modifications to the Programme’s original information that result from the change:

Unless otherwise required by ICAO, ACR intends this document to reference the updates to our application. We would be happy to answer any additional questions ICAO may have.

CHANGE 2

a. Description of the change (e.g., the addition, modification, deletion undertaken):

While not a material change since this update is as a result of having followed ACR’s policies, procedures and approaches as previously described to the TAB, ACR has made methodologies inactive, has updated methodologies and has approved new methodologies.

b. Rationale for the change:

Per the ACR Standard, ACR periodically reviews its approved methodologies and associated performance standards. ACR may inactivate methodologies if the performance standard needs review or the activities or MRV methods are deemed to no longer meet ACR requirements. ACR may update methodologies based on new technical or market information and/or develop and approve new methodologies.

c. Where the change is reflected in the Programme’s documentation or other resource(s)⁵:

The change is noted publicly on the “Standards & Methodologies” webpage of ACR’s website: <https://americancarbonregistry.org/carbon-accounting/standards-methodologies>

d. Information originally submitted to and assessed by TAB that would be altered as a result of this change (copy and paste in the field below); including any and all relevant descriptions or explanations provided by the Programme in its Application Form and accompanying materials and/or in response to any further inquiries from TAB during the course of the assessment(s) that informed TAB recommendations on the Programme’s current eligibility:

⁵ If documents or resources evidencing the change are not publicly available, please include this information in an attachment to this form and clearly identify any business-confidential information.

References to individual methodologies were included in the March 2022 Re-assessment Application, including:

Section III, Part 3, Question 3.2. Scope considerations (referring to ACR's original application July 2019)

- d) A list of methodologies with a 10 year crediting period

Section III, Part 4, Question 4.1. Are additional (referring to ACR's response to TAB live discussion questions November 2019)

- ii. A list of methodologies with practice-based performance standards

Section III, Part 4, and Question 4.1. Are additional (referring to ACR's original application July 2019)

A table showing which method of additionality each ACR-approved methodology employs

Section III, Part 4, and Question 4.5. Represent permanent emissions reductions (referring to ACR's original application July 2019)

A list of project types that claim offset credits from carbon sequestration

Section III, Part 4, and Question 4.6. Assess and mitigate against potential increase in emissions elsewhere (referring to ACR's original application July 2019)

A list of activity types that present potential risk of material emissions leakage and methodologies that include required deductions for leakage.

e. How the information in “d.” would be revised and submitted to any future (re-)assessment process, by updating the information in “d.” to reflect any / all modifications to the Programme’s original information that result from the change:

Unless otherwise required by ICAO, ACR intends this document to reference the updates to our application. We would be happy to answer any additional questions ICAO may have.

CHANGE 3

a. Description of the change (e.g., the addition, modification, deletion undertaken):

ACR updated Registry functionality to remove a question previously posed to project developers when requesting credit issuance to indicate their intention to designate the units as CORSIA Eligible. ACR no longer considers the project developers intent in labeling and all CORSIA Eligible credits are identified as such.

b. Rationale for the change:

This update was made to align with the ICAO Council’s request that the ACR Registry identify all CORSIA Eligible units.

c. Where the change is reflected in the Programme’s documentation or other resource(s)⁶:

The change is reflected on the ACR Registry <https://acr2.apx.com/> Enter Project Data screen of the Project Emissions Reductions/Removals section, visible to ACR, project developers, and validation and verification bodies.

d. Information originally submitted to and assessed by TAB that would be altered as a result of this change (copy and paste in the field below); including any and all relevant descriptions or explanations

⁶ If documents or resources evidencing the change are not publicly available, please include this information in an attachment to this form and clearly identify any business-confidential information.

provided by the Programme in its Application Form and accompanying materials and/or in response to any further inquiries from TAB during the course of the assessment(s) that informed TAB recommendations on the Programme's current eligibility:

References to information collection for labeling purposes were included in the March 2022 Re-assessment Application, including:

Section III, Part 3, Question 3.4 Identification and Tracking (referring to ACR's Registry Attestation March and April 2021)

ACR indicated that the described registry functionality to tag units as CORSIA Qualified had been implemented. The functionality is as follows: Upon request for credit issuance the project developer will indicate whether or not they intent to offer their verified credits for CORSIA. ACR staff then reviews the eligibility of any CORSIA intended batches of credits...

e. How the information in "d." would be revised and submitted to any future (re-)assessment process, by updating the information in "d." to reflect any / all modifications to the Programme's original information that result from the change:

Unless otherwise required by ICAO, ACR intends this document to reference the updates to our application. We would be happy to answer any additional questions ICAO may have.

CHANGE 4

a. Description of the change (e.g., the addition, modification, deletion undertaken):

While not a material change since this update is as a result of having followed ACR's policies, procedures and approaches as previously described to the TAB, and retaining the same Registry functionality, security, transparency, etc. as previously described, ACR has updated the ACR Registry Operating Procedures to provide greater clarity and align with new Registry infrastructure enhancements. Among the updates was an addition of a new section on Credit Labeling.

b. Rationale for the change:

Section 8.3, Credit Labeling, was added to provide Account Holders and the public with detailed information on the requirements and related processes for labeling credits as CORSIA Eligible, CORSIA Pending, CCP-Approved, ARB Eligible, Ecology Eligible, and Verified Removal.

c. Where the change is reflected in the Programme's documentation or other resource(s)⁷:

The change is noted publicly in the ACR Registry Operating Procedures under the "Review Registry Documents" section of the Registry webpage of ACR's website: <https://acrcarbon.org/acr-registry/>

d. Information originally submitted to and assessed by TAB that would be altered as a result of this change (copy and paste in the field below); including any and all relevant descriptions or explanations provided by the Programme in its Application Form and accompanying materials and/or in response to any further inquiries from TAB during the course of the assessment(s) that informed TAB recommendations on the Programme's current eligibility:

Unless otherwise required by ICAO, ACR intends this document to reference the updates to our application. We would be happy to answer any additional questions ICAO may have.

⁷ If documents or resources evidencing the change are not publicly available, please include this information in an attachment to this form and clearly identify any business-confidential information.

e. How the information in “d.” would be revised and submitted to any future (re-)assessment process, by updating the information in “d.” to reflect any / all modifications to the Programme’s original information that result from the change:

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CHANGE 5

a. Description of the change (e.g., the addition, modification, deletion undertaken):

ACR approved a new version of the Improved Forest Management (IFM) for Non-Federal U.S. Forestlands Methodology (version 2.1) that includes re-evaluation of the baseline each reporting period and the IFM baseline is no longer considered fixed for the duration of the crediting period. Project baselines, additionality, and other criteria must still be re-evaluated at the time of crediting period renewal.

b. Rationale for the change:

This update has increased the precision of the requirements for developing and evaluating conservative baseline scenarios. This is accomplished through the introduction and use of a new tool for evaluating baselines each reporting period, before carbon credits are issued, to ensure the underlying assumptions remain valid over time.

c. Where the change is reflected in the Programme’s documentation or other resource(s)⁸:

The changes are noted publicly in v2.1 of the IFM Methodology and Summary of Changes available on the “Standards & Methodologies” webpage of ACR’s website:
<https://americancarbonregistry.org/carbon-accounting/standards-methodologies>.

d. Information originally submitted to and assessed by TAB that would be altered as a result of this change (copy and paste in the field below); including any and all relevant descriptions or explanations provided by the Programme in its Application Form and accompanying materials and/or in response to any further inquiries from TAB during the course of the assessment(s) that informed TAB recommendations on the Programme’s current eligibility:

References to baselines in the context of crediting periods as related to the change noted above were included in the March 2022 Re-assessment Application, including:

Section III, Part 3, Question 3.3. Offset credit issuance and retirement procedures (referring to ACR’s original application July 2019)

Improved Forest Management project type includes a baseline that is subject to economic and policy changes so must have a shorter crediting period.

Section III, Part 4, and Question 4.1. Are additional (referring to ACR’s original application July 2019)

Both project additionality and the project baseline remain fixed for the duration of the crediting period. Therefore, these two key eligibility requirements feature more prominently in the scope of the validation, which occurs only once, at the beginning of each crediting period.

Section III, Part 4, and Question 4.2. Are based on realistic and credible baseline (referring to ACR’s original application July 2019)

Yes, changing baseline conditions are assessed during project crediting period renewal. A project baseline is typically fixed for the duration of a crediting period and, at defined intervals, crediting

⁸ If documents or resources evidencing the change are not publicly available, please include this information in an attachment to this form and clearly identify any business-confidential information.

periods are renewed.

Section III, Part 4, and Question 4.3. Are quantified, monitored, reported, and verified (referring to ACR's original application July 2019)

By definition in the ACR Standard, Crediting Periods are established in order to require Project Proponents to re-confirm, at intervals appropriate to the project type, that the baseline scenario remains realistic and credible, the Project Activity remains additional, and the most accurate and technologically up-to-date GHG accounting is being used.

e. How the information in “d.” would be revised and submitted to any future (re-)assessment process, by updating the information in “d.” to reflect any / all modifications to the Programme’s original information that result from the change:

Unless otherwise required by ICAO, ACR intends this document to reference the updates to our application. We would be happy to answer any additional questions ICAO may have.

CHANGE 6

a. Description of the change (e.g., the addition, modification, deletion undertaken):

While not a material change since this update is as a result of having followed ACR’s policies, procedures and approaches as previously described to the TAB, and retaining the same requirements for services, security, confidentiality, representations and warranties, etc. as in previous versions of the ACR Terms of Use, ACR has updated the ACR Terms of Use to clarify requirements and align with new Registry infrastructure enhancements and additional transparency, compliance, and security measures. Among the updates were revisions to enable cancellation of credits on behalf of third parties.

b. Rationale for the change:

The April 2024 version of ACR Terms of Use added credit cancellation to the types of transactions (e.g., credit retirement) that can be carried out on behalf of third parties (“Indirect Owners”) to permit Account Holders to cancel credits for CORSIA compliance on behalf of aeroplane operators who may not themselves have an ACR Registry account.

c. Where the change is reflected in the Programme’s documentation or other resource(s)⁹:

The change is noted publicly in the ACR Terms of Use under the “Review Registry Documents” section of the Registry webpage of ACR’s website: <https://acrcarbon.org/acr-registry/>

d. Information originally submitted to and assessed by TAB that would be altered as a result of this change (copy and paste in the field below); including any and all relevant descriptions or explanations provided by the Programme in its Application Form and accompanying materials and/or in response to any further inquiries from TAB during the course of the assessment(s) that informed TAB recommendations on the Programme’s current eligibility:

References to third party ownership and the ability to retire credits were included in the March 2022 Re-assessment Application, including:

Section III, Part 3, and Question 3.5. Legal nature and transfer of units (referring to ACR's original application July 2019)

Ownership of offset credits: A General Prohibition exists on Third Party Ownership of offset credits requiring Account Holder to hold or retire in its Accounts offset credits for which it is the

⁹ If documents or resources evidencing the change are not publicly available, please include this information in an attachment to this form and clearly identify any business-confidential information.

sole holder of legal title. There are exceptions for retail aggregators, which may retire offset credits on behalf of third-parties under specific conditions, and for Account Holders that are Regulated Person(s) and have approval of third-party owners of offset credits to hold offset credits on their behalf. In the cases of the exceptions, Account Holder must comply with applicable laws, regulations and other legally enforceable requirements and agrees to maintain a customer identification program that contains reasonable procedures to verify the identity of any individual or organization on whose behalf Account Holder is holding offset credits.

e. How the information in “d.” would be revised and submitted to any future (re-)assessment process, by updating the information in “d.” to reflect any / all modifications to the Programme’s original information that result from the change:

Unless otherwise required by ICAO, ACR intends this document to reference the updates to our application. We would be happy to answer any additional questions ICAO may have.

CHANGE 7

a. Description of the change (e.g., the addition, modification, deletion undertaken):

With regard to Question 4.5. Represent permanent emission reductions, ACR’s responses below have not changed.

“Further, each project must execute and submit the ACR Risk Mitigation Agreement, a legally binding contract, prior to offset credit issuance. This agreement lays out the obligations of the project proponent to both mitigate risk and compensate for reversals.”

“For AFOLU projects with a risk of reversal of GHG emission reductions/removals, Project Proponents must assess risk using an ACR-approved risk assessment tool and enter into a legally binding Reversal Risk Mitigation Agreement with ACR. Project Proponents must then mitigate reversal risk by contributing offsets to the ACR Buffer Pool (either from the project itself, or ERTs of any other type and vintage); by providing evidence of sufficient insurance coverage with an ACR- approved insurance product to recover any future reversal; or by using another ACR-approved risk management mechanism.”

“The VVB shall review the AFOLU Project Proponent’s project-specific risk assessment, which must be conducted using the ACR Tool for Risk Analysis and Buffer Determination, and its chosen risk mitigation mechanism, supporting documentation, and analytics. The VVB shall also review the risk reversal mitigation measures implemented to ensure they are consistent with the terms set forth in the ACR AFOLU Carbon Project Reversal Risk Mitigation Agreement.”

“For terrestrial sequestration projects, ACR mitigates reversal risks through the legally binding AFOLU Carbon Project Reversal Risk Mitigation Agreement and Buffer Pool Terms and Conditions, which dictates requirements for a Buffer Pool contribution. The Reversal Risk Mitigation Agreement is form agreement included as Attachment A. This Agreement must be executed prior to any offset credit issuance, and outlines the requirement to 1) Assess risk 2) Mitigate risk through an ACR mechanism 3) Comply with the risk mitigation requirements including notifying ACR of the reversal, completing a verification to quantify the reversal amount, and 4) compensating for the reversal as applicable. This is further described in number 4 below.”

“AFOLU reversals must be reported and compensated following requirements detailed in the ACR AFOLU Carbon Project Reversal Risk Mitigation Agreement and the Buffer Pool Terms and Conditions. ACR’s stringent procedures and legally binding Risk Mitigation Agreement ensures that all reversals are compensated in a timely manner.”

“The ACR registry allows the specification of project type and vintage of all credits used for compensating reversals and for buffer contributions. Therefore, as mentioned in section 3.5(c), ACR can easily ensure that all offset credits contributed to the buffer pool and used for reversal compensation for ICAO-eligible projects meet ICAO EUC in terms of project type, vintage or other specified requirements.”

Therefore, while not a material change since this update is as a result of having followed ACR’s policies, procedures and approaches as previously described to the TAB, and retaining the same core function and assurance to compensate for reversals, ACR has updated the ACR Buffer Pool Terms and Conditions and the ACR AFOLU GHG Project Reversal Risk Mitigation Agreement.

b. Rationale for the change:

The May 2024 ACR Buffer Pool Terms and Conditions and the ACR AFOLU GHG Project Reversal Risk Mitigation Agreement were updated to refine and clarify requirements based on experience to date and to align with the updates to the ACR Standard v8.0. Key provisions of the Buffer Pool Terms and Conditions that were updated are listed below.

- Clarified existing practice that signatories to the Risk Mitigation Agreement must also agree to the ACR Terms of Use.
- Updated the Composition of the Buffer Pool Contribution to require all projects, regardless of listing date, to contribute carbon credits with a vintage no more than 5 years prior to the vintage of the credits being verified and issued (e.g., if a Buffer Pool Contribution is for the issuance of 2024 vintage credits, the earliest vintage of credits of the Buffer Pool Contribution is 2019).
- Added text relevant to the exchange of credits previously contributed to the Buffer Pool.
- Clarified timing of notification requirements in the event of a reversal and extended the length of time for a verification of the reversal to be submitted to ACR.
- For an Unintentional Reversal, clarified the timing of a deductible contribution, if applicable, and added a requirement for any such deductible contribution to be made up of ACR carbon credits with vintage limited to no more than 5 years prior to the date of deposit of the deductible (e.g., if the deductible contribution deposit occurs in 2024, earliest vintage of credits is 2019).
- For an Intentional Reversal, clarified the process and timing of a contribution to compensate for the reversal; added requirements that compensation must be comprised of ACR carbon credits with vintage limited to no more than 10 years prior to the date the Reversal is reported to ACR and, if compensating for CORSIA Eligible credits, that CORSIA Eligible credits be contributed; and added text relevant to the use of previously contributed buffer credits when compensating for an Early Project Termination.
- Clarified language pertaining to aggregated or PDA projects’ ability to continue in the event of discontinuation of a portion of the enrolled lands.
- Added ACR’s buffer credit use criteria when determining the cancellation of credits from the Buffer Pool for relevant reversal events.

c. Where the change is reflected in the Programme’s documentation or other resource(s)¹⁰:

The change is noted publicly in the ACR Buffer Pool Terms and Conditions available on the “Program Resources” webpage of ACR’s website:
https://acrcarbon.org/program_resources/acr-buffer-pool-terms-and-conditions-may-2024/

d. Information originally submitted to and assessed by TAB that would be altered as a result of this change (copy and paste in the field below); including any and all relevant descriptions or explanations provided by the Programme in its Application Form and accompanying materials and/or in response

¹⁰ If documents or resources evidencing the change are not publicly available, please include this information in an attachment to this form and clearly identify any business-confidential information.

to any further inquiries from TAB during the course of the assessment(s) that informed TAB recommendations on the Programme's current eligibility:

References to the ACR Buffer Pool Terms and Conditions and ACR AFOLU GHG Project Risk Mitigation Agreement were included in the March 2022 Re-assessment Application, including:

Section III, Part 3, and Question 3.7. Programme governance (referring to ACR's original application July 2019)

- c) ACR is a business unit of Winrock International, and Winrock stands behind ACR's long term commitments. In the unlikely event that the ACR program is discontinued in its current form, Winrock is legally responsible for the administration of any ongoing program elements or the appointment of a comparable qualified organization to do so. Such elements include the management of the Buffer Pool, as mutually agreed in section 13(h) of the legal Reversal Risk Mitigation Agreement executed between Winrock and AFOLU project proponents.

Section III, Part 4, and Question 4.5. Represent permanent emission reductions (referring to ACR's original application July 2019)

The ACR Buffer Terms and Conditions is in Appendix B of the ACR Standard, and also as an annex to the ACR Risk Mitigation Agreement, included as Attachment A. The Buffer Terms and Conditions outline the ACR requirements and procedures related to risk mitigation and reversal. Section 1.4 of the Buffer Terms and Conditions states the following:

"ASSESSMENT OF RISK. For AFOLU projects that have risk of Reversal, Project Proponent shall conduct a risk assessment addressing both general and project-specific risk factors using the ACR Tool for Risk Analysis and Buffer Determination. The output of the tool is an overall risk rating percentage for the project, translating into a number of offsets that will be deposited in the ACR Buffer Pool Account to mitigate the risk of reversals at the time of each issuance, the Minimum Buffer Percentage. The risk assessment, overall risk category and Minimum Buffer Percentage, and calculated buffer contribution amount shall be included in the GHG Project Plan. ACR evaluates the overall risk category and corresponding buffer contribution, and the VVB evaluates whether the risk assessment has been conducted correctly. If no Reversals occur, the project's risk category and Minimum Buffer Percentage shall remain unchanged for five years. The risk analysis must be re-evaluated every five years, coincident with the interval of required site visit verification except in the event of a Reversal, in which case the risk category and Minimum Buffer Contribution shall be re-assessed and re-verified immediately."

- b) The ACR AFOLU Carbon Project Reversal Risk Mitigation Agreement requires project proponents to report a reversal immediately, but no later than 10 days of becoming aware of it. There is no materiality threshold – all reversals must be reported.

Section 5 of the Risk Mitigation Agreement, and section B.5 of the ACR Buffer Terms and Conditions describe the ACR requirements related to compensation of reversals, which are summarized here:

- i. A project proponent must notify ACR of a reversal (both intentional and unintentional) immediately upon discovery or knowledge of the reversal. Such notice must include an estimate of the size of the reversal, the "Estimated Lost Offset Amount".
- ii. In all cases (regardless of the type of reversal) the project proponent must comply with ACR requests for additional information and analyses relating to the reversal, and must have the reversal volume verified by an accredited verification body with 6 months of reporting the reversal. The final volume is referred to as the "Verified Lost Offset Amount".
- iii. In the case of an unintentional reversal, ACR will then cancel a number of offsets equal to the "Estimated Loss Amount" from the ACR Buffer Pool. If the Lost Offset Amount from the Reversal exceeds the Proponent's Buffer Contributions to date, the Project Proponent shall pay a "deductible" of 10% of the Lost Offset Amount, depositing this additional offset amount in the ACR Buffer Pool within thirty (30) days of the cancellation, and the Buffer Pool covers the remainder. The deductible contribution may be of ACR offsets of any type and vintage. Following unintentional reversals, the Proponent is not required to replenish the buffer unless

the Minimum Buffer Percentage increases based on the risk assessment update. If the Verified Lost Offset Amount is greater than the Estimated Lost Amount, ACR will cancel from the Buffer Pool the difference.

- iv. In the case of an intentional reversal, ACR will then cancel the number of offsets equal to the “Estimated Loss Amount” from the project proponent’s ACR account or from the buffer pool. The project proponent must compensate by reimbursing the buffer pool with the Estimated Loss Amount within 30 days of the reporting the reversal. This Buffer Contribution may be made using ACR offsets of any type or vintage. If the Project Proponent does not make this Buffer Contribution within thirty (30) days, ACR retains the right to freeze the account and use any existing offsets to compensate for the Reversal.
- v. Projects will terminate automatically if a Reversal causes project stocks to decrease below baseline levels prior to the end of the Minimum Project Term. In cases where this decrease is intentional (e.g., forest conversion or over-harvesting) the project proponent shall compensate for all issued offsets to that project. In cases where this decrease is unintentional the buffer pool will compensate for the reversal.
- vi. Project proponents that choose to terminate early (i.e., prior to the Minimum Project Term of 40 years) ACR assumes that all offset credits issued to the project to date are lost due to an intentional reversal and must be compensated by the project proponent.
 - a) For terrestrial sequestration projects, ACR requires all project proponents to execute a legally binding Risk Mitigation Agreement... This agreement must be executed jointly by Winrock International (ACR’s parent company) and the project proponent, and submitted to ACR prior to any offset credit issuance. The Risk Mitigation agreement outlines the following:
 - Requires proponent to assess risk of reversal.
 - Requires proponent to update risk of reversal at regular intervals.
 - Requires proponent to contribute to the buffer pool (or other approved mitigation mechanism).
 - Requires proponent to report and estimate reversal within 10 days of discovery.
 - Requires proponent to verify estimated reversal within 6 months.
 - Requires proponent to compensate for reversal when intentional, or when buffer contribution to date is insufficient to cover.
 - Defines default and remedies.
 - c) For terrestrial projects, the ACR Buffer Terms and Conditions sets out the process that is undertaken by ACR program staff when notified of a reversal. This process includes canceling offset credits upon notification of a reversal to ensure immediate compensation and wholeness of the program and verification of the reversed volume within six (6) months. Compensation for intentional and unintentional reversals must occur within 30 days per Section B.5 of the Buffer Pool Terms and Conditions of the ACR Standard.

e. How the information in “d.” would be revised and submitted to any future (re-)assessment process, by updating the information in “d.” to reflect any / all modifications to the Programme’s original information that result from the change:

Unless otherwise required by ICAO, ACR intends this document to reference the updates to our application. We would be happy to answer any additional questions ICAO may have.