

# VERIFICATION REPORT

## *American Carbon Registry*

### *ACR506: Bluesource – Greenleaf Improved Forest Management Project*

**Reporting Period:**

**11 April 2020 to 10 April 2021**

**Prepared for:**

**Bluesource**

**10 December 2021**



AMERICAN CARBON REGISTRY

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## Executive Summary

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This report describes the verification services provided for the Greenleaf Improved Forest Management project (“the project”), an Improved Forest Management project located across the upper peninsula of Michigan with some parcels in northern Wisconsin, USA that was conducted by SCS Global Services. The overall goal of the verification engagement was to review impartially and objectively the claimed GHG emission reductions/removal enhancements for the reporting period from 11 April 2020 to 10 April 2021 against relevant ACR standards and the approved methodology. The verification engagement was carried out through a combination of document review and interviews with relevant personnel. As part of the verification engagement 5 findings were raised: 1 Non-Conformity Report, 3 New Information Requests and 1 Observation. These findings are described in Appendix A of this report. The project complies with the verification criteria, and SCS holds no restrictions or uncertainties with respect to the compliance of the project with the verification criteria.

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# 1 Introduction

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## 1.1 About SCS Global Services

SCS Global Services (SCS) is a global leader in third-party certification, auditing, testing services, and standards. Established as an independent third-party certification firm in 1984, our goal is to recognize the highest levels of performance in environmental protection and social responsibility in the private and public sectors, and to stimulate continuous improvement in sustainable development. In 2012, Scientific Certification Systems, Inc. began doing business as SCS Global Services, communicating its global position with offices and representatives in over 20 countries.

SCS' Greenhouse Gas (GHG) Verification Program has been verifying carbon offsets since 2008 and to date has verified over 250 million tonnes of CO<sub>2</sub>e, providing GHG verification services to a wide array of industries including manufacturing, transportation, municipalities, and non-profit organizations. The GHG Verification Program draws upon SCS's established expertise to serve the global carbon market.

## 1.2 Objectives

The overall goal of third-party verification was to review impartially and objectively the claimed GHG emission reductions/removal enhancements against relevant ACR standards and the approved methodology. SCS independently evaluated the GHG assertion, based on supporting evidence and GHG verification best practice. The objectives of verification were to evaluate

- Reported GHG baseline, project emissions and emission reductions/removal enhancements, leakage assessment, and impermanence risk assessment and mitigation (if applicable).
- Any significant changes to the project procedures or criteria since the last verification.
- Any significant changes in the GHG project's baseline emissions and emission reductions/removal enhancements since the last verification.

SCS reviewed the GHG project plan, GHG assertion, and any additional relevant documentation provided by the client to determine

- That the reported emissions reductions and/or removal enhancements are real.
- Degree of confidence in and completeness of the GHG assertion.
- That project implementation was consistent with the GHG project plan.
- Eligibility for registration on ACR.
- Sources and magnitude of potential errors, omissions, and misrepresentations, including the
  - Inherent risk of material misstatement.
  - Risk that the existing controls of the GHG project would not have prevented or detected a material misstatement.

### 1.3 Scope

Verification included examination of some or all of the following elements of the GHG project plan:

- Physical infrastructure, activities, technologies, and processes of the GHG project
- GHG SSRs within the project boundary
- Temporal boundary
- Baseline scenarios
- Methods and calculations used to generate estimates of emissions and emission reductions/removal enhancements
- Original underlying data and documentation as relevant and required to evaluate the GHG assertion
- Process information, source identification/counts, and operational details
- Data management systems
- Roles and responsibilities of project participants or client staff
- QA/QC procedures and results
- Processes for and results from uncertainty assessments
- Project-specific conformance to ACR eligibility criteria

SCS examined the reported data, quantification methodologies, calculation spread-sheets or databases, source data, project data management systems, data quality controls in place, measurement and monitoring systems, and records pertaining to emissions quantification. Calculation and error checks, interviews with project participants, an iterative risk assessment, sampling plan, and audit checklist were performed to the extent necessary for SCS to develop an understanding of how data are collected, handled, and stored for a specific project.

### 1.4 Verification Criteria

The verification criteria were comprised of the following:

- ACR Standard, Version 6.0
- Improved Forest Management Methodology for Quantifying GHG Removals and Emission Reductions through Increased Forest Carbon Sequestration on Non-Federal U.S. Forestlands, Version 1.3 (“the methodology”)

### 1.5 Level of Assurance

The level of assurance was reasonable.

## 1.6 Treatment of Materiality

For verification purposes, it was required that discrepancies between the emission reductions/removal enhancements claimed by the project proponent and estimated by SCS be immaterial, i.e. be less than ACR's materiality threshold of  $\pm 5\%$ , as calculated according to the equation in the ACR Standard.

## 1.7 Summary Description of the Project

The Bluesource – Greenleaf Improved Forest Management Project is located on approximately 22,200 acres of mixed forestland strewn across the Upper Peninsula, majorly in the state of Michigan and incidentally in the state of Wisconsin. Given the wide geographic footprint, forest types throughout the property are varied. Some more common types are spruce-fir, mixed hardwood, cedar, red pine, and intermediate forest types that are aggregates of these named types. By committing to maintain forest CO<sub>2</sub> stocks through sustainable management, the project will provide significant climate benefits through carbon sequestration.

# 2 Assessment Process

## 2.1 Method and Criteria

The verification services were provided through a combination of document review and interviews with relevant personnel, as discussed in Sections 2.2 through 2.4 of this report. At all times, an assessment was made for conformance to the criteria described in Section 1.2 of this report. As discussed in Section 2.5 of this report, findings were issued to ensure conformance to all requirements.

The audit team created a sampling plan following a proprietary sampling plan template developed by SCS. The audit team identified areas of “residual risk”—those areas where there existed risk of a material misstatement (see Section 1.6 above) that was not prevented or detected by the controls of the project. Sampling and data testing activities were planned to address areas of residual risk. The audit team then created a verification plan that took the sampling plan into account.

## 2.2 Document Review

The monitoring report (version 2.0 dated September 14 2021; “MR”) was carefully reviewed for conformance to the verification criteria. The following provides a list of additional documentation, provided by project personnel in support of the aforementioned documents, that was reviewed by the audit team.

Documentation Reviewed During the Course of Verification Activities		
Document	File Name	Ref.
Calculations workbook	Greenleaf_RP2_ERT_HWP_09_01_21.xlsx	1
Calculations workbook	Greenleaf_RP2_CO2_09_01_21.xlsx	2

Monitoring Report	DRAFT_Greenleaf_RP2_MonitoringReport_09_14_21.pdf	3
Greenhouse Gas (GHG) Plan	Greenleaf_ACR_GHGPlan_11_10_20.pdf	4
Raw harvest data	RP2 HARVEST DATA_080921.xlsx	5
Harvest locations shapefile	RP2_AllHarvest.shp (and other associated files for this shapefile)	6
McKinnon 40 parcel timber sale	McKinnon40_advert_18-20_Greenleaf_Paradise_Pine_Prospectus.pdf	7
Updated project boundary	Greenleaf_Boundary_06_07_21.shp (and other associated files for this shapefile)	8
Forest management plan	Greenleaf_CF_plan_2019_Revision.pdf	9
Sold parcel location	SOLD10_poly.shp (and other associated files for this shapefile)	10
Sold parcel sell date (email)	SaleDateEmail.pdf	11
Legal description of sold parcel	SaleLegalDescription.pdf	12
ACR guidance concerning parcel sale	ACRGuidance_Sale_Redacted.pdf	13

## 2.3 Interviews

### 2.3.1 Interviews of Project Personnel

The process used in interviewing project personnel was a process wherein the audit team elicited information from project personnel regarding (1) the work products provided to the audit team in support of the MR; (2) actions undertaken to ensure conformance with various requirements and (3) implementation status of the project activities. The following provides a list of personnel associated with the project proponent who were interviewed.

Interview Log: Individuals Associated with Project Proponent			
Individual	Affiliation	Role	Date(s) Interviewed
Tim Hipp	Bluesource	Forest Carbon Analyst	Throughout audit
Liz Lott	Bluesource	Director	Throughout audit
Matt Beaupied	Greenleaf	Forester	9/10/2021

### 2.3.2 Interviews of Other Individuals

The process used in interviewing individuals other than project personnel was a process wherein the audit team made inquiries to confirm the validity of the information provided to the audit team. The following personnel not associated with the project proponent. The following provides a list of individuals not associated with the project proponent who were interviewed.



Interview Log: Individuals Not Associated with Project Proponent			
Individual	Affiliation	Role	Date(s) Interviewed
Gerald Willis	Michigan Dept of Natural Resources	Forester	8/10/2021
Ernest Houghton	Michigan Dept of Natural Resources	Service Forester	8/10/2021

## 2.4 Site Inspections

No on-site inspections were conducted as part of the verification services.

## 2.5 Resolution of Findings

Any potential or actual discrepancies identified during the audit process were resolved through the issuance of findings. The types of findings typically issued by SCS during this type of verification engagement are characterized as follows:

- **Non-Conformity Report (NCR):** An NCR signified a discrepancy with respect to a specific requirement. This type of finding could only be closed upon receipt by SCS of evidence indicating that the identified discrepancy had been corrected. Resolution of all open NCRs was a prerequisite for issuance of a verification statement.
- **New Information Request (NIR):** An NIR signified a need for supplementary information in order to determine whether a material discrepancy existed with respect to a specific requirement. Receipt of an NIR did not necessarily indicate that the project was not in compliance with a specific requirement. However, resolution of all open NIRs was a prerequisite for issuance of a verification statement.
- **Observation (OBS):** An OBS indicates an area where immaterial discrepancies exist between the observations, data testing results or professional judgment of the audit team and the information reported or utilized (or the methods used to acquire such information) within the GHG assertion. A root cause analysis and corrective action plan are not required, but highly recommended. Observations are considered by the audit team to be closed upon issuance, and a response to this type of finding is not necessary.

As part of the audit process, 1 NCRs, 3 NIRs and 1 OBS were issued. All findings issued by the audit team during the audit process have been closed. All findings issued during the audit process, and the impetus for the closure of each such finding, are described in Appendix A of this report.

## 2.6 Techniques and Processes Used to Test the GHG Information and GHG Assertion

- Review of project documentation including calculation workbooks (Refs. 1-2), the MR (Ref 3), information related to this reporting period's harvest activity (Refs 5-7, 9), and information

regarding the updated project boundary (Refs 8, 10-13) to check for project-specific conformance to ACR standard and methodology, appropriateness of methodologies and tools applied, accuracy of GHG information and assertion.

- Assessment of any disturbances or forest management activities that took place in the project area during the reporting period (Refs 5-7, 9).
- Review of the application of project scenario during the reporting period.
- Review of the sources, sinks and reservoirs of GHG emissions within the project boundary (Refs. 1-2).
- Assessment of the emission reduction calculation inputs and procedures was performed to review the quantitative analyses undertaken by Bluesource to convert the raw inventory data into emission reduction estimates during the reporting period. This included a re-calculation of project emissions, ERTs, and uncertainty using inventory data as described below in section 3.1 and 3.2 (Refs. 1-2).
- Communicate with project personnel and project proponent via interviews, emails, and meetings to gain a better understanding of the project team's methodologies.
- Examine the data management and quality control processes and its controls for sources of potential errors and omissions.
- Review of project documentation including risk assessment and regulatory compliance.

## 3 Verification Findings

### 3.1 Results of Quantitative Uncertainty Assessment

SCS devoted a portion of the verification assessment to the review of the manner and propriety by which the project personnel quantified uncertainty associated with the individual GHGs in the project, in addition to the uncertainty of the calculation of GHG emission reductions and removals. The project uncertainty of 6.30% (Ref. 1) was verified via independent re-quantification (see table below).

The audit team also calculated the total materiality of the GHG reduction and removal assertion.

#### 3.1.1 Project Uncertainty

The reported total Project Uncertainty (UNC<sub>t</sub>) value of 6.30% was independently re-quantified by SCS using equation 19 in the methodology. No issues were found (see table below). The audit team found the difference reasonable and immaterial.

	SCS Values	Client Values	Difference
Reporting Period	UNC <sub>t</sub>	UNC <sub>t</sub>	
2	6.30%	6.31%	0.01%

#### Materiality

$$\% \text{ Error} = \frac{(\text{Project Emission Reduction Assertion} - \text{Verifier Emission Reduction Recalculation})}{\text{Verifier Emission Reduction Recalculation}} * 100$$

$$\% \text{ Error} = \frac{(157,875 - 158,385)}{158,385} * 100 = \frac{-510}{158,385} * 100 = -0.32\%$$

### 3.2 Analysis of the Quantification Methodologies and Applicable Data Sets and Sources

The audit team re-quantified project emissions, emissions reductions, and project uncertainty from the raw inventory data provided by the client. This process entailed verifying that the methods detailed in the MR were applied as indicated. The team confirmed the emissions reduction by conducting the following analysis:

- Calculate the end of reporting period diameter of individual trees from the raw inventory by adding about two seasons of growth to all trees in the inventory (Ref. 2).
- Recalculate the live aboveground, live belowground, and standing dead carbon pools using Jenkins equations and decay class information (Ref. 2).
- Calculate the change in project carbon stock stored in above and below ground live trees using equation 11 in the methodology (Ref. 1).
- Calculate the change in project carbon stock stored in above ground dead trees using equation 12 in the methodology.
- Calculate any greenhouse gas emission resulting from the implementation of the project in the reporting period using equation 13 in the methodology (Ref. 1).
- Calculate the change in the project carbon stock and GHG emissions during the reporting period using equation 14 in the methodology.
- Calculate the percentage uncertainty in the combined carbon stocks in the project during the reporting period using equation 18 in the methodology.
- Calculate the total project uncertainty (percentage) during the reporting period using equation 19 in the methodology.
- Calculate the net greenhouse gas emission reductions (in metric tons CO<sub>2</sub>e) during the reporting period and during each annual vintage using equation 20 in the methodology.

#### Emission Reductions

The audit team verified that the project personnel used the appropriate emissions factors and GWP's to calculate total emission reductions, which is adherent to the ACR Methodology. The team recalculated the final emission reductions and confirmed that they are without material discrepancy.

The ERT's associated with the second reporting period are reported in the ERT workbook and are verified by the verification team are as follows:

- 192,531 tCO<sub>2</sub>e (Emissions reductions at the end of the current reporting period without risk buffer deductions)
- 157,875 tCO<sub>2</sub>e (Emissions reductions at the end of the current reporting period including risk buffer deductions)
- 34,656 t CO<sub>2</sub>e Risk buffer contribution
- 128,354 t CO<sub>2</sub>e Leakage deduction

### Variances or Deviations

For this reporting period, the project area was reduced by approximately 10 acres, which did not result in a reversal of credits. One in-grown tree was recorded and added to the inventory as a result of surveying harvested plots for cut trees.

### Uncertainty

See section 3.1.1 above.

## 3.3 Basis of Data and Information Supporting the GHG Assertion

The following table indicates whether the data and information supporting the GHG assertion were based on assumptions and industry defaults, future projections, and/or actual historical records.

Assumptions and Industry Defaults	<input checked="" type="checkbox"/>
Future Projections	<input type="checkbox"/>
Actual Historical Records	<input checked="" type="checkbox"/>

## 3.4 Leakage Assessment

Section E3 of the GHG Plan (Ref. 4) states: “Quantification of leakage is limited to market leakage, as no activity-shifting leakage is allowed by the methodology beyond de minimis levels. All forestland owned by Greenleaf Timber Holding, Inc. is certified under the Tree Farm certification program, therefore there is no activity-shifting leakage.”

SCS confirmed that the applicable market leakage factor of 0.4 was applied.

## 3.5 Risk Assessment

The reported value of the total risk score, as determined based on the risk analysis documented in the PP and MR, was 18%. The audit team performed a complete review of the risk assessment against the requirements of the ACR Tool for Risk Analysis and Buffer Determination. The audit team concludes that the assignment of risk scores is appropriate and in conformance to the ACR Tool for Risk Analysis and Buffer Determination. A more detailed review of the audit team’s conclusions may be found below.

Actions Undertaken to Evaluate Whether the Risk Assessment Has Been Conducted Correctly		
Risk Category	Value Selected	Verification Activities
A	4%	Confirmation, through independent review of documentation, that project is not located on public or tribal lands
B	4%	Confirmation, through independent review of documentation, that project is not located on public or tribal lands
C	2%	Confirmation, through independent review of documentation, that the project is not located outside the United States
D	0%	Confirmation, through independent review of documentation, that the full project area is not covered under a conservation easement
E	2%	Confirmation, through independent review of documentation, that project is located in low fire risk region.
F	4%	Confirmation, through independent review of documentation, that epidemic disease or infestation is not present within the project areas, or within a 30 mile radius of the project area.
G	0%	Confirmation, through independent review of documentation, that project is not a wetland project or a forest project where more than 60% of the project area is not a forested wetland
H	2%	Confirmation that default value has been applied in the risk assessment calculation

## 4 Conclusion

The audit team asserts, with no qualifications or limitations, that the quantification of GHG emission reductions and/or removal enhancements, as reported in the MR, conforms to the verification criteria and is without material discrepancy.

On the basis of the information made available to SCS and the analyses completed during the verification, SCS was able to reach a positive opinion, with a reasonable level of assurance, that the emission reductions represented by the Project Proponent during the monitoring period of 11 April 2020 to 10 April 2021 are free from material misstatement and in conformance with the assessment criteria.

The following provides a summary of the ERT issuance for the current Reporting Period with the Leakage deduction included and the Buffer deduction excluded:


Annual Emission Reduction in Metric Tons (tCO <sub>2</sub> e)				
Reporting Period	Vintage	Start Date	End Date	Gross GHG Emission Reductions (tCO <sub>2</sub> e)
2	2020	11 April 2020	31 December 2020	139,783
2	2021	1 January 2021	10 April 2020	52,748
Total				192,531

*Note: final numbers are rounded for simplicity.*

The following provides a summary of the ERT issuance for the current Reporting Period with the Leakage and the Buffer deduction included (Buffer credits shown separately):

Annual Emission Reduction in Metric Tons (tCO <sub>2</sub> e)					
Reporting Period	Vintage	Start Date	End Date	Net GHG Emission Reductions (tCO <sub>2</sub> e)	Quantity of Buffer Credits (tCO <sub>2</sub> e)
2	2020	11 April 2020	31 December 2020	114,622	25,161
2	2021	1 January 2021	10 April 2020	43,253	9,495
Total				157,875	34,656

*Note: final numbers are rounded for simplicity.*

Lead Auditor Approval	 Doug Baldwin, 10 December 2021
Internal Reviewer Approval	 James Cwiklik, 27 October 2021

## Appendix A: List of Findings

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Please see Section 2.5 above for a description of the findings issuance process and the categories of findings issued. It should be noted that all language under “Project Personnel Response” is a verbatim transcription of responses provided to the findings by project personnel.

### **NCR 1 Dated 27 Aug 2021**

**Standard Reference:** ACR Improved Forest Management for Non-Federal U.S. Forestlands Version 1.3

**Document Reference:** Greenleaf\_RP2\_CO2\_8\_24\_21.xlsx

**Finding:** Section 3.1.2 of the ACR IFM methodology states “Dead wood included in the methodology comprises two components only – standing dead wood and lying dead wood. Below-ground dead wood is conservatively neglected.” The ACR Standard’s Core GHG Accounting Principles require that the Project Proponent “Use conservative assumptions, values, and procedures to ensure that GHG emission reductions or removal enhancements are not overestimated.” During the review of the quantification workbook, Greenleaf\_RP2\_CO2\_8\_24\_21.xlsx, sheet “Stats\_RP”, the audit team found that below ground biomass for dead trees in plot 126 (cell F124) is being included in the quantification of the carbon stocks during this RP. As a result, the current quantification is out of compliance with the ACR IFM methodology and the ACR Standard.

**Project Personnel Response:** This has been updated in the calculation workbook. It seems adding in a grow-in for Plot 126 to the tree list during this reporting period resulted in Excel autopopulating the BG dead calculation to '1' as opposed to '0'.

**Auditor Response:** The issue has been fixed with the latest update to the calculation workbook. The finding is closed.

**Bearing on Material Misstatement or Conformance (M/C/NA): C**

**NIR 2 Dated 27 Aug 2021**

**Standard Reference:** ACR Improved Forest Management for Non-Federal U.S. Forestlands Version 1.3

**Document Reference:** Greenleaf\_ACR\_GHGPlan\_03\_08\_21.pdf; RP2 HARVEST DATA\_080921.xlsx

**Finding:** Section A4 of the IFM Methodology states that "This methodology is designed to quantify GHG emission reductions resulting from forest carbon projects that reduce emissions by exceeding baseline forest management practices." Section B5 of the GHG Plan

(Greenleaf\_ACR\_GHGPlan\_03\_08\_21.pdf) states that "The baseline scenario represents an aggressive industrial harvest regime, targeted to maximize net present value at a 6% discount rate, typical of current practices in the project region on private lands. Baseline practices involve clearcut, shelterwood, and single tree selection silvicultural prescriptions."

Next, section B6 of the GHG Plan states that "The project scenario consists of managing the forestland using uneven-aged silvicultural techniques for generation of wood products, focusing too on preservation of water quality and wildlife habitat promotion, as described in Section A6. Project Action." The U.S. Forest Service defines a clearcut as follows: "1. A stand in which essentially all trees have been removed in one operation to produce an even-aged stand. Depending on management objectives, a clearcut may or may not have reserve trees left to attain goals other than regeneration (see regeneration method (two-aged methods). 2. A regeneration or harvest method that removes essentially all trees in a stand." (<https://www.fs.fed.us/restoration/reforestation/glossary.shtml>). Furthermore, the Merriam-Webster dictionary defines a clear-cut as "an area of forest in which all the trees have been cut down." However, in reviewing the workbook RP2 HARVEST DATA\_080921.xlsx, it indicates that clearcut harvesting was conducted in the project area (Reported&EditedHarvestVolumes', Rows 3 and 6). The audit team requests additional information regarding these clear cut harvests that have occurred during the reporting period, to better understand how they reflect the "uneven-aged silvicultural techniques" as proposed for the project scenario and reflect a divergence from the baseline scenario.

**Project Personnel Response:** The GHG Plan should have stated "The project scenario consists of managing the forestland using primarily uneven-aged silvicultural techniques for generation of wood products, focusing too on preservation of water quality and wildlife habitat promotion, as described in Section A6. Project Action." We have added this clarification to the Monitoring Report in Section III.3.

While uneven-aged silviculture will be the primary means of forest management in the project, certain forest types representative on the property benefit strongly from clear-cut or regeneration harvests, such as pine and aspen stands. This sentiment is echoed by the USFS Northern Research Station for the Lake States region (<https://www.nrs.fs.fed.us/fmg/nfmng/species/index.html>) and reinforced by the fact the two harvests in question (McKinnon 40, WeyCo Pine) are majority-pine harvests. In addition, the WeyCo Pine harvest was a salvage harvest, which is not equivalent to a prescribed clear-cut harvest.

Regardless of the harvest prescriptions applied, the scale and intensity of the baseline scenario is above and beyond any harvests occurring in the second reporting period, as well as any planned harvest in the project scenario, so we do believe the two scenarios are highly divergent. HWPs associated with this reporting period are roughly 20% of those projected in the baseline scenario for this year alone. Total GHG stocks at the end of this reporting period are now roughly 40% higher than the baseline scenario, and over 200% of the 20 year baseline average.



**Auditor Response:** The audit team reviewed the forest management plan provided in response to NIR 4, and on September 10, 2021, the audit team met with a forester from Greenleaf to discuss management activities. Based upon this additional information, the team determined that management activities undertaken during the previous reporting period are in-line with the forest management plan. The additional clarification in Section III.3 of the Monitoring Report is appreciated. This finding is closed.

**Bearing on Material Misstatement or Conformance (M/C/NA): C**

### **NIR 3 Dated 27 Aug 2021**

**Standard Reference:** ACR Standard Version 6.0

**Document Reference:** Greenleaf\_RP2\_CO2\_8\_24\_21.xlsx

**Finding:** Section 2.B.3 of the ACR Standard states “The Project Proponent shall reduce, as far as is practical, uncertainties related to the quantification of GHG emission reductions or removal enhancements.”

The audit team found that an additional live tree (Tree ID 3701; Plot 126; Tree number 16) has been included in this reporting period’s tree list, which contributes to the project carbon stock Greenleaf\_RP2\_CO2\_8\_24\_21.xlsx’, sheet ‘RP\_TreeList’). The audit team requests more information about the retrospective inclusion of this tree as compared to reporting period 1.

**Project Personnel Response:** This tree is the grow-in referenced in NCR 1. Plot 126 was visited to assess trees removed by the coincidental harvest and this tree was measured by the crew doing the post-harvest assessment. Its inclusion in the calculations more accurately represents this plot's, and therefore the project's, on-the-ground stocking.

**Auditor Response:** The audit team agrees that including the grow-in more accurately reflect's Plot 126 on-ground stocking. This finding is closed.

**Bearing on Material Misstatement or Conformance (M/C/NA): C**

### **NIR 4 Dated 27 Aug 2021**

**Standard Reference:** ACR Improved Forest Management for Non-Federal U.S. Forestlands Version 1.3

**Document Reference:** Greenleaf\_RP2\_CO2\_8\_24\_21.xlsx; RP2 HARVEST DATA\_080921.xlsx

**Finding:** Section D2 of the IFM methodology states “Where commercial timber harvesting occurs in the project area in the with-project scenario, the forest management plan, together with a record of the plan as actually implemented during the project shall be available for validation and verification, as appropriate.” Timber harvesting has taken place during this reporting period as demonstrated in the calculation workbooks (Greenleaf\_RP2\_CO2\_8\_24\_21.xlsx; RP2 HARVEST DATA\_080921) and monitoring report. The audit team requests that the forest management plan with the record of the plan as implemented during this reporting period be provided.

**Project Personnel Response:** The management plan has been added to the shared folder in 'PropertyDocs'

**Auditor Response:** Thank you for addressing this request. The management plan was helpful in closing finding #2. This finding is closed.

**Bearing on Material Misstatement or Conformance (M/C/NA): C**

**OBS 5 Dated 27 Aug 2021****Standard Reference:** ACR Monitoring Report Template v3.0**Document Reference:** DRAFT\_Greenleaf\_RP2\_MonitoringReport\_06\_30\_21.pdf**Finding:** The latest version of the monitoring report has not been signed. This finding is simply to document that the client must submit a final version of the report that is signed before the verification can be completed.**Project Personnel Response:** The Monitoring Report will be signed following the OPR review in order to limit repetitive requests of the project proponent.**Auditor Response:****Bearing on Material Misstatement or Conformance (M/C/NA):** NA