Tradewater International – Honduras 1.0

November 7, 2022

Tradewater International, SRL

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A.
PROJECT OVERVIEW

A1. PROJECT TITLE

Tradewater International – Honduras 1.0 (hereinafter referred to as "Project").

A2. PROJECT TYPE

Ozone Depleting Substances

A3. PROOF OF PROJECT ELIGIBILITY

The Project is eligible under the "Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emissions Reductions and Removals from the Destruction of Ozone Depleting Substances from International Sources, Version 1.0". Additional eligibility requirements as noted in the ACR Standard, Version 7.0 are included below.

Table 1: Eligibility Requirement from the Methodology, sections 2 and 3

Criterion	Requirement	Proof of Project Eligibility
ODS Material	Only the destruction of eligible ODS refrigerants CFC-11, CFC-12, CFC-13, CFC-113, CFC-114 and CFC-115 are eligible under this Methodology.	The only ODS that will be included for crediting will be eligible refrigerants.
Stockpile Limitation	Any refrigerants obtained from a government stockpile or inventory are eligible only if they are not required to be destroyed or converted.	No refrigerants in this project originate from an ineligible government stockpile or inventory.
Location	Project located outside of the United States and its territories.	Destruction occurred at Tredi Séché, St Vulbas, France.
Additionality	Eligible offsets must be generated by projects that yield additional GHG reductions that exceed any GHG reductions otherwise required by law or regulation or any GHG reductions that would otherwise occur in a conservative business-as-usual.	There is no mandate for the destruction of ODS CFC refrigerant in the country of origin (Honduras). In the absence of this project, the ODS refrigerant would have been vented or leaked into the atmosphere under business-as-usual scenarios. The project sources meet all other requirements of the Methodology.
Start Date	Project start date is defined as the date on which the earliest destruction activity of a project commences, documented on a Certificate of Destruction.	The project start date and destruction commencement date are the same date as documented on the included Certificate of Destruction.
Reporting Periods	Reporting period must not exceed 12 consecutive months. Project reporting period begins on the project start date.	Project reporting period begins on the project start date and does not exceed 12 months. This reporting period is provided in the included Monitoring Report.

Crediting Periods	Project crediting period is ten years and begins on the project start date.	Project crediting period begins on the project start date and will be ten years. The crediting period is provided in the included Monitoring Report.
Regulatory Compliance	Projects must maintain material regulatory compliance. To do this, a regulatory body/bodies must deem that a project is not out of compliance at any point during a reporting period.	This project maintains regulatory compliance through the entirety of the reporting period.
Eligible Destruction Facility	ODS must be destroyed at either an approved HWC subject to RCRA and with a RCRA permit for the ODS destruction facility stating an ODS destruction efficiency of at least 99.99% OR a transformation or destruction facility that meets or exceeds the Montreal Protocol's TEAP standards provided in the *Report of the Task Force on Destruction Technologies,* including DRE of 99.99% and emission levels consistent with the guidelines set forth in the TEAP report.	The project was destroyed at Tredi Saint-Vulbas, a destruction facility which exceeds the Montreal Protocol's TEAP standards, including a DRE of greater than 99.99% and emission levels consistent with the guidelines set forth in the TEAP report.
Destruction Facility Additional Requirements	A destruction facility must meet all applicable monitoring and operational requirements under relevant environmental laws, as well as all applicable regulatory requirements that apply directly to ODS destruction activities during the time ODS destruction occurs.	Tredi maintains all required permits for destruction in France, and follows all emissions level restrictions determined by the country. Any administrative or actionable concerns determined via inspection have been addressed to either be unrelated to ODS destruction activities, or are corrected. Please see additional information after this table.
Combination Restriction	Eligible ODS may not be combined within the same container.	The ODS species, R12, is pure and not combined with other ODS.
Solvent Limitation	ODS produced exclusively for use as solvents is not eligible.	ODS included in the project were not produced exclusively as solvent.
Source Category	A single offset project may incorporate ODS from one or more of the following source categories: equipment, refrigeration systems or other supplies, including but not limited to cans, cylinders, and other containers of recovered, reclaimed, or unused ODS.	ODS included in the project was sourced from supplies (cylinders).
CODs	Destruction must take place under one or more Certificates of Destruction. A certificate of destruction may be used for only one offset project. Each COD	The project took place under 7 destruction events including 7 certificates of destruction. These CODs will be used for this project alone. The

	must include the following information: Project Proponent, Destruction Facility, Certificate of Destruction ID number, serial number (if applicable), mass and type of material destroyed from each container, and start and end destruction dates.	CODs contain the required information.
Conditions for multiple CODs	The project proponent must be the same for all ODS destroyed; all ODS must be destroyed at the same eligible destruction facility; and destruction activities must occur during one reporting period.	Tradewater is the project proponent for all ODS destroyed; all ODS was destroyed at Tredi Saint-Vulbas; the destruction activities occurred during one reporting period (09/27/2022-09/29/2022).
Qualified Technicians	The handling, recovery, and disposal of ODS refrigerants must be performed by qualified technicians.	The handling, consolidation, and destruction of the ODS refrigerants was handled by trained personnel at Tredi, as evidenced by the training attestations. Unlike in the US, France does not require a specific certification (akin to EPA 608 or 609 certification) to perform this work.

Table 2: Applicability Requirements from ACR Standard version 7.0, chapter 3 (not already covered in the Methodology).

Criterion	Requirement	Proof of Project Eligibility
Minimum Project Term	The duration of the Minimum Project Term for specific project types is defined in the relevant ACR sector requirements and/or methodology. Project types with no risk of reversal after crediting have no required Minimum Project Term.	There is no risk of reversal for this project, so the minimum project term is not applicable.
Real	GHG reduction and removals shall result from an emission mitigation activity that has been conducted in accordance with an approved ACR methodology and is verifiable. Credits will not be issued on an ex-ante basis.	The GHG reductions occurred after the ODS was destroyed, and prior to the verification process and credit issuance.
Emission or Removal Origin	For projects reducing or removing direct emissions, the following requirement applies: The Project Proponent shall own, have control over, or document that effective control exists over the GHG sources	Tradewater International SRL is the project proponent and owns the ODS obtained for this project.

	and/or sinks from which the emissions reductions or removals originate.	
Offset Title	Project Proponent shall provide documentation and attestation of undisputed title to all offsets prior to registration, including chain of custody documentation if offsets have ever been sold in the past. Title to offsets shall be clear, unique, and uncontested.	Tradewater International SRL has provided documentation of undisputed title to all offsets. Title to offsets is clear, unique, and uncontested. No offsets have been sold in the past.
Additional	Every project shall use either an ACR-approved performance standard and pass a regulatory surplus test, as detailed in the Methodology, or pass a three-pronged test of additionality in which the project must: 1. Exceed regulatory/legal requirements; 2. Go beyond common practice; and 3. Overcome at least one of three implementation barriers: institutional, financial, or technical.	The Project fulfills the performance standard set in the Methodology and passes a regulatory surplus test, ensuring that the GHG emission reductions are additional of those that would have occurred in the advance of the Project Activity and under a business-as-usual scenario.
Permanent	For projects with a risk of reversal of GHG removal enhancements, Project Proponents shall assess risk using an ACR-approved risk assessment tool.	There is no risk of reversal of GHG removal enhancements for this project type.
Net of Leakage	ACR requires Project Proponents to address, account for, and mitigate certain types of leakage, according to the relevant sector requirements and methodology conditions. Project Proponents must deduct leakage that reduces the GHG emissions reduction and/or removal benefit of a project in excess of any applicable threshold specified in the methodology.	Leakage is not applicable to this project type.
Independently Validated	ACR requires third-party validation of the GHG Project Plan by an accredited, ACR-approved VVB once during each Crediting Period and prior to issuance of ERTs. Validation can be conducted at the same time and by the same VVB as a full verification; however, the deadline for validation is determined by the methodology	This project is validated and verified by a third-party ACR-approved VVB in accordance with the ACR standard.

	being implemented and the project Start Date (see above). Governing documents for validation are the ACR Standard, including sector-specific requirements, the relevant methodology, and the ACR Validation and Verification Standard.	
Independently Verified	Verification must be conducted by an accredited, ACR-approved VVB prior to any issuance of ERTs and at minimum specified intervals. ACR requires verifiers to provide a reasonable, not limited, level of assurance that the GHG assertion is without material discrepancy. ACR's materiality threshold is ±5%.	This project is validated and verified by a third-party ACR-approved VVB in accordance with the ACR standard.
Community and Environmental Impacts	ACR requires that all projects develop and disclose an impact assessment to ensure compliance with environmental and community safeguards best practices. Environmental and community impacts should be net positive, and projects must "do no harm" in terms of violating local, national, or international laws or regulations. Project Proponents must identify in the GHG Project Plan community and environmental impacts of their project(s). Projects shall also disclose and describe positive contributions as aligned with applicable sustainable development goals. Projects must describe the safeguard measures in place to avoid, mitigate, or compensate for potential negative impacts, and how such measures will be monitored, managed, and enforced. ACR does not require that a particular process or tool be used for the impact assessment as long as basic requirements defined by ACR are addressed (See Chapter 8). ACR projects can follow internationally recognized approaches such as The World Bank Safeguard Policies, or can be combined with the Climate Community and Biodiversity Alliance	The Project maintains a net positive impact, as the quantified amount of GHG emissions has been eliminated and serves as an effort against climate change. Upon careful examination, no negative impacts from the project have been identified. Destruction of ODS refrigerant is highly monitored by the destruction facility, and destruction occurred within all applicable regulatory limits for emissions and local environmental impact.

	(CCBA) Standard or the Social Carbon Standard for the assessment, monitoring, and reporting of environmental and community impacts.	

Eligibility of Destruction Facility

Tredi, located in Saint-Vulbas, France, is the destruction facility used for this project. In order to manage hazardous wastes, France requires the following permits and documentation:

- An annual report to the EU on GHG emissions
- Permit from the Office of Planning, Urban Planning, and Classified Facilities which grants authorization to operate as a hazardous waste incineration and treatment facility
- Complementary provisions allowing for the storage of pressurized gases, the types of gases permitted on site, and the security and safety measures in place when utilizing the incinerator are also required for the nature of business at Tredi.

These permits are issued by Tredi's local *Préfet.* Legislation around environmental code and principles can be found in France's Environmental Charter (which is part of France's constitution). Enforcement of regulations and policies from the Charter is conducted by the relevant General Directorate. In the case of Tredi Saint-Vulbas, this Directorate is the Auvergne-Rhone-Alpes Regional Directorate for the Environment, Planning, and Housing. Inspections occur on a yearly basis. At the time of the project and to date, Tredi is in compliance with the relevant environmental laws and all applicable regulatory requirements, as evidenced by their continued permitted operation and lack of actionable findings from the most recent inspection.

In addition to France's operation and permitting requirements, the facility is eligible under the Methodology. Although not a RCRA facility, Tredi exceeds the TEAP requirements which are formally required for RCRA facilities. TEAP criteria includes the following:

- DRE of 99.99% or greater
- Emissions limitations as described in the chart below
- Technical capability through demonstrated destruction of a refractory chlorinated organic compound or ODS itself, at a rate no lower than 1.0kg/hr.

Performance Qualification	Units	Diluted Sources	Concentrated Sources (ODS)
DRE	%	95	99.99
PCDDs/PCDFs	ng-ITEQ/NM3	0.5	0.2
HCL/CL2	mg/NM3	100	100
HF	mg/NM3	5	5
HBr/Br2	mg/NM3	5	5
Particulates	mg/NM3	50	50
CO	mg/NM3	100	100

As described in the DRE Report conducted by a third party Bureau Veritas, the DRE results for Tredi Saint-Vulbas is 99.997% efficiency. Therefore, the facility exceeds the TEAP requirement.

The emissions results from testing, taking the highest value during the reading, are as follows:

Emissions Type	Limit (Diluted/Concentrated)	Emissions Result
PCDDs/PCDFs	0.5/0.2 ng-ITEQ/m^3	0.051 ng-ITEQ/m^3
HCL/CL_2	100 mg/NM3	0.2 mg/NM3
HF	5 mg/NM3	0.2 mg/NM3
HBr/Br2	5 mg/NM3	0.9 mg/NM3
Particulates	50 mg/NM3	7.0 mg/NM3
CO	100 mg/NM3	18.4 mg/NM3

As demonstrated above, Tredi exceeds the TEAP requirements on all emissions.

Finally, through destruction testing of SF_6, a chemical with a higher thermal stability than R12 (and therefore, more difficult to destroy as it can tolerate a higher temperature), a flow rate of 95 kg/h was achieved. As such, Tredi has demonstrated the last piece of the TEAP requirements.

Regulatory Compliance throughout Project Activities

Generally, for this and future projects of the same nature, regulatory compliance is assessed prior to each stage of the project formation.

Collection and/or Recovery – The source of refrigerant is evaluated for eligibility and confirmed through research on applicable laws and certifications in the source country. Any necessary certifications or permits are collected.

Transport – Transportation laws in the source country are researched and only ground transport eligible for transporting hazardous waste are utilized. For shipment between countries to the destination destruction country, the Basel Convention rules are executed and demonstrated through the required paperwork and permissions. Delivery to the eligible destruction facility is through similarly licensed and eligible hazardous waste carriers in the destination country, according to local laws. Regular review of certificates for operation are reviewed to ensure compliance.

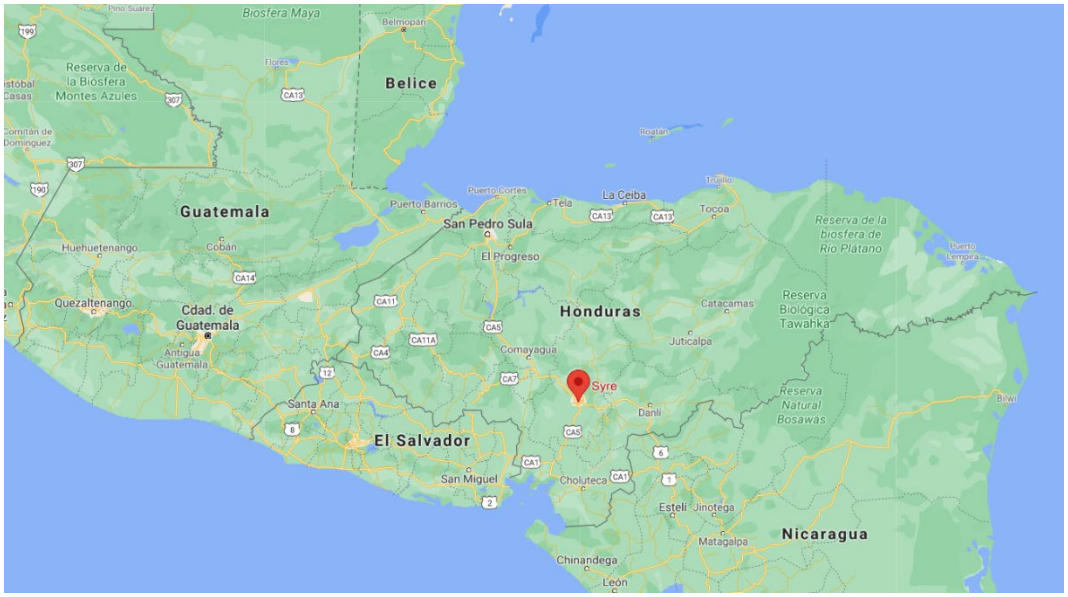
Destruction – After an eligible destruction facility has been identified, compliance is maintained through the review of public inspection records, through communication with the facility's compliance personnel, and contact with authorities wherever possible.

A4. LOCATION

The project location will be Honduras, in that all ODS material will be collected and/or acquired in Honduras. The company Servicios y Repuestos Europeos S.A. de C.V. (SYRE), in custody of the material from the refrigerant owner, was the source of consolidation activities. SYRE is located at 3QMW+Q57, Calle Golan, Tegucigalpa, Honduras. (Please note that this address includes a numeral identifier called a Plus Code which is used in cases of addresses that do not have proper street names or numbers. This is the case with SYRE.) The GPS coordinates for SYRE are:

Latitude: 14.085

Longitude: -87.204



All collected ODS refrigerant was destroyed at Tredi Séché, located at Rue Charles de Gaulle. 01150 Saint-Vulbas, France

GPS Coordinates:
Latitude: 45.8404665
Longitude: 5.273068

A5. BRIEF SUMMARY OF PROJECT

Description of project activity

The project activity is the destruction of eligible ODS refrigerant, specifically CFC-12, for which ownership was transferred to Tradewater International for the purpose of destruction. The ODS was acquired from "*Servicios y Repuestos Europeos S.A. de C.V (SYRE)",* a vehicles and machinery importing company located in Tegucigalpa, Honduras that imported the disposable cylinders from Liverpool in 2004 as part of its commercial activity. The ODS refrigerant in this project was stored in disposable cylinders as virgin material, as the original owner was unable to sell it and has been stockpiled since 2004. SYRE contacted ECO-LOGICA (a company dedicated to the construction of pools, spas and jacuzzies, as well as the import and commercialization of construction products and materials) - also located in Tegucigalpa - looking for an end-of-life solution, as the ODS will eventually vent, through a leakage resulting from corrosion of the storage containers. ECO-LOGICA transferred the ownership to Tradewater International SRL as a way to ensure its proper disposition.

Under business-as-usual, the refrigerant would remain in storage, as the previous owner hasn't been able to sell it since the acquisition, in which case the CFC-12 will eventually vent, through corrosion of the storage containers. The refrigerants included in this project were unable to be sold and no longer needed

for use, and their risk of venting is mitigated by destruction at Tredi Séché, a destruction facility that meets the Montreal Protocol's TEAP standards provided in the *Report of the Task Force on Destruction Technologies*.

Background information

Refrigerants such as R-12 were historically used in air conditioners for automobiles and trucks from over 30 years, up until the mid-1990s. R-12 was banned from production by 1996 under the Montreal Protocol as it was found to be an ozone depleting substance and contributor to greenhouse gas emissions. Although the production was banned, its usage was not.

In Honduras, ODS material has been stockpiled over the years by stakeholders that recovered material from private companies and technicians, and/or that collected unused material that was originally imported for use/sale, mainly to be used in air conditioning for automobiles and trucks. Due to the decreased supply and the advancement of technologies, as well as the implementation of HFC refrigerants, many cars have changed the refrigerant used in its air conditioning system. As such, stockpiles of unsold new CFC-12 require an end-of-life solution, one of which is destruction. However, there is currently no law, rule or regulation requiring the destruction of ODS, and no equipment or technology capable of destroying ODS consistent with the requirements of the Montreal Protocol. As a result, the ODS material in Honduras is released into the atmosphere - either quickly because it is not captured from equipment at end of life, or slowly, because it is captured and placed into stockpiles, or simply remains in stockpiles with no future use.

Project Purpose and Objectives

The purpose of this project is to offset the emissions that would have been released by refrigerants in non-use, by preventing the ODS material from being leaked into the atmosphere - either quickly, because it is not captured from equipment at end of life, or slowly, because it is captured and placed into stockpiles, or simply remains in stockpiles with no future use.

A6. PROJECT ACTION

Description of Prior Physical Conditions

In the business-as-usual scenario, ODS refrigerants are stockpiled and stored until a use can be determined, in disposable containers that are not designed to store refrigerant for long periods of time. Under this scenario, ODS refrigerant will ultimately leak into the atmosphere, because the containers in which they are held degrade or slowly leak.

Description of how the Project will Achieve GHG Reductions

This project achieves emission reductions through the destruction of ODS refrigerant, instead of holding it in containers at risk of eventual leakage or release. This Project measures the amount of assumed

emissions if the ODS were vented under business-as-usual scenario against the emissions prevented by the destruction of the same material. Plainly, destruction yields significantly lower net emissions than the business-as-usual scenario.

Description of Project Technologies, Products, Services, and Expected Level of Activity

After the ODS refrigerant stockpiles were found in Honduras, the disposable cylinders were counted and weighed in SYRE's facility located in Colonia El Prado, Tegucigalpa and from there, the cylinders were transported to Cortes Port in Honduras, shipped to Le Havre Port in France, and then transported to Tredi's facility in Saint-Vulbas France where the cylinders were consolidated into B1000 tanks and destroyed.

Tradewater International anticipates future ODS refrigerant projects as long as the storage of stockpiles remains business-as-usual. The ODS material in Honduras is released into the atmosphere - either quickly because it is not captured from equipment at end of life, or slowly, because it is captured and placed into stockpiles, or simply remains in stockpiles with no future use.

A7. *EX ANTE* OFFSET PROJECTION

The ex-ante offset projection is not applicable to this methodology, as emissions reductions are calculated for the 10-year crediting period in the first reporting period. The total emissions reduction for this reporting period are 61,861 tCO_2e.

Project	Location	Vintage	Total ERTs
Tradewater International – Honduras 1.0	Honduras (Origin) France (destruction)	2022	61,861

A8. PARTIES

Table 3: Parties involved in Project				
Entity	***Name***	***Role/Title***	***Contact Info***	***Responsibility***
Tradewater International	*María José Gutiérrez Murray*	*Director of International Programs*	*Rohrmoser, Edificio TriBca, 19A, Calle 80, Ave 3* *Mob: +506 21077344*	*Project Proponent*
Tredi Séché Group	*Raoul Goldbronn*	*Operations Manager*	*TREDI SA* *Parc Industriel de la Plaine de l'Ain* *BP55 Saint Vulbas*	*Destruction Facility*

			01150 LAGNIEU *France* *Mob : +33 625 59 60 58*	

Tradewater International, SRL – Project Proponent

Tradewater International SRL has been in operation since 2019 as a subsidiary of Tradewater LLC and is a mission-driven company. Tradewater International's aim is to collect and destroy greenhouse gases found around the world while creating economic opportunity. Tradewater as a whole has a goal of eliminating 3 million tons of CO_2 annually.

Tredi Séché – Destruction Facility

Tredi is a subsidiary of Séché Environnement, a family owned and independent company, with presence in 15 countries. Tredi has been working in waste management for 35 years, including domestic, industrial, and hazardous waste. The destruction facility is located in Saint-Vulbas, Ain and utilizes a rotary kiln incineration process for the destruction of waste.

B.
METHODOLOGY

B1. APPROVED METHODOLOGY

The Project uses the Methodology for the Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emissions Reductions and Removal from the Destruction of Ozone Depleting Substances from International Sources Version 1.0 (hereinafter referred to as "Methodology").

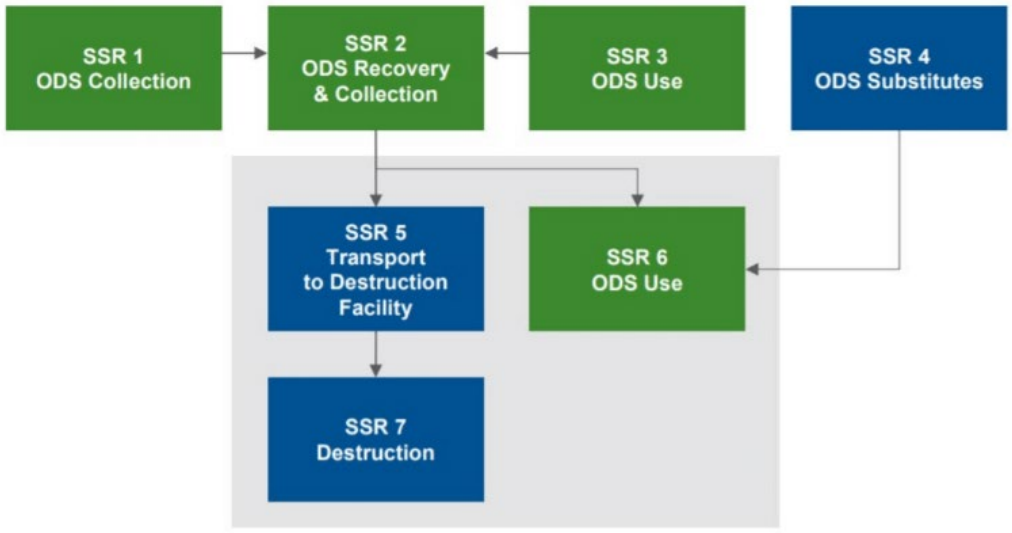
B2. METHODOLOGY JUSTIFICATION

The Project involves the destruction of ODS refrigerant CFC-12. There is no requirement in Honduras (where the material comes from) that CFC refrigerants must be destroyed. Because these refrigerants have been phased out worldwide and there are less impactful substitutes, and their production has been banned, their destruction will not trigger any additional CFC refrigerant production.

B3. PROJECT BOUNDARIES

The geographic boundary of the Project is Tredi Séché, located at Rue Charles de Gaulle. 01150 Saint-Vulbas, France. The reporting period is 09/27/2022-09/29/2022 and the crediting period 09/27/2022 – 09/26/2032.

Additional SSRs within the project boundaries are ODS and Transport to Destruction Facility.



B4. IDENTIFICATION OF GHG SOURCES AND SINKS

Identify the GHG sources and sinks within the project boundaries. If any sources or sinks will be considered de minimis*, include a justification.*

Table 4: Greenhouse Gases and Sources (source: Methodology)			
GHG Source, Sink, or Reservoir (SSR)	Source Description	Gas	Quantification Method
Transport to Destruction Facility	Fossil fuel emissions from the vehicular transport of ODS from aggregation point to final destruction facility.	CO_2	$\boldsymbol{Tr\&Dest} = (\boldsymbol{Q_{ODS}} \times \boldsymbol{EF}) + (\boldsymbol{Q_{BA}} \times \boldsymbol{EF}) + (\boldsymbol{Q_{intf}} \times \boldsymbol{EF})$
ODS Use	Emissions of ODS from use, leaks, and servicing through continued operation of equipment.	ODS	$\boldsymbol{BE_{refr}} = \sum_{i} (\boldsymbol{Q_{ref,i}} \times \boldsymbol{ER_{refr,i}} \times \boldsymbol{GWP_i}$
ODS Use	Emissions of substitute from use, leaks, and servicing through continued operation of equipment.	CO_2e	$\boldsymbol{Sub_{refr}} = \sum_{i} (\boldsymbol{Q_{ref,i}} \times \boldsymbol{SE_i}$
Destruction	Emissions of ODS from incomplete destruction at destruction facility.	ODS	$\boldsymbol{Tr\&Dest} = (\boldsymbol{Q_{ODS}} \times \boldsymbol{EF}) + (\boldsymbol{Q_{BA}} \times \boldsymbol{EF}) + (\boldsymbol{Q_{intf}} \times \boldsymbol{EF})$
Destruction	Emissions from the oxidation of carbon contained in destroyed ODS.	CO_2	$\boldsymbol{Tr\&Dest} = (\boldsymbol{Q_{ODS}} \times \boldsymbol{EF}) + (\boldsymbol{Q_{BA}} \times \boldsymbol{EF}) + (\boldsymbol{Q_{intf}} \times \boldsymbol{EF})$
Destruction	Fossil fuel emissions from the destruction of ODS at destruction facility.	CO_2	$\boldsymbol{Tr\&Dest} = (\boldsymbol{Q_{ODS}} \times \boldsymbol{EF}) + (\boldsymbol{Q_{BA}} \times \boldsymbol{EF}) + (\boldsymbol{Q_{intf}} \times \boldsymbol{EF})$
Destruction	Indirect emissions from the use of grid-delivered electricity.	CO_2	$\boldsymbol{Tr\&Dest} = (\boldsymbol{Q_{ODS}} \times \boldsymbol{EF}) + (\boldsymbol{Q_{BA}} \times \boldsymbol{EF}) + (\boldsymbol{Q_{intf}} \times \boldsymbol{EF})$

B5. BASELINE

The baseline scenario selected for the project is that related to ODS refrigerant, in which the following emissions rates are assumed under business-as-usual:

Table 5 Parameters for ODS Refrigerants (source: Methodology, Appendix A)		
ODS	10-year cumulative emission rate (%/10 years)	100 years global warming potential (MT CO_2E/MT ODS)
CFC-11	89%	4750
CFC-12	95%	10900
CFC-13	61%	14400
CFC-113	89%	6130
CFC-114	78%	10000
CFC-115	61%	7370

In this Project, the CFC-12 material was found in Honduras and, because of the lack of destruction capacity in the country, it was exported and destroyed in France. In Honduras, there is no mandate to destroy as

shown in the Executive Agreement 006-2012, *General Regulation on the Use of Ozone Depleting Substances* (Appendix 1). It states in Article 4 that the recycling and/or destruction of ODS must be carried out by individuals or legal businesses who are duly registered with SERNA (Secretary of Natural Resources and Environment). Therefore, there is no mandate to destroy ODS in Honduras as other options for their management are allowed in its legislation.

According to the experience of the refrigerant owner prior to Tradewater, it is clear that there is no market in the country for the sale of this stockpiled ODS. All the ODS sat in deteriorating cylinders with no alternative use. All of these circumstances assure that the ODS without particular use remain in storage, where they risk leaking, ultimately being released into the atmosphere slowly from the deterioration of the containers.

B6. PROJECT SCENARIO

The project scenario is the destruction of CFC-12 which otherwise would remain unused and in storage indefinitely until a use for the refrigerants could be found. As the ban on production and import of these refrigerants diminished the equipment and vehicles that use them in the country, the ODS material found would remain in stockpiles if it is not given a proper final disposal.

The project will abide with all environmental regulations from both Honduras and France, including the export license obtained by request and under approval the Ozone Unit in Honduras, according to the Executive Agreement 006-2012 (Appendix 1). Also, all activities related to ODS are to be performed by individuals or legal businesses authorized and supervised by the Ozone Unit and therefore all Tradewater partners are authorized under this regulation.

For the destruction in France, Tradewater obtained an import permit through an application process administered by the Directorate-General for Climate Action, a department of the European Commission. The import and export of ODS are subject to licensing requirements. All ODS included in the Project will be imported with a license and the amounts and types of ODS imported into France for destruction will be reported in accordance with the EU 'Ozone Regulation' – Regulation (EC) 1005-2009 on substances that deplete the ozone layer – which provides the legal basis for the protection of the ozone layer within the European Union. The Basel Convention notification process will also be followed for the transboundary movement of the waste, as both Honduras and France are signatories of the Convention and the ODS material to be transported is considered hazardous waste.

Once in France, the ODS is handled according to the French Environment Code and the EC 1005-2009. Transport operations for hazardous waste comply with the Environment Code requirements relating to the collection, transport, trading, and brokerage of waste, as well as with ADR and IMDG regulations. Once in Tredi-Groupe Séché Environnement, the destruction facility in Saint-Vulbas, France, the ODS is destroyed in compliance with all the applicable laws and regulations. This includes environmental and health and safety regulations.

B7. REDUCTIONS AND ENHANCED REMOVALS

Through this project, greenhouse gas reductions are achieved by preventing the inevitable release of the refrigerant ODS into the atmosphere – either through leakage from degrading systems and storage, or from accidental venting during the movement of the cylinders. The reductions are calculated by baseline emissions minus the project emissions.

B8. PERMANENCE

There is no risk of reversal for this project offsets, as once destroyed the associated GHG reductions are fixed.

C.
ADDITIONALITY

C1. REGULTORY SURPLUS TEST

In order to pass the regulatory surplus test, a project must not be mandated by existing laws, regulations, statutes, legal rulings, or other regulatory frameworks in effect as of the start date that directly or indirectly affect the credited offsets. Honduras has no law, statute, or other regulatory framework mandating the destruction of ODS. The Executive Agreement 006-2012, General Regulation on the Use of Ozone Depleting Substances states that ODS substances can be recycled and/or destroyed (Article 4). The Executive Agreement 006-2012 also regulates the export of ODS. It indicates that is mandatory to obtain an export permit for substances controlled by the Montreal Protocol. Permission to export is obtained by request and under approval of UTOH.

In conclusion, neither these regulations, nor any other existing laws, regulations, statutes, legal rulings, or other regulatory frameworks in effect as of 09/27/2022require the project activity and its associated GHG emission reductions/removal enhancements. Therefore, the project passes the regulatory surplus test.

C2. COMMON PRACTICE TEST

Not applicable.

C3. IMPLEMENTATION BARRIERS TEST

Not applicable.

C4. PERFORMANCE STANDARD TEST

Refrigerant ODS in a business-as-usual scenario is used only when the existing systems are old enough to still process this type of refrigerant. When this is not the case, ODS refrigerant is either stored in their original disposable containers or in larger containers for possible use or recovered from existing systems in the process of decommissioning or retrofitting, thereby requiring an end-of-life solution. All ODS sources for this project came from Honduras, not from any government stockpiles or installations, and was destroyed in a destruction facility that meets the Montreal Protocol's TEAP standards provided in the *Report of the Task Force on Destruction Technologies.*

The GWP of CFC-12 is above, in Table 5. The GHG emissions generated by the project are significantly less than the business-as-usual scenario for all refrigerant types, and the emissions reductions are greater than those in the baseline scenario.

The CFC ODS sourced for this project, along with the project activities, meet the eligibility requirements:

- This material would otherwise eventually be vented into the atmosphere in the business-as-usual scenario.
- The material was destroyed via an eligible destruction facility.
- Point of Origin and Chain of Custody for this material is outlined in the supporting documents, located in the folder Chain of Custody.

- Tradewater International has monitored the applicable SSRs within the project boundary.
- The emissions have been quantified aligned with Chapter 5 of the Methodology, as indicated in section E, and shown in the Project Assertion Spreadsheet.

D.
MONITORING PLAN

D1. MONITORED DATA AND PARAMETERS

Data or Parameter Monitored	Legal Requirement Test
Unit of Measurement	N/A
Description	Emissions reductions achieved through this project and methodology must not be required by any existing law or regulation
Data Source	Honduras Ozone Office
Measurement Methodology	N/A
Data Uncertainty	Low
Monitoring Frequency	Once per project
Reporting Procedure	Review of existing laws around ODS refrigerant management
QA/QC Procedure	Regular review of current laws and regulations surrounding ODS refrigerants, particularly CFCs.
Notes	

Data or Parameter Monitored	Mass of ODS mixture in each container
Unit of Measurement	Kilograms
Description	The total quantity of ODS refrigerant in a container.
Data Source	Manual weight tickets taken pre and post destruction for each individual container
Measurement Methodology	Section 5.1 of Methodology
Data Uncertainty	Low
Monitoring Frequency	Once per project
Reporting Procedure	Gross weight of cylinders using calibrated scale, taken before and after destruction
QA/QC Procedure	Scale calibrations, CEMs data confirms destruction parameter throughout process
Notes	

Data or Parameter Monitored	Concentration of ODS mixture in each container
Unit of Measurement	Percent
Description	The distribution of ODS refrigerant in each container (along with any other contaminants, moisture, or HBR)
Data Source	Sample data via lab analysis provided by an ISO 17025 certified third-party laboratory.
Measurement Methodology	Appendix C of Methodology
Data Uncertainty	Low
Monitoring Frequency	Once per project
Reporting Procedure	Lab analysis report

QA/QC Procedure	Composition and concentration are analyzed at an ISO 17025-certified laboratory that is not affiliated with the project proponent using the AHRI Standard 700.
Notes	

Data or Parameter Monitored	$Q_{refr,i}$
Unit of Measurement	Kilograms
Description	The total weight of ODS refrigerant sent for destruction (baseline).
Data Source	Weight tickets taken both pre- and post-destruction coupled with lab analysis
Measurement Methodology	Section 5.1 of Methodology
Data Uncertainty	Low
Monitoring Frequency	Once per project
Reporting Procedure	Net weight of cylinders using calibrated scale
QA/QC Procedure	Scale calibrations; CEMs data confirms destruction; lab analysis confirms mass percentage and identification of ODS refrigerant
Notes	

Data or Parameter Monitored	Q_{ODS}
Unit of Measurement	Kilograms
Description	The total quantity of ODS refrigerant sent for destruction (project).
Data Source	Weight tickets taken both pre- and post-destruction coupled with lab analysis and quantifications
Measurement Methodology	Section 5.2 of Methodology
Data Uncertainty	Low
Monitoring Frequency	Once per project
Reporting Procedure	Net weight of cylinders using calibrated scale; lab analysis
QA/QC Procedure	Scale calibrations performed CEMs data confirms destruction; lab analysis confirms mass percentage and identification of ODS refrigerant
Notes	

General Monitoring Requirements

All project activities are monitored by Tradewater, from the sourcing of ODS through destruction.

Through a Transfer of Ownership Agreement and Project Assertion Spreadsheet, the physical address of the source of refrigerant is documented. The Transfer of Ownership Agreement also includes an

attestation from the prior owner asserting the date of transfer. Additionally, identification features for the refrigerant including serial IDs are indicated in both the Transfer document as well as the spreadsheet. Tradewater-specific tank identifiers are provided before the material leaves the source for easy tracking.

Chain of custody from the point of transfer through to destruction is tracked using the tank IDs and shipping paperwork. Shipping paperwork includes manifests, delivery confirmation receipts, tracking numbers, and details in the project assertion spreadsheet related to each container. These documents include the names, addresses, and contact information for each entity in the chain of custody and the mass of ODS at each transaction. Gross weights include the weight of refrigerant, any impurities, and the container weight. Further, permissions for exporting out of Honduras and importing into France is demonstrated through the Basel Convention required permissions process in letters confirming such from the competent authorities.

Once the material has been delivered to the destruction facility, it was further consolidated into a total of 7 tonners (one ton capacity cylinders). This consolidation was performed by trained and eligible technicians, and the transfer was tracked by way of a consolidation log.

A sample was then taken from each of the 7 containers and sent to an eligible laboratory for analysis. A sampling log was maintained which includes all criteria required by the Methodology. Samples were taken by a technician employed by Tredi, who is unaffiliated with Tradewater. The sample was taken in accordance with the Methodology, and an SOP detailing these steps and requirements were provided to the technician (who was appropriately trained on this method).

The samples were analyzed by an ISO 17025 certified laboratory, Bureau Veritas, located in Belgium. Chain of custody can be verified for the lab samples through the transportation documentation. The samples were analyzed using AHRI 700 as evidenced by the sample analyses documents and the certification paperwork provided by the lab.

Scales used to determine the mass of ODS prior and post destruction are calibrated to 5% or better accuracy, as indicated on the calibration report. Tradewater is seeking a deviation for the quarterly requirement for this project, as destruction extended two days beyond the quarterly deadline for re-calibration. Please see the deviation document for more information.

Weighing of cylinders pre- and post-destruction is done using the same scale. Each of the 7 containers were weighed individually no more than 48 hours prior to destruction, and again no more than 48 hours after destruction, as evidenced by the dates indicated on weight tickets. Other than sampling, once consolidated there was no removal or addition of material to the 7 containers. Each weight was taken 3 minutes apart to ensure accuracy and compliance with the protocol for containers over 1,000lbs.

Once the destruction process has begun, the destruction facility continuously monitored the various parameters required by the Methodology as indicated in the CEMs data. Two separate computer

systems monitor different parameters during destruction, and the resulting data was combined for presentation for this project.

Finally, Tradewater is committed to retaining all documentation related to this project through electronic records indefinitely.

E.
QUANTIFICATION

E1. BASELINE

The baseline emissions are approximately 66,301 tCO_2eq: For details, please see the Project Assertion Emissions document.

$$BE_{refr} = \sum_i (Q_{ref,i} \times ER_{refr,i} \times GWP_i$$

Where		Units
BE_{refr}	Total quantity of refrigerant project baseline emissions during the reporting period	MT CO_2e
$Q_{ref,i}$	Total quantity of refrigerant ODS sent for destruction by the offset project	MT ODS
$ER_{refr,i}$	10-year cumulative emission rate of refrigerant ODS	%
GWP_i	Global warming potential of ODS	MT CO_2e / MT ODS

E2. PROJECT SCENARIO

The project emissions are approximately 4,440 tCO_2eq: For details, please see the Project Assertion Emissions document.

Total Project Emissions

$$PE_t = Sub_{refr} + Tr\&Dest$$

Where		Units
PE_T	Total quantity of project emissions during the reporting period	MT CO_2e
Sub_{refr}	Total GHG emissions from substitute refrigerant	MT CO_2e
$Tr\&Dest$	Total GHG emissions from transportation and destruction of ODS	MT CO_2e

Project Emissions from the Use of Non-ODS Refrigerants

$$Sub_{refr} = \sum_i (Q_{ref,i} \times SE_i)$$

Where		Units
Sub_{refr}	Total quantity of refrigerant substitute emissions	MT CO_2e
$Q_{ref,i}$	Total quantity of refrigerant i sent for destruction	MT ODS
SE_i	Emission factor for substitute(s) for refrigerant i, per Table 3	MT CO_2e/ MT ODS destroyed

Project emissions from Transportation and Destruction using the Default Emissions Factors

$$\boldsymbol{Tr\&Dest} = (\boldsymbol{Q_{ODS}} \times \boldsymbol{EF})$$

Where		Units
$\boldsymbol{Tr\&Dest}$	Total GHG emissions from ODS transportation and destruction, as calculated using default emissions factors.	MT CO_2e
$\boldsymbol{Q_{ODS}}$	Total quantity of ODS sent for destruction in project.	MT ODS
$\boldsymbol{EF}$	Default emission factor for transportation and destruction of ODS (7.5)	MT CO_2e/ MT ODS

E3. LEAKAGE

As defined by the ACR Standard V 7.0, leakage is a term that refers to secondary effects where the GHG emissions reductions of a project may be negated by shifts in market activity or shifts in materials, infrastructure, or physical assets associated with the project. Projects involving the destruction of CFC refrigerant would not encourage the increase of CFC production. Therefore, for this Methodology, "leakage" is not applicable.

E4. UNCERTAINTY

Calculating uncertainty is not applicable because the methodology as written does not require statistical sampling, nor is it a requirement within the quantifications.

E5. REDUCTIONS AND REMOVAL ENHANCEMENTS

The emission reductions are approximately 61,861 tCO_2eqThe project emissions are quantified using the below equation indicated in the Methodology, and further details are available in the Project Assertion Emissions document.

$$\boldsymbol{ER_t} = \boldsymbol{BE_t} - \boldsymbol{PE_t}$$

Where		Units
$\boldsymbol{ER_t}$	Total quantity of GHG emission reduction the reporting period	MT CO_2e
$\boldsymbol{BE_t}$	Total quantity of project baseline emissions during the reporting period	MT CO_2e
$\boldsymbol{PE_t}$	Total quantity of project emissions during the reporting period	MT CO_2e

E6. EX-ANTE ESTIMATION METHODS

Ex-ante estimation methods are not applicable to this methodology, as the emissions reductions for the 10-year crediting period are determined in the first reporting period.

F.
COMMUNITY & ENVIRONMENTAL IMPACTS

F1. NET POSITIVE IMPACTS

Tradewater International is unaware of any potential negative environmental or socio-economic impacts from this Project. Honduras is part of the Montreal Protocol since 1993 and has been eliminating substances that affect the ozone layer in recent years. Since there is currently no infrastructure necessary to responsibly manage and destroy ODS in Honduras, Tradewater International Project activities bring a solution to this problem.

The net positive impacts from the project include the reduction of inevitable emissions of CFC refrigerants in storage via leaks, testing, and accidental venting, or from container degradation. This destruction encourages the transition to safe and effective refrigerant activities, and it will not trigger any additional production because of the complete phase-out of CFCs worldwide. This further encourages innovation within development of more sustainable refrigeration and cooling technologies, as well as encouraging the entire sector to develop technologies that are more responsible and aligned with climate goals. Finally, the emissions reductions resulting from this project help to achieve climate goals by eliminating additional contributors to climate change and global warming.

SDG statement

The Project supports United Nations sustainable development goals (SDG) 8 (Decent Work and Economic Growth), 12 (Responsible Consumption and Production), and 13 (Climate Action).

- SDG 8: The Project contributes to the local economic development in Honduras. Tradewater International's aggregation approach to identifying and collecting ODS fosters and implies participation of various stakeholders. The volume of ODS comes from consumer quantity cylinders and/or material recovered from equipment from companies and individual technicians. Tradewater International finances local partners to handle the ODS material that they have identified and collected, as well as partners who transport the ODS material within Honduras, creating job opportunities at the local level.
- SDG 12: The Project supports the collection and destruction of one of the most powerful greenhouse gases in the world; paving the way to the development and use of safer and more environmentally friendly alternatives.
- SDG 13: The phase-out to date of most ODS has not only led to the regeneration of the ozone layer but also to significant reductions in greenhouse gas emissions (GHG), as most ODS are also powerful GHGs. Tradewater International has the objective to prevent the release of ODS gases into the atmosphere. By identifying, collecting, managing, and destroying refrigerant gases in an appropriate manner, Tradewater International aims to prevent ozone depletion, negative environmental impacts, and climate change

F2. STAKEHOLDER COMMENTS

Tradewater International reached out to and engaged initially with various type of stakeholders in the country. Technicians, training institutes for HVAC in the country, associations and chambers, private companies, and distributors/importers from HVAC sector, were initially contacted during the search of

ODS refrigerant at risk of leakage in Honduras. Tradewater International also engaged with the UTOH Coordinator, to understand the country's needs and context regarding the rules and regulations in place for the disposal of ODS refrigerants.

Once ODS refrigerant was found, this engagement with the Ozone Unit of Honduras, UTOH (Unidad Técnica de Ozono de Honduras)[Coordination was continuous to ensure that the Project complied with applicable local laws around the handling of ODS, and to ensure that exports of ODS from Honduras complied with applicable laws and Basel Convention requirements. Tradewater International also collaborated with a local waste manager authorized by SERNA for the handling of refrigerant gases.

Both partnerships will be ongoing throughout the Project period. At least prior to each monitoring event, Tradewater International will consult directly with the UTOH, to ensure that exports of ODS from Honduras have the support of, and comply with, applicable laws, as well as explore collaboration opportunities with national initiatives. In addition, Tradewater International will further engage with other stakeholders, such as other local waste managers to continue identifying material and establish programs for its future management. Informative material about the Project has been and will continue to be distributed to the local stakeholders.

G.
OWNERSHIP AND TITLE

G1. PROOF OF TITLE

Tradewater International SRL is the Project Proponent. Tradewater International possesses the title and rights to all refrigerants destroyed under this Project, which is demonstrated by Refrigerant Transfer of Ownership (RTOA) or other similar documentation. As such, the rights and title to all carbon offset credits created by this Project belong to Tradewater International SRL.

G2. CHAIN OF CUSTODY

The offsets have not been bought or sold previously, and the project does not have a forward option contract.

G3. PRIOR APPLICATION

The project proponent started the process to have this project in the Voluntary Carbon Market (VCS) program and completed validation. However, the project was withdrawn before any carbon credits were issued and before submitting it to ACR.

H.
PROJECT TIMELINE

H1. START DATE

The Project start date is September 27, 2022, the date on which the earliest destruction activity of the project commenced. The Project start date determination is consistent with the ACR Standard and Methodology.

H2. PROJECT TIMELINE

Relevant Project Activities	Timeline
Project Listed/Initiation of Project Activities	August 9, 2022
Project Term	N/A
Crediting Period	September 27, 2022 – September 26, 2032
Reporting Period	September 27, 2022 –September 29, 2022
Frequency of Monitoring, Reporting, and Verification	Once per reporting period