

VALIDATION AND VERIFICATION REPORT

American Carbon Registry

Anew – Eagle Mountain Forestry Project

Reporting Period:

26 March 2021 to 25 March 2022

Prepared for:

Anew (formerly, Bluesource)

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AMERICAN CARBON REGISTRY

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Executive Summary

This report describes the validation and initial verification services provided for the Anew – Eagle Mountain Forestry Project (“the project”), an Improved Forest Management project located in the northeast region of the United States, that was conducted by SCS Global Services. The overall goal of the validation engagement was to review impartially and objectively the GHG project plan against the requirements laid out in the ACR Standard and relevant methodology. The overall goal of the verification engagement was to review impartially objectively the claimed GHG emission reductions/removal enhancements for the reporting period from 26 March 2021 to 25 March 2022 against relevant ACR standards and the approved methodology. The validation and verification engagements were carried out through a combination of document review, interviews with relevant personnel and on-site inspections. As part of the validation and verification engagements 11 findings were raised: 1 Non-Conformity Reports, 10 New Information Requests and 0 Observations. These findings are described in Appendix A of this report. The project complies with the validation and verification criteria, and SCS holds no restrictions or uncertainties with respect to the compliance of the project with the validation and verification criteria.

Table of Contents

1	Introduction	1
1.1	About SCS Global Services	1
1.2	Objectives	1
1.3	Scope	2
1.4	Validation and Verification Criteria	3
1.5	Level of Assurance	3
1.6	Treatment of Materiality	4
1.7	Summary Description of the Project.....	5
2	Assessment Process.....	5
2.1	Method and Criteria	5
2.2	Document Review	5
2.3	Interviews.....	7
2.4	Site Inspections	8
2.5	Resolution of Findings	8
2.6	Techniques and Processes Used to Test the GHG Information and GHG Assertion	9
3	Validation Findings	9
3.1	Project Boundary and Activities.....	10
3.2	Description of and Justification for the Baseline Scenario	12
3.3	Project-Specific Conformance to ACR Eligibility Criteria	12
3.4	Demonstration of Additionality	17
3.5	Processes for Emission Reductions/Removal Enhancements Quantification	18
4	Verification Findings.....	19
4.1	Results of Quantitative Uncertainty Assessment.....	19
4.2	Analysis of the Quantification Methodologies and Applicable Data Sets and Sources	20
4.3	Basis of Data and Information Supporting the GHG Assertion.....	21
4.4	Leakage Assessment.....	21
4.5	Risk Assessment	21
5	Conclusion.....	22
	Appendix A: List of Findings	24

1 Introduction

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 296 million tonnes of CO₂e, 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

1.2.1 Validation Objectives

The overall goal of third-party validation was to review impartially and objectively the GHG project plan against the requirements laid out in the ACR Standard and relevant methodology. SCS independently evaluated the project design and planning information, based on supporting documentation and GHG validation best practices.

The objectives of validation were to evaluate

- Conformance to the ACR Standard.
- GHG emissions reduction project planning information and documentation in accordance with the applicable ACR-approved methodology, including the project description, baseline, eligibility criteria, monitoring and reporting procedures, and quality assurance/quality control (QA/QC) procedures.
- Reported GHG baseline, ex ante estimated project emissions and emission reductions/removal enhancements, leakage assessment, and impermanence risk assessment and mitigation (if applicable).

SCS reviewed any relevant additional documentation provided by the project proponent to confirm the project's eligibility for registration on ACR.

1.2.2 Verification 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

1.3.1 Scope of Validation

The validation included examination of all of the following elements of the GHG project plan:

- Project boundary and procedures for establishing the project boundary
- Physical infrastructure, activities, technologies, and processes of the project
- GHGs, sources, and sinks within the project boundary
- Temporal boundary
- Description of and justification for the baseline scenario
- Methodologies, algorithms, and calculations that will be used to generate estimates of emissions and emission reductions/removal enhancements
- Process information, source identification/counts, and operational details
- Data management systems
- QA/QC procedures
- Processes for uncertainty assessments
- Project-specific conformance to ACR eligibility criteria

1.3.2 Scope of Verification

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 spreadsheets 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, site inspections, 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.

Finally, as a full verification, the verification services included a field visit to the project site and

- Such carbon stock measurements as SCS required to provide a reasonable level of assurance that the GHG assertion is without material discrepancy (per ACR's materiality threshold of $\pm 5\%$).
- Updated assessment of the risk of reversal and an updated buffer contribution.

1.4 Validation and Verification Criteria

The validation and verification criteria were comprised of the following:

- ACR Standard, Version 7.0
- Improved Forest Management Methodology, Version 1.3 ("the methodology")
- ACR Tool for Risk Analysis and Buffer Determination, Version 1.0
- ACR Validation & Verification Standard Version 1.1

1.5 Level of Assurance

The level of assurance was reasonable.

1.6 Treatment of Materiality

For validation purposes, a material misstatement was declared if any of the following circumstances were detected:

- The physical or geographic boundary of the GHG project plan was not reasonably accurate.
- In respect of the project baseline,
 - The procedures for determining baseline emissions were not technically sound.
 - Data representative of the operations and activities had not been used, either from a single year or a multi-year average.
 - The baseline scenario chosen was not one for which verifiable data are available.
- In respect of the quantification methodology,
 - The quantification method for each data type was not clearly defined, and/or the degree of supporting documentation provided was inadequate to support a reasonable level of assurance.
 - Methods were not appropriate for accurately quantifying each data type:
 - Activity data had not been correctly applied from the original documentation.
 - The most accurate activity data readily available had not been used.
 - The quantification methodology did not account for all variations in activity data over the relevant crediting period.
 - Any emission factors used did not meet the requirements of the approved methodology and/or are not appropriate to the activity.
 - Any emission factors used had not been correctly applied from the original documentation to the relevant activity data.
 - The most appropriate factors readily available had not been selected.
 - Where there was a choice among equally defensible emission factors, the principle of conservativeness had not informed the choice of emission factors.
 - Methods were not applied consistently to develop estimates of emission reductions and removal enhancements.
 - The ISO principle of conservativeness was not applied; i.e., the choice of assumptions, calculation methods, parameters, data sources, and emission factors was not more likely to lead to an underestimation than overestimation of net GHG emission reductions and removal enhancements.

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 project is aimed at enhancing carbon sequestration and includes four forested tracts, one in each of New York, New Hampshire, Vermont, and Maine. The tracts are designated as wilderness preserves or sanctuaries and are recently acquired by the Northeast Wilderness Trust.

2 Assessment Process

2.1 Method and Criteria

The validation and verification services were provided through a combination of document review, interviews with relevant personnel and on-site inspections, 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 validation and verification plan that took the sampling plan into account.

2.2 Document Review

The GHG project plan (dated 02 March 2023; "GHG Plan") and monitoring report (dated 01 March 2023; "MR") were carefully reviewed for conformance to the validation and verification criteria. The following provides a list of documentation – provided by project personnel in support of the aforementioned documents – that was reviewed by the audit team.

Documentation Reviewed During the Course of Validation and Verification Activities		
Document	File Name	Ref.
Greenhouse Gas Plan	EagleMountain_GHGPlan_3_2_23.pdf	1
Monitoring Report	EagleMountain_MonitoringReport_03_01_23_Signed.pdf	2
Programmatic Development Approach; Project Design Document	EagleMountain_PDA_PDD_06_04_22.pdf	3
Calculation Workbook	EagleMountain_RP_ERT_HWP_10_14_2022.xlsx	4
Calculation Workbook	EagleMountain_100Yr_calcs_08_09_2022.xlsx	5

Calculation Workbook	EagleMountain_Regeneration_Calcs.xlsx	6
Calculation Workbook	EagleMountain_SiteVisit_CO2_04_27_2022.xlsx	7
Calculation Workbook	EagleMountain_Start_RP_CO2_04_27_2022.xlsx	8
Calculation Workbook	EagleMountain_SiteIndex_Calcs_04_21_2022.xlsx	9
Spatial files for Site Index	[multiple files in 'wss_aoi_2022-04-27_16-23-55' folder]	10
Spatial boundary layer	EagleMountain_Boundary_04_21_22.shp	11
Spatial plot layer	EagleMountain_Plots_04_21_22.shp	12
Spatial RMZ layer	EagleMountain_RMZ_04_21_22.shp	13
Spatial strata layer	EagleMountain_Strata_4_21_22.shp	14
FVS output database	EagleMountain_IndTreeGrowne.db	15
FVS keyword file	EagleMountain_IndTreeGrowne.key	16
FVS output file	EagleMountain_IndTreeGrowne.out	17
FVS input database	EagleMountain_INVENTORYne.db	18
FVS plots per prescription	EagleMountain_FVS_Plots_08_09_2022.xlsx	19
FVS individual treatment output	[221 items in folder 'FVS_Output']	20
Inventory Methodology	EagleMountain_CarbonPlot_Methodology_04_22_22.pdf	21
Management Plan	Eagle ManagementPlan_2019_SIGNED.pdf	22
Management Plan	CPP_480a_5-year_Update_2016-2017.pdf	23
Redington Easement	Billion Pine Redington Forest Conservation Easement_RECORDEREducedsize.pdf	24
Redington Easement	4388-204 Conservation Easement NEWT to MATLT – Redington.pdf	25
Bramhall Easement	Documents AS RECORDED 12.24.2020.pdf	26
Bramhall Deed	Warranty Deed to NWT.pdf	27
Eagle Mountain Deed	Survey_Eagle Mtn Map_Survey_Final 05-01-2019.pdf	28
Eagle Mountain Deed	Eagle_Deed_Recorded.pdf	29
Hoffman Deed	hoffman source deeds_20210526142708.pdf	30
Hoffman Deed	Warranty Deed.pdf	31
Redington Deed	20577-4 RVP PRDeedROW-DEEDS-20210326.pdf	32
Regression input	EagleMountain_Parameters_Inputs.xlsx	33
R code	processFVSoutput.R	34
Reference paper	Ducey2004_WalkthroughSolutiontoBoundaryOverlap.pdf	35
Leakage statement	EagleMountain_ActivityShiftingLeakage_Statement_10_10_22.pdf	36
Requested Inventory data with walkthrough indicated	EagleMountain_Start_RP_CO2_04_27_2022_WalkthroughID.xlsx	37

Documentation of ACR guidance	Guidance_ActivityShiftingLeakage_ZeroHarvestScenario.pdf	38
Walkthrough methodology memo	Kershaw_Walkthrough_Memo_08_03_22.pdf	39
Requested data with walkthrough indicated	Potential_Walkthrough_Plots.xlsx	40
Timber price calculation	EagleMountain_TimberPrice_7_6_22.xlsx	41
State-level timber prices	ME_2020_Stumpage Price Report.pdf	42
State-level timber prices	NH_stumpageReportOCT20-Mar21.pdf	43
State-level timber prices	NY_stumpagesummer21.pdf	44
State-level timber prices	VT_StumpageReport_Q12021.pdf	45

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 GHG Plan and 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
Megan McKinley	Anew	Manager - Forest Carbon Projects	Throughout audit
Mike Deegan	Steigerwaldt Land Services	Inventory manager	Throughout the site visit
Tim Hipp	Anew	Senior Manager, Natural Climate Solutions	Throughout the site visit
Mingfei Xiong	Anew	Forest Carbon Analyst, Natural Climate Solutions	Throughout the site visit
Sophie Ehrhardt	Northeast Wilderness Trust	Wilderness Coordinator	11 May 2022
Jon Leibowitz	Northeast Wilderness Trust	Executive Director	11 May 2022

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
Scott Rolfe	NH Department of Natural & Cultural Resources	South Regional Forester	06 September 2022
Dr. Steven Bick	Northeast Forests LLC	Independent Forester	04 October 2022
Michael Richard	Maine Dept of Agriculture, Conservation & Forestry	District Forester	12 September 2022
Julie Davenport	Maine Dept of Agriculture, Conservation & Forestry	District Forester	25 May 2022

2.4 Site Inspections

The objectives of the on-site inspections were as follows:

- Confirm the validity of the statements made in the GHG Plan and associated project documentation;
- Confirm the baseline conditions and project conditions.
- Interview project personnel to determine if the GHG Plan correctly identifies project activity and assess project personnel competencies;
- Select samples of data from on-the-ground measurements for verification in order to meet a reasonable level of assurance and to meet the materiality requirements of the Project; and
- Perform a risk-based review of the project area to ensure that the Project is in conformance with the eligibility requirements of the validation/verification criteria.

In support of the above objectives, the audit team performed an on-site inspection of the project area on the dates 17 May 2022 through 20 May 2022. The main activities undertaken by the audit team were as follows:

- Performed an in-depth assessment of the conformance of the Project to the assessment criteria
- Interviewed project personnel (see Section 2.3.1 of this report) to gather information regarding the inventory and monitoring procedures and project implementation
- Carried out on-site inspections of the project's measurement and/or monitoring methodologies through the following activities:
 - Toured the project areas, visually observing and taking coordinates at posted boundary signs, old fence lines, and other boundary references.
 - Selected samples of inventory data using simple random selection methods.

- At each selected sample location, took on the ground measurements
- Verified the sample by running a paired sample t-test on the independently calculated Mt CO₂e/acre on each plot
- Review of management's commitment to the carbon project.
- Assessment of project during the reporting period to confirm that the project scenario consists of maintaining above baseline carbon stocks through carbon sequestration.

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 validation and 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 validation and/or verification statement.
- New Information Request (NIR): An NIR signified a need for supplementary information 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 validation and/or 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 NCR, 10 NIRs and 0 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 the MR (Ref. 2), calculation workbooks (Refs. 3-9), spatial information (Refs. 10-14), modeling files (Refs. 15-20, 33-34), inventory methodologies and documentation (Refs. 21, 35, 37, 39, 40), referenced management plans (Refs. 22-23), ownership and easement documentation (Refs. 24-32), certifications (Refs. 2-3), and to check for project-specific conformance to ACR standard and methodology (Refs. 36, 38, 40-45),

appropriateness of methodologies and tools applied, and 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.
- Review of project scenario.
- Review of the sources, sinks, and reservoirs of GHG emissions within the project boundary (Refs. 4, 11).
- Assessment of eligibility, additionality, GHG emission reduction assertion and underlying monitoring data to determine if either contained material or immaterial misstatements.
- Assessment of the emission reduction calculation inputs and procedures was performed to review the quantitative analyses undertaken by Anew 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. 4-9).
- 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 Validation Findings

This section follows the requirements for the validation report as set out in Chapter 7 of the ACR Validation and Verification Standard.

3.1 Project Boundary and Activities

3.1.1 Project Boundary and Procedures for Establishment

The GHG Plan contains a description of the physical boundary of the project, which is located on approximately 6,142 acres of forested land comprised of white and red pine, northern hardwood, and oak-hemlock stands. The project area comprises four forested parcels in each of four states (NH, ME, VT, NY) all owned and managed by the Northeast Wilderness Trust. This is the physical and geographic site where project activities occur. The audit team confirmed that the boundaries were well documented throughout both the document review and site visit activities. During the site visit the audit team independently checked the accuracy of spatial information on ownership, as used in delineation of the project area, by visiting a sample of corners or other ownership monuments and comparing actual locations to mapped locations. Likewise, during document review the audit team inspected project shapefiles (Refs. 10-14) to confirm project boundaries are accurately represented as compared to boundaries mapped during the site visit, maps provided in the GHG Plan, and available satellite imagery.

3.1.2 Physical Infrastructure, Activities, Technologies and Processes

The audit team reviewed the GHG Plan and project documentation (Refs. 22-26) which indicate potential infrastructure, activities, and technologies used within the project area. The project activity consists of allowing the forest to progress naturally with no commercial harvesting. The audit team concluded that project activities, infrastructure and technologies will be minimal within the project area due to the lack of commercial harvests.

3.1.3 GHGs, Sources, and Sinks within the Project Boundary

The GHG sources, sinks and/or reservoirs that are applicable to the Project were confirmed. The sources, sinks, and reservoirs of GHG emissions within the project boundary are listed in the table below. This applies to both the baseline and project scenarios.

Description	Included / Excluded	Gas	Justification
Above-ground biomass carbon	Included	CO ₂	Major carbon pool subjected to the project activity.
Below-ground biomass carbon	Included	CO ₂	Major carbon pool subjected to the project activity.
Standing dead wood	Included	CO ₂	Major carbon pool in unmanaged stands subjected to the project activity.
Harvested wood product	Included	CO ₂	Major carbon pool subjected to the project activity.
Burning of biomass	Included	CH ₄	Non-CO ₂ gas emitted from biomass burning.

3.1.4 Temporal Boundary

The ACR Standard in Chapter 3 states that “ACR defines the Start Date for all projects other than AFOLU as the date on which the project began to reduce GHG emissions against its baseline.” SCS was able to review the GHG Plan, MR, and relevant contractual documents (Ref. 1, 2, 32) for authenticity and concluded that the documents provided indicate the project start date is eligible.

For ACR the minimum project term is 40 years and the eligible crediting period for this type of project is also listed as 40 years. SCS confirmed that the GHG Plan included a timeline with a first crediting period of 20 years and a minimum project term of 40 years.

3.2 Description of and Justification for the Baseline Scenario

The methodology defines an IFM baseline scenario as “the legally permissible harvest scenario that would maximize NPV of perpetual wood products harvests.” The GHG Plan indicates that the baseline scenario “is targeted to maximize net present value at a 4% discount rate for non-governmental organizations.” The silvicultural prescriptions used to model and maximize NPV include clearcutting, shelterwood harvests, and single tree selection.

During the site visit and through interviews with the landowner and local foresters the audit team verified that aggressive industrial timber harvesting is common practice in the region. The audit team also conducted a financial feasibility assessment of the baseline scenario using regional stumpage rates to independently verify NPV. SCS determined that the harvesting rate indicated in the baseline scenario would be feasible.

3.3 Project-Specific Conformance to ACR Eligibility Criteria

The audit team reviewed the demonstration of conformance, as set out in the GHG Plan, to each of the relevant eligibility criteria listed in the ACR Standard. The audit team confirmed the full conformance of the project with the relevant eligibility criteria. A more detailed assessment of the audit team’s findings is provided below.

Actions Undertaken to Confirm Conformance to Eligibility Criteria		
Criterion	ACR Requirement	Validation Activities
Start Date, All Projects	Non-AFOLU Projects must be validated within 2 years of the project Start Date. AFOLU Projects must be validated within 3 years of the project Start Date.	Confirmation that this report was issued less than 3 years after 26 March 2021, the start date of the project according to the GHG Plan.
Start Date Definition, Non-AFOLU Projects	ACR defines the Start Date for all projects other than AFOLU as the date on which the project began to reduce GHG emissions against its baseline.	Not applicable; this project is an AFOLU project.
Start Date Definition, AR or Wetland Projects	For AR or Wetland restoration/revegetation projects, the Start Date is when the Project Proponent began planting or site preparation.	Not applicable; the project is not an AR or wetland project.
Start Date Definition, IFM Projects	For IFM, the Start Date may be denoted by one of the following: 1. The date that the Project Proponent began to apply the land management regime to increase carbon stocks and/or reduce emissions relative to the baseline. 2. The date that the Project Proponent initiated a forest carbon inventory.	SCS was able to review the GHG Plan, MR, and the deed for the final parcel (Ref. 36- 37) for authenticity and to confirm start date based on option 1, to the left.

	<p>3. The date that the Project Proponent entered into a contractual relationship to implement a carbon project.</p> <p>4. The date the project was submitted to ACR for listing review.</p> <p>Other dates may be approved by ACR on a case by case basis.</p>	
Start Date Definition, Avoided Conversion Projects	For Avoided Conversion of non-forest, the Start Date is when the Project Proponent implemented the project action physically and/or legally, such as securing a concession or placing a land conservation agreement on the project land.	Not applicable; the project is not an avoided conversion project.
Start Date Definition, Other Agricultural Land-based Projects	For other Agricultural Land-based projects, the Start Date is the date by which the Project Proponent began the Project Activity on project lands, or the start of the cultivation year during which the Project Activity began.	Not applicable; the project is not an other agriculture land-based project.
Minimum Project Term (AFOLU Projects Only)	Project Proponents of AFOLU projects with a risk of reversal shall commit to a Minimum Project Term of 40 years. The minimum term begins on the Start Date, not the first or last year of crediting. This requirement applies only to AFOLU projects that have had ERTs issued that are associated with GHG removals (sequestration). AFOLU projects that have claimed only avoided emissions are not subject to this requirement.	Review of the GHG Plan to confirm that the minimum term is 40 years, as required.
Crediting Period	<p>The Crediting Period for non-AFOLU projects shall be 10 years.</p> <p>All AR projects shall have a Crediting Period of 40 years.</p> <p>All IFM projects shall have a Crediting Period of 20 years.</p> <p>Avoided Conversion projects on both forest and non-forest land with land conservation agreements in place shall have a Crediting Period of 40 years, unless otherwise specified in chosen methodologies.</p> <p>Wetland Restoration/Revegetation projects shall have a Crediting Period of 40 years.</p> <p>The Crediting Periods for agriculture projects that avoid emissions by changing to lower GHG practices and those that include a soil sequestration component will be specified in the applicable methodology.</p>	Review of the GHG Plan to confirm that the crediting period is 20 years, as required given the project type.

Real	GHG reductions and/or removals shall result from an emission mitigation activity that has been conducted in accordance with an approved ACR Methodology and is verifiable. ACR will not credit a projected stream of offsets on an ex-ante basis.	Review of the emission mitigation activity, as described in the GHG Plan, to confirm that it conforms to the requirements of the methodology and will be verifiable if implemented as described.
Emission or Removal Origin (Direct Emissions)	The Project Proponent shall own, have control over, or document effective control over the GHG sources/sinks from which the emissions reductions or removals originate. If the Project Proponent does not own or control the GHG sources or sinks, it shall document that effective control exists over the GHG sources and/or sinks from which the reductions/ removals originate.	Review of the GHG Plan, and the ownership documentation provided (Refs. 1, 27-32) to confirm that Project Proponent has control over the GHG sources/sinks from which the emissions reductions or removals originate on the properties.
Emission or Removal Origin (Indirect Emissions)	For projects reducing or removing non-energy indirect emissions, the following requirement applies: The Project Proponent shall document that no other entity may claim GHG emission reductions or removals from the Project Activity (i.e., that no other entity may make an ownership claim to the emission reductions or removals for which credits are sought).	Not applicable; the project is not reducing or removing non-energy indirect emissions.
Offset Title (All Projects)	The Project Proponent shall provide documentation and attestation of undisputed title to all offsets prior to registration. Title to offsets shall be clear, unique, and uncontested.	Review of the GHG Plan, and the ownership documentation provided (Refs. 1, 27-32) to confirm no offsets prior to registration of the Project and that the Project Proponent has ownership of the properties included in the Project.
Land Title (AFOLU Projects Only)	For U.S. projects with GHG emissions reductions resulting from terrestrial sequestration, Project Proponents shall provide documentation of clear, unique, and uncontested land title. For international projects, Project Proponents shall provide documentation and/or attestation of land title; ACR may require a legal review by an expert in local law. Land title may be held by a person or entity other than the Project Proponent, provided the Project Proponent can show clear, unique, and uncontested offsets title. AFOLU projects that result only in the crediting of avoided emissions with no risk of reversal may not require demonstration of land title.	
Additional	Every project shall use either an ACR-approved performance standard and pass a regulatory surplus test, or pass a three-pronged test of additionality in which the project must: 1. Exceed regulatory/legal requirements;	Confirmation that the project meets all relevant additionality requirements (see Section 3.4 below for more details).

	<p>2. Go beyond common practice; and</p> <p>3. Overcome at least one of three implementation barriers: institutional, financial, or technical.</p>	
Regulatory Compliance	<p>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. Projects deemed to be out of compliance with regulatory requirements are not eligible to earn ERTs during the period of non-compliance. Regulatory compliance violations related to administrative processes (e.g., missed application or reporting deadlines) or for issues unrelated to integrity of the GHG emissions reductions shall be treated on a case-by-case basis and may not disqualify a project from ERT issuance. Project Proponents are required to provide a regulatory compliance attestation to a verification body at each verification. This attestation must disclose all violations or other instances of non-compliance with laws, regulations, or other legally binding mandates directly related to Project Activities.</p>	<p>After performing extensive regulatory compliance checks for the Eagle Mountain IFM project during the reporting period (RP1), the audit team found no indication of any violations regarding regulatory compliance. EPA, ECHO and OSHA were checked, and no violations were observed. There are few regulations that govern forest management in these states. We confirmed with local foresters for ME and NH that there have been no violations pertaining to timber harvesting or other environmental policies on the properties over the last year. We also checked the NY state database for regulatory and compliance issues on the parcel. Given these lands have had very few management activities, the audit team does not consider this a high area of risk. We have achieved a reasonable level of assurance on this regulatory check.</p>
Permanence (All AFOLU Projects)	<p>AFOLU Project Proponents shall assess reversal risk using ACR's Tool for Risk Analysis and Buffer Determination, and shall enter into a legally binding Reversal Risk Mitigation Agreement with ACR/Winrock that details the risk mitigation option selected and the requirements for reporting and compensating reversals.</p>	<p>Confirmed a total risk percentage of 18% using the ACR Tool for Risk Analysis and Buffer Determination as required by the ACR methodology.</p>
Permanence (Terrestrial Sequestration, Avoided Conversion Projects)	<p>Proponents of terrestrial sequestration or avoided conversion projects shall mitigate reversal risk by contributing ERTs to the ACR Buffer Pool or using another ACR-approved insurance or risk mitigation mechanism.</p>	<p>Confirmed a total risk percentage of 18% using the ACR Tool for Risk Analysis and Buffer Determination as required by the ACR methodology.</p>
Permanence (Geologic Sequestration Projects)	<p>Proponents of geologic sequestration projects shall mitigate reversal risk during the project term by contributing ERTs to the ACR Reserve Account and post-project term by filing a Risk Mitigation Covenant, which prohibits any intentional reversal unless there is advance compensation to ACR, or by using another ACR-approved insurance or risk mitigation mechanism.</p>	<p>Not applicable; the project is not a geologic sequestration project.</p>

Permanence (All Projects)	All projects must adhere to ongoing monitoring, reversal reporting, and compensation requirements as detailed in relevant methodologies and legally binding agreements (e.g., the ACR Reversal Risk Mitigation Agreement).	Confirmed that section D of the GHG Plan includes a detailed Monitoring Plan relevant to the methodology.
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.	Confirmed that a 40% leakage deduction was applied which is consistent with market-leakage per the methodology. No activity shifting leakage was also confirmed through the review of an attestation (Ref. 2) which stated that no harvesting is occurring within the project area or on lands outside of the project area owned by the project proponent.
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.	The GHG Plan has been independently validated by SCS, an accredited, ACR-approved validation/verification body.
Independently Verified	Verification must be conducted by an accredited, ACR-approved VVB prior to any issuance of ERTs and at minimum specified intervals.	The GHG Plan has been independently verified by SCS, an accredited, ACR-approved validation/verification body.
Environmental And Community Assessments	<p>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.</p> <p>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.</p> <p>Project Proponents shall disclose in their Annual Attestations any negative environmental or community impacts or claims thereof and the appropriate mitigation measure.</p>	Confirmed by reviewing the GHG plan, MR, and management plans (Refs. 1-2, 22-23) which indicate that the project has no anticipated negative community or environmental impacts.

3.4 Demonstration of Additionality

The audit team reviewed the demonstration of additionality, as set out in the GHG Plan, and confirmed that the additionality requirements set out in the ACR Standard have been met. A more detailed assessment of the audit team's findings is provided below.

3.4.1 Regulatory Surplus Test

A regulatory review of the Project was conducted by the audit team. There are no laws, statutes, regulations, court orders, environmental mitigation agreements, permitting conditions, or other legally binding mandates requiring the project activities.

3.4.2 Performance Standard Test

Not applicable.

3.4.3 Common Practice Test

The Project demonstrated that the predominant forest industry technologies and practices that exist within the project's geographic region are similar in comparison to forest type, ecological condition, and species or forest product type.

Through interviews with local managers and a detailed review of published data for the region, the audit team verified the timber harvesting practices involving the silvicultural prescriptions claimed in the baseline scenario are common practice in the region. Additionally, the audit team verified the feasibility of the local mill capacity to accept the different wood products created in the baseline scenario.

3.4.4 Implementation Barriers Test

The "financial barrier" option was chosen by the project proponent as an implementation barrier. SCS Global Services received guidance from ACR personnel, in an email dated 6 June 2019, stating the following:

The intent of the financial implementation barrier test encompasses the interpretation and wording in Table 2, in which "carbon funding is reasonably expected to incentivize the implementation of the project scenario", yielding increased carbon stocks compared to the baseline. A quantitative assessment demonstrating forgone profit as a result of employing the project scenario suffices for passing this test.

Given this guidance, a financial barrier was demonstrated through a quantitative assessment demonstrating foregone profit as a result of employing the project scenario (i.e., demonstrating that the net present value of the baseline scenario was higher than the project net present value of the project scenario). The audit team independently conducted a financial feasibility assessment by using local stumpage prices to verify that the baseline scenario could feasibly occur in the project area in the lifetime of the carbon project if the project was not implemented.

3.5 Processes for Emission Reductions/Removal Enhancements Quantification

3.5.1 Methods, Algorithms, and Calculations To Be Used to Generate Estimates of Emissions and Emission Reductions/Removal Enhancements

The audit team validated the methodologies applied to quantify GHG emissions and emission reductions in the baseline and project scenarios. The objective was to determine whether the methods are clearly defined with supporting documentation, appropriate for accurately quantifying each data parameter, applied consistently, and result in a conservative estimate of GHG emissions reductions and removal enhancements.

Section 4.2 provides further detail on the methods, algorithms, and calculations used to generate and validate emissions reductions estimates.

3.5.2 Process Information, Source Identification/Counts, and Operational Details

The forest inventory serves as the primary source of data and information used to quantify emissions reductions. The GHG Plan and inventory methodology (Ref. 21) describe the process including sample size, determination of plot numbers, plot layout, data collected, and measurement techniques. Through site visit, data, and document review (Refs. 1, 7, 21), the audit team verified the forest inventory methodologies and application.

The inventory data was then run within the Forest Vegetation Simulator with baseline prescriptions to project the baseline condition and a grow-only scenario to estimate the project scenario. The audit team confirmed that the baseline prescriptions were feasible and representative of common practice conditions in the region (see section 3.4.2).

3.5.3 Data Management Systems

SCS verified through review of the GHG Plan and the datasets submitted that the data management systems are in place as described.

3.5.4 QA/QC Procedures

Section D of the GHG Plan identifies field and desk QA/QC procedures. The field QA/QC procedures include senior forester review of field collected data and remeasurement of any plots that cannot be reconciled. Further the GHG Plan states that “At least 10% of the plots are checked by a different forester than cruised the plot, specifically by someone senior to the field crew. This involves full plot measurement to identify any problems with determining in/out trees, species calls, defect measurements, DBH measurements, and height measurements... The purpose of the check cruise is to identify any consistent errors by either a specific cruiser, or the whole crew, and to verify that all plots

are being measured with a high level of diligence.” These field QA/QC procedures were confirmed on-site and during interviews.

The GHG Plan identifies four stages of desk QA/QC procedures including an implementation forester review, a technical forester review, a technical review, and a senior management review. These include independent checks on the inventory data, model runs, carbon calculations, and document text and formatting.

The QA/QC procedures and the quantification approach employed by the project team conform to the parameters and quantification methods required by the Methodology. SCS determined that the Project Proponent sufficiently documented and quantified each parameter. Section D of the GHG Plan also provides in detail a monitoring and data management plan for each parameter throughout the reporting period.

3.5.5 Processes for Uncertainty Assessments

The GHG Plan describes how baseline and project uncertainty were calculated. The GHG Plan states that uncertainty in the combined carbon stocks in the baseline is quantified using equation 10 of the methodology (Refs. 4-5). The percentage uncertainty in the combined carbon stocks in the project during the reporting period is calculated using equation 18 of the methodology (Refs. 4-5). The total project uncertainty (percentage) during the reporting period is quantified using equation 19 of the methodology (Refs. 4-5). SCS confirmed that the approaches for assessing uncertainty that are identified in the GHG Plan are in conformance with the quantification methods required by the Methodology. Further detail on uncertainty quantification is in sections 4.1.

4 Verification Findings

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

4.1.1 Project Uncertainty

The reported total Project Uncertainty (UNC_t) value of 4.65% value reported by the client for 2021 was independently re-quantified by SCS using equation 19 in the methodology. The audit team found this difference reasonable and immaterial.

Year	UNC _t Client Values	UNC _t SCS Values	Difference
2022	4.65%	4.63%	0.53%

Note: final numbers are rounded for simplicity.

4.1.2 Materiality

The total materiality of the GHG reduction and removal assertion was also calculated for the reporting period.

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

$$\% \text{ Error} = \frac{(39,737 - 39,738)}{39,738} * 100 = \frac{-1}{39,738} * 100 = -0.0013\%$$

4.2 Analysis of the Quantification Methodologies and Applicable Data Sets and Sources

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

- Recalculate the live aboveground, live belowground, and standing dead carbon pools using Jenkins et al. (2003) equations and decay class information using the inventory data provided by the client (Ref. 8)
- Recalculate tree and plot-level live aboveground and standing dead tree defect (Ref. 8)
- Recalculate site index for a random selection of plots using available soil survey data (Refs. 9-10)
- Use the Forest Vegetation Simulator (FVS) to degrow the raw inventory to the project start date (Ref. 8)
- Randomly select a sample of plot(s) and prescription(s) from the baseline scenario. Run the selected sample in FVS and follow methodologies specified in the GHG Plan to calculate carbon stocks. Compare to the client's calculations for the selected plot to derive a correction factor to apply the population baseline for the reporting period and ex-ante (Refs. 5, 15-20).
- Randomly select a sample of plot(s) and the grow prescription from the project scenario. Run the selected sample in FVS and follow methodologies specified in the GHG Plan to calculate carbon stocks. Compare to the client's calculations for the selected plot to derive a correction factor to apply the population project for the reporting period and ex-ante (Refs. 4-5)
- Calculate the change in the baseline carbon stock stored in live trees and standing dead trees using equations 1 and 2 of the methodology. Calculate the 20-year average value of carbon remaining stored in wood products 100 years after harvest using equation 3 (Refs. 4-5).

- With the outputs from equations 1, 2 and 3, calculate the long-term average baseline stocking level for the crediting period using equation 5 of the methodology. Use equation 6 to calculate the annual change in the baseline carbon stock (Refs. 4-5).
- Calculate the baseline uncertainty in the combined carbon stocks in the baseline using equation 10 (Refs. 4-5).
- Calculate the change in project carbon stock stored in live trees using equations 11 and 12 (Refs. 4-5).
- Calculate the change in the project carbon stock and GHG emissions during the reporting period using equation 14 (Refs. 4-5).
- Calculate the percentage uncertainty in the combined carbon stocks in the project during the reporting period using equation 18 (Refs. 4-5).
- Calculate the total project uncertainty (percentage) during the reporting period using equation 19 (Refs. 4-5).
- Calculate the net greenhouse gas emission reductions (in metric tons CO₂e) during the reporting period and during each annual vintage using equation 20 in the methodology (Refs. 4-5).

4.3 Basis of Data and Information Supporting the GHG Assertion

The data and information supporting the GHG assertion were based on industry defaults, future projections, and actual historical records. The future projections are a result of a combination of tree inventory data, site index data, and other data modelled over time. Industry defaults are used in the harvested wood products as well as growth rates for the region. Actual historical records are used to assess stumpage prices, common practice, and boundary assessment.

4.4 Leakage Assessment

A finding was issued regarding the leakage assessment of the project. The audit team confirmed that no harvesting is scheduled within the project area or on other land owned by the Northeast Wilderness Trust. An attestation (Ref. 38) was provided for review which confirms that no harvesting is taking place across all Project Proponent ownership.

4.5 Risk Assessment

The reported value of the total risk score, as determined based on the risk analysis documented in the GHG Plan 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 site inspections and independent review of documentation, that project is not located on public or tribal lands
B	4%	Confirmation, through site inspections and independent review of documentation, that project is not located on public or tribal lands
C	2%	Confirmation, through site inspections, that the project is not located outside the United States
D	0%	Confirmation, through independent review of documentation, that conservation easement does not cover entire project area
E	2%	Confirmation, through independent review of documentation, that project is located in a low-risk fire region
F	4%	Confirmation, through independent review of documentation, that epidemic disease or infestation is not present within project area, or within 30 mile radius of project area
G	0%	Confirmation, through site inspections, 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
	18%	TOTAL

5 Conclusion

The audit team asserts, with no qualifications or limitations, that

- The GHG Plan conforms, in full, to the validation criteria.
- 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.

The following provides a summary of the annual emission reductions and removals issuance for the current Reporting Period with the Leakage deduction included and the Buffer deductions excluded (Gross ERTs):


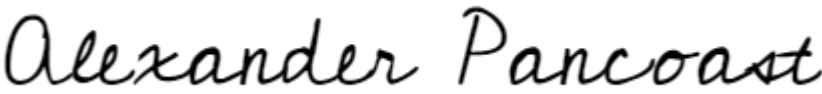
Annual Emission Reductions and Removals in Metric Tons (tCO ₂ e) during Reporting Period 1				
Vintage	Start Date	End Date	Gross GHG Emission Removals (tCO ₂ e)	Gross GHG Emission Reductions (tCO ₂ e)
2021	26 March 2021	31 December 2021	10,522	26,786
2022	1 January 2022	25 March 2022	3,145	8,007
Total			13,667	34,793

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 ₂ e) during Report Period 1				
Vintage	Start Date	End Date	Net GHG Emission Reductions/Removals (tCO ₂ e)	Quantity of Buffer Credits (tCO ₂ e)
2021	26 March 2021	31 December 2021	30,592	6,716
2022	1 January 2022	25 March 2022	9,145	2,007
Total			39,737	8,723

Note: final numbers are rounded for simplicity.

Lead Auditor Approval	 Alexa Dugan, 04 April 2023
Internal Reviewer Approval	 Alexander Pancoast, 04 April 2023

Appendix A: List of Findings

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 21 Sep 2022

Standard Reference: ACR Validation and Verification Standard, Section 9.B

Document Reference: Anew – Eagle Mountain Forestry Project Inventory Methodology.pdf

Finding: Section 9.B of the ACR Validation and Verification Standard states “The VVB should assess the effectiveness of methods for data collection and processing, identify likely areas for data corruption or potential errors, and characterize GHG data collection and management system integration weaknesses.” At the bottom of page two, the Project Proponent’s Inventory Methodology states that the “...protocol defines trees as “A woody perennial plant, typically large and with a well-defined stem or stems carrying a more or less definite crown with the capacity to attain a minimum diameter at breast height of 5 inches and a minimum height of 15 feet with no branches within 3 feet from the ground at maturity.” As a result, the inventory crew measures all species ≥ 1 ” DBH that meet this definition.” Later, on page 31, the same methodology document states: “Local experience from the contractor is used to determine which species are non-commercial and which are considered shrubs for the region.” During the site visit, the audit team encountered several mountain maple (*Acer spicatum*) within Plot 36 that were not included in the inventory. The USDA plants database provides a mature height of 25ft with an erect habit for this species (<https://plants.sc.egov.usda.gov/home/plantProfile?symbol=ACSP2>). The audit team requests clarification for the conflicting guidelines within the methodology as well as reasoning for the omission of this species from the inventory.

Project Personnel Response: The guidelines within the inventory methodology are consistent with one another, the definition of a tree is outlined on page two and the statement on page 31 further utilizes local experience to help identify which trees in the region meet this definition.

Mountain maple was not measured as it does not often grow to meet the inventory methodology's definition of a tree in many regions. Eagle Mountain spans many states and therefore mountain maple was conservatively not recorded in the inventory. The USDA plants database considers mountain maple either a tree or a shrub, even though it may meet the minimum height requirements, it does not commonly grow to a minimum diameter at breast height of 5 inches in many regions.

Auditor Response: The new information provided justifies the treatment of this species. This finding is closed.

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

NIR 2 Dated 21 Sep 2022**Standard Reference:** IFM Methodology v1.3 Erratum and Clarifications**Document Reference:** EagleMountain_GHGPlan_08_11_22.pdf**Finding:** The Errata and Clarifications for ACR IFM Methodology v1.3 specifies on pages 6-7 that there has been an update to section D.6 of the IFM Methodology. Section D.6 has been updated to state:

“There may be no leakage beyond de minimis levels through activity shifting to other lands owned, or under management control, by the timber rights owner.

If the project decreases wood product production by >5% relative to the baseline then the Project Proponent and all associated land owners must demonstrate that there is no leakage within their operations – i.e., on other lands they manage/operate outside the bounds of the ACR carbon project. This demonstration is not applicable if Project Proponent and associated landowners enroll all of their forested landholdings, owned and under management control, within the ACR carbon project.

Such a demonstration must include one or more of the following:

- Entity-wide management certification that requires sustainable practices (programs can include FSC, SFI, or ATFS). Management certification must cover all entity owned lands with active timber management programs;

- Adherence to an ACR approved long-term forest management plan or program as specified in section A.2;

- Forest management plans prepared ≥24 months prior to the start of the project showing harvest plans on all owned/managed lands paired with records from the with-project time period showing no deviation from management plans; or

- Historical records covering all Project Proponent ownership trends in harvest volumes paired with records from the with-project time period showing no deviation from historical trends over most recent 10-year average.” Section E3 of the GHG plan states “Quantification of leakage is limited to market leakage, as no activity-shifting leakage is allowed by the methodology beyond de minimis levels.” During the review of the baseline prescriptions relative to the project, it became apparent that wood product production will decrease by >5% due to the project. However, demonstration in accordance with the options indicated in the Errata and Clarification has not been provided to show that there is no leakage within the project proponents operations. During a call with Jon Leibowitz (Northeast wilderness Trust Executive Director) and Sophie Ehrhardt (Northeast Wilderness Trust Wilderness Coordinator) on May 11, 2022, it was found that the Northeast Wilderness Trust owns a substantial amount of forestland outside of the project area. The audit team requests demonstration that there will be no activity shifting leakage to the other lands owned, or under management control of the Northeast Wilderness Trust.

Project Personnel Response: One option omitted in the Errata and Clarifications of the ACR-IFM v.1.3 methodology is that if the project proponent is not harvesting on any of their landholdings, including those not enrolled in the carbon project, then there is no activity shifting leakage occurring on other lands owned, or under management control, by the timber rights owner. This clarification has been made in the ACR-IFM v.2.0. methodology but didn't make it in to the Errata and Clarifications document for v.1.3. Guidance has been provided in the supporting documents folder relating to a different project that ACR said can be shared if this issue ever came up again. Northeast Wilderness Trust does not harvest on any of their landholdings, all lands are being managed for Forever Wild easements, therefore no activity shifting leakage is occurring. A statement from the landowner has also been shared in the SupportingDocs folder confirming this. This has now been clarified in Section E3. of the GHG plan.

Auditor Response: The new information provided ameliorates concerns related to leakage. This finding is closed.

Bearing on Material Misstatement or Conformance (M/C/NA): NA**NIR 3 Dated 21 Sep 2022**

Standard Reference: ACR IFM Methodology v1.3

Document Reference: EagleMountain_SiteIndex_Calcs_04_21_2022.xlsx

Finding: ACR IFM Methodology section 3.1 Stocking Level Projections in the Baseline states that, “Models must be... Parameterized for the specific conditions of the project”. Part of the parameterization of FVS for the specific conditions of the project involves a plot-specific site index. For 21 plots in the Project Proponent’s calculation workbook, soils were used in place of wood cores with the reason indicated as ‘Core SI outside acceptable range’. Please define how an ‘acceptable range’ was determined.

Project Personnel Response: The 'acceptable range' is based off the Carmean site index curves. If the calculated core SI is far beyond what the Carmean SI curves project for a certain age, our calculation will choose to use soils instead. The min/max's for each species is based on the site index curve graphics included in the Carmean paper and how far they extended. We can take plot 29 with a SI tree of Red Pine as an example, where soils SI was used in place of wood cores with the reason indicated as 'Cores SI outside acceptable range'. According to the Carmean paper, the min and max range of SI for 120 years or older Red Pine is between 40 feet and 70 feet. However, the core analysis for that plot showed SI value of 28.59 feet. Thus, our calculations chose soils in place of wood cores.

Auditor Response: The project proponent is correctly assigning site index values. This finding is closed.

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

NIR 4 Dated 21 Sep 2022

Standard Reference: ACR IFM Methodology v1.3

Document Reference: EagleMountain_GHGPlan_08_11_22.pdf;

EagleMountain_100Yr_calcs_08_09_2022.xlsx

Finding: ACR IFM Methodology section C1. IDENTIFICATION OF BASELINE states that “Required inputs for the project NPV calculation include the results of a recent timber inventory of the project lands, prices for wood products of grades that the project would produce...” In the GHG Plan (bottom of page 34 to top of page 35): “Stumpage prices were sourced from Vermont, Maine, New York, and New Hampshire stumpage price reports.” The values for stumpage price in the EagleMountain_100Yr_calcs_08_09_2022 workbook in the ‘Stumpage Prices’ worksheet have a single value for each species. We require more information (including source documents with year/season version) to understand how these values were calculated by the client using stumpage prices from 4 state reports.

Project Personnel Response: First, the proportion of the project acres for each state was calculated. For example, NY state has 37% of the total project area while ME has 55%. Based on these proportions, the weights were assigned to each state. The acre based weights were: 0.37 for NY, 0.06 for VT, 0.55 for ME and 0.02 for NH. After that, the species timber prices for individual states were calculated using respective stumpage price reports for each state. From this process, four different timber price values for each species were calculated. Finally, the weighted average (based on specific weights for each state) of the four timber price values was used as the final price. This calculation process is presented in 'EagleMountain_TimberPriceCalcs_7_6_22.xlsx' and can be found in the shared SupportingDocs TimberPrice subfolder. The state reports have now also been provided in the SupportingDocs TimberPrice subfolder.

Auditor Response: The new information is clear and the project proponent is correctly calculating a weighted average for timber price. This finding is closed.

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

NIR 5 Dated 21 Sep 2022

Standard Reference: ACR Validation and Verification Standard, Section 9.B

Document Reference: Anew – Eagle Mountain Forestry Project Inventory Methodology.pdf

Finding: Section 9.B of the ACR Validation and Verification Standard states “The VVB should assess the effectiveness of methods for data collection and processing, identify likely areas for data corruption or potential errors, and characterize GHG data collection and management system integration weaknesses.” Please provide documentation which asserts that Example 2, as shown on page 31 of the Inventory Methodology, is appropriate and accurate to use when the physical project boundary never intersects the limiting distance of the 1/15th acre fixed radius plot (radius = 30.4 feet).

Project Personnel Response: Example 2 on page 31 of the inventory methodology follows the direction presented in ‘A walkthrough solution to the boundary overlap problem’ by Ducey et al. 2004. A forest mensuration professor and co-author of a forest mensuration manual confirms that Example 2, as shown on page 31 of the inventory methodology, is appropriate. Please see Kershaw_Walkthrough_Memo_08_03_22.pdf in the SupportingDocs folder, along with the literature authored by Ducey et al.

Auditor Response: The project proponent provided adequate new information supporting their methods. Along with the responses to findings 6 and 7 revealing immaterial differences using the method as applied by the project proponent, the finding is closed.

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

NIR 6 Dated 21 Sep 2022

Standard Reference: ACR Validation and Verification Standard, Section 9.B

Document Reference: Anew – Eagle Mountain Forestry Project Inventory Methodology.pdf

Finding: Section 9.B of the ACR Validation and Verification Standard states “The VVB should assess the effectiveness of methods for data collection and processing, identify likely areas for data corruption or potential errors, and characterize GHG data collection and management system integration weaknesses.” Please provide a list of all plots that identified as "located less than 60.8' (2x the plot radius) from a project boundary, as depicted on the shapefile" as stated on page 28 of the Inventory Methodology.

Project Personnel Response: A list of plots that fall within 60.8 feet of the project boundary have been identified in Potential_Walkthrough_Plots.xlsx in the SupportingDocs folder. There were 14 plots identified as being potential walkthrough plots before the inventory began.

Auditor Response: The additional information provided (along with the response to finding 7) reveals that the walk-through method - as applied by the project proponent - does not result in material differences. The finding is closed.

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

NIR 7 Dated 21 Sep 2022

Standard Reference: ACR Validation and Verification Standard, Section 9.B

Document Reference: Anew – Eagle Mountain Forestry Project Inventory Methodology.pdf

Finding: Section 9.B of the ACR Validation and Verification Standard states “The VVB should assess the effectiveness of methods for data collection and processing, identify likely areas for data corruption or potential errors, and characterize GHG data collection and management system integration weaknesses.” Please provide a complete and revised data set (inventory tree list) including a column indicating the trees that are walkthrough/double counted so the verifier can review the quantified differences.

Project Personnel Response: A workbook titled "EagleMountain_Start_RP_CO2_08_09_2022_WalkthroughID" has been added to the SupportingDocs folder. There were 24 trees identified as walkthrough trees during the inventory. This workbook identifies which walkthrough trees were double counted in the official CO2_calcs workbook but does not double count the walkthrough trees. Therefore, there is only 1 record of the walkthrough trees in this workbook. The 'Tree Data' tab identifies which trees are walkthrough trees with a 'Y' in column AB - Walkthrough?.

Auditor Response: The additional information provided reveals that the walk-through method - as applied by the project proponent - does not result in material differences. The finding is closed.

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

NIR 8 Dated 21 Sep 2022

Standard Reference: ACR Validation and Verification Standard, Section 9.B

Document Reference: EagleMountain_100Yr_calcs_08_09_2022.xlsx

Finding: Section 9.B of the ACR Validation and Verification Standard states that “The VVB should assess the effectiveness of methods for data collection and processing, identify likely areas for data corruption or potential errors, and characterize GHG data collection and management system integration weaknesses.” The Project Proponent’s calculations indicate that the 2021 and 2022 Vintages of ERTs are based on 280 and 85 days, respectively. The audit team found there to be 281 and 84 days, respectively. Please check these numbers for the given reporting period.

Project Personnel Response: The ERTs are now reporting 281 days for 2021 vintages and 84 days for 2022 vintages. The monitoring report has been updated.

Auditor Response: The project proponent updated the values. The finding is closed.

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

NIR 9 Dated 19 Oct 2022

Standard Reference: ACR Standard v5.0

Document Reference: EagleMountain_CC_2046.out (plus 54 other FVS key files);
EagleMountain_GHGPlan_10_14_22.pdf

Finding: Section 2.A of the ACR Standard for 'transparency' and 'accuracy' states the project proponent "Disclose sufficient and appropriate GHG-related information to allow intended users to make decisions with reasonable confidence" and "Reduce bias and uncertainties as far as is practical," respectively. On page 34, the GHG Plan states that FVS is used with the default '10-year cycle outputs' that FVS-NE is calibrated for (cite FVS website). However, the project proponents keyword files and output reveal a 5-year cycle was used. Please clarify this discrepancy.

Project Personnel Response: The GHG plan has been updated from "10-year cycle outputs" to "5-year cycle outputs."

Auditor Response: The project proponent corrected the GHG Plan. The finding is closed.

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

NIR 10 Dated 19 Oct 2022

Standard Reference: ACR Validation and Verification Standard, Section 9.B

Document Reference: EagleMountain_CC_2046.out (plus 54 other FVS key files);
EagleMountain_GHGPlan_10_14_22.pdf

Finding: Section 9.B of the ACR Validation and Verification Standard states that "The VVB should assess the effectiveness of methods for data collection and processing, identify likely areas for data corruption or potential errors, and characterize GHG data collection and management system integration weaknesses." The EagleMountain_CC_2046.out file states "MINIMUM DELAY TIME BETWEEN RESPONSES TO THE EVENT = 5." This indicates 5 cycles as the minimum amount of time before a harvest can occur again. As the keyword file is written, 5 cycles is 25 years when the cycle length is 5 (see finding 9). However, the GHG Plan states for the baseline harvest prescription of 'CC': "Constrained to occur every 50 years." This same discrepancy applies to other keyword files.

Project Personnel Response: There are multiple IF statements in the .out files (which come originally from the .key files). The referenced statement "MINIMUM DELAY TIME BETWEEN RESPONSES TO THE EVENT =5" in all .out files is associated with setting triggers (e.g., the variable NUMENTRY), and then the number of entries in a rotation for each prescription (e.g., THIN1, THIN2). The IF statement for those variables allows these variables to be checked and set in each 5 year cycle. There is another IF statement, which implements the clearcut; this IF statement occurs at most every 50 years, and in the .out file there is a statement "MINIMUM DELAY TIME BETWEEN RESPONSES TO THE EVENT =50". This indicates that the harvest is constrained to occur (at most) every 50 years. We also suggest to check 'FVS_CutList_East' table for any prescription, including the 'EagleMountain_CC_2046.db' file. For this particular .db file, for example, note that the CC (clearcut) harvest occurs no earlier than year 2046, and if a follow up regen harvest occurs, it waits at least 50 years before implementing a 2nd regen harvest.

Auditor Response: Harvesting does not occur more often than every 50 years. The finding is closed.

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

NIR 11 Dated 19 Oct 2022

Standard Reference: ACR Standard v5.0

Document Reference: EagleMountain_MonitoringReport_10_14_22.pdf

Finding: Section 2.A of the ACR Standard for 'transparency' states the project proponent "Disclose sufficient and appropriate GHG-related information to allow intended users to make decisions with reasonable confidence." In Section IV - 2. Carbon Pools, the column headings read 'Previous' and 'Current' for total tCO₂e. Please clarify these headings as this is the first reporting period and there is no 'previous' total.

Project Personnel Response: The reference to "Previous" for the column heading in Section IV - 2 of the monitoring report refers to the project start date in this case. The header has now been updated to read "Start of Reporting Period" for clarity.

Auditor Response: The project proponent clarified the column header. The finding is closed.

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