

International Civil Aviation Organization (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSA)

Application Form for Emissions Units Programs

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SECTION I: ABOUT THIS ASSESSMENT

Background

Following the agreement at the 39th Assembly of the International Civil Aviation Organization (ICAO), governments and the aviation industry are getting ready to implement the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA). Together with other mitigation measures, CORSA will help achieve international aviation's aspirational goal of carbon neutral growth from year 2020.

Aeroplane Operators will meet their offsetting requirements under CORSA by purchasing and cancelling CORSA eligible emissions units, which will be determined by the ICAO Council upon recommendations by its Technical Advisory Body (TAB), according to paragraph 20 d) of ICAO Assembly Resolution A39-3.

As an initial step, in November 2017, the ICAO Council provisionally approved CORSA Emissions Unit Eligibility Criteria (EUC). Application of the EUC will serve as the basis for the Council's decisions on CORSA-eligible emissions units.

To make further progress on the application of the EUC, the ICAO Council requested its Committee on Aviation Environmental Protection (CAEP) to informally test emissions unit programs against the EUC. The results and recommendations of the informal testing were provided to the Council, including the recommendation for the EUC to be used by the TAB in this assessment process.

Subsequently, in March 2019, the ICAO Council unanimously approved the EUC for use by the TAB in undertaking its tasks. At the same time, the ICAO Council also approved the 19 members of the TAB and its Terms of Reference (TOR).

ICAO has invited emissions unit programs to apply for the assessment, which will involve collecting information from each program through this program application form.

Through this assessment, the TAB will develop recommendations on the list of eligible emissions unit programs (and potentially project types) for use under the CORSA, which will then be considered by the ICAO Council to make its decision on CORSA eligible emissions units.

This form is accompanied by Appendix A "*Supplementary Information for Assessment of Emissions Unit Programs*", containing the EUC and *Guidelines for Criteria Interpretation*. These EUC and Guidelines are provided to inform programs' completion of this application form, in which they are cross-referenced **by paragraph number**.

Program responses to this application form will serve as the primary basis for the assessment. Such assessment may involve e.g. clarification questions, an in-person interview, and a completeness check of the application, as further requested. Programs which are invited for an in-person interview will receive advance notice of the time and date of the interview.

The working language of the assessment process is English. If the program documents and information are not published in English, the program should fully describe in English (rather than summarize) this information in the fields provided in this form, and in response to any additional questions. Translation services are not available for this process. Those programs that need to translate documents prior to submission may contact the

ICAO Secretariat regarding accommodation.

Disclaimer: The information contained in the application, and any supporting evidence or clarification provided by the applicant including information designated as “business confidential” by the applicant, will be provided to the members of the TAB to properly assess the Program and make recommendations to the ICAO Council. The application and such other evidence or clarification will be made publicly available on the ICAO CORSIA website for the public to provide comments, except for information which the applicant designates as “business confidential”. The applicant shall bear all expenses related to the collection of information for the preparation of the application, preparation and submission of the application to the ICAO Secretariat and provision of any subsequent clarification sought by the Secretariat and/or the members of the TAB. Under no circumstances shall ICAO be responsible for the reimbursement of such or any other expenses borne by the applicant in this regard, or any loss or damages that the applicant may incur in relation to the assessment and outcome of this process.

SECTION II: INSTRUCTIONS

Submission and contacts

A Program is invited to complete and submit the form, and any accompanying evidence, through the ICAO CORSIA website no later than close of business on **12 July 2019**. Within seven business days of receiving this form, the Secretariat will notify the Program that its form was received.

If the Program has questions regarding the completion of this form, please contact ICAO Secretariat via email: officeenv@icao.int. Programs will be informed, in a timely manner, of clarifications provided by ICAO to any other program.

Form basis and cross-references

Questions in this form are derived from the criteria and guidelines introduced in Section I (above). To help inform the Program's completion of this form, each question includes the paragraph number for its corresponding criterion or guideline that can be found in Appendix A "*Supplementary Information for Assessment of Emissions Unit Programs*".

Form completeness

The Program is strongly encouraged to respond to all questions in this application form. If any question(s) in this form does not apply to the Program, please briefly explain the exception.

Where "evidence" is requested, programs are encouraged to substantiate their responses in any one of these ways (in order of preference):

- web-links to supporting documentation included along with the written summary response; with instructions for finding the relevant information within the linked source, if necessary;
- copying/pasting information directly into this form (no character limits) along with the written summary response;
- attaching supporting documentation to this form at the time of submission, with instructions for finding the relevant information within the attached document(s);

Please note that written summary responses are encouraged—supporting documentation should not be considered as an alternative.

To help manage file size, the Programs should limit supporting documentation to that which directly substantiates the Program's statements in this form.

Form scope

The Program may elect to submit for analysis all or only a portion of the activities supported by the Program.

In the template provided by Appendix B "Program Scope Information Request", the Program should clearly identify and submit along with this form information on the following:

- a) activities that the Program submits for analysis by describing them in this form;

- b) activities that the Program does not wish to submit for analysis, and so are not described in this form;
- c) identification details (e.g., methodology date, version) for activities described in this form.

Information provided under “c” should allow for the unambiguous identification of all methodologies/protocols that the Program has approved for use as of the date of submission of this form.

Program revision

Where the Program has any immediate plans to revise the Program (e.g., its policies, procedures, measures) to enhance consistency with a given criterion or guideline, provide the following information in response to the relevant form question(s):

- Proposed revision(s);
- Process and proposed timeline to develop and implement the proposed revision(s);
- Process and timeline for external communication and implementation of the revision(s).

“Linked” certification schemes

This application form should be completed and submitted exclusively on behalf of the Program that was invited to participate in the assessment.

Some programs may supplement their standards by collaborating with other schemes that certify, e.g., the social or ecological “co-benefits” of mitigation. The Program can reflect a linked scheme’s procedures in responses to this form, where this is seen as enhancing—i.e. going “above and beyond”—the Program’s own procedures.

For example, the Program may describe how a linked scheme audits sustainable development outcomes; but is not expected to report the linked scheme’s board members or staff persons.

Programs should clearly identify any information provided in this form that pertains to a linked certification scheme and/or only applies when a linked certification scheme is used.

Disclosure of program application forms

Applications and other information submitted by emissions unit programs will be publicly available on the ICAO CORSIA website, except for materials which the applicants designate as business confidential.

The public will be invited to submit comments on the programs applications including regarding their consistency with the emissions units criteria (EUC), through the ICAO CORSIA website, for consideration by the TAB following its initial assessment of program applications.

SECTION III: APPLICATION FORM

PART 1: General information

A. Program Information

Program name: **Nori**

Official mailing address: **2208 NW Market St STE 513, Seattle WA, 98199, U.S.A**

Telephone #: **(253)448-3367**

Official web address: **www.nori.com**

B. Program Administrator Information

Full name and title: **Aldyen Donnelly, Director of Carbon Economics**

Employer / Company (*if not Program*):

E-mail address: **aldyen@nori.com**

Telephone #: **(604)512-4635**

C. Program Representative Information (*if different from Program Administrator*)

Full name and title: **Alexsandra Guerra, Director of Corporate Development**

Employer / Company (*if not Program*):

E-mail address: **Alexsandra@nori.com**

Telephone #: **(253)448-3367**

D. Program Senior Staff / Leadership (*e.g., President / CEO, board members*)

List the names and titles of Program's senior staff / leadership, including board members:

Paul Gambill, Chief Executive Officer, Cofounder, Board Member

Aldyen Donnelly, Director of Carbon Economics, Cofounder, Board Member

Alexsandra Guerra, Director of Corporate Development, Cofounder, Board Member

Christophe Jospe, Chief Development Officer, Cofounder, Board Member

Jaycen Horton, Lead Blockchain Architect, Cofounder

Michael Leggett, Director of Product

Ross Kenyon, Lead Strategist, Cofounder

PART 2: Program summary

Provide a summary description of your program

Nori is on a mission to scale global carbon removal

Nori is a new carbon removal marketplace that focuses exclusively on removal and storage of atmospheric CO₂. Carbon removal is a key piece to achieving goals to address global climate change to keep temperature change below 2°C or 1.5°C from pre industrial times. Yet, this method of climate mitigation is vastly under-utilized.

Less than 2% of offsets currently traded represent carbon removal and storage, and 98% represent carbon emissions avoided. While emissions avoidances are necessary and should continue to be incentivized as part of CORSIA and other measures, Nori was founded to focus on increasing the much needed scale of global carbon removal.

A new marketplace to address challenges in legacy carbon markets

The Nori marketplace is a high tech solution that uses software, blockchain technology, and the expertise of economists with decades of experience in carbon markets to improve upon the issues Nori team members have encountered in past carbon markets, namely: data collection, double counting, leakage, permanence, additionality, transparency and exorbitant verification costs. The Nori platform:

- ensures easy and more reliable carbon accounting.
- reduces transaction costs for both buyers and sellers in the CO₂ market.
- enables a secure payment process for removing carbon dioxide (and other GHGs) from the atmosphere.

Our approach leverages blockchain technology and independent, transparent, 3rd party and peer-reviewed carbon quantification tools to make the process of buying and selling carbon removal certificates as easy and credible as possible.

	 Marketplace	Legacy Carbon Markets
Features		
Carbon Removal	 100% of projects	 Less than 2% of projects
Transparent	 Open source methodologies	 Proprietary and opaque methodologies
Verifiable	 Easily view info about purchased CRCs online	 No automatic public reporting about offsets
Consistent	 Project registration and verification is consistent across all similar projects	 Similar projects can have distinctly different baselines and produce different results
API	 Nori platform can integrate with existing land management software	 No such automation exists
Barriers		
Verification Costs	 Low	 High
Registration Fees	 None	 High up front, plus recurring annual listing fees
Offset Invalidation	 CRCs insured by Nori	 Buyer can be responsible for replacement offset purchase

The above diagram outlines some of the ways of how Nori differs from legacy carbon markets. A primary difference between Nori and legacy markets is that Nori only allows projects to sell interest in carbon removal, not avoidances or reductions of emissions. The digital asset, or commodity, that is created and sold over the Nori market is the Carbon Removal Certificate (CRC). Each CRC represents a verified claim that one tonne (+/- 10%) of CO₂ has been removed from the atmosphere and a contractual commitment that the recovered carbon will be retained in a terrestrial reserve for a minimum of 10 years. This ensures that emitters who buy through the marketplace will be always paying for real activity that can balance their emission. By using blockchain technology to transparently and securely track two digital assets - the NORI token and CRC, Nori has designed a unique system to provide a transparent and market driven price, ensure that CRCs can only be sold once, and guarantee of carbon removal. Third, by developing methodologies that integrate directly with independent Carbon Quantification Tools (CQT), Nori has designed a system with high compatibility and comparability. By leveraging software platforms, Nori's Application Programming Interface (API), ensures lower costs for both third party verification and for participants to register in the Nori marketplace. Below is a diagram of how the Nori market works. Suppliers remove carbon dioxide from the atmosphere. Third-party, independent verifiers verify the information provided by the suppliers. A third-party, independent, and transparent carbon quantification tool estimates Carbon Removal Certificates (CRCs), and buyers are then able to purchase these CRCs from suppliers that are immediately retired on purchase.

How does the Nori marketplace work?



- 1 Carbon Removal Suppliers remove and store CO₂ from the atmosphere
- 2 Independent Verifiers vet the Suppliers' carbon removal claim
- 3 Nori issues Carbon Removal Certificates (CRC) to the Carbon Removal Supplier
- 4 Carbon Removal Suppliers list their CRCs for sale in the Nori Marketplace
- 5 Carbon Removal Buyers purchase the CRCs in the Nori Marketplace
- 6 Nori immediately retires the CRCs to ensure no double counting

Transparency is at the heart of what we do

Transparency is a core principle of Nori. Nori's methodologies for generating CRCs are open-source and developed in an open and consultative peer review process, and use CQT's that are committed to open source and continuous improvement. . The Nori registry enables tracking of CRC purchases and sales using a public blockchain ledger (with respect to agreed privacy terms of participants). Additionally, Nori frequently publishes updates to its progress via [demo videos](#), the [Reversing Climate Change Podcast](#), the [Carbon Removal Newsroom Podcast](#), blog updates, weekly newsletters, and [webinars](#). Nori has designed its software to enable the most traceable and transparent carbon marketplace to date.

Nori's response and evidence for this application

Throughout this application, Nori refers to two main documents: the How Nori Works

document, and Nori's Croplands Methodology, our first methodology. Both are available at <https://nori.com/resources>. For the reviewer's convenience, references to specific sections of these documents that answer the questions provided in this form are included directly.

About Nori LLC.

Nori LLC. was founded in August 2017, and is headquartered in Seattle, Washington.

PART 3: Emissions Unit Program Design Elements

Note—where “evidence” is requested in *Part 3* and *Part 4*, the Program should provide web links to documentation. If that is not possible, then the program may provide responses in the text boxes provided and/or attached supporting documentation, as recommended in “SECTION II: INSTRUCTIONS—*Form Completeness*”.

Note—“*Paragraph X.X*” in this form refers to corresponding paragraph(s) in Appendix A “*Supplementary Information for Assessment of Emissions Unit Programs*”.

Note—Where the Program has any immediate plans to revise the Program (e.g., its policies, procedures, measures) to enhance consistency with a given criterion or guideline, provide the following information in response to the relevant form question(s):

- Proposed revision(s);
- Process and proposed timeline to develop and implement the proposed revision(s);
- Process and timeline for external communication and implementation of the revision(s).

3.1. Clear methodologies and protocols, and their development process

Summarize the Program’s processes for developing and approving methodologies, including the timing and process for revision of existing methodologies:

All of the methodologies used by the Nori platform are developed through a consultative and participatory process from a peer review committee and the broader community input for continuous improvement. Consultation, community input into, and peer review of Nori methodologies and elements of the overall Nori market design are parts of a continuous process. Peer review committees include experts in the respective field, e.g. soil scientist for Croplands Methodology.

The Peer Review Committee is comprised of independent experts who provide support to the Nori ecosystem by providing input into methodology development, assessing new techniques for quantifying carbon sequestration, hearing appeals of CRC estimates, and accessing and sharing knowledge with the broader community of experts to continuously inform and improve Nori methods for carbon removal.

Changes in carbon removal and retention estimation methodologies can be initiated implemented through two very different routes: those directly in Nori’s control and those not directly under Nori’s control. Those under Nori’s control relate to how Nori will interpret carbon quantification tool (CQT) estimates and score resulting CRCs. Coincidentally, Nori-approved CQTs might regularly update or modify the ecosystem models and simulation mechanisms they employ to produce carbon removal and retention estimates. This second source of potential change in CRC generation method will typically not be under Nori’s control, but will be informed by Nori’s input.

Either way, when revisions of an existing methodology prove necessary, Nori follows the following procedures:

- Document the reasons for and scope of the anticipated revision(s).
- Publish the expected schedule for presenting, finalizing and adopting the revisions.
- Publish any implications of the proposed revisions for projects that were registered and approved according to the existing methodology.

In order to ensure transparent and consistent communication of revised methodologies, and the implications of revisions for registered projects, Nori takes into account the expectations of interested parties by publishing, by December 15th energy year, responding to comments formally by October 15th and notice of the schedule for developing and implementing any anticipated methodology revisions that might occur over the next 24 months.

Current and first methodology for Croplands is under review by the peer review committee and available for comment by the public at <https://nori.com/resources>, where public comments on Nori's *How Nori Works* document are also accepted.

Provide *evidence¹ of the public availability* of a) the Program's current processes for developing methodologies and protocols and b) the methodologies / protocols themselves: (*Paragraph 2.1*)

- a) See Sections 2.2 Nori methodologies in the *How Nori Works* document.
- b) See Croplands Methodology available at <https://nori.com/resources>

3.2. Scope considerations

SECTION II: Application Form Scope includes questions related to this criterion. No additional information is requested here.

3.3. Offset credit issuance and retirement procedures

Are procedures in place... (*Paragraph 2.3*)

- a) for unit issuance and retirement / cancellation? ✓ YES
- b) related to the duration and renewal of crediting periods? ✓ YES
- c) for unit discounting (*if any*)? ✓ YES

¹ For this and subsequent "evidence" requests, evidence should be provided in the text box (e.g., web links to documentation), and/or in attachments, as recommended in "SECTION II: INSTRUCTIONS—*Form Completeness*".

Provide evidence of the relevant policies and procedures related to a) through c) (*if any*, in the case of “c”), including their availability to the public:

Nori CRCs are automatically retired when a buyer purchases CRCs from a supplier. This is done via a blockchain smart contract, code that is triggered and executed on an event (purchase of a CRC). Additionally, CRCs cannot be purchased and re-assigned to other buyers. This automatic retirement and non-transfer of CRCs is done to avoid double-counting of CRCs. However, Buyers must select who is the owner of the beneficial interest, whether it is themselves or an external entity. Because CRCs will be retired upon assignment to a location, there will only be one option to assign beneficial ownership. If a Buyer is retiring CRCs on behalf of an external entity, they must provide the company name, postal code, and location. The date of retirement is recorded with the CRC. To view all data associated with CRC, see [Section 3.4 CRC Serialization and information](#) of the *How Nori Works* document.

Nori does not allow for discounting of CRCs, as 1 CRC represents 1 tonne of CO₂e removed and do not represent emissions avoidances or reductions. Because a CRC is automatically retired when it is bought, CRCs are not renewable.

See evidence to these statements in [Section 3.6.5. CRC Retirement](#) of the *How Nori Works* document.

3.4 Identification and Tracking

Does the Program utilize an electronic registry or registries? (*Paragraph 2.4.2*) YES

Provide web link(s) to the Program registry(ies) and indicate whether the registry is administered by the Program or outsourced to a third party (*Paragraph 2.4 (e)*):

Nori will have a publicly available registry where anyone can view the volume of purchased CRCs. Nori is also considering creating a CORSIA specific dashboard where program administrators can search for carriers by name and view the CRCs purchased and retired for that carrier, including the date of retirement. However, as Nori is still pre-launch of the public platform, there is no link to provide at this time. This registry will be available in Q1/Q2 2020.

In addition, while the data itself is created and hosted in the Nori application, a copy of that data and all historical interactions, with the exception of any commercial sensitive or confidential operating data, are distributed across Ethereum, a publicly accessible blockchain. Records are persisted in this blockchain to enhance the transparency and availability of Nori operations via an immutable chain of records.

See [Section 3.4 CRC Serialization and information](#) of the *How Nori Works* document.

Do / does the Program registry / registries...:

- a) have the capability to designate the ICAO eligibility status of particular units? (*Paragraph 2.4.3*) ✓ YES
- b) identify and facilitate tracking and transfer of unit ownership/holding from issuance to cancellation/retirement? (*Paragraphs 2.4 (d) and 2.4.4*) ✓ YES
- c) identify unit status, including retirement / cancellation, and issuance status? (*Paragraph 2.4.4*) ✓ YES
- d) assign unique serial numbers to issued units? (*Paragraphs 2.4 (b) and 2.4.5*) ✓ YES
- e) identify in serialization, or designate on a public platform, each unique unit's country and sector of origin, and vintage year? (*Paragraph 2.4.5*) ✓ YES

Summarize and provide evidence of the relevant policies and procedures related to a) through e), including their availability to the public:

Nori will be able to track CORSIA eligibility status within the metadata of CRCs that is publicly viewable on the ethereum blockchain and accessible through norimarket.eth, with the exception of commercially sensitive or confidential operational data. See [Section 3.4 CRC Serialization and information](#) of the *How Nori Works* document.

Nori CRCs are automatically retired, as discussed in question 3.3 above, and are not assignable to others who are not the end buyer, therefore the process for transferring of CRC ownership is simple: this is not allowed. However, Buyers must select an owner of the beneficial interest of a CRC, whether it is themselves or an external entity, at the time of acquisition. Because CRCs will be retired upon assignment to a location, there will only be one option to assign beneficial ownership. If a Buyer is retiring CRCs on behalf of an external entity, they must provide the individual or company name, postal code, county and country. See [Section 3.6.6 CRC Retirement](#) of the *How Nori Works* document.

Along with access to the publicly available data listed ([Section 3.4 CRC Serialization and information](#) of *How Nori Works*), CRC Buyers will have access to the names, contact information, and the field locations of the Suppliers generating the CRCs.

As UNFCC finalizes double-entry book-keeping rules, it will likely be mandatory to have origin of units and region of retirement/cancellation. Buyers must disclose region/location and ownership of "retired" CRCs.

Each Nori CRC has several data attributes assigned to it, including serial numbers that track country/region, methodology, and vintage. These attributes are also tracked in the metadata of the CRC, thus some information is available in duplicate forms. We can finalize the list of information that must be disclosed in consultation with ICAO.

To view the data associated with CRC see [Section 3.6.5 CRC Retirement](#) of the *How Nori Works* document.

List any/all international data exchange standards to which the Program's registry(ies) conform: (*Paragraph 2.4 (f)*)

The Nori program is informed by the International Organization for Standardization (ISO) 14064, 14065, and 14080 series as it relates to GHG emission removals. See the Disclaimer of *How Nori Works* document.

Are policies in place to prevent the Program registry administrators from having financial, commercial or fiduciary conflicts of interest in the governance or provision of registry services? (*Paragraph 2.4.6*) ✓ YES

To address and isolate such conflicts, should they arise? (*Paragraph 2.4.6*) ✓ YES

Summarize and provide evidence of the relevant policies and procedures, including their availability to the public:

Nori is committed to be in full compliance with the [U.S. Commodity, Futures and trading commission](#) and [U.S. SEC](#) regulations, including know your customer (KYC) rules. As issues arise, market regulators will require Nori insiders to publish all of their market activity. Consistent with the traditions of U.S. CFTC, and U.S. SEC all Nori insider CRC purchases and token trades will be disclosed in real time.

See [Sections 2.7 Governance and security](#) of *How Nori Works* document.

Are provisions in place...

a) ensuring the screening of requests for registry accounts? (*Paragraph 2.4.7*) ✓ YES

b) restricting the Program registry (or registries) accounts to registered businesses and individuals? (*Paragraph 2.4.7*) ✓ YES

c) ensuring the periodic audit or evaluation of registry compliance with security provisions? (*Paragraph 2.4.8*) ✓ YES

Summarize registry security provisions, including related to a) through c); and provide evidence of the relevant policies and procedures, including their availability to the public:

Nori will only make accounts available, on the Nori platform, to registered businesses and individuals who are in good legal standing. Accounts found not in good legal standing will be deactivated. (See [Section 3.2 Screening](#) of *How Nori Works* document)

Nori will only make accounts available, on the Nori platform, to registered businesses and individuals who are in good legal standing. Accounts found not in good legal standing will be deactivated. During the project registration process, Supplier accounts and project/CRC ownership and control claims are pre-screened in the Project Registration application verification process. Nori CRC buyers will be tracked to ensure compliance with the U.S. Commodity Futures Trading Commission Know Your Customer (KYC) standards. Verifiers are screened through rules outlined in the eligibility process of section 4.2. (See [Section 2.7 Governance and security of How Nori Works](#) document.)

Nori conducts regular security audits of the Nori App and Market software. (See [Section 2.7 Governance and security of How Nori Works](#) document)

3.5 Legal nature and transfer of units

Does the Program define and ensure the underlying attributes and property aspects of a unit? (Paragraph 2.5)

✓ YES

Summarize and provide evidence of the relevant policies and procedures, including their availability to the public:

Nori guarantees that the underlying greenhouse gas value of a unit (CRC) is 1 tonne +/- 10%. We recognize that there is both an estimation error and carbon retention risk with any offset credit or CRC. For this reason, Nori has set aside a robust and transparent insurance token pool to ensure against these risks. If the project audit or the CRC retention verification reveals that this standard has not been met, Nori will pull from an insurance reserve to acquire and retire (cancel) sufficient CRCs to keep this commitment to buyers.

Nori's marketplace is designed to address leakage, permanence, and additionality.

See Sections [2.5 NORI token](#), [2.6 Permanence](#), and [2.4 Additionality](#) of the *How Nori Works* document.

3.6 Validation and verification procedures

Are standards and procedures in place for... (Paragraph 2.6)

a) validation and verification processes?

✓ YES

b) validator and verifier accreditation?

✓ YES

Provide evidence of the relevant policies and procedures related to a) and b), including their availability to the public:

All Nori CRCs are verified by independent 3rd parties. The role of a verifier is to provide assurance that the data supplied to inform the CRC quantification is reasonable and accurate. The verification team must be comprised of individuals who have the necessary skills and competencies to undertake the verification. Verifiers who meet the stated criteria are eligible to apply to Nori through the Nori software to become listed in the Nori marketplace as verifiers. Each methodology will have defined verification protocols that will consist of four components and is described in greater detail in specific methodologies: project registration, carbon removal claim verification, final audit, and desk review for carbon retention. Verification reports are automated through the Nori platform.

Because of the role of the carbon quantification tool (CQT) (formally referred to as a baseline generator) in the Nori marketplace, validation is not required.

Nori's verification process is outlined in Section 4 Verification of the *How Nori Works* document. Additional details on the verification of Croplands Methodology projects are available in Croplands Methodology, Section 5 Procedure for verification.

3.7 Program governance

Does the Program publicly disclose who is responsible for the administration of the Program, and how decisions are made? (*Paragraph 2.7*)

✓ YES

Provide evidence that this information is available to the public:

Nori's program is built on principles of accountability, transparency, responsiveness and participatory processes. Nori LLC is owned by six cofounders and currently governed by a board of four. Nori's management and executive team provide direct oversight of all Nori operations. As a policy, Nori employees are not eligible to list projects to generate CRCs. The list of cofounders can be found at <https://nori.com/about>, and Nori governance is stated in Section 2.7 Governance of the *How Nori Works* document.

The Nori marketplace is operated by a private for-profit entity Nori LLC.

Can the Program demonstrate that it has... (*Paragraph 2.7.2*)

a) been continuously governed and operational for at least the last two years?

✓ YES

Nori LLC was incorporated October 30, 2017 and has been operational since. Our current plan is to execute our first demonstration trade by or before October 2019, and execute our first CRC forward contract auction sometime in Q4 2019 or Q1 2020. Since our incorporation date, we have focused on developing CRC buyer and supplier pipelines. At this point in time, it appears that we have 1.26 million potential CRCs in

the supply pipeline. While NORI token sales are an imperfect proxy for demand, they are a useful indicator for CRC demand because each Nori token buys 1 CRC. To date we have sold 3.8 million future tokens. (See [Section 1. Introduction of How Nori Works](#) document)

b) a plan for the long-term administration of multi-decadal program elements which includes possible responses to the dissolution of the Program in its current form?

✓ YES

In the event that Nori LLC dissolves, the Nori Project Terms and Conditions bind Suppliers and Buyers to keep their commitments to Nori LLC and any successor to Nori LLC. (See [Section 2.7 Governance and security](#), and [Section 3.6.4. Forward Contract Auctions](#) of the *How Nori Works* document)

Provide evidence of the relevant policies and procedures related to a) and b):

See references above

Are policies in place to prevent the Program staff, board members, and management from having financial, commercial or fiduciary conflicts of interest in the governance or provision of program services? (*Paragraph 2.7.3*)

✓ YES

To address and isolate such conflicts, should they arise? (*Paragraph 2.7.3*)

✓ YES

Summarize and provide evidence of the relevant policies and procedures:

Nori is committed to be in full compliance with the [U.S. Commodity, Futures and trading commission](#) and [U.S. SEC](#) regulations, including know your customer (KYC) rules. Market regulators will require Nori insiders to publish all of their market activity. Consistent with the traditions of U.S. CFTC, and U.S. SEC all Nori insider CRC purchases and token trades will be disclosed in real time. Real time disclosure allows for the monitoring of potential conflicts, should they arise.

See [Section 2.7 Governance and security](#)

If applicable, can the Program demonstrate up-to-date professional liability insurance policy of at least USD\$5M? (*Paragraph 2.7.4*)

YES

Provide evidence of such coverage:

Our current policy is for USD\$2M. We understand that if accepted as a CORSIA EU provider, we will need to increase our insurance coverage.

3.8 Transparency and public participation provisions

Does the Program publicly disclose... (*Paragraph 2.6*)

a) what information is captured and made available to different stakeholders? YES

b) its local stakeholder consultation requirements (if applicable)? YES

c) its public comments provisions and requirements, and how they are considered (if applicable)?
 YES

Provide evidence of the public availability of items a) through c):

Current and first methodology for Croplands is under review by the peer review committee and available for comment by the public at <https://nori.com/resources>, where public comments on the *How Nori Works* document are also accepted.

Does the Program conduct public comment periods? YES

Provide evidence of the relevant policies and procedures:

The Nori market is an open source and subject to continuous community oversight and input. In addition to a commitment to continuous community engagement, we also have an independent peer review committee. The Peer Review Committee will comprise independent experts who will provide support to the Nori ecosystem by providing input into methodology development, assessing new techniques for quantifying carbon sequestration, hearing appeals of CRC estimates, and accessing and sharing knowledge with the broader community of experts to continuously inform and improve Nori methods for carbon removal.

In order to ensure transparent and consistent communication of revised methodologies, and the implications of revisions for registered projects, Nori takes into account the expectations of interested parties by publishing, by December 15th energy year, responding to comments formally by October 15th and notice of the schedule for developing and implementing any anticipated methodology revisions that might occur over the next 24 months.

See Section 2.2 Nori methodologies in the *How Nori Works* document.

3.9 Safeguards system

Are safeguards in place to address environmental and social risks? (*Paragraph 2.9*) YES

Summarize and provide evidence of the relevant policies and procedures, including their availability to the public:

Over time, the only robust and sustainable strategy for minimizing social and environmental harm is full transparency. The Nori marketplace is designed to be the most traceable and transparent marketplace to date. As stated above, the Nori verification process also requires repeated confirmation that the supplier is in compliance with all local and national laws and regulations, including labor and environmental.

See [Sections 4.5.1. Stages of verification- Project registration application](#) and [3.5.2. Project registration application](#) in the *How Nori Works* document.

3.10 Sustainable development criteria

Does the Program publicly disclose sustainable development criteria used (*if any*), and provisions for monitoring, reporting and verification in accordance with these criteria? (*Paragraph 2.10*)

✓ YES

Provide evidence of the public availability of any relevant policies and procedures:

Each methodology should address the additional social and environmental impacts as well as supporting sustainable development goals (SDGs). Align with the following Sustainable Development Goals: 12) Responsible consumption and production, 13) Climate Action, and 15) Life on Land.

See Section [2.2 Nori methodologies](#) in the *How Nori Works* document.

3.11 Avoidance of double counting, issuance and claiming

SECTION III, Part 4.7—Are only counted once towards a mitigation obligation includes questions related to this criterion. No additional information is requested here.

PART 4: Carbon Offset Credit Integrity Assessment Criteria

Note—Where the Program has any immediate plans to revise the Program (e.g., its policies, procedures, measures) to enhance consistency with a given criterion or guideline, provide the following information in response to the relevant form question(s):

- Proposed revision(s);
- Process and proposed timeline to develop and implement the proposed revision(s);
- Process and timeline for external communication and implementation of the revision(s).

4.1 Are additional

What is the threshold for over-issuance risk beyond which the Program provisions or measures require a response? (*Quantify if possible*)

Nori is addressing over issuance risk in a number of ways:

- The platforms and models we will select to establish project baselines and quantify CRCs in our applied methodologies, such as COMET-Farm, will generally produce conservative results. (Section 3.3 Eligibility of *How Nori Works* document)
- Nori’s commitment to buyers is that the underlying environmental value of a CRC is 1 tonne +/- 10% CO2e removed from the atmosphere and the recovered C is retained for 10 years in a terrestrial reserve. If the project audit or the CRC retention verification reveals that this standard has not been met, Nori will pull from an insurance reserve to acquire and retire (cancel) sufficient CRCs to keep this commitment to buyers. (Section 2.5 NORI token of *How Nori Works* document)
- These procedures in combination mean that Nori does not have to require suppliers to set CRCs aside in a buffer account.

Is additionality and baseline-setting assessed by an accredited and independent third-party verification entity, and reviewed by the Program? (*Paragraph 3.1*)

✓ YES

Summarize and provide evidence of the relevant policies and procedures, including their availability to the public:

Because of the role of the carbon quantification tool (CQT) (formally referred to as a baseline generator) in the Nori marketplace, validation is not required. Nori introduces additionality in the project baseline setting process. Every project will have a start-date which reflects the adoption of new practices or activities that are reasonably expected to draw incremental CO2 from the atmosphere and retain it in terrestrial soils, root systems, above ground biomass, mineral reserves, and/or the built environment. Different from other markets, Nori market rewards performance of proved CO2 drawdown and retention, not specific predefined project types. However,

Nori does not apply a traditional financial or regulatory additionality test. Nori is designed to be a robust CO2 drawdown market that could encourage local regulation, not impede it. This market should also encourage market participants to find profitable ways to innovate and sequester CO2.

See Section 2.4 Additionality of the *How Nori Works* document.

Does the Program utilize one or more of the methods cited in Paragraph 3.1.2, which can be applied at the project- and/or program-level? (*Paragraphs 3.1.2 - 3.1.3*)

✓ YES

Summarize and provide evidence of the relevant policies and procedures, including listing and describing any/all analysis / test types that the Program permits for use:

The barrier analysis test is relevant in the Nori marketplace to the extent that the market will generate cash flow necessary to attract financing for incremental CO2 sequestration projects that are not financeable.

See Section 3 Project Boundaries of the *Croplands Methodology* document.

If the Program designates certain activities as automatically additional (e.g., through a “positive list” of eligible project types), does the Program provide clear evidence on how the activity was determined to be additional? (*Paragraph 3.1*)

✓ YES

This is inherent in the design as the Nori market rewards performance of proved CO2 drawdown and retention, not specific predefined project types.

Summarize and provide evidence of the availability to the public of relevant policies and procedures, including the criteria used to determine additionality:

N/A

Describe how the procedures described in this section provide a reasonable assurance that the mitigation would not have occurred in the absence of the offset program: (*Paragraph 3.1*)

N/A

4.2 Are based on a realistic and credible baseline

Are procedures in place to issue emissions units against realistic, defensible, and conservative baseline estimations of emissions? (*Paragraph 3.2*)

✓ YES

Summarize and provide evidence of the relevant policies and procedures, including that baselines and underlying assumptions are publicly disclosed:

Nori’s first baseline generator (or carbon quantification tool, CQT), COMET-Farm, is a model that complies with this requirement and is also integral to the production of the [LULUCF section](#) of the United States GHG inventory. The scientific team that

controls COMET-Farm at Colorado State University is also a leading contributor to the LULUCF standards outlined in the IPCC guidelines. The estimation methods developed by the science team at COMET-Farm is also frequently referenced for other nations' GHG inventories.

You can see here that the COMET-Farm tool and its science team at Colorado State University (CSU), including lead soil scientist Keith Paustian, has been consulted and referred to in:

- The U.S. Department of Agriculture's Method for Quantifying Greenhouse Gas Fluxes in Agriculture and Forestry
https://www.usda.gov/oce/climate_change/Quantifying_GHG/USDATB1939_07072014.pdf
- The U.S. GHG inventory
<https://www.epa.gov/sites/production/files/2019-04/documents/us-ghg-inventory-2019-main-text.pdf>
- The development of estimating Inventory of U.S. Greenhouse Gas Emissions and Sinks
https://obamawhitehouse.archives.gov/sites/whitehouse.gov/files/documents/Climate_Change_and_Land_Sector_Report_2015.pdf

Are procedures in place to ensure that methods of developing baselines, including modelling, benchmarking or the use of historical data, use assumptions, methodologies, and values do not over-estimate mitigation from an activity? (*Paragraph 3.2.2*)  YES

Summarize and provide evidence of the relevant policies and procedures:

Our choice of using CQTs including but not limited to COMET-Farm reflects our preference for conservative estimation methods. More importantly, Nori will work only with carbon removal quantification platforms that have a capacity to supply uncertainty intervals with all of their estimates. Our ability to quantify uncertainty enables us to manage risks associated with estimation error effectively. The combination of the Nori CRC scoring system and insurance reserve is our mechanism for recognizing uncertainty in our market.

See Section 2.5 NORI token and Section 3.7. CRC scoring of *How Nori Works* document.

Are procedures in place for activities to respond, as appropriate, to changing baseline conditions that were not expected at the time of registration? (*Paragraph 3.2.3*)

 YES

Summarize and provide evidence of the relevant policies and procedures:

In the Croplands Methodology and all subsequent Nori methodologies, Nori projects will be assigned dynamic baselines for carbon removal. Dynamic baselines adjust for changes in weather, climate, and other factors beyond the owner's control. See [Section 4 Carbon Removal Quantification](#) in the *Nori Croplands Methodology* and [Section 2.4 Additionality](#) of *How Nori Works* document. Note that the dynamic baseline only corrects for those factors beyond they supplier's/project owners control and does not equate to a performance standard baseline.

4.3 Are quantified, monitored, reported, and verified

Are procedures in place to ensure that...

- a) emissions units are based on accurate measurements and valid quantification methods/protocols? (*Paragraph 3.3*) YES
- b) validation occurs prior to or in tandem with verification? (*Paragraph 3.3.2*) YES
- c) results of validation and verification are made publicly available? (*Paragraph 3.3.2*) YES
- d) monitoring, measuring, and reporting of both activities and the resulting mitigation is conducted at specified intervals throughout the duration of the crediting period? (*Paragraph 3.3*) YES
- e) mitigation is measured and verified by an accredited and independent third-party verification entity? (*Paragraph 3.3*) YES
- f) *ex-post* verification of mitigation is required in advance of issuance of emissions units? (*Paragraph 3.3*) YES

Summarize and provide evidence of the relevant policies and procedures related to a) through f):

Nori CRCs will reflect on the best available peer-reviewed and estimation methods, e.g. the best available and peer-reviewed estimation methods by the U.S. Department of Agriculture approved (Bluebook) using COMET-Farm are used in the Croplands Methodology for CRCs. Final verification reports, not including confidential operating data, will be published on the Nori blockchain. Nori suppliers are required to retain data records to facilitate retrospective verification. (See the Nori Croplands Methodology)

Nori methodologies include a process for the verification of project ownership and input data. To qualify as a Nori market CQT the actual carbon removal and estimation methods must be peer-reviewed, transparent, and committed to open-source in the future. For that reason, it is not necessary for the verifier to opine as to the correctness of the method of converting the input data into mitigation outcomes. (See [Section 2.1 Guiding Principles](#) and [Section 4 Verification](#) of *How Nori Works*)

document)

In the Nori marketplace, suppliers are obliged to comply with an annual data reporting obligation and these data submissions must be verified at a minimum of every three years. CRCs are only issued once these claims and data are verified. See the Project Timeline image below.

As in the Climate Action Reserve (CAR) marketplace, validation of project plans is not required in the Nori marketplace. In each methodology, including the Croplands methodology, there is a project registration application and approval process that includes verification of the data used to establish project baseline and project start-date. There is also a formal project audit at the end of the 10-year project registration period. See Section 4.3 Stages of Verification of the *How Nori Works* document.

Are provisions in place... (*Paragraph 3.3.3*)

a) to manage and/or prevent conflicts of interest between accredited third-party(ies) performing the validation and/or verification procedures, and the Program and the activities it supports?

✓ YES

b) requiring accredited third-party(ies) to disclose any conflict of interest?

✓ YES

c) to address and isolate such conflicts, should they arise?

✓ YES

Summarize and provide evidence of the relevant policies and procedures:

Once the Supplier has selected a listed Verifier, the Verifier must submit a conflict of interest statement to Nori at least 10 business days prior to the commencement of verification activities. This form includes the scope of proposed verification activities and other required information used to assess the potential for conflict of interest between the verification body and the supplier, including the disclosure of any familial relationships or fiduciary relationships connected in the project. In order for verification activities to begin, Nori must determine that the potential for conflict of interest between the supplier and the verification body is low or can be mitigated. The conflict of interest evaluation must be completed before verification activities can begin.

Given that the obligation to disclose is imposed on the verifier upfront, should the verifier fail to disclose a conflict of interest, they would clearly be in breach of their professional code of ethics and subject to disciplinary hearing. See Section 4.1 Verifier Eligibility of *How Nori Works* document.

Are procedures in place requiring that renewal of any activity at the end of its crediting period

includes a reevaluation and update of baseline? (Paragraph 3.3.4)

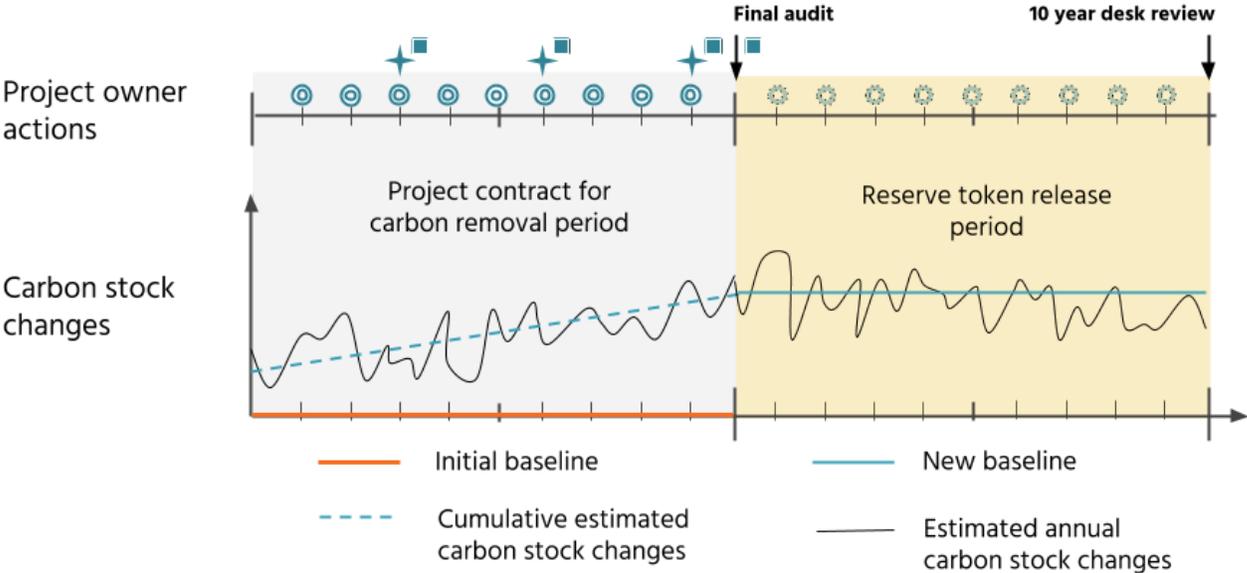
✓ YES

Summarize and provide evidence of the relevant policies and procedures:

Project registration in the Nori marketplace represents a contractual commitment of the supplier to maintain practices that are reasonably likely to draw incremental CO2 from the atmosphere for a minimum of 10 years and to retain each unit of recovered C (carbon) in a terrestrial reserve for at least 10 years. In year 10 of the project registration term, the supplier must commission a full project audit. One of the outcomes of that audit will be published and revised baseline for the project. Suppliers will be encouraged but not obliged to enroll for a new registration period. Whether or not they re-enroll in the Nori marketplace, the new project baseline will be available and viewable in the public domain. (See Section 2.6 Permanence and 3.5.6. Final project audit of How Nori Works document). See the image below for an illustration of this project verification timeline.

Project Timeline

- ⊙ Annual data updates
- ⊕ Annual 3 year verification (at minimum)
- CRCs issuance
- ⊗ Annual data updates required for token release



Are procedures in place to transparently identify units that are issued *ex-ante* and thus ineligible for use in the CORSIA? (Paragraph 3.3.5)

✓ YES

Provide evidence of the relevant policies and procedures:

This is inherit in the design as Nori does not issue ex-ante units.

4.4 Have a clear and transparent chain of custody

SECTION III, Part 3.4—Identification and tracking includes questions related to this criterion. No additional information is requested here.

4.5 Represent permanent emissions reductions

List any emissions sectors (if possible, activity types) supported by the Program that present a potential risk of reversal of emissions reductions, avoidance, or carbon sequestration

What is the minimum scale of reversal for which the Program provisions or measures require a response? (Quantify if possible)

We recognize that there is a carbon retention risk with any offset credit or CRC. Because we're a dedicated carbon removal marketplace, there is a risk of reversal of any CRC. However, Nori's Market design includes a robust and transparent strategy against these risks, including an insurance token pool.

In the Nori marketplace, Suppliers establish long-term permanence by re-enrolling/re-registering their projects. Nori addresses permanence through the use of a 10-year post-removal audit. One of the outputs of Nori's 10-year Project Audit will be a New Project Baseline, reflecting the theoretical assumption that the Supplier will maintain the new project C stock level after the end of the Project term. This New Project Baseline will be published for all Nori projects, for general information purposes only.

See Sections [2.5 NORI token](#), [2.6 Permanence](#), and [2.4 Additionality](#) of the *How Nori Works* document.

For sectors/activity types identified in the first question in this section, are procedures / provisions in place to require and support these activities to...

a) undertake a risk assessment that accounts for, *inter alia*, any potential causes, relative scale,

✓ YES

and relative likelihood of reversals? (*Paragraph 3.5.2*)

b) monitor identified risks of reversals? (*Paragraph 3.5.3*)

✓ YES

c) mitigate identified risks of reversals? (*Paragraph 3.5.3*)

✓ YES

d) ensure full compensation for material reversals of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA? (*Paragraph 3.5.4*)

✓ YES

Summarize and provide evidence of the relevant policies and procedures related to a) through d):

The Nori Methodology for Soil Carbon Sequestration in Croplands includes the assessment of estimated annual carbon stocks that is used to establish a cumulative incremental carbon stock over 10 years (see image below). This cumulative incremental carbon stock of ten years is what is used to issue CRCs. Suppliers must agree to sign a 10-year retention contract when selling the CRCs they've been issued after verification. At the end of the 10 year project term, a final audit is required to refine the accumulated carbon stock gains over the 10 years to within +/- 10% of the certainty range. If the audit finds that the cumulative carbon stock gains exceeded the CRC issuance, additional CRCs will be issued to the supplier to cover that exceedance. In the alternative case, if the finding is that CRCs were issued in excess of the estimated cumulative carbon stock change, NORI tokens will be transferred from the Suppliers restricted account to the Nori insurance reserve and Nori will acquire and retire the volume of the CRCs required to cover the short-fall.

The NORI token is unique to Nori's Market design and enables us to mitigate the risk of reversal in a way that would not be possible if the token was not available. Recall that Nori Suppliers are paid for CRCs in NORI tokens that they can then sell for cash in external exchanges. When a Supplier sells CRCs in exchange for NORI tokens, not all NORI tokens are available to the Supplier immediately. Rather, Nori splits a Supplier's token holdings into separate "unrestricted" and "restricted" Supplier accounts, based on the CRC Score. Suppliers are only able to access restricted tokens after proving that the carbon removed for an associate CRC was retained for 10 years (see yellow period in the Project Timeline image above in question 4.3). For this reason, Nori requires additional annual data updates and a final 10 year audit after the sale of the last CRCs that were issued from the final audit of the 10 year project term.

Additionally, The incorporation of the NORI token in the mechanism of payment for CRCs enables Nori to address C retention risk in an effective manner that is likely to have less negative impact on Suppliers' balance sheets than we typically associate with the buffer account approach that is common in traditional offset credit markets.

See Sections [2.5 NORI token](#), [3.7 CRC Scoring](#), and [2.4 Additionality](#) of the *How Nori Works* document.

Are provisions in place that... (*Paragraph 3.5.5*)

- a) confer liability on the activity proponent to monitor, mitigate, and respond to reversals in a manner mandated in the Program procedures? YES
- b) require activity proponents, upon being made aware of a material reversal event, to notify the Program within a specified number of days? YES
- c) confer responsibility to the Program to, upon such notification, ensure and confirm that such reversals are fully compensated in a manner mandated in the Program procedures? YES

Summarize and provide evidence of the relevant policies and procedures related to a) through c):

Nori's insurance mechanism allows us to avoid assigning that liability to the Supplier. We've designed the market as such to lessen the burden to suppliers and to reduce the inclination of buyers to apply a significant discount when they buy carbon removal certificates.

In the Nori marketplace, notifications of reversals will come from Nori to the supplier and Nori will take the appropriate steps outlined here and in the How Nori Works Document.

The terms of the project registration agreement require the Supplier to maintain practices that are reasonably likely to drawdown and retain incremental C in terrestrial reserves and to notify Nori immediately in the event that it is no longer possible to keep that contractual commitment.

See Section 3.5.2. Project registration application of the *How Nori Works* document. Additionally, Our obligations to the buyers are clearly stated in our terms of service on the Nori website.

Does the Program have the capability to ensure that any emissions units which compensate for the material reversal of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA are fully eligible for use under the CORSIA? (*Paragraph 3.5.6*) ✓ YES

Summarize and provide evidence of the relevant policies and procedures:

Yes, Nori has the ability to ensure that replacement CRCs are CORSIA eligible CRCs and can automate this in a way that is the least amount of burden to the buyer. See response to the second question of this section above.

Would the Program be willing and able, upon request, to demonstrate that its permanence provisions can fully compensate for the reversal of mitigation issued as emissions units and used under the CORSIA? (*Paragraph 3.5.7*) ✓ YES

Yes, we are willing to demonstrate Nori's 10 year retention commitments.

4.6 Assess and mitigate against potential increase in emissions elsewhere

List any emissions sectors (if possible, activity types) supported by the Program that present a potential risk of material emissions leakage:

Nori CRCs represent only direct carbon removal and storage that physically occurs within project boundaries. Therefore leakage is not a significant concern. See further

comments on leakage in [Section 2.3](#) of Nori Program Manual.

Are measures in place to assess and mitigate incidences of material leakage of emissions that may result from the implementation of an offset project or program? (*Paragraph 3.6*) YES

Summarize and provide evidence of the relevant policies and procedures:

N/A

Are provisions in place requiring activities that pose a risk of leakage when implemented at the project-level to be implemented at a national level, or on an interim basis on a subnational level, in order to mitigate the risk of leakage? (*Paragraph 3.6.2*) YES

Summarize and provide evidence of the relevant policies and procedures:

N/A

Are procedures in place requiring activities to monitor identified leakage? (*Paragraph 3.6.3*)
 YES

Summarize and provide evidence of the relevant policies and procedures:

N/A

Are procedures in place requiring activities to deduct from their accounting emissions from any identified leakage that reduces the mitigation benefits of the activities? (*Paragraph 3.6.4*)
 YES

Summarize and provide evidence of the relevant policies and procedures:

N/A

4.7 Are only counted once towards a mitigation obligation

Are measures in place to avoid the following, as defined in the corresponding Paragraphs, particularly with respect to registry-related protocols and/or oversight?

- a) double-issuance? (*Paragraphs 3.7.1 and 3.7.5*) YES
- b) double-use? (*Paragraphs 3.7.2 and 3.7.6*) YES
- c) double-selling? (*Paragraph 3.7.7*) YES

Summarize and provide evidence of the relevant policies and procedures related to a) through c):

It is not possible for Nori CRCs to be double-issued or double-used. Nori's blockchain smart contract for automatic CRC retirement was designed and created for this

purpose. Nori's Marketplace is transparent so that anyone can verify the validity of a carbon removal claim and its ownership, the name of the registered entity that retired the claim, and the name of the entity whose behalf it was retired. Buyers are required at the point of sale to identify the end user for whom the CRCs have been retired. See [3.6.6. CRC retirement](#) and Section [3.5.5 CRC Issuance](#) of Nori Program Manual.

When the CRC supplier signs their registration contract with Nori, they are committing to not participating in the practice of double-use.

Nori collects supplemental information to enable us to include verifiable estimates of avoided emissions and emission reductions in the CQT reports that will form the foundation of CRCs. Because Nori is a dedicated carbon removal marketplace, CRC Suppliers will not be able to monetize net emission reductions documented in these reports. However, we are structuring our data requirements in this manner to facilitate the efficient monetization of their verifiable emission reductions.

Are measures in place (or *would the Program be willing and able to put in place measures*) to avoid double-claiming as defined in *Paragraph 3.7.3*? YES

As resolved as in *Paragraphs 3.7.8 – 3.7.9*? YES

Summarize and provide evidence of any relevant policies and procedures:

When a country approves the export of real interest in a CRC or offset credit, they will have to add a balancing 1 tonne CO₂e to their official national GHG inventory. Projects in a country that is unwilling to approve exports is unlikely to qualify to sell CRCs in the CORSIA Nori market.

See [Section 3.6.5. CRC retirement](#) of How Nori Works Document.

If no measures are currently in place, describe what measures the Program would consider putting in place in relation to the guidelines in *Paragraphs 3.7.3* and *Paragraphs 3.7.8 – 3.7.9*:

Are measures in place (or *would the Program be willing and able to put in place measures*) to...

a) make publicly available any national government decisions related to accounting for the underlying mitigation associated with units used in ICAO, including the contents of host country attestations described in the criterion guidelines (*Paragraph 3.7.10*) YES

b) update information pertaining to host country attestation as often as necessary to avoid double-claiming? (*Paragraph 3.7.10*) YES

c) monitor for double-claiming by relevant government agency(ies) that otherwise attested to their intention to not double-claim the mitigation? (*Paragraph 3.7.11*) YES

d) report to ICAO's relevant bodies, as requested, performance information related to, *inter alia*, any material instances of and Program responses to country-level double-claiming; the nature of,

and any changes to, the number, scale, and/or scope of host country attestations; any relevant changes to related Program measures? (*Paragraph 3.7.12*) ✓ YES

e) to compensate for, replace, or otherwise reconcile double-claimed mitigation associated with units used under the CORSIA which the host country's national accounting focal point or designee otherwise attested to its intention to not double-claim? (*Paragraph 3.7.13*)
✓ YES

Summarize and provide evidence of any relevant policies and procedures related to a) through e):

Nori is designed to track CRC creation and use in a manner that facilitates all of the monitoring and reporting required by ICAO for CORSIA and we are willing to publish these documents publicly should Nori be accepted as a CORSIA eligible program. As part of the Nori market design, all purchases of CRC's, including CORSIA CRC's, are insured to be made whole by the Nori insurance reserve described in section 2.5 NORI Tokens of the *How Nori Works* document.

If no measures are currently in place, describe what measures the Program would consider putting in place in relation to the guidelines in *Paragraphs 3.7.10 – 3.7.13*:

4.8 Do no net harm

Are procedures in place to ensure that offset projects do not violate local, state/provincial, national or international regulations or obligations? (*Paragraph 3.8*) ✓ YES

Summarize and provide evidence of the relevant policies and procedures:

Nori verification requirements include Assurance that the Supplier and any associated entities are in full compliance with existing laws and regulations.

See Sections 4.3.1. Project registration application and 3.5.2. Project registration application in the *How Nori Works* document.

Provide evidence that the Program complies with social and environmental safeguards: (*Paragraph 3.8*)

Overtime, the only robust and sustainable strategy for minimizing social and environmental harm is full transparency. The Nori marketplace is designed to be the most traceable and transparent marketplace to date. As stated above, the Nori verification process also requires repeated confirmation that the supplier is in compliance with all local and national laws and regulations, including labor and environmental.

See Sections 4.3.1. Stages of verification- Project registration application and 3.5.2.

Project registration application in the *How Nori Works* document.

Provide evidence of the Program’s public disclosure of the institutions, processes, and procedures that are used to implement, monitor, and enforce safeguards to identify, assess and manage environmental and social risks: (*Paragraph 3.8*)

Nori makes methodologies to assess the impacts from project activity public. Every Supplier in the marketplace must provide attestations that they are in compliance with all local rules. During the methodology development process, Nori engages stakeholders in a continual commenting period to account for any environmental and social risks that might occur from project activity. If the methodology or Nori Project is found to create environmental or social risks they will not be eligible to continue. These commitments and requirements are available in the following sections of the publicly available *How Nori Works* document (available at nori.com/resources): Sections 2.2. Nori Methodologies, 3.5.2. Project registration application, and 4.3.1. Stages of verification- Project registration application.

PART 5: Program comments

Are there any additional comments the Program wishes to make to support the information provided in this form?

Nori LLC was incorporated October 30, 2017 and has been operational since. Our current plan is to execute our first demonstration trade by or before October 2019, and execute our first CRC forward contract auction sometime in Q4 2019 or Q1 2020. Since our incorporation date, we have focused on developing CRC buyer and supplier pipelines. At this point in time, it appears that we have 1.26 million potential CRCs in the supply pipeline. While NORI token sales are an imperfect proxy for demand, they are a useful indicator for CRC demand because each Nori token buys 1 CRC. To date we have sold 3.8 million future tokens. (See Section 1. Introduction of *How Nori Works* document)

Nori’s progress to date

- August 2017 | Nori is born
- August 2017–October 2018 | Market design and how the market will work
- August 2017–Present | Supplier and buyer pipeline development
- April 2018 | Reversapalooza public launch event April 2018
- April 2018 | White paper released
- September 2018 | Pilot onboarding of Suppliers

- March 2019 | Peer review committee launched
- March 2019 | [First supplier portal](#) released
- May 2019 | First supplier portal accounts created
- June 2019 | First version of [forward contract portal](#)

Ongoing efforts

- April 2018–Feb 2020 | Croplands Methodology

Nori's *Croplands Methodology* has been released and is currently under review by the peer review committee and available for comment by the public at <https://nori.com/resources>.

In order to ensure transparent and consistent communication of revised methodologies, and the implications of revisions for registered projects, Nori takes into account the expectations of interested parties by publishing, by December 15th energy year, responding to comments formally by October 15th and notice of the schedule for developing and implementing any anticipated methodology revisions that might occur over the next 24 months.

Near-term future efforts

- September 2019 | Demo transactions of CRC purchases
- 2020 Q1/Q2 | Formal platform launch

This one is key for us, if there are any sticky issues we can't resolve by Friday:

>>>_How should a programme proceed if it plans to implement procedures that are consistent with the Emissions Units Criteria and Guidelines for Criteria Interpretation, but is unable to do so prior to the application form deadline?_

Answer: If the programme is unable to demonstrate by the submission deadline that procedures to address a given criterion or guideline are “in place”, programmes are requested to describe their plans to revise any programme procedures and standards to meet the criterion or guidelines in their response to the relevant question(s) in the application form. (edited)

Aldyen Donnelly [6 hours ago]

I think the Nori approach to responding to community and Peer Review Committee input into methodology and market design responds to this requirement. I.e. we proposed the following Nori commitments:

(1) To formally respond, by Dev 15 each year, to all input received by or before Oct 15 in the same year.

(2) To include, in the Dec 15 of formal Nori responses to received input, notice if the input from the community and Peer indicates a requirement that Nori adopt new methodologies or market design elements, or significantly modify existing methodology or market design elements, along with a commitment that

(3) any change requirements or additions to the Nori methodologies and market designs will be published and finalized by Oct 15 of the following year and scheduled for adoption/implementation by Jan 31 after that.

Alexsandra Guerra [< 1 minute ago]

Thanks @Ryan. Yes, this is what I was referring to yesterday when I said we need to have a timeline of expectations up, and so is the main driver for us going through and creating a timeline for the Resources page

SECTION IV: SIGNATURE

I certify that I am the administrator or authorized representative (“Program Representative”) of the emissions unit program (“Program”) represented in a) this form, b) evidence accompanying this form, and c) any subsequent oral and/or written correspondence (a-c: “Program Submission”) between the Program and ICAO; and that I am duly authorized to represent the Program in all matters related to ICAO’s analysis of this application form; and that ICAO will be promptly informed of any changes to the contact person(s) or contact information listed in this form.

As the Program Representative, I certify that all information in this form is true, accurate, and

complete to the best of my knowledge.

As the Program Representative, I acknowledge that:

the Program's participation in the assessment does not guarantee, equate to, or prejudice future decisions by Council regarding CORSIA-eligible emissions units; and

the ICAO is not responsible for and shall not be liable for any losses, damages, liabilities, or expenses that the Program may incur arising from or associated with its voluntary participation in the assessment; and

as a condition of participating in the assessment, the Program will not at any point publicly disseminate, communicate, or otherwise disclose the nature, content, or status of communications between the Program and ICAO, and of the assessment process generally, unless the Program has received prior notice from the ICAO Secretariat that such information has been and/or can be publicly disclosed.

Signed:

Alexandra Guerra

7/12/19

Alexandra Guerra

Full name of Program Representative (*Print*)

Date signed (*Print*)



Program Representative (*Signature*)

(This signature page may be printed, signed, scanned and submitted as a separate file attachment)



| ICAO

Program Application Form, Appendix B

Program Scope Information Request

CONTENTS: This document collects information from emissions unit programs pertaining to the following:

- Sheet A) Activities the program describes in this form, which will be assessed by ICAO's body of experts
- Sheet B) Any activities that the program does not wish to submit for assessment
- Sheet C) List of all methodologies / protocols that support activities described under Sheet A

SHEET C: METHODOLOGIES / PROTOCOLS LIST (Here, list all methodologies / protocols that support activities described in Sheet A)

Methodology name	Unique Methodology / Protocol Identifier	Applicable methodology version(s)	Date of entry into force of most recent version	Prior versions of the methodology that are credited by the Program (if applicable)	Greenhouse / other gases addressed in methodology	Web link to methodology
Croplands Methodology	e.g., ABC-123-V.20-XXX Nori.Croplands.V.1	e.g., V2.0 V.1.0	01/01/2018 01/07/2019	NA	CO2	nori.com/resources