

CORSIA Eligible Emissions Unit Programme Change Notification Form

Version 2.0; Effective from 10 January 2022

PART A: ABOUT THIS FORM

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

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

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

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

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

PART B: PROGRAM CHANGE NOTIFICATION(S)

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

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

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

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

Programme name: Climate Action Reserve

<p>CHANGE 1: Procedures to prevent double-claiming: Require all CORSIA eligible credits to meet EUC Guidelines.</p>
<p>a. Description of the change (e.g., the addition, modification, deletion undertaken):</p> <p>The Reserve has added the following language into the following sections of the revised Reserve Offset Program Manual (Version 9.2)(underlined text refer to added language):</p> <p style="padding-left: 40px;">Section 2.11.2 Avoiding Double Claiming Under CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation)</p> <p style="padding-left: 40px;">Process to Avoiding Double Claiming Under CORSIA</p> <p style="padding-left: 40px;">When a Project Developer wishes for their credits to be deemed CORSIA-eligible, the following steps must be taken by the Project Developer and the Reserve. <u><i>This pertains to CRTs (regardless of sector, GHG, project activity type or jurisdiction) from reporting periods January 1, 2021, and later. The process requires that all credits deemed CORSIA-eligible are appropriately accounted for in line with international guidance and requirements, specifically the requirement that corresponding adjustments are made by host countries consistent with Article 6.2 Guidance under the Paris Agreement (for the purposes of avoiding double-claiming):</i></u></p> <p style="padding-left: 40px;">Step 5 of Process to Avoid Double Claiming Under CORSIA:</p> <p style="padding-left: 40px;">The Reserve and the Project Developer determine whether there is a need for corresponding adjustments (per rules under the Paris Agreement). <u><i>Corresponding adjustments are required for CRTs (regardless of sector, GHG, project activity type or jurisdiction) from reporting periods January 1, 2021, and later for use in CORSIA.</i></u></p> <p style="padding-left: 40px;"><u><i>3.11.5.1 CORSIA Emissions Unit Eligibility</i></u></p> <p style="padding-left: 40px;"><u><i>CORSIA Eligible Emissions Units are identified by ICAO in their “CORSIA Eligible Emissions Units” document which is periodically updated. For CRTs from reporting period January 1, 2021, and later to be eligible, the CRTs must meet the “CORSIA Emissions Unit Eligibility Criteria”. This is applicable to all credits regardless of sector, GHG, project activity type or jurisdiction. This criterion requires that a corresponding adjustment must be made by the host country per Article 6.2 Guidance of the Paris Agreement. As such, the Reserve requires that a corresponding adjustment be made for credits to be deemed CORSIA-eligible. Refer to Section 2.11.1, Avoiding Double-Claiming Under CORSIA, for additional information.</i></u></p> <p>The revised Reserve Offset Program Manual, Version 2 is provided as Attachment 1_Program Manual v9.2. It is also available on the Reserve’s website here: https://www.climateactionreserve.org/how/program-resources/program-manual/</p>
<p>b. Rationale for the change:</p> <p>This TAB requested in its “TAB Assessments and Recommendations” sent to the Reserve on March 20, 2024, that the Reserve “Clearly state in the Reserve’s procedures that all emissions units representing mitigation that occurred from 1 January 2021 onward and are used in the CORSIA must be appropriately accounted for in line with the relevant and applicable international provisions, as stated in the EUC Guidelines, in particular through corresponding adjustments by the host country consistent with Article 6.2 Guidance under the Paris Agreement, regardless of the sector, gas, activity type or country in which the mitigation occurred”</p> <p>Please note in the previous version of Section 2.11.1, Avoiding Double Claiming Under CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) in the Reserve’s Offset</p>

Program Manual (as of the August 2023 version) the Reserve specified the steps necessary to make a corresponding adjustment for CORSIA-eligibility “where required”. The Program Manual did not explicitly state the required reporting periods where a corresponding adjustment is required, as the guidance is intended to be inclusive and address any changes that may result from Article 6 deliberations and/or ICAO guidance. Additionally, it did not specifically make reference to its alignment with Article 6.2 guidance. To make it more explicit that the Reserve will require corresponding adjustments for CRTs representing emissions reductions/removals that occurred from January 1, 2021 and later to be in line with Article 6.2, the Reserve has added language to Section 2.11.2, Avoiding Double Claiming Under CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) and adding a new section to the Reserve’s Program Manual, Section 3.11.2.1, CORSIA Emissions Unit Eligibility (as noted above).

c. Where the change is reflected in the Programme’s documentation or other resource(s)⁴:

The revised Reserve Offset Program Manual, Version 2 is provided as Attachment 1_Program Manual v9.2. It is also available on the Reserve’s website here:
<https://www.climateactionreserve.org/how/program-resources/program-manual/>

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

In July 2023, the Reserve submitted a Material Change Form to demonstrate “a suite of procedures necessary to prevent double-claiming”. The Reserve provided a new section to the Program Manual, Avoiding Double Claiming Under CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) (previously Section 2.9.1). This version of the Program Manual (July 2023) is provided for reference as Attachment 2_Reserve Program Manual July 2023. The Reserve has updated this section, now Section 2.11.2 (see Change 3 below). This revised language as described in this Material Change Form and replaces that previously submitted version.

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

It would not be necessary to resubmit the information provided in “d” as the revised information is provided as an update to the Reserve’s Offset Program Manual and supersedes the previously submitted version.

CHANGE 2: Procedures to prevent double-claiming: Added procedures to respond to changes to the number, scale, and/or scope of host country attestations.

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

The purpose of this response is to provide clarification, to the request that the Reserve establish procedures for the programme to respond to changes to the number, scale, and/or scope of host country attestations. The Reserve has these overarching procedures in place.

The Reserve assumes that this question pertains to the ability of the Reserve staff to handle the workload associated with administering review of CORSIA-eligible credits and the required coordination with host countries to process corresponding adjustments. The entire Reserve organization is externally focused on serving our compliance and voluntary market customer base, with most staff solely focused on this part of our mission on a daily basis. The Reserve has put into place a breadth of standardized procedures to handle all aspects of administration of its program. These procedures are detailed in the Reserve’s Internal Operating Procedures and allow staff,

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

regardless of length of tenure, to complete programmatic reviews and related tasks independently. The Reserve employs checklists to reduce errors in our work. This standardized approach has allowed the Reserve to streamline its work and accomplish a large workload with a small team. Furthermore, the Reserve has experience handling a similar process for host country attestations through its work under the State of California Compliance Offset Program. At this program's launch there were a significant number of immediate requests from entities that were seeking compliance credits. Additionally, these requests increased as the program matured. With our standardized procedures we were able to manage the workload and continue to scale the team. The Reserve also monitors its workload weekly and can make adjustments to address needs swiftly. The Reserve Administrator prepares a weekly report for the VP of Programs and the Senior Management Team for the purpose of assessing workload. A sample is provided as Attachment 3_Sample of Weekly Report. Please be advised this information is confidential. Note that the Reserve's standard operating procedures involve the necessary reviews within days of receipt of relevant programmatic materials (not weeks nor months, no later than 10 business days). Moreover, as our workload increases the Reserve can also add additional staff to handle the increased workload (e.g., staff size has increased over 30% in the past few years). A general overview of that oversight is described in Section D, Workload Management of the Reserve's Internal Operating Procedures (excerpt provided):

D. Workload Management

To ensure the staff can meet review deadlines and provide technical support to stakeholders (e.g. project developers, verification bodies, etc.), workload must be managed. The first line of workload management is the Reserve Administrator. As the Reserve Administrator monitors project and administrative activity of the registry, they can report shifts in workload to the VP of Programs for action. Additionally, the Reserve Administrator assigns all programmatic work from the registry to available staff and is able to balance workload across sector teams. The Reserve Administrator also prepares a weekly report of all registry activity that is reviewed by the VP of Programs to identify potential workload issues.

The internal target for staff review and action is ten business days. Staff aim to exceed this deadline and the current turnaround time is an average of 5 days (FY24). This provides a benchmark to guide workload demand.

In the circumstances that there is a temporary increase in workload, the Reserve teams are structured to allow additional internal resources to be deployed to support work. This includes engaging mid-managers on project review and support or assigning grouped project reviews to allow teams to decide how best to handle multiple projects.

When there is a sustained increase in workload the VP of Programs will make a determination if additional staff need to be hired. This involves reviewing data to determine sector areas that need additional support and engaging with Analytical Staff to identify needs. Once a determination is made that additional staff are needed, the VP of Programs assigns a hiring manager that directly engages with the Operations team to develop a job description and start the hiring process.

Moreover, the Reserve recognizes that the market is currently scaling and will continue to do so. For example, the Reserve has recently increased the size of its team by over 30% in anticipation of growth. It stands ready to add additional staff to support growth of the market as needed. The Reserve has robust hiring guidelines, provided as Attachment 4_Hiring Guidelines. Please be advised this document is considered confidential. Additionally, the Reserve has a contract in place with Globalization Partners, a company that provides the Reserve with human resources administration for international employees. This company allows the Reserve to hire internal staff quickly due to the low administrative burden. We currently have hired two international employees through this service. For evidence of this contract and relationship, please see Attachment 5_Globalization Partners. This attachment is considered confidential. As noted above, the Reserve's standardized protocols and standardized procedures for handling program administration, for both our voluntary and compliance

programs, has successfully managed working with compliance entities (such as the California Air Resources Board) and with voluntary market participants without disruption or lags in service for many years. This approach to our work allows new staff to be onboarded thoroughly and timely, which allows them to contribute to workload quickly and to become experts in assigned sectors. Please see Attachment 6_Sample Programmatic Staff Onboarding for evidence of the Reserve’s procedures for onboarding new staff. This attachment is considered confidential. Additionally, more recently the Reserve has demonstrated its responsiveness to a variety of market stakeholders, such as ICAO, rating agencies, regulators and the ICVCM. We plan to continue to be highly engaged with market participants and again are committed to growing Reserve staff and capabilities to meet this objective of expanding market demands.

b. Rationale for the change:

This TAB requested in its “TAB Assessments and Recommendations” sent to the Reserve on March 20, 2024, that the Reserve “Establish procedures for the programme to respond to changes to the number, scale, and/or scope of host country attestations;”

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

This is documented in the Reserve’s Internal Operating Procedures, an excerpt has been provided. Other evidence has been provided as attachments (Attachments 4-6).

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

This does not alter any previously submitted information.

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

N/A.

CHANGE 3: Procedures to prevent double-claiming: Revised Section 2.11.1 of Reserve Offset Program Manual to align with Article 6.2 Guidance

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

The Reserve has revised the language in Section 2.11.2 Avoiding Double Claiming Under CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation)(previously Section 2.11.1) to ensure the correct required information and timing is consistent with Article 6.2, and to provide more clarity. Additionally, the Reserve has added Section 2.11.1 Article 6 to provide more clarity to the Reserve’s perspective on Article 6. It should be noted, the text from this section was previously incorporated in Section 2.11 Avoided Double Counting of Emission Reductions. This section does include revisions to previous text for clarity.

The revised Section 2.11.2 also includes reference to a new form, the Reserve’s Host Country Letter of Authorization Template. This template is intended to support countries with meeting the host country authorization requirements. This is provided as Attachment 7_Host Country Letter Authorization Template

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

These revised sections are included in Version 9.2 of the Reserve’s Offset Program Manual, which is available on our website: <https://www.climateactionreserve.org/how/program-resources/program-manual/>

b. Rationale for the change:

This TAB requested in its “TAB Assessments and Recommendations” sent to the Reserve on March 20, 2024, that the Reserve “Review and update section 2.11.1 of the Reserve Offset Program Manual, in order to ensure that the timing and information sought in different national reports is consistent with their respective contents per the Article 6.2 Guidance, so that the Reserve and Project Developers have the correct instructions needed to meet their responsibilities under the Reserve’s procedures for comparing unit use against national reporting.”

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

The information is available in the revised Reserve Offset Program Manual, Version 9.2 that is available on the Reserve’s website here: <https://www.climateactionreserve.org/how/program-resources/program-manual/>

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

In July 2023, the Reserve submitted a Material Change Form to demonstrate “a suite of procedures necessary to prevent double-claiming”. The Reserve provided a new section to the Program Manual, Avoiding Double Claiming Under CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) (previously Section 2.9.1). This version of the Program Manual (July 2023) is provided as Attachment 2_ Reserve Program Manual July 2023. This revised language as described in this Material Change Form and section replaces that previously submitted version.

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

It would not be necessary to resubmit the information provided in “d” as the revised information is provided as an update the Reserve’s Offset Program Manual and supersedes the previously submitted version.

CHANGE 4: Procedures to prevent double-claiming: Evidence provided to demonstrate how project proponents legally commit to replace double-claimed credits.

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

The Reserve will require projects to legally attest to compensating for credits for which a host country does not make a corresponding adjustment, or if the Reserve cannot verify that the corresponding adjustment has been done. This requirement is reflected in the revised Section 2.11.2.2 Compensating for Double Claimed Credits and revised Section 2.11.2 Avoiding Double Claiming Under CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) in the Reserve Offset Program Manual, Version 9.2 (available on the Reserve’s website: <https://www.climateactionreserve.org/how/program-resources/program-manual/>). To legally attest to this requirement, the Project Developer will complete the Attestation of Compliance with Double Counting Requirements (provided as an Attachment 8_ Attestation of Compliance Double Claiming Reqs and also available on the Reserve’s website here: <https://www.climateactionreserve.org/how/program-resources/forms/>). Additionally, the Reserve

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

will require a Request to Designate CRTs as CORSIA Eligible form (provided as Attachment 9_Request for CORSIA-Eligible Designation) as part of its process. This form also provides notice to the Project Developer that they are seeking CORSIA eligibility designation voluntarily and that they are responsible for compensating for double claimed credits.

b. Rationale for the change:

The TAB requested in its “TAB Assessments and Recommendations” sent to the Reserve on March 20, 2024, that the Reserve “provide evidence of the basis by which a Project proponent legally commits to replace double-claimed mitigation in line with section 2.11.1.2 of the Reserve Program Offset Manual.”

Section 2.11.1.2, Compensating for Double Claimed Credits of the Reserve’s current Offset Program Manual, explicitly states that the Project Developer is responsible for compensating for double claimed credits where a host country has failed to make a corresponding adjustment. Project developers agree to this by signing the Reserve’s Terms of Use, where they acknowledge they are subject to the rules of the Program (which includes the Reserve’s Program Manual). The Terms of Use is a legally binding commitment. Per Section 3 of the Reserve’s Terms of Use, the User (the Project Developer) represents and warrants to the Reserve that “It will follow the Reserve’s program rules to avoid double counting of GHG reductions or removals issued by the Reserve.” Failure to compensate for double claimed credits would be considered a breach of the Terms of Use, and would result in action by the Reserve, first, to work with the Project Developer to take corrective action. If the compensation was not addressed, the Reserve would take legal action per the Terms of Use.

To further link the legal obligation to compensate for double claimed credits to the Terms of Use, which is the legal mechanism allowing the Reserve the right to seek legal recourse if a Project Developer was non-compliant, the Reserve also created the Attestation of Compliance with Double Counting Requirements. The Reserve relies on this approach for other aspects of the Reserve’s program, per guidance from our legal counsel that it is sufficient.

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

The information is available in the revised Reserve Offset Program Manual, Version 9.2 that is available on the Reserve’s website here: <https://www.climateactionreserve.org/how/program-resources/program-manual/>

The new forms are available on the Reserve’s website here:

<https://www.climateactionreserve.org/how/program-resources/forms/> and provided as Attachment 8_Attestation of Compliance Double Claiming Reqs and Attachment 9_Request for CORSIA-Eligible Designation

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

In July 2023, the Reserve submitted a Material Change Form to demonstrate “a suite of procedures necessary to prevent double-claiming”. The Reserve provided a new section to the Program Manual, Avoiding Double Claiming Under CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) (previously Section 2.9.1). This version of the Program Manual (July 2023) is provided as an Attachment 2_Reserve Program Manual July 2023 for reference. This revised language as described in this Material Change Form and section replaces that previously submitted version.

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

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

It would not be necessary to resubmit the information provided in “d” as the revised information is provided as an update to the Reserve’s Offset Program Manual and supersedes the previously submitted version.

CHANGE 5: Procedures to prevent double-claiming: Added procedures for addressing instances where a project developer does not compensate for double-claimed credits.

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

The Reserve has added procedures to its Internal Operating Procedures to handle double-claiming circumstances where the Project Developer does not comply with the requirements to compensate for the credits. The excerpt from the Internal Operating Procedures is provided below:

E.4 Corresponding Adjustments Not Made/Unable to Verify

In cases where a corresponding adjustment is not made or is unable to be verified, the following steps should be completed:

- 1) the Reserve Administrator should notify the VP of Programs as the annual reporting requirements are finalized.
- 2) The VP of Programs will assign another staff member to confirm.
- 3) The VP of Programs will contact both the Project Developer and the Host Country to gather additional information.
- 4) Reserve Administrator will provide the VP of Programs a credit status of all credits associated with the reporting period.
- 5) The VP of Programs will notify the President that compensation is needed.
- 6) The VP of Programs will provide the Project Developer with a notice to compensate.
- 7) In the event that the Project Developer refuses to make the compensation, the VP of Programs will notify the President.
- 8) The VP of Programs will inactivate the Project Developer’s registry account.
- 9) The President will engage with Reserve’s general counsel for recommendations for actions.
- 10) The President will notify the Reserve’s Executive Committee of the Board of Directors
- 11) The President will engage with the Reserve’s Operations Team to procure CORSIA-eligible credits to compensate for double claimed credits. This will happen through the Reserve’s Blind Trust or another alternative way as agreed upon by the Board (such as the Reserve’s buffer pool) must be free of conflict of interest).
- 12) Once credits are procured, they will be canceled by the Reserve Administrator (per standard procedures) and the purpose of the cancellation will be detailed in the registry.
- 13) The Reserve Administrator will provide notification to ICAO, UNFCCC and the host country that the credits have been retired.
- 14) The President will update the Reserve’s Board of Directors and seek guidance from general counsel on recourse with the Project Developer.

To provide evidence that the Reserve has a mechanism to acquire credits, we have provided our Blind Trust Guidelines and business license as Attachment 10_Guidelines for Using the Blind Trust. This attachment is considered confidential.

Additionally, in Section 2.11.2.2 Compensating for Double Claimed Credits, of the Reserve’s Offset Program Manual, Version 9.2, the following language was added to provide information that the Reserve would compensate for credits and that any double-claiming issue could be resolved while actions against the Project Developer was ongoing:

“Where a Project Developer does not comply with the Attestation of Compliance with Double-Claiming Requirements, and therefore breaches the Reserve’s Terms of Use, the Reserve would

suspend the Project Developer's account to prevent access to the program (legally permitted per the Terms of Use), until the credits could be compensated for. The Reserve would compensate for credits that were not compensated by the Project Developer while action against the Project Developer was in progress."

b. Rationale for the change:

This TAB requested in its "TAB Assessments and Recommendations" sent to the Reserve on March 20, 2024, that the Reserve to "Provide documentation to TAB on the Reserve's formal procedures for addressing instances where a Project Developer is unwilling or unable to compensate for double-claimed mitigation in line with section 2.11.1.2 of the Reserve Program Offset Manual."

We have provided additional internal procedures to address this point and provide clarification in Section 2.11.1.2 of the Reserve's Offset Program Manual, Version 9.2 that is available on the Reserve's website here: <https://www.climateactionreserve.org/how/program-resources/program-manual/>

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

This is found in the Reserve's Internal Operating Procedures (excerpt provided above). This document is not made publicly available. The revised Section 2.11.1.2 is available in the revised Reserve Offset Program Manual, Version 9.2 that is available on the Reserve's website here: <https://www.climateactionreserve.org/how/program-resources/program-manual/>

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

In November 2023 the Reserve received a clarification request in response to our July 2023 Material Change. The clarification request was "The Project Developer declares bankruptcy as it cannot afford to replace the credits."

The Reserve's response was:

In the event that a Project Developer declares bankruptcy and cannot replace the credits that were double-claimed, the Reserve would replace the credits through the Reserve's buffer pool or the Climate Action Reserve Blind Trust. The Reserve's buffer pool is primarily used to compensate for unavoidable reversals, but it is also used as a general insurance fund where the Reserve needs to compensate for over-issued or double-claimed credits. The Climate Action Reserve Blind Trust allows the Reserve to purchase Climate Reserve Tonnes ("CRTs") through a trustee operating independently of the Reserve, so that there is no conflict of interest arising from the Reserve being involved in offset credit transactions. You can confirm that the Climate Action Reserve Blind Trust is an active account in the Reserve's registry by accessing the registry Participating Companies, public report which is available here: <https://thereserve2.apx.com/myModule/rpt/myrpt.asp?r=1&TabName=Generator>. The Reserve does not make this information publicly available, as we do not wish to potentially incentivize Project Developer actions (e.g., via various legal structures) that would allow circumvention of the Project Developer's fiduciary responsibilities.

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

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

This information is still accurate and does not need to be revised. This information is conveyed in the Reserve's Internal Operating Procedures, as described above.