




Sustainability, Energy & Carbon Management

A photograph of a modern building's facade, showing a grid of windows and architectural lines, viewed from a low angle looking up. The image is partially obscured by a black overlay on the right side where the text is located.

Gold Standard for Global Goals
Verification Report 2021
for Carbon Neutral Pty Ltd



Verification Report of
Australian Yarra Yarra Biodiversity Project
Western Australia

For
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Report Category:	Verification Report
Project ID	GS 3039
Project Name	Australian Yarra Yarra Biodiversity Project
Project Location	Latitude: -29 ⁰ 15' 58.63" Longitude: 116 ⁰ 20' 40.71"
Project Owner and address	Carbon Neutral Pty Ltd Suite G.01, 525 Stirling Highway Cottesloe WA 6011 Australia
Project Contact	Nevin Wittber, Chief Operating Officer
Audit Team Leader	Sunil Kumar Sharma
Audit Team Member	Helen Chandler
Internal Reviewer	Samuel Phua
Verification Standard:	<i>Gold Standard for the Global Goals Principles & Requirements, Version 1.2, 2019; Gold Standard Afforestation/Reforestation (A/R) GHG Emissions Reduction & Sequestration Methodology, v1, 2017; GS4GG Land use & Forests Requirements, V 1.2.1, 2020</i>
Monitoring Period	1 May 2018 to 31 st Dec 2020
Draft Verification Report Issued Date	3 rd December 2021
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History of this document:

Field visits: 24 Oct to 29 Oct 2021

Issuance of CAR (Round 1.0): 10 Nov 2021

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1. Introduction

1.1 Scope of the Verification

Carbon Neutral Pty Ltd, the Project Developer (PD) of Australian Yarra Yarra Biodiversity Project (AYYBP), commissioned Pangolin Associates, as the accredited Validation and Verification Body (VVB) to undertake verification of the Project for the Monitoring Period 1st May 2018 to 31st December 2020. The scope of this verification is to assess the conformity of the Project's monitoring report and the supporting evidence and documents against all Gold Standard Requirements including *Gold Standard for the Global Goals Principles & Requirements, Version 1.2, 2019*; *Gold Standard Afforestation/Reforestation (A/R) GHG Emissions Reduction & Sequestration Methodology, v1, 2017* and *GS4GG Land use & Forests Requirements, V 1.2.1, 2020*.

This verification focuses on the following key areas to accomplish the scope of this assignment as per the guidance provided by the GS Secretariat:

1. Assess if there have been any changes in the size of the project area or any of its boundaries.
2. Assess if the GIS Shapefiles of the project boundaries match the size of the reported areas.
3. Assess that the reported grievances have been adequately addressed.
4. Assess the implementation of the project activities and monitoring of SDGs indicators as per Monitoring Plan.
5. Assess the Project's ex-post CO₂-Certificates during the Monitoring Period between 1st May 2018 and 31st Dec 2020.
6. Assess performance shortfall scenario by checking the ex-ante and ex-post estimation of CO₂-Certificates for the Project in this Monitoring Period.

The VVB assesses the existing plantation areas established between 2008 and 2016 and the ex-post CO₂-Certificates generated in the monitoring period against the identified risk areas by applying consistency, completeness and rigour, and draws a positive or negative verification opinion.

1.2 Project Background

The Project Developer (PD) aims to restore a biodiversity corridor in the mid-west region of Western Australia through establishing native vegetation connecting existing natural remnant vegetation. Since 2008, seven properties have been purchased and planted with about 40 different native species of trees and shrubs to restore the landscape to its natural condition through hand planting and direct seeding. The large majority of the plantings have been incorporated into the Gold Standard project. These properties are located in the Shire of Morawa and the Shire of Perenjori. The natural vegetation on these properties was previously cleared and they have been predominantly used for agriculture since the early 20th century. To achieve the aim, the project areas have been legally set-aside for long-term carbon sequestration with Carbon Covenants for each property for 100 years. This project is registered as

'Australian Yarra Yarra Biodiversity Project (GS 3039) under the Afforestation and Reforestation Project of Gold Standard for Global Goals. With the restoration of the native vegetation and habitats, the areas will enrich the biodiversity and deliver socio-economic and environmental benefits to local, regional and global communities.

1.3 Level of assurance

The verification has been undertaken to a reasonable level of assurance, in compliance with the *Gold Standard for the Global Goals Principles & Requirements, Version 1.2, 2019; Gold Standard Afforestation/Reforestation (A/R) GHG Emissions Reduction & Sequestration Methodology, v1, 2017* and *GS4GG Land use & Forests Requirements, V 1.2.1, 2020*.

2. Audit Team

2.1 Audit Team Composition

The VVB audit team comprises Dr Sunil Sharma (Audit Team Leader), Dr Helen Chandler (Audit Team Member) and Dr Sam Phua (Internal Reviewer). Dr Adina Citrog was the Project Manager for this verification assignment. She communicated with Carbon Neutral to facilitate the verification process but was not involved in the verification of the project. The roles and responsibilities of the Audit Team Members are summarized below:

Auditor (Role)	Responsibilities
Dr Sunil K Sharma (Audit Team Leader)	<ul style="list-style-type: none"> • Overseeing the audit process • Desk review of the project documents (technical and non-technical) • Field visit • Issuance of list of uncorrected errors and review of the responses • Prepare verification report
Dr Helen Chandler (Audit Team Member)	<ul style="list-style-type: none"> • Work with the Audit Team Leader and assist in preparing the verification report draft
Dr Sam Phua (Internal Reviewer)	<ul style="list-style-type: none"> • Review of the verification report draft for ensuring Quality Assurance and Quality Control and adherence to company policy

2.2 Auditors' Qualifications and Experiences

Dr Sunil Kumar Sharma, Audit Team Leader

Sunil is an expert in climate change mitigation. He is instrumental in working with Pangolin's team on forestry project audit under the Gold Standard and the Australian Government's Emissions Reduction Fund (formerly the Carbon Farming Initiative, or CFI). Sunil specializes in the Reducing Emissions from Deforestation and Forest Degradation (REDD+) mechanism. He is a REDD, Improved Forest Management (IFM) Methodology, and Jurisdictional Nested REDD Program expert under the Voluntary Carbon Standard Association (VCSA). He is also listed in Roster of Expert for Afforestation and Reforestation Methodology of the Clean Development Mechanism (CDM-UNFCCC). He was also a member of the Technical Advisory Board of Plan Vivo Standard. Sunil co-authored the Improved Forest Management-Logged to Protected Forests (IFM-LtPF) Methodology (VM00011) under the Verified Carbon Standard (VCS). He also led a team of scientists for developing a Woodland Rehabilitation Methodology under the CFI scheme of the Australian Government.

Sunil has a PhD in Resource Management and Environmental Science from the Australian National University, Australia and a Master's degree in Tropical Forestry from Germany and a Master's degree in Sociology from Nepal. He has committed over 25 years of his life in natural resource management with an extended experience on the impacts of human factors on natural resources and vice versa. He was engaged in REDD+ project eligibility and feasibility study, project design and development, advisory and capacity building of in-country partners in Brazil, Paraguay, Mozambique, Zimbabwe, Cambodia, Vietnam and Nepal. He held an adjunct academic position as Senior Lecturer at the School of Environment at Flinders University, South Australia (2013-2016). Since the accreditation of Pangolin Associates as VVB under the Gold Standard in 2018, Sunil worked as Audit Team Leader and successfully completed verification of three A/R Projects under the Gold Standard.

Dr Helen Chandler, Audit Team Member

Helen has worked in the carbon management sector since 2007. Following a role as a senior emissions auditor for greenhouse gas emissions audits, she moved into the area of carbon risk and opportunity, building a tool for assessing carbon exposure risk for Australian businesses.

Research in carbon credit origination projects led to co-authorship of a Verified Carbon Standard (VCS)-approved methodology for Improved Forest Management-Logged to Protected Forests (IFM-LtPF). She has used this expertise to provide support for Pangolin Associates in assurance engagements for the former Carbon Farming Initiative and current Australian government NGER and ERF schemes.

Helen now brings her carbon industry experience to energy audits for light commercial and small businesses.

Helen holds a BSc from the University of Adelaide and a DPhil from the University of Oxford. Since the accreditation of Pangolin Associates as VVB under the Gold Standard in 2018, Helen worked as Audit Team Member and successfully completed verification of three A/R Projects under the Gold Standard.

Dr Sam Phua, Internal Reviewer

Sam is an Assurance Practitioner and an internationally Registered Chartered Chemical Engineer (CEng, MIChemE) with extensive greenhouse gas emissions and energy auditing and advisory experience across a wide range of industries including natural resources, transport, financial and professional services and manufacturing. He is a Registered Greenhouse and Energy Auditor under Australia's National Greenhouse and Energy Reporting legislative framework. He is also the first approved Australian Verifier for the International Airport Carbon Accreditation (ACA) Program and has successfully delivered assurance engagements for the accreditation of airports in the Asia Pacific region. Sam is the lead author for one the world's first carbon project methodology under the international Verra Standard and author for several scientific journal papers and reviews on Verra Standard methodologies, CDM and CCBS project design descriptions.

Sam holds a PhD in Biochemical Engineering, a Master in Professional Engineering Leadership, a Graduate Certificate in Science and Technology Commercialisation, an honours degree in Chemical Engineering and a Diploma in Chemical Process Technology.

2.3 Auditor Code of Conduct Declaration

The Auditors are independent and have no conflict of interest or affiliations with the PD in financial and non-financial matters. Each Auditor has signed a separate form for Independence and Code of Conduct Declaration. Pangolin Associates has shared the signed declaration forms with the PD and also kept in the audit record keeping system.

3. Methods of Verification

Pangolin Associates, the VVB selected to verify AYYBP, organized a kick-off meeting with the PD on 28th Sept 2021, after the PD decided to go ahead with the project verification. The Auditor discussed the verification process, methods and timeframe for delivery of the verification report and highlighted three complementary approaches for the A/R project Verification under the GS4GG, including 1) Desktop Review, 2) Site Visit, and 3) Interview with the Project Staff and stakeholders. The following sections elaborate on these methods.

3.1 Desktop Review of Documents

The VVB audit team conducted a desk review of the project documents to assess the project's compliance with the GS4GG for A/R Project Requirements.

First, the Auditor checked the completeness of the project documents for verification as per the GS4GG for A/R Project Requirements. Then, the Auditor confirmed that the documents submitted by the PD reconcile with the listed templates required for Performance Certification provided by SUSTAINCert (via an email from Peter Konijn of SUSTAINCert).

Second, information and data in the project documents were assessed for consistency and accuracy against each requirement as set out by the GS4GG for A/R Project Requirements. Annex 1 provides a list of project documents and supporting documents reviewed by the VVB.

Third, any non-compliance and inconsistencies were compiled in a list of uncorrected errors and sent out to the PD for appropriate actions to resolve these identified errors. The uncorrected errors may include the following three categories:

- (i) Observation (OBS): Observations (OBS) are suggestions or warnings raised by the VVB and do not need necessarily to be formally addressed at this verification. They are given special attention during the next certification.
- (ii) Corrective Action Request (CAR): When the VVB requests a CAR, the PD must address the CAR to demonstrate compliance with the GS4GG A/R Project Requirements. All CARs must be formally closed to achieve a successful verification.
- (iii) Forward Action Request (FAR): A FAR will be issued where the impact of the infraction is: not material within the current certification, AND unusual or non-systematic, AND correctable in a specific timeframe of less than one year.

Lastly, the audit team reviewed the PD's responses and drew the assertion on the conformity of the Project with the GS4GG A/R Project Requirements.

3.2 Field visit

VVB requires doing a site visit to verify an A/R Project under the GS4GG to observe and assess the project activities and interview the project staff/workers and the stakeholders. Hence, the Audit Team Leader conducted a six-day field visit to AYYBP between the 24th and 29th of October 2021. The objective of the field visit was to observe the implementation of the Project on the ground and interview the project participants and stakeholders.

Mr Nevin Wittber, Chief Operational Officer (COO), helped set out the field visit itinerary and organised the meeting with the project staff in Perth and the stakeholders in the sites. An itinerary of the field visit is included in Annex 2. Mr Geoff McArthur

(Consultant) and Mr Andrew McArthur (Field Assistant) accompanied the Auditor for the first three days while Mr Nevin Wittber joined on the fourth day. The Auditor visited the plantations on all seven properties and performed the following activities:

- a) Observed each property for tree and shrub species diversity, growth status and site condition.
- b) Re-measurement in the sample plots: During the site visits, the sample plots were randomly selected beforehand and re-measured to assess the biomass estimation by the PD in these sample plots. A statistical test for a significant difference between the PD and the Auditor measured biomass was conducted.
- c) Identify and inspect the Area of Interest (AOI): The Auditor assessed the Modelling Units (MUs) in all properties to ensure that the MUs do not include open spaces, exclusion areas and remnant vegetation by visually checking the MUs areas against the satellite imagery in Google Earth. A numbers of Areas of Interest (AOI) in Preston Waters, Terra Grata and Tomora Properties were identified and their geographic locations were noted. The Auditor visited these areas during the site visit.
- d) Water sample point and water sample collection: The Auditor visited three water sample collection sites within the 'Established Area' and was luckily able to collect water samples due to the rain in the morning.

3.3 Meeting/Interviews

The field visit program also included several meetings with the local authority, non-government organizations (NGOs), farmers as well as an interview with project employees. A list of the personnel interviewed is listed below.

Date and Day	Personnel	Organization
Monday 25th Oct 2021	Rosie Labonne (Chief Financial Officer) Ray Wilson (CEO) Georgiana Rogers Nevin Wittber (COO) Geoff McArthur (Consultant)	Carbon Neutral Pty Ltd Carbon Neutral Pty Ltd Carbon Neutral Pty Ltd Carbon Neutral Pty Ltd Carbon Neutral Pty Ltd
Tuesday 26th Oct 2021	Mr Ken Stokes Mr Scott Wildgoose (CEO)	Local Businessman Shire of Morawa
Wednesday 27 th Oct 2021	Mr Rodney King Mr Mario Romeno (CEO) Ms Lizzi King (Client Officer) Mr Rod Butler	Local Businessman Shire of Perenjori Northern Agricultural Catchments Council Inc (NACC) Local Farmer

The meetings with the local authorities i.e. Shire of Morawa and Shire of Perenjori primarily focused on the social, economic and environmental impacts of the project. The auditor asked specific questions regarding any concerns raised by the local communities about the project, to better understand any input of grievances to be addressed by the project. The interview with employees was mainly directed to assess overall working conditions for the employee and identify any safety issues.

4. Number and list of Clarifications Request

4.1 Corrective Action Requests (CAR)

CAR #:	CAR 01/21
Occurrence in the Document(s)	<i>Project-Design-Document-GS3039-2021 Certification v131021.docx</i>
Reference:	<i>Section 5.1.42 (h) of Gold Standard for the Global Goals Principles & Requirements, Version 1.2, 2019;</i>
Description of an issue to be addressed:	
<p>The Auditor recognises that Carbon Neutral Pty Ltd has recently become the Project Developer (PD) of the Australian Yarra Yarra Biodiversity Project and has legally acquired the properties' ownership from Auscarbon Pty Ltd. The change in project owner and the project developer is a significant change for an entity and the PD must update the 'Project Participants and Secured Titles' as required by the section 5.1.42 (h) of <i>Gold Standard for the Global Goals Principles & Requirements, Version 1.2, 2019</i>. However, this change is not reflected in the Project Design Document (PDD).</p>	
Suggested actions:	
Therefore, the PD is requested to update the PDD with the change of the ownership.	
Project owner's response:	
The PDD has been updated to include a description of this change.	
Additional documents provided by the Project owner:	
<p>Project-Design-Document-GS3039-2021 Certification v151121.docx. Copy of advice to Gold Standard of change of ownership. Updated Certificates of Title showing new ownership details.</p>	
Auditor's review of the PO's response:	
<p>The PD updated the Project Design Document dated 15 Nov 2021 and provided the copy of the cover letter to the Gold Standard, which listed 'Carbon Neutral Pty Ltd' as the sole Project Developer. In addition, the PD provided 13 'Duplicate Certificate of Title' acquired in October 2021. These certificates showed 'Carbon Neutral Pty Ltd' as the registered proprietor of the land. The email from the COO, Mr Nevin Wittber, confirmed that they have been waiting to transfer the title to Carbon Neutral for the remaining</p>	

properties from the Land Title Office. Hence, this issue is resolved.	
Conclusion	This CAR 01/21 is CLOSED.

CAR #:	CAR 02/21
Occurrence in the Document(s)	<i>Project-Design-Document-GS3039-2021 Certification v131021.docx</i>
Reference:	<i>Section 5.1.42 (f) of Gold Standard for the Global Goals Principles & Requirements, Version 1.2, 2019;</i>
Description of an issue to be addressed:	
<p>On page 3 of the Project Design Document (PDD), the project has set aside approximately 9,800 ha of remnant vegetation for conservation, equivalent to 36% of the gross property areas. The Auditor confirmed the project boundary of 16,128 ha for all properties by recalculating the area in the shapefile submitted. However, the project has already planted 9,088 hectares of the properties; the total area claimed for conservation purposes can not be accurate.</p>	
Suggested actions:	
<p>(a) Revisit the total areas under remnant vegetation in all properties. (b) Update the total area and its percentage set aside for conservation purposes. (c) Please provide the source file for the estimation.</p>	
Project Developer's response:	
<p>The "Key Project Information" Table in the PDD has been updated to reflect the current area statements. This change also incorporates adjustments required through CAR 6/21 from the current audit.</p>	
Additional documents provided by the PD:	
Establishment Areas-161121	
Auditor's review of the PD's response:	
<p>The PD updated the project area, eligible area and the estimated percentage of the area set aside for conservation in the PDD. However, the PD estimated 5,598 ha of remnant vegetation, i.e. about 35% of the total project boundary of 16,128 ha. The Auditor confirmed the areas of the project boundary and the planting areas in the geospatial files for the project. Since the conservation area exceeds the minimum threshold of 10% and meets the requirement, this issue is resolved.</p>	
Conclusion	This CAR 02/21 is CLOSED.

CAR #:	CAR 03/21
Occurrence in the Document(s)	<i>Project-Design-Document-GS3039-2021 Certification v131021.docx; Monitoring - GS 3039 - 2021 Certification - v131021.docx</i>
Reference:	<i>Section 2.1 of Gold Standard for the Global Goals Principles & Requirements, Version 1.2, 2019;</i>

<p>Description of an issue to be addressed:</p> <ol style="list-style-type: none"> 1. The PD provided the SDG goals/targets and selected the relevant indicators for the selected SDGs 13, 6 and 15. However, the data/parameters for the chosen indicators do not match. For example, the data parameter 'water salinity' is irrelevant to the indicator '6.6.1-Change in the extent of water-related ecosystems over time'. Similarly, species diversity is not a correct data/parameter for the chosen indicator '15.3.1-Proportion of land that is degraded over total land area'. Furthermore, the indicator 'Emissions Reductions' is not correct for SDG 13. 2. The SDG indicators for the selected SDG 13, 6 and 15 in the PDD (<i>Project-Design-Document-GS3039-2021 Certification v131021.docx</i>) are not consistent with the SDG indicators presented in the Monitoring Report (<i>Monitoring - GS 3039 - 2021 Certification - v 131021.docx</i>). For example, the PD used 'Clean Water', 'Water Quality', 'Surface Water' 'Emission Reductions'. 3. Section B.7.1 of the PDD stated that data/parameter for SDG 15 is monitored every year of establishment and every occasion of Performance Certification. However, contrary to the above monitoring frequency, section B.7.3 of the same document stated that species biodiversity is monitored each year.
<p>Suggested actions:</p> <ol style="list-style-type: none"> 1. Please revisit the final list of the UN's SDG indicators and select the most relevant indicator and data/parameters to be monitored for SDGs 13, 6, and 15 for the project. Please update the document with the correct indicator and data/parameters for the selected SDGs and ensure accurate and consistent information in different documents. 2. Please review the project documents and use accurate and consistent information across the project documents. 3. Please check the monitoring frequency of the data/parameter and update all relevant documents.
<p>Project Developer's response:</p> <p>The PDD has been updated Table B.6. to show the correct indicator for SDG 13. Indicators for SDG 6 and 15 remain the same as recorded in the PDD and these indicators are now captured more consistently and evidenced across the other documents as listed under "Additional Documents" below.</p>
<p>Additional documents provided by the PD:</p> <p>Project-Design-Document-GS3039-2021 Certification v151121.docx Monitoring - GS 3039 - 2021 Certification - v 151121.docx Establishment Areas-161121</p>
<p>Auditor's review of the PD's response:</p> <p>The PD updated the PDD with the correct terminology for the SDGs indicator for SDG 13. The PD also changed the indicator for SDG 15 (Life on land) to 'Proportion of land that is degraded over total land area' and updated the PDD (table B.6.2). The PD has updated the PDD and Monitoring Plan with the consistent information on SDGs,</p>

indicators and monitoring schedule. Hence, the issues are resolved.	
Conclusion	This CAR 03/21 is CLOSED.

CAR #:	CAR 04/21
Occurrence in the Document(s)	<i>Project-Design-Document-GS3039-2021 Certification v131021.docx; Calculation PER VER CO2e - GS 3039 - 2021 Certification - v 131021.xls</i>
Reference:	<i>Gold Standard Afforestation/Reforestation (A/R) GHG Emissions Reduction & Sequestration Methodology, v1, 2017</i>
Description of an issue to be addressed:	
<p>The PDD document presented the summary of ex-ante estimates of each SDG impact in Table B.6.4 Summary of each SDG impact's ex-ante estimates. The project has estimated a total baseline carbon stock of 12,750 tCO_{2-e} and divided it by the crediting year, i.e. 50 years, to obtain the annual baseline carbon stock of 254.99 tCO_{2-e}. The PDD applied the annual baseline carbon stock to each year over the crediting period in table B.6.4. However, the calculation of the CO2 Certificate for each property by the planting year has considered 1.47 tCO_{2-e} per hectare per year and subtracted the baseline carbon stock each year (For example, please see the tab 'CO2-certificates HV2010' in '<i>Calculation PER VER CO2e - GS 3039 - 2021 Certification - v 131021.xls</i>'). The third and fourth columns presented the same values of tCO_{2-e} for 'Project Estimate' and 'Net benefit', respectively. The Auditor could not find the source file for the calculation in the documentation provided for verification.</p>	
Suggested actions:	
<p>a) The PD is requested to revisit the baseline estimation and update the table with the correct baseline value for the actual project implementation area for each year in the crediting period.</p> <p>b) Please update the third column, 'Project Estimation', with the gross carbon stock without subtracting the baseline carbon stock.</p> <p>c) The PD is requested to provide the source file for the calculation for Table B.6.4.</p>	
Project Developer's response:	
<p>The PD has reviewed the data provided in Table B.6.4 of the PDD.</p> <p>In the review process, two (2) additional quantitative variations were necessary:</p> <ol style="list-style-type: none"> 1. Small changes have been necessary in Project Eligible Areas for MU's CA 2008, TG 2010, TG 2011 and PW 2014. These changes have now been integrated into Project key calculation documents creating revised Baseline and CO_{2-e} values that are summarised in PDD Table B.6.4. 2. Errors were found in the original calculation of "CO_{2-e} Certificate 2021s" for MU's HV 2014, TG 2015, BH 2015 and HB 2016. The error was the inclusion of incorrect annual CO_{2-e} values through to the end of the Crediting Period. The incorrect values likely remained unchanged from an earlier version of the Growth Model before GMv2 was adopted in 2018. The CO_{2-e} values for the above MU's 	

<p>have now been corrected to those of GMv2 consistent with all other MU's.</p> <p>Table B.6.4 content has now been altered to be consistent with the ex-ante projections of the Project "CO2-e Certificate 2021s" as detailed in the key quantification Excel document. With the above calculational variations the key Excel document has been varied = "Calculation PER VER CO2e - GS 3039 - 2021 Certification – v2 161121.xls"</p>	
<p>Additional documents provided by the PD:</p>	
<p>Calculation PER VER CO2e - GS 3039 - 2021 Certification - v3 161121</p> <p>Baseline – GS 3039 - 2021 Certification v1.1 – 161121</p> <p>Carbon Performance – GS 3039 – 2021 Certification – v1.1 – 161121</p> <p>Risk & Capacities – GS 3039 – 2021 Certification – v1.1 - 161121</p> <p>Project-Design-Document-GS3039-2021 Certification v151121.docx</p>	
<p>Auditor's review of the PD's response:</p>	
<p>The PD reviewed the calculation presented in Table B.6.4 of the PDD and correctly recalculated the baseline estimation for the GS eligible planting area after applying the area correction to Tomora, Terra Grata and Preston Waters properties. The Auditor checked and confirmed that the PD updated Table B.6.4 of the PDD template (<i>Project-Design-Document-GS3039-2021 Certification v151121.docx</i>), baseline template document (<i>Baseline – GS 3039 - 2021 Certification v1.1 – 161121.docx</i>), Carbon Performance template (<i>Carbon Performance – GS 3039 – 2021 Certification – v1.1 – 161121.docx</i>), Risk & Capacities (<i>Risk & Capacities – GS 3039 – 2021 Certification – v1.1 – 161121.docx</i>) and PER VER CO2e calculation (<i>Calculation PER VER CO2e - GS 3039 - 2021 Certification - v3 161121.xls</i>). The PD had correctly addressed and resolved the issues.</p>	
<p>Conclusion</p>	<p>This CAR 04/21 is CLOSED.</p>

<p>CAR #:</p>	<p>CAR 05/21</p>
<p>Occurrence in the Document(s)</p>	<p><i>CO2-Fixation - GS 3039 - 2021 Certification - v 131021.docx; Calculation PER VER CO2e - GS 3039 - 2021 Certification - v 131021.xls; 2018-Objective Observer Assessment Report_GS3039.pdf</i></p>
<p>Reference:</p>	<p><i>Gold Standard for the Global Goals Principles & Requirements, Version 1.2, 2019; Gold Standard Afforestation/Reforestation (A/R) GHG Emissions Reduction & Sequestration Methodology, v1, 2017</i></p>

<p>Description of an issue to be addressed:</p>	
<p>The Auditors identified some typological errors and referencing issue in the documentation provided for verification:</p> <ol style="list-style-type: none"> 1. Page 3 of 'CO2-Fixation - GS 3039 - 2021 Certification - v 131021.docx' refers to 'GS Requirements Methodology p.29', the old version of the Gold Standard document. 2. 'Other Emission GS 3039 -2021 Certification – v 121021.docx' referred to 'Gold 	

Standard A/R Requirements’.

3. The PD provided Version 2.0 of the reference document ‘Biomass Productivity for Carbon Sequestration from WA Midwest Biodiversity Vegetation Establishments’. However, page 4 of ‘*CO2-Fixation - GS 3039 - 2021 Certification - v 131021.docx*’, refers to the older version of the document as ‘Auscarbon reference paper’.
4. Page 5 of ‘*CO2-Fixation - GS 3039 - 2021 Certification - v 131021.docx*’ has incorrectly mentioned 143 permanent sample plots.
5. Page 30 of ‘*Risk & Capacities - GS 3039 - 2021 Certification - v 111021.docx*’ has inaccurately stated that the currently measured productivity is within 2% of the projected productivity.
6. EC value range 0.5 to 2.0 mS/cm on page 13 of ‘*Monitoring - GS 3039 - 2021 Certification - v 131021.docx*’ is not consistent with the water monitoring data presented in ‘*Yarra Yarra Biodiversity Project - Water Monitoring October 2021.docx*’.
7. Section D.4 of ‘*Monitoring - GS 3039 - 2021 Certification - v 131021.docx*’ provided the total number of sample sites for monitoring water salinity for plantation and agriculture sites. However, the list of sites provided in ‘*Yarra Yarra Biodiversity Project - Water Monitoring October 2021.docx*’ did not correspond to the number of monitoring sites stipulated in the former document.
8. The last column of section E.5 of ‘*Monitoring - GS 3039 - 2021 Certification - v 131021.docx*’, estimated the total carbon sequestration of 204,483 tCO_{2-e} from the combined areas of 8,693 ha and 523 ha. However, the total carbon of 204,483 tCO_{2-e} is inaccurately attributed to 8,693 ha.
9. The value in cell R3 (0.6323) in tab ‘Growth Model Projections’ of ‘*Calculation PER VER CO2e - GS 3039 - 2021 Certification - v 131021.xls*’ did not correspond to the value presented on page 3 of the ‘*2018-Objective Observer Assessment Report_GS3039.pdf*’.
10. The value in cell L37 (62,450.87 tCO_{2-e}) in tab ‘Ex-Post CO2e 2021’ of ‘*Calculation PER VER CO2e - GS 3039 - 2021 Certification - v 131021.xls*’ did not correspond to carbon sequestration verified in 2018.

Suggested actions:

1. Please reference the latest version of the project document with the actual file name with extension (For example, ‘*CO2-Fixation - GS 3039 - 2021 Certification - v 131021.docx*’).
2. While referencing the GS4GG document, please refer to the name of the document, version, year and the page (For example, ‘*Gold Standard A/R GHG Emissions Reduction & Sequestration Methodology, Version 1, 2017, Page XX*’).
3. Please change the name of the reference document.
4. Please use the correct number of permanent sample plots used for 2021 inventory.
5. Please check the typological errors and update the documents with correct data and information.
6. Please check the water monitoring datasheet and update the values.
7. Please check the water monitoring sites in both documents and ensure data and information consistency across the documents.
8. Please check the area attributed to the total carbon sequestration and update the

document.

9. Please check the value in the source file and update.
10. Please check the carbon sequestration verified in 2018 and update the value.

Project Developer's response:

1. CO2 Fixation template document had GS reference docs corrected. Saved as v 1.1 template document.
2. CO2 Fixation template document has been corrected with the Version 2 of Reference Paper. Saved as v 1.1 template document.
3. CO2 Fixation template document had number of inventory sample plot corrected to 153. Saved as v 1.1 template document.
4. Risks and Capability template document Section 4.1 amended to "...currently assessed (2020) productivity is approximately 3% of the projected productivity." Saved as v 1.1 template document.
5. Monitoring template document had Section D 3 water monitoring reading ranges changed to be consistent with reference document (YYBP Water Monitoring – October 20121.docx". Monitoring template document saved as v 1.2.
6. Monitoring template document had Section D 4 water monitoring sites changed to a total of 14 sites with 11 from within Project, 2 from agricultural land and 1 an external reference point as included in reference ("YYBP Water Monitoring – October 20121.docx"). Monitoring template document saved as v 1.2.
7. Monitoring template document Table in Section E 5 was amended to compare the projected certificates under GMv2 (NOTE – Calculations were amended with several areas and calculation error corrections) - 209,093 tonnes CO2e ex-anti compared to that ex-post (the inventory) of 202,689 tonnes CO2e matching the inventoried area (i.e. 8,161 ha) which excluded any non-inventoried portion of the Project Eligible Area. Monitoring template document saved as v 1.2.
8. In the Excel file "Calculation PER VER CO2e – GS 3039 2021 Certification v2 – 161121.xls", worksheet "Growth Model Projections" the ultimate annual values of GMv2 are derived from 2 calculations:
 - (1) for project years 1 to 8 the GMv1 values are reduced by 36.77% due to a shortfall of 63.23% as reported up to the 2017 Certification inventory and Audit (i.e. as shown in cell R3 for the worksheet). This value (63.23%) was referred to in the OO Report. The OO had calculated a slightly different number, however the PD chose at the time to maintain the more conservative 63.23% value in the calculation of GMv2 values for years 1 to 8. This value was maintained in the GS Final Report for the 2018 Performance Certification.
 - (2) The 2018 inventory results reflected an overall shortfall of 43.09% (i.e. cell S3) and it was agreed with Gold Standard that from year 9 onwards GMv1 values would be reduced by 56.91%. The 43.09% value is also included in the OO Report.

Summation: GMv2 values are now comprised of years 1 to 9 being derived by a reduction from GMv1 of 36.77% and years 9 being derived by a reduction from GMv1 of 56.91%. There has been no alteration of the Excel document related to this review.
9. For the 2018 Performance Certification the calculated net carbon sequestration was 62,450.87 tonnes. This was within the originating Excel file and ultimately included in the Gold Standard Final Report. Accordingly in cell L37 of Excel file

“Calculation PER VER CO2e – GS 3039 2021 Certification v2 - 161121.xls” is correct.

Additional documents provided by the PD:

1. **“CO2-Fixation - GS 3039 – 2021 Certification – v 1.1 – 161121.docx”**
2. **“Other Emissions – GS 3039 – 2021 Certification – v 1.1 – 161121.docx”.**
3. **Same document as 1 above.**
4. **Same document as 1 above.**
5. **“Risks and Capabilities – GS 3039 – 2021 Certification – v 1.1 – 161121.docx”**
6. **Monitoring - GS 3039 - 2021 Certification - v 151121.docx**
7. **Same document as 6 above.**
8. **Same document as 6 above.**
9. **No change to Excel sheet related to Finding # 9 however the file will be changed for other reasons to “Calculation PER VER CO2e – GS 3039 2021 Certification v3 – 161121.xls”**
10. **No change to Excel sheet related to Finding # 10 however the file will be changed for other reasons to “Calculation PER VER CO2e – GS 3039 2021 Certification v3 – 161121.xls”**

Auditor's review of the PD's response:

The Auditor reviewed the updated documents submitted by the PD in response to the above issues and confirmed the following actions:

1. GS document is correctly referenced in the CO2 Fixation template document (*CO2-Fixation - GS 3039 – 2021 Certification – v 1.1 – 161121.docx*).
2. GS document is correctly referenced in the Other Emissions template document (*Other Emissions GS 3039 - 2021 Certification - v 1.1 - 161121.docx*).
3. The paper is correctly referenced with the name of the document and the version in the CO2 Fixation template document (*CO2-Fixation - GS 3039 – 2021 Certification – v 1.1 – 161121.docx*).
4. The total number of inventory sample plots is corrected to 153 in the CO2 Fixation template document (*CO2-Fixation - GS 3039 – 2021 Certification – v 1.1 – 161121.docx*).
5. Risks and Capability template document Section 4.1 was amended to the correct value (*Risk & Capacities - GS 3039 - 2021 Certification - v 1.1 - 161121.docx*).
6. The Monitoring template document was updated with the correct EC value as recorded in the *YYBP Water Monitoring – October 20121.docx* (*Monitoring - GS 3039 - 2021 Certification - v 151121.docx*).
7. The Monitoring template document was updated with the correct number of water monitoring sites with total 14 sites, including 11 sites within Project, 2 in agricultural land and 1 in an external site (*Monitoring - GS 3039 - 2021 Certification - v 151121.docx*).
8. The Auditor acknowledges that the Monitoring template (section E 5) updated the ex-ante estimate of 209,093 tCO2-e and the ex-post estimation of 202,689

<p>tCO₂-e from 8,163 ha of the established area.</p> <p>The Auditor also confirms that the ex-ante assessment was derived by subtracting the annual CO₂ certificates of 1,499 tCO₂-e for the non-inventoried areas of 523.12 ha, (i.e. HV 2014 (50.09 ha) and HB 2016 (473.04 ha)) from the total annual CO₂ certificates of 210,765 tCO₂-e for the entire planting areas of 8,684.29 ha in the tab “CO₂-certificates Annual” of <i>Calculation PER VER CO₂e - GS 3039 - 2021 Certification - v3 161121.xls</i>.</p> <p>However, the PD used the <i>ex-ante estimate</i> corresponding to the end of year 30/6/2020, while the <i>ex-post estimate</i> was calculated from the sample plot measurement conducted in Sept 2021, i.e. over a year after the ex-ante estimation.</p> <p>9. The GS Reviewer accepted a 63.23% shortfall in the Performance Certification report -2018 for the period 2009-2016. However, the OO reported a different value (63.18%) to the GS report. Hence, the PD had correctly used the value.</p> <p>10. The value in cell L37 (62,450.87 tCO₂-e) in tab ‘Ex-Post CO₂e 2021’ of ‘<i>Calculation PER VER CO₂e - GS 3039 - 2021 Certification - v 131021.xls</i>’ was obtained from the “<i>Calculation CO₂e Auscarbon All Properties 2018 Revised GMv2 + Areas - 121118-2.xls / worksheet “Ex-Post CO₂e 2018”</i>” as referred to in the GS Performance Certification report – 2018. Hence, the PD had correctly used the value.</p>	
<p>Conclusion</p>	<p>This CAR 05/21 is CLOSED, however referring to issue 8, a CAR 08/21 is created to justify why the ex-ante estimate of the end of year 30/06/2021 was not used, which is close to the inventory time for the data used for ex-post estimation of CO₂-certificates?</p>

<p>CAR #:</p>	<p>CAR 06/21</p>
<p>Occurrence in the Document(s)</p>	<p><i>InProject2018.shp; NonProject2018.shp</i></p>
<p>Reference:</p>	<p><i>Annex C in GS4GG Land use & Forests Requirements, V 1.2.1, 2020</i></p>
<p>Description of an issue to be addressed:</p>	
<p>The Auditors reviewed the geospatial files of the project areas against the Google Earth imagery before the field visit and identified some areas of interest for ground truthing. On-site observation of the Preston Water property confirmed that the areas around the Old House had been erroneously included in the planting area (see figure 1). The planted area map (<i>InProject2018.shp</i>) and non-planting area map (<i>NonProject2018.shp</i>) were overlaid on Google Earth. The planting areas, remnant vegetation and non-planting areas were clearly differentiated by the high resolution imagery in Google Earth. We observed discrepancy in the boundary delineation of the planting areas due to inclusion of the remnant vegetation in Tomora (Figure 2a and 2b) or inclusion of the non-planting area in Terra Grata (Figure 3a and 3b).</p>	

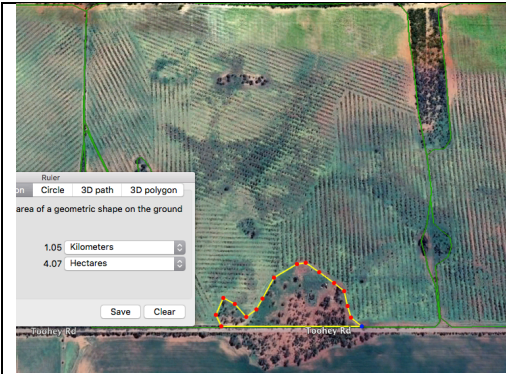


Figure 1: Old house area in Preston Water property included in the planting area



Figure 2a: Tomora property planting area (green line) and non-planting area (red shade), yellow oval showing the non-planted area included in the planting area



Figure 2b: Tomora property planting area (green shade) and non-planting area (red shade), yellow oval showing the location of the non-planted area included in the planting area.



Figure 3a: Terra Grata property planting area (green line) and non-planting area (red shade), yellow oval showing the non-planted area accounted for in the carbon sequestration.



Figure 3b: Terra Grata property planting area (green shade) and non-planting area (red shade), yellow oval showing the location of the non-planted area accounted for in the carbon sequestration.

Suggested actions:

Please check and update these maps and all relevant documents including the calculation of carbon sequestration ensuring that the planting area does not include

remnant vegetation or non-planting areas.
Project Developer's response:
<p>The areas queried by VVB have been investigated by the PD in the field and on a mapping platform. It has now been determined that these areas were recorded as "Established Areas" in error either due to being generally over-looked, being considered as a previously mapped NAS area (Not Adequately Stocked and excised from the Project) or associated with difficult in-field mapping conditions following the establishment.</p> <p>Through mapping on the Google Earth platform (the ArcGIS platform where associated properties were originally mapped is not readily available to PD) the VVB queried areas have been reviewed and reported in a supplement document "YYBP GS Property Variations November 2021.docx". In summary those variation areas are:</p> <ul style="list-style-type: none"> • Preston Waters – around old house ruins = 3.90 hectares reduction from original mapping up to the nominal 15 m property perimeter firebreak. This area will be excised from MU PW 2012. • Tomora – Lot 804 – "Salmon Gums" block = 3.55 hectares reduction adjacent to a NAS area. This area will be excised from MU CA 2008. • Terra Grata – Lot 8610 – three small remnant bush areas within Established areas have been mapped: <ul style="list-style-type: none"> ○ A northern area of 0.45 ha – to be excised from MU TG 2011 ○ A southern area comprising 2 adjacent areas – a western portion of 0.45 ha and an eastern portion of 0.28 ha – total 0.73 ha to be excised from MU TG 2010. <p>NOTE: These specific MU area changes have been incorporated into an updated PER/VER calculation for the entire Project. The revised calculations are within Excel file "Calculation PER VER CO2e – GS 3039 2021 Certification v 2 - 161121.xls"</p>
Additional documents provided by the PD:
<p>"YYBP GS Property Variations November 2021.docx".</p> <p>"Calculation PER VER CO2e – GS 3039 2021 Certification v3 – 161121.xls"</p>
Auditor's review of the PO's response:
<p>The PD checked and accepted the highlighted areas were erroneously included in the 'Established Area' and accounted for CO₂ certificates. The PD performed the analysis of the spatial extent of each area in Google Earth and reported this in 'YYBP GS Property Variations November 2021.docx' as below:</p> <ol style="list-style-type: none"> 1. Preston Waters – PW 2012 (old house area) = 3.9 ha 2. Tomora - CA 2008 (Scrubland) = 3.55 ha 3. Terra Grata – TG 2011 (Remnant small bush) = 0.45 ha 4. Terra Grata – TG 2010 (Remnant small bush) = 0.73 ha <p>Subsequently, these areas were excised from the respective 'Established Area's in <i>Calculation PER VER CO2e – GS 3039 2021 Certification v 2 - 161121.xls</i>. However, the PD has not updated shape files following the change in the "Established Areas" in the above properties.</p>

Conclusion	This CAR 06/21 is CLOSED, however CAR 09/21 is created to update the shapefiles and submit to the Auditor.
CAR #:	CAR 07/21
Occurrence in the Document(s)	<i>Monitoring - GS 3039 - 2021 Certification - v 131021.docx</i>
Reference:	<i>Gold Standard Afforestation/Reforestation (A/R) GHG Emissions Reduction & Sequestration Methodology, v1, 2017</i>
Description of an issue to be addressed:	
<p>During the meeting with the CEO of Morawa Shire and Mr Ken Stokes (a local businessman), both highlighted a concern raised by local farmers regarding firebreak maintenance around the properties and fire fighting capability and equipment during a fire situation. The CEO also stressed the requirement of a fire plan and fire preparedness during the summer season as per the new health and safety provision of the Shire. The Auditor acknowledged that Geoff (CN's Consultant) replied to both on the regular maintenance of the firebreak around the properties, field staff availability, equipment, and their availability and assured to pass these concerns to the project's Chief Operating Officer.</p> <p>The Auditor acknowledged that section G of '<i>Monitoring - GS 3039 - 2021 Certification - v 131021.docx</i>' listed a grievance that occurred in July 2021. The PD provided relevant documents on the mitigation action by the Senior Management and successful resolution of the issue.</p> <p>According to <i>Annex D of 'GS4GG Land use & Forests Requirements, V 1.2.1, 2020'</i>, the project must ensure continuous documentation of Input and Grievance through maintaining an 'Input and Grievance Expression Book' as per the template Table D-1.</p>	
Suggested actions:	
<p>The PD is requested to incorporate the concern raised by the CEO and Mr Ken Stokes in the template table.</p> <p>Please list the grievance issue that occurred in July 2021 in the table.</p>	
Project Developer's response:	
<p>The grievance made by the CEO has been captured in the '<i>Monitoring - GS 3039 - 2021 Certification</i>' document, recorded on the template table and stored in the Grievance Expression Book held at the PD's office.</p> <p>As this grievance is still in progress, recommend this CAR be converted to a FAR to follow up closure actions.</p>	
Additional documents provided by the PD:	
<p>Monitoring - GS 3039 - 2021 Certification - v151121</p> <p>Completed Table D1 for CEO grievance</p>	
Auditor's review of the PD's response:	
<p>The PD listed the concerns raised by the CEO and the local businessman and the COO's response in section G of the Monitoring Report template (<i>Monitoring - GS 3039 - 2021 Certification - v151121.docx</i>) and also documented them in template Table D-1 of</p>	

the 'Input and Grievance Expression Book'. The Auditor received an electronic copy of Table D1 (*Grievance - Firebreaks.docx*). In response to the local concerns, the PD has assigned COO responsible to liaise and cooperate with the local Fire Brigades and Shire of Morawa to ensure fire preparedness to fight against the fire situation.

During the site visit, the Auditor observed recent maintenance of the firebreaks around the project areas and water stored in water tanks in the properties to be available for extinguishing fire in the case of fire.

During the summer season, fire is a genuine concern in the region. The CEO of the Shire emphasized the requirements of a fire plan and fire preparedness to prevent any likely fire situation in the Shire. In a case of fire in the established plantation areas or the farmlands, it could spread to the farm areas and the properties or the plantation areas. Therefore, the project should work closely with the local authority, fire brigade and local farmers to prevent fire in the first place or minimize the fire damage if a fire breaks out. Hence, the project should abide by the local Shire's health and safety plan requirements to address their concerns and prevent and manage fire.

Conclusion	This CAR 07/21 is CLOSED, however it is now converted into FAR – 01/21.
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CAR #:	CAR 08/21
Occurrence in the Document(s)	<i>CO2-Fixation - GS 3039 – 2021 Certification – v 1.1 – 161121.docx</i> <i>Calculation PER VER CO2e - GS 3039 - 2021 Certification - v3 161121.xls</i>
Reference:	<i>Gold Standard for the Global Goals Principles & Requirements, Version 1.2, 2019; Gold Standard Afforestation/Reforestation (A/R) GHG Emissions Reduction & Sequestration Methodology, v1, 2017</i>
Description of an issue to be addressed:	
(Please refer to issue 8 in CAR 05/21)	
<p>The Auditor acknowledges that the Monitoring template (section E 5) updated the ex-ante estimate of 209,093 tCO₂-e and the ex-post estimation of 202,689 tCO₂-e from 8,163 ha of the established area.</p> <p>The Auditor also confirms that the ex-ante assessment was derived by subtracting the annual CO₂ certificates of 1,499 tCO₂-e for the non-inventoried areas of 523.12 ha, (i.e. HV 2014 (50.09 ha) and HB 2016 (473.04 ha)) from the total annual CO₂ certificates of 210,765 tCO₂-e for the entire planting areas of 8,684.29 ha in the tab "CO₂-certificates Annual' of <i>Calculation PER VER CO2e - GS 3039 - 2021 Certification - v3 161121.xls</i>. However, the PD used the <i>ex-ante estimate</i> corresponding to the end of year 30/6/2020, while the <i>ex-post estimate</i> was calculated from the sample plot measurement conducted in Sept 2021, i.e. over a year after the ex-ante estimation.</p>	
Suggested actions:	
Please justify why the ex-ante estimate of the end of year 30/06/2021 was not used, which is close to the inventory time for the data used for ex-post estimation of carbon	

certificates?	
Project Developer's response:	
<p>Gold Standard measures each product vintage to the end of the calendar year. Gold Standard document 101_V1.2_PAR_Principles-Requirements under clause 5.1.39 states "An annual report shall be submitted for each monitoring year by end of next calendar year for which verification is not completed. If a verification is in progress but not completed, then an Annual Report is still required by the end of the year." The footnote goes on to explain "...if a project does not complete the verification for monitoring year 2019 by 31 December 2020, the project shall submit an Annual report for monitoring year 2019 latest by 31 December 2020."</p> <p>Therefore, in any calendar year where monitoring is undertaken, the results of that monitoring must be submitted to Gold Standard before 31 December of the following year. If this is not possible an Annual Report must be submitted.</p> <p>The AYYBC monitoring for the vintage to Dec 2020 was undertaken in Aug 2021. Plans are in place to ensure the results of that inventory are submitted as part of the Performance Certification to Gold Standard before 31 December 2021.</p> <p>The dates listed in the tab "CO2-certificates Annual' of <i>Calculation PER VER CO2e - GS 3039 - 2021 Certification - v3 161121.xls</i> are a carryover from when the spreadsheet was first compiled and had not been updated to reflect the Gold Standard's vintage period ending in December of each year.</p> <p>Therefore, the <i>ex-ante estimate</i> actually relates to 31 December 2020 not 30 June 2020. The dates in the spreadsheet have now been updated to match this requirement on the following tabs:</p> <p>CO2-certificates Annual; CO2-certificates CA2008; CO2-certificates PR2009; CO2-certificates BH2009; CO2-certificates TG2010; CO2-certificates HV2010; CO2-certificates BH2010; CO2-certificates PR2010; CO2-certificates TG2011; CO2-certificates BH2011; CO2-certificates PW2012; CO2-certificates HV2014; CO2-certificates TG2015; CO2-certificates BH2015; CO2-certificates HB2016.</p>	
Additional documents provided by the PD:	
Updated version of 1.18Calculation PER VER CO2e - GS 3039 - 2021 Certification – v3 161121	
Auditor's review of the PD's response:	
<p>The PD explained that the PD is required to submit an annual report for each monitoring year by the end of the following calendar year,(i.e. 31st December) for which the verification is not completed in accordance with section 5.1.39 of GS4GG Principles and Requirements. The example in the footnote further clarifies that the verification for a monitoring year is due by the end of the following calendar year and if the verification is not completed by the end of the year, the PD shall submit an annual report by the end of the year.</p> <p>Applying the same rule, AYYBP is currently undertaking verification for the monitoring year 2020 and aims to submit the verification report by 31st December 2021. Thus, the ex-post carbon stock of the monitoring year 2020 is compared with the ex-ante carbon estimate of the vintage year 2020. The PD updated <<i>Calculation PER VER CO2e - GS 3039 - 2021 Certification - v3 161121.xls</i>> with the CO2-certificate estimate for the GS4GG vintage period ending in December of each year.</p>	
Conclusion	This CAR 08/21 is closed.

CAR #:	CAR 09/21
Occurrence in the Document(s)	<i>InProject2018.shp; NonProject2018.shp</i>
Reference:	
Description of an issue to be addressed:	
<p>(Please refer to CAR 06/21)</p> <p>The Auditor recognises that the PD assessed the non-planting areas which were erroneously included in the Established Area and also documented in 'YYBP GS Property Variations November 2021.docx'. The following areas were excised from the respective 'Established Area' in <i>Calculation PER VER CO2e – GS 3039 2021 Certification v 2 - 161121.xls</i>.</p> <ol style="list-style-type: none"> 1. Preston Waters – PW 2012 (old house area) = 3.9 ha 5. Tomora - CA 2008 (Scrubland) = 3.55 ha 6. Terra Grata – TG 2011 (Remnant small bush) = 0.45 ha 7. Terra Grata – TG 2010 (Remnant small bush) = 0.73 ha <p>However, the PD has not updated shape files following the change in the “Established Areas” in the above properties.</p>	
Suggested actions:	
Please update the shapefiles and submit to the Auditor.	
Project Developer's response:	
The maps, data tables and shapefiles have now been updated to capture the excisions.	
Additional documents provided by the PD:	
<p>Preston Waters-Updated 2021.pdf</p> <p>Terra Grata-Updated 2021.pdf</p> <p>Tomora-Updated 2021.pdf</p> <p>And a folder called Updated Shapefiles containing the updated “.shp” files</p>	
Auditor's review of the PD's response:	
The PD submitted the updated shapefiles.	
Conclusion	This CAR 09/21 is CLOSED.

4.2 Assessment of FARs from previous verification (13 June 2018):

FAR #:	FAR 01/18
Reference:	Section 2.1, 2(a) to (i) Gold Standard Afforestation/Reforestation (GS A/R) Requirement Version 0.9 (Road-Test)

Description of an issue to be addressed:	
The Project owner shall prepare shapefiles with all the elements in the Requirement 2 (a) to (i) of Section 2.1, Gold Standard Afforestation/Reforestation (GS A/R) Requirement Version 0.9 (Road-Test) and upload to the Gold Standard Registry account.	
Project Developer's response:	
As part of the 2018 Audit process, revision of shapefiles was commissioned with expected completion by October 2018. This work was completed in November 2018 and the updated shapefiles have been provided to the Auditor for review during the 2021 Performance Certification. These shapefiles were previously uploaded to the GS SharePoint Registry and the same updated shapefiles have now been uploaded to the Gold Standard Registry Account. The issue identified by this FAR has been rectified and recommend this FAR be closed.	
Additional documents provided by the PD:	
Screenshot of uploaded shapefiles.	
Auditor's review of the PD's response:	
The VVB issued FAR 01/18 during the verification in 2018. In November 2018, the Objective Observer (OO) assigned as a part of the performance review checked the updated shapefiles and confirmed that the areas corroborated with the excel files for estimating PER and VER for the project. The Auditor acknowledged that the Project Developer (PD) submitted the shapefiles of all properties for the Verification 2021, including the project boundary, planted area, non-project area and heritage area. Hence, this issue is resolved.	
Conclusion	This FAR 01/18 is CLOSED.

FAR #:	FAR 02/18
Reference:	Section 3.1, Gold Standard Afforestation/Reforestation (GS A/R) Requirement Version 0.9 (Road-Test)
Description of an issue to be addressed:	
The project owner shall organize the induction program for all staff after finalization of the documents Employee Induction Procedure, Safe Operating Procedures and general work safety procedures documents.	
Project Developer's response:	
Documents relating to employee induction and hazard management have been created and all current and newer employees have been inducted. A farm specific induction has also been implemented for farm employees. All employees have been provided a copy of the Employee Handbook and signed the acknowledgement form.	
Additional documents provided by the PD:	
<ol style="list-style-type: none"> 1. Employee Handbook V2 2. Acknowledgement Form – Handbook and Whistleblower Policy 	

<p>3. Completed Induction Records – “WILSON Richard 20201110”; “ELLERY Amy 20210810”.</p> <p>4. SOP’s – 9 in total</p>	
Auditor's review of the PD's response:	
<p>The PD prepared the documents requested in FAR 02/18 and submitted them to the Auditor. The documents included 'Employee Handbook V2', 'Acknowledgment Form - Handbook and Whistleblower Policy' and 'SOPs' for nine different subjects. The PD also provided evidence for the employee induction to the field workers. Hence, this issue is resolved.</p>	
Conclusion	This FAR 02/18 is CLOSED.

FAR #:	FAR 03/18
Reference:	Section 3.2, Gold Standard Afforestation/Reforestation (GS A/R) Requirement Version 0.9 (Road-Test)
Description of an issue to be addressed:	
<p>The project owner shall apply the seven steps for organizing future LSC for Initial or New Area Certification.</p>	
Project Developer's response:	
<p>The seven steps are noted and agreed as a more thorough process of engaging with the local community. No New Areas or New Projects have been initiated since this FAR was issued, so the seven steps have not yet been applied. The Project Owner is committed to implementing this process for the next New Area or New Project.</p> <p>Recommend this FAR be carried over to the next Certification process.</p>	
Additional documents provided by the PD:	
Nil	
Auditor's review of the PD's response:	
<p>Since the PD did not add a 'New Area' to the project, this FAR is not relevant in this verification. However, suppose the PD decides to add 'New Area' in future. In that case, the PD must comply with the latest version of the <i>Gold Standard for the Global Goals Principles & Requirements</i> and <i>Stakeholder Consultation and Engagement Requirements</i>. Hence, this issue is resolved.</p>	
Conclusion	This FAR 03/18 is CLOSED.

FAR #:	FAR 04/18
Reference:	Section 3.2, Gold Standard Afforestation/Reforestation (GS A/R) Requirement Version 0.9 (Road-Test)
Description of an issue to be addressed:	
<p>The project owner shall communicate with Morawa Agricultural College to conduct</p>	

student awareness and offer student work experience.	
Project Developer's response:	
<p>The Project Owner has engaged with the College management on several occasions, formally and informally. Although work experience is not a suitable path at present, the College has indicated an interest in including the Project in school excursions/field trips but has not yet been able to incorporate this into its program of field excursions. The College has a strong focus on traditional agricultural practices and it will take constant effort to engage them further on incorporating environmental restoration work into their curriculum. The Project Owner will continue to engage with the College and seek opportunities to initiate this change.</p> <p>Recommend this FAR be carried over to the next Performance Certification.</p>	
Additional documents provided by the PD:	
Nil	
Auditor's review of the PD's response:	
<p>The CEO of the Morawa Shire raised this issue during the last verification in 2018. The PD confirmed a follow-up and communication with the college on organising excursions and work experience for the students on the project activities. During the meeting with Morawa Shire's CEO, he confirmed that the college has not complained about the project. However, Geoff (Consultant) mentioned the project is always willing to provide opportunities for the students at Morawa Agricultural College for excursions and work experience. Hence, this issue is resolved.</p>	
Conclusion	This FAR 04/18 is CLOSED.

FAR #:	FAR 05/18
Reference:	Section 3.2, Gold Standard Afforestation/Reforestation (GS A/R) Requirement Version 0.9 (Road-Test)
Description of an issue to be addressed:	
<p>The requirements of section 6.1.3 in the GS AR requirements apply, and "the project owner shall demonstrate to the Gold Standard Secretariat how the project will realistically recover appropriate levels of carbon stocks to comply with requirement 1" (6.1.1) within the 5 year time frame from 2016.</p>	
Project Developer's response:	
<p>This FAR was raised during the 2017 Performance Certification Audit.</p> <p>Incorporated into the GS 3039 Project 2018 Performance Certification the projection of carbon stocks was formally revised and accepted by Gold Standard through two (2) Project variations.</p> <ol style="list-style-type: none"> 1. There was a reduction in the Project Eligible Area and, 2. The Growth Model was revised to Growth Model Version 2 or GMv2. <p>As a result of the above changes, there was a reconciliation of a reduced Project carbon stock and adjustments were made in the issuance of vegetation-sourced and soil</p>	

<p>carbon-sourced credits up to vintage year 2017.</p> <p>Subsequent to the 2018 Performance Certification there are no further requirements on the Project to recover other carbon stock levels.</p> <p>This FAR should be closed.</p>	
<p>Additional documents provided by the PD:</p>	
<p>Nil</p>	
<p>Auditor's review of the PD's response:</p>	
<p>The PD addressed this FAR during the Performance Certification following the verification in 2018. Since the GS has accepted the approach and estimation of the ex-ante and ex-post carbon sequestration, this FAR is resolved.</p>	
<p>Conclusion</p>	<p>This FAR 05/18 is CLOSED.</p>

5. Audit findings

5.1 Non-conformance evaluation

Project Documentation Requirements	
Risk Area 1	Risk that the PD has not used the correct GS4GG templates and updated these documents with accurate, consistent and complete information and data for the verification of the project.
Audit Procedure and Findings	<p>The Auditor reviewed the updated templates provided by the PD following the transition to GS4GG standard in 2018. The documents included the following templates: Key Project Information and Project Design Document, Monitoring Report, Additionality for A/R Project, Applicability for A/R Project, Baseline for A/R Project, Carbon Performance for A/R Project, CO₂-Fixation for A/R Project, Leakage for A/R Project, Other Emissions for A/R Project, Risks and Capacities Guideline for 'Land Use & Forest' projects and Stakeholder Consultation Report. In addition, the Auditor checked for accuracy, consistency and completeness of information and data provided in these documents in conjunctions with the supplementary documents.</p> <p>The Auditor identified the following issues in the PDD: 1) the change of the Project Developer from Auscarbon Pty Ltd to Carbon Neutral Pty Ltd has not been mentioned. 2) the Project Area, Eligible Area and the area set aside for conservation were not correct. 3) Inconsistencies in the terminology for SDGs indicators. 4) Inaccurate baseline and project estimates of SDG impact for SDG-13. 5) Some typological errors and inconsistencies in referencing were observed in the submitted documents. 6) Maintenance of 'Input and Grievance Expression Book' as per the GS4GG A/R Project Requirements.</p> <p>The PD acknowledged all issues identified by the Auditor,</p>

	<p>addressed them and provided updated documents with track changes.</p> <p>The Auditor reviewed the responses to the above issue and the updated documents and confirmed that the information (refer to the CAR response from the PD) and data presented in the final version of these templates are accurate, consistent and complete based on the document reviews, interviews with the project staff and stakeholders and the site visits and complies with the GS4GG A/R Project Requirements. Hence, there is no significant finding to be raised.</p>	
Relevant CAR/FAR/OBS	CAR 01/21; CAR 02/21; CAR 03/21; CAR 04/21; CAR 05/21; CAR 07/21;	
Status of CAR/FAR/OBS	All CARs are CLOSED.	
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Change in the Project Area	
Risk Area 2	Risk that the Project Area has been changed in this Monitoring Period ending 31 st Dec 2021.
Audit Procedures and Findings	<p>The Auditor implemented the following audit procedures to assess the change in the Project Area. The Auditor</p> <ol style="list-style-type: none"> 1. Reviewed the Project documents and maps; 2. Checked MyFireWatch, an online tool for monitoring fire events; 3. Qualitatively assessed in high-resolution satellite imagery of Google Earth for any disturbance or damage; and 4. Asked the project staff and stakeholders interviewed for any disturbance and damage in the Project Area in the Monitoring Period. <p>The Auditor's review confirmed that the project documents and maps did not report any disturbance or damage in the Project Area. In addition, a qualitative assessment of the high-resolution satellite imagery of Google Earth and the Fire Monitoring online tool (MyFireWatch) did not show any fire events within the Project Area. The Project Staff and the stakeholders interviewed also confirmed that no disturbance or fire damage occurred in the Project Area in three years. However, the PD reported Cyclone Seroja hit the Project Area in April 2021 but did minor damage to the established plantation except some branches torn off and some trees blown over. The Auditor did not observe any significant damage to the plantation in the Project Area.</p> <p>The review of the project documents, GIS files, remote sensing imageries and the interview with the Project Staff and stakeholders concur that the project area has not changed since the last verification. Hence, there is no significant finding to be raised.</p>

Relevant CAR/FAR/OBS	NA	
Status of CAR/FAR/OBS	NA	
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Change in Eligible Planting Area and Mapping																			
Risk Area 3	Risk that the PD has not accurately mapped and estimated the Project Area, Planting Area, Eligible Planting Area and Infrastructure.																		
Audit Procedures and Findings	<p>The Auditor implemented the following audit procedures to assess the mapping and estimation of Project Area, Planting Area, Eligible Planting Area, heritage sites and infrastructure areas. The Auditor</p> <ol style="list-style-type: none"> 1. Imported the shapefiles into ArcGIS 10.2 and overlaid the maps to see the Project Area, Planting Area, Eligible Planting Area, heritage sites and Infrastructures. 2. Observed whether Planting Area and Eligible Planting Area are within the Project Area. 3. Checked that the Project Area, Planting Area, Eligible Planting Area, heritage sites and Infrastructures area are appropriately mapped. 4. Re-calculated the spatial area coverage for Project Area, Planting Area and Non-project Area using the Area Calculation Tool in ArcGIS. 5. Identified the Area of Interest (AOI) for the project activities through assessing the 'Established Areas' against the high-resolution satellite imagery in Google Earth and inspected them during the site visit. <p>The spatial analysis in ArcGIS (10.2) did not identify any discrepancy and inconsistency between the maps and the documents submitted by the PD. The Planting Area and the Eligible Areas are located within the Project Area and exclude the heritage sites and infrastructure. However, the high-resolution satellite imagery in Google Earth identified some Areas of Interest (AOI) which appear to be 'Old House' in Preston Waters (PW 2012), and remnant vegetation in Tomora (CA 2008) and Terra Grata (TG 2010 and TG 2011) (CAR 06/21). The PD checked and accepted these areas were erroneously included in the 'Established Area' and accounted for CO₂-e Certificate 2021. The PD analysed the spatial coverage of the areas in Google Earth and excised 8.63 ha area from the respective properties and Modelling Units as below:</p> <table border="1"> <thead> <tr> <th>Properties</th> <th>Modelling Units</th> <th>Non-eligible area (ha)</th> </tr> </thead> <tbody> <tr> <td>Preston Waters</td> <td>PW 2012</td> <td>3.9</td> </tr> <tr> <td>Tomora</td> <td>CA 2008</td> <td>3.55</td> </tr> <tr> <td>Terra Grata</td> <td>TG 2010</td> <td>0.73</td> </tr> <tr> <td>Terra Grata</td> <td>TG 2011</td> <td>0.45</td> </tr> <tr> <td colspan="2">TOTAL AREA EXCISED</td> <td>8.63</td> </tr> </tbody> </table>	Properties	Modelling Units	Non-eligible area (ha)	Preston Waters	PW 2012	3.9	Tomora	CA 2008	3.55	Terra Grata	TG 2010	0.73	Terra Grata	TG 2011	0.45	TOTAL AREA EXCISED		8.63
Properties	Modelling Units	Non-eligible area (ha)																	
Preston Waters	PW 2012	3.9																	
Tomora	CA 2008	3.55																	
Terra Grata	TG 2010	0.73																	
Terra Grata	TG 2011	0.45																	
TOTAL AREA EXCISED		8.63																	

	The PD updated the spatial maps for the above properties by excluding the non-planting areas as identified above in the table. Hence, there is no significant finding to be raised.	
Relevant CAR/FAR/OBS	CAR 06/21; CAR 09/21	
Status of CAR/FAR/OBS	CAR 06/21 and CAR 09/21 are closed.	
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Change in Modelling Units (MU) Area and Mapping	
Risk Area 4	The PD has not accurately identified the Modelling Units (MU) in the Project Area in accordance with the GS4GG A/R Project Requirements.
Audit Procedures and Findings	<p>The Auditor implemented the following audit procedures to ensure the Modelling Units were accurately mapped in the Project. The Auditor</p> <ol style="list-style-type: none"> 1. Created the .kml file of <InProject2018.shp> and imported it to Google Earth to reconfirm the accuracy of the MUs mapping. 2. Checked for any open spaces, exclusion areas and remnant vegetation within the MUs boundary. 3. Observed for any disturbance or damage in the MUs. <p>The PD has identified 14 Modelling Units (MUs) in AYYBP based on the planting year in the property. However, the CO2-Certificates in this verification accounted for 12 MUs and did not include two MUs, one in Hillview (HV 2014) and one in Hughes Block (HB 2016) but added TG 2015 and BH 2015 in this verification. Risk Area 2 confirmed that the Project Areas, including the MUs, did not experience any disturbance and fire damage in this Monitoring Period. However, the Auditor observed the inclusion of non-eligible areas in MUs in Preston Waters, Tomora and Terra Grata (CAR 06/21) in Google Earth and visited the location in Preston Waters during the site visit. The PD addressed this issue by excluding the areas from the respective MUs and updating the spatial maps. The Auditor recalculated the total area of 8,161.16 ha for 12 MUs, the same as the area presented by the PD. A summary of the MUs, property name and the area is presented in table below:</p>

Property Name	Modelling Unit	Total Eligible Area (ha)	Eligible Areas (ha)
Bowgada Hills	BH 2009	1,298.63	402.34
	BH 2010		810.65
	BH 2011		61.38
	BH 2015		24.26
Hillview	HV 2010	616.89	566.8
	HV 2014		50.09
Hughes Block	HB 2016	473.04	473.04
Pine Ridge	PR 2009	2,698.47	2,245.65
	PR2010		452.82
Preston Waters	PW 2012	400.78	400.78
Terra Grata	TG 2010	929.73	770.15
	TG 2011		125.95
	TG 2015		33.63
Tomora (Canna)	CA 2008	2,266.75	2,266.75
TOTAL		8684.29	8684.29
Area Added		TG 2015; BH 2015	57.89
Area not included		HB 2016; HV 2014	523.13
TOTAL AREA IN THIS VERIFICATION			8161.16

The Project has a total eligible area of 9,079.84 ha in 14 MUs and the entire eligible area was planted with mixed tree and shrub species between 2008 and 2016. In calculating CO₂-Certificates for the current verification, the project accounted for 12 MUs with a cumulative area of 8,161.16 ha, excluding 363.72 ha Not Adequately Stocked (NAS) areas, 31.83 ha Salt Established Area and 523.13 ha in the HV 2014 and HB 2016 MUs. Note, the HV 2014 and HB 2016 MUs were eligible project areas planted in 2014 and 2016, respectively. However, these MUs were not inventoried in 2021 and were not accounted for CO₂-Certificates in this verification. The project had accurately mapped the boundaries of the Modelling Units and updated the geospatial file. Hence, there is no significant finding to be raised.

Relevant CAR/FAR/OBS	CAR 06/21; CAR 09/21
Status of CAR/FAR/OBS	CAR 06/21 and CAR 09/21 are closed.
Conformance	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Sustainable Development Goals (SDGs) Monitoring	
Risk Area 5	Risk that the PD has not undertaken the monitoring of SDG indicators for the selected SDGs as stipulated in the monitoring plan.
Audit Procedures and Findings	<p>The Auditor implemented the following audit procedures to ensure that the PD has undertaken the monitoring of SDG indicators for the selected SDGs as stipulated in the monitoring plan. The Auditor</p> <ol style="list-style-type: none"> 1. Reviewed the Monitoring Report template for the selected SDGs and their indicators 2. Reviewed the estimation of the SDGs indicator in the Monitoring

	<p style="text-align: center;">Period</p> <p>The PD has provided the updated PDD <Project-Design-Document-GS3039-2021 Certification v131021.docx> and Monitoring Plan template <Monitoring - GS 3039 - 2021 Certification - v 131021.docx>. The Auditor found inconsistency in the terminology used for the selected SDGs and their indicators. In addition, there was ambiguity on the selection of SDG impact or indicator for SDG 15 (life on land) between these two template documents as the Monitoring Report has selected 'plant biodiversity' while the PDD has 'Proportion of land that is degraded over total land area' (CAR 03/21). The PD updated the PDD with the correct terminology for SDG 13, used 'Clean Water' as an indicator for SDG 6 and chose to use 'Proportion of land that is degraded over total land area' and updated the data and parameter section of Monitoring Report <Monitoring - GS 3039 - 2021 Certification - v 151121.docx>. The UN document on the final list of proposed SDG indicators (https://sustainabledevelopment.un.org/content/documents/11803Official-List-of-Proposed-SDG-Indicators.pdf) confirms that the selected indicator is listed as 15.3.1 within the target 15.3 of SDG 15 to combat desertification and restore degraded land and soil by 2030.</p> <p>The PD rectified Table B.6.4 by correctly applying the ex-ante estimate of SDG impact for SDG 13 in response to CAR 04/21.</p> <p>Regarding SDG 6, the PD provided a document describing the procedure for water sampling and the water sample monitoring data in 2018, 2019 and 2021. However, the water monitoring sites and the sample data in the Monitoring Report did not correspond to the water monitoring document <Yarra Yarra Biodiversity Project - Water Monitoring October 2021.docx> (CAR 05/21). The PD addressed CAR 05/21 by updating the Monitoring Report with the correct water sample data and the number and location of the water monitoring sites. The Auditor visited three water sample collection sites within the 'Established Area' at Terra Grata, Bowgada and Pine Ridge Properties and collected water samples from the remnant pool due to the rain in the morning. The 'Water Salinity' (measured with Eutech EC Testr11) results at Bowgada and Pine Ridge Properties were corroborated reasonably to the PD's results collected in 2021. In contrast, water salinity (3.8 mS/cm) at Terra Grata Property was greater than the reading (1.2 mS/cm) on 31/05/2021. The higher water salinity level may be attributed to water evaporation from the small pool over a period.</p> <p>The PD has updated the PDD and Monitoring Plan with consistent information on SDGs, indicators and monitoring schedules and also undertaken the monitoring of the SDG impacts in this Monitoring Period. Hence, there is no significant finding to be raised.</p>
Relevant CAR/FAR/OBS	CAR 04/21 and CAR 05/21
Status of CAR/FAR/OBS	CAR 04/21 and CAR 05/21 are closed.

S		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Grievance and Input (G & I) Mechanism		
Risk Area 6	The PD has not had a Grievance and Input (G & I) Mechanism in place and has not addressed issues or concerns raised by the stakeholders.	
Audit Procedures and Findings	<p>The Auditor implemented the following audit procedures to ensure that the PD has put in place a Grievance and Input (G & I) Mechanism to address issues or concerns raised by the stakeholders. The Auditor</p> <ol style="list-style-type: none"> 1. Interviewed the Project staff and stakeholders 2. Reviewed section G on Stakeholder inputs and legal disputes in the Monitoring Report 3. Reviewed the 'G & I Expression Book' template <p>The PD listed a grievance issue raised by staff against another staff member in section G of the Monitoring Report and provided relevant documents on the mitigation action by the Senior Management for successful resolution of the issue between two parties. The PD has a clear grievance policy and procedure <Grievance Policy and Procedure.docx> for the company staff. Thus, the PD has demonstrated a Grievance and Input Mechanism is operational by reporting on a grievance recorded in this Monitoring Period.</p> <p>At the meeting with the CEO of Shire of Morawa a local businessman raised a concern of local farmers on maintaining firebreaks around the properties and the Shire's new fire plan and fire preparedness requirements under the health and safety provision (CAR 07/21). The PD acknowledged the issue and listed the case in 'G & I Expression Book' template <Grievance - Firebreaks.docx> and section G of the Monitoring Report. The Chief Operating Officer (COO) is assigned to liaise with the Shire and local Fire Brigades. However, a FAR 01/21 is generated to ensure that the PD shall work closely with local authorities and stakeholders and abide by the local Shire's health and safety plan requirements to address their concerns and prevent and manage fire.</p>	
Relevant CAR/FAR/OBS	CAR 07/21	
Status of CAR/FAR/OBS	CAR 07/21 is closed but FAR 01/21 is generated.	
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Biomass Accounting and CO2-Fixation

Risk Area 7	The PD did not accurately measure the trees and shrubs and did not correctly identify tree species for accounting CO ₂ -Fixation.
Audit Procedures and Findings	<p>The Auditor implemented the following audit procedures to ensure the Modelling Units are accurately mapped in AYYBP. The Auditor</p> <ol style="list-style-type: none"> 1. Reviewed the sample plot inventory guideline document. 2. Checked for any inconsistency or errors in sample plot data entry and calculation of biomass and CO₂-Fixation. 3. Checked the inventory crew had identified the trees and shrubs accurately in the sample plots. 4. Re-measured 17 of the sample plots (i.e. over 10% of 153, the total number of sample plots) to ensure that the PD accurately estimated the biomass and CO₂-Fixation in all MUs; 5. Performed the statistical significance test for the biomass estimation by the PD and the Auditor for the re-measured sample plots. <p>The PD has prepared and recently updated a detailed guideline 'Field Procedures and Electronic Record Details' <Inventory Procedure and Electronic Record 2021 - Composite - Final 24 September 2021.docx>. This guideline provides explicit instructions for locating the sample plots, electronically recording the plot data in a tablet using a template excel file, measuring trees and measuring Crown Volume Index for shrubs. The document further provides information on potential issues during the inventory and approaches to be taken to address the issue and the application of allometric equations to the sample data for calculating biomass. The PD externally sourced the forest inventory service from a forestry-consulting firm <Woodland Services & Consulting> and provided a two-day training to the field crew prior to undertaking the sample plot inventory.</p> <p>The Auditor checked the 10% of individual sample plot data imported to '2021 Carbon Inventory Data Results Final 24 Sept.xlsx' for each MU and the calculation of standard errors and confirms that the data were accurately imported between the files.</p> <p>During the site visits, 17 permanent sample plots, i.e. over 10% of 153, the total number of permanent sample plots established across all properties, were randomly selected beforehand and re-measured to assess the biomass estimation by the PD in these sample plots. The Auditor had a handheld GPS (Magellan eXplorist 510) with pre-uploaded geographic coordinates for all sample plots and used the GPS to navigate the sample plots for re-measurements. The team measured the diameter above 10 cm of all trees in 12 sample plots while trees or shrubs in a row were re-measured in the remaining five sample plots. The Auditor applied this approach to distribute the re-sampling across all properties and also to re-measure at least 10% of the total sample plots by using the field time most efficiently and effectively. Since Hughes Block (HB 2016) and Hill View (HV 2014) were not included in CO₂-Fixation and not inventoried, no re-measurement was taken in these two properties.</p> <p>At the plot level, the numbers of measured trees/shrubs differ by just one tree under or over between the PD and Auditor's sample plot measurements. Overall in the 17 sample plots, both measurements</p>

have almost the same number of trees/shrubs, i.e. 262 vs 263, while the PD estimated about 4% more dry biomass than the Auditor. However, a statistical test of significance different at 5 %, there is no significant difference between the estimated dry biomass by the PD and the Auditor’s measurements of the sample plots with the p-value >0.05. The sample data collected by the Auditor and the PD and a statistical test are presented in table below.

S N	Property name	Sample Plot #	Sampled biomass for	Auditor sampling		PD inventory sampling	
				Stems #	Dry biomass	Stems #	Dry biomass
1	Hillview	849	all eucs	26	751.06	25	825.21
2	Hillview	878	all eucs	28	514.87	27	515.97
3	Preston Waters	57	all eucs	10	520.42	10	559.30
4	Preston Waters	44	all eucs	11	251.69	11	263.51
5	Tomora	8	Row 4	11	221.57	10	228.32
6	Tomora	1606	row 4	11	231.27	11	248.40
7	Tomora	1447	row 4	7	158.84	7	163.15
8	Terra Grata	466	row 2	10	151.16	10	157.44
9	Terra Grata	480	row 2	12	94.10	12	102.04
10	Terra Grata	1126	row 2	10	115.56	11	123.76
11	Bowgada	615	trees	30	827.63	30	827.51
12	Bowgada	737	trees	11	929.54	12	934.36
13	Bowgada	1003	trees	10	1216.81	10	1292.67
14	Pine Ridge	8	trees	11	237.33	11	245.96
15	Pine Ridge	130	trees	24	39.33	24	36.38
16	Pine Ridge	361	trees	19	902.72	19	947.25
17	Pine Ridge	558	trees	22	601.17	22	629.42
			Total	263	7765.07	262	8100.66
			Mean	29.22	862.79	29.11	900.07
			StDEVA	7.54	358.23	7.32	374.54
			Variance	56.89	128325.36	53.63	140278.87
			n	17	17	17	17

P-value 0.8762

The Project has accurately measured the trees and correctly identified tree and shrub species for accounting CO₂-Fixation. Hence, there is no significant finding to be raised.

Relevant
CAR/FAR/OB
S

Status of CAR/FAR/OBS		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Biomass Accounting and CO2-Fixation	
Risk Area 8	The PD did not appropriately select the default or derived factors and did not apply them accurately for estimating CO2-Fixation for the project.
Audit Procedures and Findings	<p>The Auditor implemented the following audit procedures to ensure that the PD has appropriately select the carbon pools, tree parameters, default or derived factors and applied them accurately for estimating CO2-Fixation for the project. The Auditor</p> <ol style="list-style-type: none"> 1. Reviewed the template documents submitted for verification, including <Baseline - GS 3039 - 2021 Certification v 121021.docx; Other Emissions GS 3039 - 2021 Certification - v 121021.docx; Leakage GS 3039 - 2021 Certification - v 121021.docx; CO2-Fixation - GS 3039 - 2021 Certification - v 131021.docx; Calculation PER VER CO2e - GS 3039 - 2021 Certification - v 131021.xls> 2. Checked the calculation for estimation of the CO2-Fixation. 3. Checked the standard error and deduction application <p>The PD has not changed the method for estimating aboveground biomass and belowground biomass in the MUs since the last Performance Certification in 2018. The CO2-Fixation per hectare was estimated for each MU based on the aboveground biomass from the forest inventory and applying the root:shoot ratio for the belowground biomass. The PD estimated the CO2-Certificates by subtracting the emissions from baseline, leakage and other sources from CO2-Fixation. The total CO2-Certificates for a MU was calculated by multiplying the product by the Modelling Unit area (hectares). The Project applied baseline emissions equivalent to 1.4467 tCO₂-e per hectare and the other emissions of 0.0041 tCO₂-e per hectare attributed to nitrogen content. In addition, the Project had emissions from fuel combustion due to vehicle use for the project activities and for maintaining firebreaks around the properties. However, the fuel combustion emission was considered insignificant and not accounted as per Gold Standard Afforestation/Reforestation (A/R) GHG Emissions Reduction & Sequestration Methodology Version 1, 2017, Section 2.3, page 9. The Project had considered all four-leakage areas and justified that there was no leakage to be accounted for from all four categories.</p> <p>The template 'CO2-Fixation' presented accurate and consistent information on each MU as confirmed by checking the sample plot data, biomass estimation, and precision level. In the case of MUs TG 2015 and BH 2015, the precision level exceeded the 20% threshold by 5.31% and deducted 50.67 tCO₂-e from total CO2-Fixation to compensate for the sampling error above the 20% threshold. Thus,</p>

	<p>the Project resulted in a total CO₂-Fixation of 202,637.89 tCO_{2-e} from 8,161.16 ha since the project commencement. After deducting the CO₂-Certificates issued in the past Performance Certifications, this Project generated verified CO₂-Certificates of 73,366.62 tCO_{2-e} in this Monitoring Period.</p> <p>The Project has appropriately selected the carbon pools, tree parameters, default or derived factors and applied them accurately for estimating CO₂-Fixation for the Project. Hence, there is no significant finding to be raised.</p>	
Relevant CAR/FAR/OBS		
Status of CAR/FAR/OBS		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Performance shortfall		
Risk Area 9	The PD has not provided a pathway to meet the performance shortfall in the case where ex-post carbon credits is lower than ex-ante estimation of carbon dioxide.	
Audit Procedures and Findings	<p>The PD estimated ex-ante carbon performance of 209,093 tCO_{2-e} (for the year ending 31/12/2020) based on the modified Growth Modelling (GMV2) approved by the Performance Certification 2018. The ex-post carbon performance was estimated to be 202,689 tCO_{2-e} for the Monitoring Period ending 31st Dec 2020 based on the sample plot inventory. The ex-post carbon performance is lower by about 3% i.e. 6404 tCO_{2-e} than the projected carbon performance. Since there is no significant (less than the <5% threshold) difference between the ex-post carbon stock and the projected carbon performance, this situation does not represent a significant risk of a performance shortfall.</p>	
Relevant CAR/FAR/OBS		
Status of CAR/FAR/OBS		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

6. Forward Action Requests (FAR) generated in this verification

FAR 01/21
<p>During the summer season, fire is a genuine concern in the region. The CEO emphasized the requirements of a fire plan and fire preparedness to prevent any likely fire situation in the Shire. In a case of fire in the established plantation areas</p>

or the farmlands, it could spread to the farm areas and the properties or the plantation areas. Therefore, the project should work closely with the local authority, fire brigade and local farmers to prevent fire in the first place or minimize the fire damage if a fire breaks out. Hence, the project should abide by the local Shire's health and safety plan requirements to address their concerns and prevent and manage fire.	
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Due	At the next verification.
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7. Assessment of compliance of project implementation and operation with the registered design

This verification assessed the AYYBP A/R Project focusing on five issues outlined in section 1.1 by identifying 10 risk areas for assessing compliance of project implementation and operation with the registered design and GS4GG A/R Project Requirements. Following a review of the Project documents, 9 Corrective Action Requests (CARs) were raised to the Project. The PD successfully addressed these CARs and they were subsequently closed. However, one Forward Action Request (FARs) is issued to the Project to be addressed at the next verification. The Auditor did not find any non-compliance issue against the GS4GG A/R Project Requirements. Hence, this Project is found to be in compliance of the Project implementation and operation with the registered design.

8. Compliance of the registered monitoring plan with the methodology including applicable tools and standardized baselines

The Project is in compliance with the Gold Standard Afforestation/Reforestation (A/R) GHG Emissions Reduction & Sequestration Methodology.

9. Compliance of monitoring activities with the registered monitoring plan

The Project monitoring activities are in compliance with the registered monitoring plan with the Gold Standard Afforestation/Reforestation (A/R) GHG Emissions Reduction & Sequestration Methodology.

10. Compliance with the calibration frequency requirements for measuring instruments

The Auditor confirmed that they check equipment for any damage or malfunctioning before using in the field.

11. Assessment of data and calculation of emission reductions or net removals or Relevant SDG impact

During the review of the Project documents, the Auditor assessed the Project's control measures and accuracy of data transfer by checking the data between the data entry file and the CO₂ Fixation file. The Auditor also re-measured over 10% of total sample plots for ensuring the trees and shrubs were accurately measured in these sample plots and compared the result with the biomass estimation by the PD. The calculation of CO₂-Fixation was also thoroughly checked and the discrepancies found in the calculation were rectified and updated in the final document.

The Project has identified three relevant SDGs and monitored the SDG impacts as per the monitoring plan.

12. Assessment of reported sustainable development co-benefits and Safeguards

The PD aims to restore a biodiversity corridor in the mid-west region of Western Australia through establishing native vegetation connecting existing natural remnant vegetation. Since 2008, the properties have been purchased and planted with about 40 different native species of trees and shrubs to restore the landscape to its natural condition through hand planting and direct seeding. The Project has monitored three SDGs and their impact, including Climate Action (SDG 13), Clean Water (SDG 6) and Life on Land (SDG 15) and demonstrated significant positive impact compared to the baseline scenario through enhancing forest cover and biodiversity, preventing land degradation, carbon sequestration and reducing water salinity. Besides, the Project has delivered sustainable development benefits to the local economy and environment through providing employment opportunities, supporting local businesses and enhancing biodiversity. The CEO, Shire of Perenjori, acknowledged the Project's significant contribution to the Shire and was optimistic about the future growth of these benefits as the Project expands in the region.

13. Internal quality control

One member of the audit team conducted an internal review of the audit report for Quality Assurance and Quality Control (QAQC) purposes.

14. Verification opinion

Based on the verification procedures described above, the CO₂-e fixation (Ex-post) is a positive and reasonable representation of the submitted data in the GS templates and supporting documentation under the GS4GG A/R Project requirements and generated CO₂-Fixation of 73,366.62 tCO₂-e before deducting the Gold Standard Compliance Buffer in the Monitoring Period from 1st May 2018 to 31st Dec 2020.

Annex 1: List of project documents submitted by the PD for desktop review

1. GS Template Documents

Additionality - GS 3039 - 2021 Certification- v 071021.docx
Applicability - GS 3039- 2021 Certification - v 081021.docx
Baseline - GS 3039 - 2021 Certification v 121021.docx
Carbon Performance - GS 3039 - 2021 Certification - v 141021.docx
CDM Additionality GS 3039 2021 Certification v071021.docx
CO2-Fixation - GS 3039 - 2021 Certification - v 131021.docx
Leakage GS 3039 - 2021 Certification - v 121021.docx
Monitoring - GS 3039 - 2021 Certification - v 131021.docx
Other Emissions GS 3039 - 2021 Certification - v 121021.docx
Project-Design-Document-GS3039-2021 Certification v131021.docx
Risk & Capacities - GS 3039 - 2021 Certification - v 111021.docx
Stakeholder-Consultation-Report-GS3039 v131021.docx

2. GS Template Document Attachments

1803_20 LSC Presentation.pptx
Meeting MINUTES - Local Stakeholder Engagement - Shire of Morawa 200318.docx
Meeting MINUTES - Local Stakeholder Engagement - Shire of Perenjori 200318.docx
Public Consultation Meeting 2018 Ad - Perenjori.docx
Yarra Yarra Biodiversity Project - Water Monitoring October 2021.docx

3. Additional Documents

Biomass Productivity Paper - v2 - 141021.docx
Calculation PER VER CO2e - GS 3039 - 2021 Certification - v 131021.xls
Citizen Science_Biodiversity Media Release 1910_09.pdf
Ecological Biodiversity Monitoring Data - October 2021.docx
Explanatory Notes Inventory 2021 - v280921.docx
FINAL 4th Review GS 3039 Performance_Transition Review (2).docx
Financial Analysis GS 3039 - 2021 Certification v 071021.xlsx
Grievance Policy and Procedure.docx
Growth Model Description - v1.3 -141021.docx
Murdoch University Report to Carbon Neutral_April 2020.pdf
Parkhurst etal 2021_woody flora.pdf
Parkhurst_et al 2021 meta-analysis_restoration.pdf
Respectful Behaviours Policy Statement.docx
SUSTAINCert email - Design Renewal.pdf
SUSTAINCert email - Transfer GS3039 to Carbon Neutral.pdf
Yarra Yarra Assessment 2019.pdf
Yarra Yarra Biodiversity Project - Water Monitoring Updated November 2021.docx

4. Maps and Shapefiles

Bowgada Hills Portrait A4 2018.pdf
Carbon Neutral Shapefiles 2018.zip

Carbon Neutral Shapefiles 2018i.zip

Hillview Landscape A4 2018.pdf

Hillview Shapefiles

Hughes Portrait A4 2018.pdf

Pine Ridge Portrait A4 2018.pdf

Preston Waters Landscape A4 2018.pdf

Terra Grata Landscape 2018.pdf

Tomora Landscape A4 2018.pdf

5. Inventory Documents

2021 Carbon Inventory Data Results Final 24 Sept.xlsx

Bowgada Hills Inventory Plots 2021.zip

Hillview Inventory Plots 2021.zip

Inventory Procedure and Electronic Record 2021 - Composite - Final 24 September 2021.docx

Inventory Sample Points GPS Coord 2021 - Final 2021.xlsx

Pine Ridge Inventory Plots 2021.zip

Preston Waters Inventory Plots 2021.zip

Terra Grata Inventory Plots 2021.zip

Tomora Inventory Plots 2021.zip

6. Plot Review

7. Title Certificates

2018-Objective Observer Assessment Report_GS3039.pdf

GS Audit Employee List.xlsx

Field species for inventory 2021.xlsx

VVB_Water Salinity.pdf

CAR and FAR Documents

CARs 2021

Baseline - GS 3039 - 2021 Certification v 1.1 - 161121.docx

Calculation PER VER CO2e - GS 3039 - 2021 Certification - v3 161121.xls

Carbon Performance - GS 3039 - 2021 Certification - v 1.1 -161121.docx

CO2-Fixation - GS 3039 - 2021 Certification - v 1.1 - 161121.docx

Establishment Areas-161121.xlsx

Executed Gold Standard Cover Letter.pdf

Grievance - Firebreaks.docx

Other Emissions GS 3039 - 2021 Certification - v 1.1 - 161121.docx

Risk & Capacities - GS 3039 - 2021 Certification - v 1.1 - 161121.docx

YYBP GS Property Variations November 2021.docx

Maps and Shapefiles

Preston Waters-Updated 2021.pdf

Terra Grata-Updated 2021.pdf

Tomora-Updated 2021.pdf

Updated Shapefiles

Preston

Terra Grata

Tomora

FARs 2018

Acknowledgment Form - Handbook and Whistleblower Policy.pdf

ELLERY Amy 20210810.pdf

Employee Handbook V2.pdf

Shapefile Upload.png

SOP Electric Fencing.docx

SOP Direct Seeding.docx

SOP Fencing and Gates.docx

SOP Fire Attendance.docx

SOP Fire Break Maintenance (properties).docx

SOP Hand Planting Carbon Resource.docx

SOP Shearing & Crutching.docx

SOP Sheep Movement.docx

SOP Solar Pumps.docx

WILSON Richard 20201110.pdf

Final Updates

Grievance - Internal.docx

Project-Design-Document-GS3039-2021 Certification v151121(final update).docx

Updated Docs

Baseline - GS 3039 - 2021 Certification v 1.1 - 161121.docx

Calculation PER VER CO2e - GS 3039 - 2021 Certification - v3 161121 (updated).xls

Carbon Performance - GS 3039 - 2021 Certification - v 1.1 -161121.docx

CO2-Fixation - GS 3039 - 2021 Certification - v 1.1 - 161121.docx

Monitoring - GS 3039 - 2021 Certification - v 151121.docx

Other Emissions GS 3039 - 2021 Certification - v 1.1 - 161121.docx

Project-Design-Document-GS3039-2021 Certification v151121.docx

Risk & Capacities - GS 3039 - 2021 Certification - v 1.1 - 161121.docx

Yarra Yarra Biodiversity Project - Water Monitoring Updated November 2021.docx

YYBP GS Property Variations November 2021.docx

Annex 2: Field Program

Sunil Sharma, Pangolin Associates
(24th – 29th Oct 2021) (Final Sequence Updated)

Date and Day	Inspection Sites	Who Meeting	Activities
Sunday 24th Oct			Arrive in Perth (Afternoon flight at 4:20 PM)
Monday 25th Oct	Carbon Neutral Head Office	Rosie Labonne (Chief Financial Officer) Ray Wilson (CEO) Georgiana Rogers Nevin Wittber (COO) Geoff McArthur (Consultant)	Met with CN staff responsible for GS documentation, monitoring and record keeping: Gold Standard documentation Drove to Farms (left at 12.30 PM – arrived at 6:30 PM)
Tuesday 26th Oct	Morawa Shire Property inspection	Mr Ken Stokes (local businessman) Mr Scott Wildgoose (CEO) Mr Rod Butler (Local Farmer)	8:00 AM – Met with local businessman 8:40 AM – Met with CEO (Morawa Shire) Balance of day property inspection and sample plot measurement <ul style="list-style-type: none"> • Terra Grata • Tomora • Preston Waters • Hill View Met with Local Farmer
Wednesday 27th Oct	Property inspection Perenjori Shire NACC/Yarra/Yarra Catchment Group Property inspection	Mr Rodney King (Local businessman) Mr Mario Romeno (CEO) Ms Lizzi King (Client Officer)	Inspected Hughes Block Water Monitoring site at Bowgada 10:45 AM Met with Rodney King 11.00 AM - Met with CEO (Perenjori Shire) 11.40 AM - Met with NACC Balance of day – property inspection and sample plot measurement <ul style="list-style-type: none"> • Pine Ridge
Thursday 28th Oct	Property inspection		Property inspection <ul style="list-style-type: none"> • Bowgada • Hill View Drove to Perth (left at 12:30 PM – arrived at 5:30 PM)
Friday 29th Oct			Fly back to Adelaide (Afternoon flight at 9:40 AM)



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