FRESH BREEZE AFFORESTATION FOREST

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Summary:

AENOR Internacional S.A.U (AENOR) has carried out the fourth VCS verification of FRESH BREEZE AFFORESTATION PROJECT. The objective of the project is to carry out afforestation of 5,402.69 hectares in extensive cattle grazing with no pasture improvement located in the Mexican states of Tabasco, Nayarit and Chiapas. The verification period covered in this report is from January 1st, 2021 to October 31th, 2022. The GHG emission removals generated by the project activity during the monitoring period, are equal to 74,333 tons of CO2-e. For the current report, the Project Proponent is informing that 30 farms are remaining with the inclusion of two new substrata: San Pablo 2016 and La Laguna 2015. Even though the farms San Pablo and La Laguna were included at previous report's calculations, the plantations established in years 2015 and 2016, are now included in the carbon removals claims. The project was developed to conform to the Verified Carbon Standard (VCS, Version 4.4). The VCS Verification was based on the review of monitoring report, emission reduction calculation spreadsheet, the monitoring plan as set out in the validated PD and supporting documents made available to the audit team.

The project start date and implementation date is 1st July 2009 and will be operational for 50 years until 1st July 2059. NPRR discount, the number of ERs to be allocated in the buffer pool is 6,417tCO2e. Therefore, the total VCUs to be issued in the current MR are: 57,756VCUs.

The purpose of the verification was to determine the conformance of the project with respect to the VCS Standard v4.4, exemption granted by VERRA for the use of this version as well as the MR template. Furthermore, the assessment of the ex-post monitored anthropogenic GHG emissions reductions and/or removals that have occurred because of the project's activities. The scope of the verification was to assess the conformance of the validated project, once implemented, with the VCS requirements and requirements in the validated PD.

The verification consisted of the following three phases to confirm that the monitoring report meets the stated requirements and identified criteria:

- A desk review of the project monitoring report (MR) and monitoring plan implementation

- Follow-up interviews with project stakeholders with an on-site visit as well as a review of project activities
- The resolution of outstanding issues and internal technical review, followed by the issuance of the final verification report and opinion.

During the verification event, 6 CL and 5 CAR were reported. All these issues raised during the verification process where appropriately closed by means of corrections, clearer explanations, and other supporting documents.

The purpose of the visit assessment (see Sections 2.3 and 2.4 of this verification report for more information) was to determine the conformance of the project with respect to the VCS Version 4.4 Standard; The field visit took place from the 16th July 19th July of 2023, in which the auditor visited the project area, interviewed key stakeholders, staff and other related experts, and reviewed the VCS-MR and supporting documents. The scope of the verification was to assess the conformance of information in the project design document with the VCS standards.

Hence, once all issues detected were appropriately solved, AENOR carried out a final verification report and deemed with a reasonable level of assurance that the project complies with all of the verification criteria for VCS. The assessment team has no restrictions or uncertainties with respect to the compliance of the project with the verification criteria. Hence, the audit team concludes that the net GHG emissions reductions or removals for the lands included in the project boundary at the verification stage have been quantified under VCS rules.

The GHG emission reductions were calculated on the basis of The CDM consolidated methodology AR-ACM0003: Afforestation and reforestation of lands except wetlands --- Version 1, and the monitoring plan included in the validated PD.

The AENOR verification team assessed the calculations and can confirm that the GHG emission reductions during the monitoring period amount 74,333 tCO2e (without discounting buffer emissions) for the whole crediting period. AENOR's verification team can confirm that the project is well managed and that results are well supported. Monitoring plans are effective, and the project proponent has developed enough procedures and tools to collect data. A buffer discount rate of 10% was applied, resulting 57,756 VCUs eligible for issuance.

1 INTRODUCTION

1.1 Objective

The objective of the verification audit was to conduct an independent assessment of the project to determine the following:

- The extent to which methods and procedures, including monitoring procedures, have been implemented in accordance with the validated project description (PD) /47/, including the monitoring plan.
- The extent to which GHG emission reductions and removals reported in the monitoring report is materially accurate.

1.2 Scope and Criteria

Verification Scope: The scope of the verification audit is to verify the emissions reductions and/or removals of the project against the Verified Carbon Standard, the identified methodology and the validated PD/47/ throughout the monitoring period from January 1st, 2021 to October 31th, 2022.

These audit's objectives included verifying the project's calculated reductions with the Verified Carbon Standard requirements and any additional requirements of VCS AFOLU projects. In addition, the audit assessed the project with respect to the validated baseline scenarios presented in the PD/47/.

The scope of the verification included the review of the GHG project and implementation; physical infrastructure, activities, technologies and processes of the GHG project; GHG sources, sinks and/or reservoirs; types of GHG's; and time periods covered.

Criteria: The verification assessment was performed in accordance with the requirements detailed in section 4 of the VCS standard, including the following documents:

- VCS Program Guide, v4.2
- VCS Standard, v4.4
- VCS Program Definitions, v4.2
- AFOLU Non-Permanence Risk Tool, v4.0 (exemption granted by VERRA)

Unless otherwise indicated, the assessment was performed against the most recent version of the relevant VCS guidance document.

1.3 Level of Assurance

The assessment was conducted to provide a reasonable level of assurance of conformance against the defined audit criteria and materiality thresholds within the audit scope. Based on the audit findings, a positive evaluation statement reasonably assures that the project GHG assertion is materially correct and is a fair representation of the GHG data and information.

The threshold for materiality with respect to the aggregate of errors, omissions, and misrepresentations relative to the total reported GHG emission reductions/removals was five percent (5%), as established for projects by the VCS Standard.

All the revisions of the verification report before being submitted to the client were subjected to an independent internal technical review to confirm that all verification activities had been completed according to the pertinent AENOR instructions required. The technical review was performed by a technical reviewer(s) qualified in accordance with AENOR´s qualification scheme for VCS validation and verification.

1.4 Summary Description of the Project

The objective of the project is to carry out afforestation of 5,402.69 hectares in extensive cattle grazing with no pasture improvement located in the Mexican states of Tabasco, Nayarit and Chiapas.. Relevant implementations dates: The initial project commenced on 1st July 2009, and. The project start date and implementation date is 1st July 2009 and will be operational for 50 years until 1st July 2059. NPRR discount, the amount of ERs to be allocated in the buffer pool is 6,417tCO2e. Therefore, the total VCUs to be issued in the current MR are: 57,756 VCUs.

Main changes compared to the previous monitoring period: During the current monitoring period, previously planted areas San Pablo 2016 and La Laguna 2015. Even though the farms San Pablo and La Laguna were included at previous report's calculations, the plantations established in years 2015 and 2016, are now included in the carbon removals claims. The long-term average calculation was updated. In the file " Proteak-LTA updated 202243", there are the calculations of how many credits have been issued to date; the calculations are the same that was validate except for the actual planting area and the real GHG removals. Routine management operations, such as pruning, thinning, and forest protection, have been performed while systematically monitoring the potential risks through the monitoring system as specified in the Project Description Document.

2 VERIFICATION PROCESS

2.1 Method and Criteria

The project was assessed for conformance to the criteria described in Section 1.2 of this report. The verification was performed through a combination of document review, interviews and communications with relevant personnel and on-site inspections. As discussed in this report, findings were issued to ensure that the project fully met all VCS requirements.

AENOR carried out this verification report and deems with a reasonable level of assurance that the project complies with all the verification criteria.

A project specific Verification and Sampling Plan was developed to guide the verification auditing process to ensure efficiency and effectiveness. The purpose of the Verification and Sampling Plan was to present a risk assessment for determining the nature and extent of verification procedures necessary to ensure the risk of auditing error was reduced to a reasonable level. The Verification & Sampling Plan methodology was derived from all items in our verification process stated above. Specifically, the sampling plan utilized the VCS guidance documents and ISO 14064-3. Any modifications applied to the Verification and Sampling plan were made based upon the conditions observed for monitoring in order to detect the processes with highest risk of material discrepancy. In terms of the sampling visit, random sampling approach for plot measurement was used and as the visit was underway, the audit team did not find any sampling related misrepresentation or any mistakes in the stratification used by the PP which was the one used for the audit as it was deemed right.

As per the stakeholder interviews, a risk based approach taking into account the opinion of the audit team and the information gathered during the audit process.

The verification has been performed through an in-depth desk review, a site visit to the project, interviews with local stakeholders, and interviews with relevant personnel responsible for monitoring. The verification activities in which risks were assessed were the evaluations of the monitoring system (data flow, data control procedures, etc.) but mainly the quality of raw data as well as sources and the spreadsheet calculations.

AENOR reproduced and verified 100% of sheets in the spreadsheet of emission reduction calculations /26,33,36,52,62,63/, and the data calculations carried out in those sheets for the project area for the monitoring period 1st, 2021 to October 31th, 2022. The project area was 100% checked using the GIS database and shape files /28/. The carbon calculations were also 100% verified and cross-checked with validated values and the raw data.

AENOR decided to carry out an in-depth and meticulous review of the sheets due to verify the correct application of the AR-ACM0003 methodology (formulae, equations.) and check that data required to calculate the GHG removals are appropriately provided. AENOR checked the calculations together with the methodology and applicable tools.

Based on the assessment carried out, AENOR confirms with a reasonable level of assurance that the claimed emission reductions are free from material errors, omissions or misstatements.

In addition, AENOR confirms that sufficient evidence was presented for the reported net anthropogenic GHG emission reductions and that there is a clear audit trail that contains the evidence and records that validate the stated figure in this verification report since:

- Sufficient evidence available: The project participant has provided the 100% of the data used in the calculations to achieve the final amount of GHG emission reductions reported.

- Nature of evidence: The raw data were collected from reliable sources. They are detailed in the project documents and have been provided to the verification team, and the most relevant ones are appropriately detailed in Appendix 1.

AENOR cross-checked the collected information through an on-site inspection of the project area and reproducing calculations (more information in Sections 2.3 and 2.4 of this verification report). Hence, AENOR confirms that the stated figures in the monitoring report are correct and can certify net anthropogenic GHG removals based on verifiable and reliable evidence.

2.2 Document Review

A detailed review of all project documentation was conducted to ensure consistency with, and identify any deviation from, VCS program requirements, the Methodology (The CDM consolidated methodology AR-ACM0003: Afforestation and reforestation of lands except wetlands --- Version 1), and the validated PD /47/.

Initial review focused on the Monitoring Report (MR) /61/ and included an examination of the project details, implementation status, data and parameters, and quantification of GHG emission reductions and removals. Documents reviewed included data from monitoring, carbon rights contracts, forest management plans /34,35/, maps, monitoring and grievance SOPs /3,4,37,38,39,40,41,43,44,45,46/, biomass and carbon calculation spreadsheets /62,63/, and responses to Corrective Action Requests (CARs) and Clarifications (CLs).

Modifications to the Verification and Sampling plan were made based upon the conditions observed for monitoring in order to detect the processes with highest risk of material discrepancy.

The VCS AFOLU Non-Permanence Risk Tool was used by the Project Proponent to assess overall project risk. AENOR reviewed the Non-Permanence Risk Report /64/ provided with the verification supporting documentation and confirmed that the Project adheres to the requirements set out in the VCS AFOLU Non-Permanence Risk Tool. Each risk factor was thoroughly assessed for conformance. The final score was calculated to be 10%.

For a listing of all documents received from the client for this verification, please see Appendix 1.

2.3 Interviews

The AENOR verification team conducted on-site interviews to confirm selected information and resolve issues identified in the document review.

The interview and the identifying process are explained as follows. AENOR carried out a completed and accurate interview process on several dates.

Weeks before the start of the on-site audit visit in the project area, AENOR's audit team reached the Project Proponent team to let them know the audit team's preferences regarding the stakeholder groups to be interviewed to guarantee confidence, representativeness, and impartiality, based on the information collected from the Stakeholder Consultation Process and a requested list of community stakeholders.

The people interviewed by AENOR were the following:

NAME	ROLE/PROFFESSION	Date
Margot Eoteag	Gerente I+D+I Proteak	17/07/2023
Frank Mario Falco	Gerente Planificación y Auditoría Proteak	17/07/2023
Gabriela Prendes García	Coordinadora N&C Proteak	17/07/2023
Fabian Flores	Gerente de protección Proteak	17/07/2023
Adrián Castro Osorio	Jefe de inventario Proteak	17/07/2023
Rutilo Pérez	Supervisor Forestal Proteak	17/07/2023
Sergio Marquez	Contractor	18/07/2023
Luis Alvarez	Contractor	18/07/2023
Mario Alfonso	Contractor	18/07/2023
Diego Hernández	Contractor	18/07/2023
Ramón Méndez	Contractor	18/07/2023
David Pérez	Contractor	18/07/2023
Jose Alberto Espenosa	Supervisor	18/07/2023
Arcadio Landero	Former worker for Proteak	18/07/2023
Audelino Landero	Worker	18/07/2023
Jacelin Alciote	Community member	18/07/2023
Jacelin Hernández	Community member	18/07/2023
Gerardo Alejo	Farmer	18/07/2023
Ismael Alejo	Farmer	18/07/2023
Paulina Llamas	Corporate-HR	18/07/2023
Amienzo Osorio	Worker	19/07/2023
Jose Angel de la Cruz	Worker	19/07/2023
Jesús Alfonso	Forestry Supervisor	19/07/2023
Ildefonso Sotomayor	Jefe de Núcleo	19/07/2023

AENOR's audit team defined a preliminary questionnaire to complement and support the desk review process as a starting point to interview each one of the stakeholders on-site. This questionnaire considered Verified Carbon Standards (VCS) topics and Free, Prior and Informed Consent (FPIC) values based on the information compiled by AENOR's audit team about the project before the on-site visit, during the desk-review. A small sample of these questions has been included on the following page for clarification and transparency purposes. Moreover, and as stated below, AENOR's audit team used these questions for gathering purposes. Several new questions were sporadically and systematically included during on-site interviews, considering the direction in which discussions were directed and the topics that stakeholders wanted to discuss freely during the different moments of the interviews.

Some of the questions to the stakeholders, project employees and regional authorities were related to matters such as the presented list in appendix 4.

However, during the process, some questions were updated based on the feedback acquired from local people to obtain as much information of the highest materiality and quality as possible. Some of these new related questions were strictly connected to the conversation the audit team had with each one of the interviewees.

Some of the questions directed to the Proteak staff were related to the following:

- Contracts,
- Ownership, project starting date,
- Activities carried out before the project started and the ones allowed nowadays inside the project area,
- Community involvement and their interconnections,
- Illegal activities,
- Fires, outbreaks, and forest diseases,
- Local stakeholder communication and meetings,
- Risks and benefits of the project,
- Others.

AENOR's audit team has attached the assistance sheets for all the on-site meetings in Appendix 3 of this report.

2.4 Site Visits

The objectives of the on-site inspections performed were mainly to cross check the description provided in the monitoring report /61/, related to the VCS requirement implemented by the proponent, including:

- Ensure that the geographic area of the project, as reported in the VCS-MR and the accompanying KML or SHP file /28/, is in conformance with Section 3.11.2 of the VCS Standard.
- Perform a risk-based review of the project area to ensure that the project conforms to all other requirements of the VCS rules and the methodology.
- Observe the Project Proponent's evidence and collect and record data in order to assess whether data collection techniques conform to the monitoring plan and related documentation and to evaluate data quality control systems.
- Select samples of data and information for verification in order to meet a reasonable level of assurance and to meet the materiality requirements of the project, as required by Section 4.1.8 of the VCS Standard.
- Perform a risk-based review of the project area to ensure that the project is in conformance with the eligibility requirements of the VCS rules and the applicability conditions of the methodology; and
- Interview local authorities to confirm that the project operates in accordance with current permits and authorizations and its relationship with local actors and communities.
- Interview the key personnel involved in each of the project activities, including local stakeholders and observe monitoring practices.

The complete list of activities verified on-site, and the itinerary can be seen below.

	Location	Date	Duration (hours estimated)
Arrival of the audit team to the country	Mexico	16-07-2023	N/A
Initial meeting: • Confirmation of activities during site visit • Presentation of PP members and audit team member to take part in the visit. • Introduction to the project	Office in the production plant	17-07-2023	1h
Comments and opinions about the project • Introduction about the project • Presentation of the area and the stakeholders • Property Rights • Status of project activities implementation • Monitoring activities on the field • Activities such as boreholes • Review of the procedures • SDGs achievement	Office in the production plant	17-07-2023	1h
Stakeholder Consultation and field monitoring and sampling by plot number: Don Justi: - 46 - 47 Diamante: - 12 - 11 El abuelo 12: - 79 - 140 - 125 Laguna 12: - 68	Project instances	17-07-2023	5h
Field inventory monitoring and sampling: Caobas:	Project instances	18-07-2023	1h

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Stakeholder consultation: Pocito • Dissemination of documentation • Meetings and stakeholder consultation. • Participation in consultation • Opinion from different stakeholders: Communities: • Balancán area: individual interviews; Institutions: • Akumadan: individual interviews Other stakeholders: plantation security	Pocito	18-07-2023	5h
Field inventory monitoring and sampling: Tacotalpa 13: • 59 • 58 Chichilte 17 • San Juan 14	Project instances	19-07-2023	3,5h
Stakeholder consultation Tacotalpa • Dissemination of documentation • Meetings and stakeholder consultation. • Participation in consultation • Opinion from different stakeholders:	Project instances	19-07-2023	4h
Final meeting: Closure of the visit	Villahermosa	19-07-2023	1h

2.5 Resolution of Findings

Findings established during the verification can be seen as a non-fulfilment of verification criteria or an identified risk to fulfilling the project objectives. The findings could take the form of a Corrective Action Request (CAR), Forward Action Request (FAR) or Clarification Request (CL).

A Corrective Action Request (CAR) shall be raised if one of the following situations occurs:

- Non-compliance with the program requirements or applied methodology is found in the project description and/or has not been sufficiently documented by the project participants, or if the evidence provided to prove conformity is insufficient.
- Mistakes have been made in applying assumptions, data or calculations of emission reductions which will impact the number of emission reductions.

A Clarification Request (CL) shall be raised if the information is insufficient or not clear enough to determine whether the applicable VCS requirements have been met.

A Forward Action Request (FAR) is issued for actions if the project implementation, monitoring and reporting require attention and/or adjustment for the following verification period.

As a result of this assessment, where 11 findings were found, six (6) Clarification Requests (CLs) and five (5) Corrective Action Requests (CARs) in the verification process. CAR and CLs were closed based upon adequate responses from the project proponent, which meet the applicable requirements; findings were reassessed before their formal acceptance and closure. All results, including the issues raised, the responses from the project proponent and the conclusions, are contained in Appendix 2. All required changes are observable in the last MR Version /61/ and the relevant annexes.

Consequent to the resolution of findings, the AENOR auditor concluded that the MR /61/ is accurate and complete and provides an understanding of the nature of the project and the project's benefits on climate. In addition, the project proponent demonstrates how emission removals are reached, monitored and reported.

2.5.1 Forward Action Requests

No FARs were raised to the PP during the verification process. No FARs were raised during the previous verification process.

2.6 Eligibility for Validation Activities

AENOR has conducted the verification considering the paragraph 4.1.20 VCS standard. AENOR holds accreditation for validation and verification for the sectoral scope 14. Agriculture, Forestry, Land Use.

3 VALIDATION FINDINGS

3.1 Participation under Other GHG Programs

The project was not validated under another GHG program; therefore, there are no Gap Validation findings to report. The Project Description was subject to validation under VCS Standard and was found to conform to the VCS requirements.

3.2 Methodology Deviations

No methodology deviations have been applied in the current monitoring report. The VVB has reviewed the Methodology and complementary tools and considers that they have been followed properly. Complementary, the VVB has reviewed the previous verification report approved by Verra.

After the assessment, the VVB considers that the information is correct and no methodology deviations were implemented,

3.3 Project Description Deviations

During the current Monitoring report, the project description deviation related to the plot size which was applied in previous monitoring period is still being implemented. AENOR has reviewed the previous monitoring and verification report, both approved by Verra, and also reviewed the mentioned models to check the difference between them. The model used was contrasted with the spreadsheet.

The thinning period has been modified as some interventions have been performed before the 7 year period marked in the PDD /47/ It must be clarified that the volumes shown in the volumes thinned file do not represent commercial thinning processes in the plantations, i.e., the activity carried out is not for economic income but for forest management.

Regarding the requirements of the standard, the project's additionality is not affected by two reasons:

a) The additionality is based on the analysis of common practice by species and capacity where it was shown that the project is unique on its class with such dimensions and commitment.

b) The wood obtained from thinning, has no commercial value, therefore there is no benefit.

Taking this into account the audit team considers that it does not affect the applicability conditions or additionality of the project.

c) Project Longevity - Verified by SCS Global Services in report from 20/01/2021 The project longevity and crediting period was clarified and verified to be 50 years given the duration of each cycle (2 cycles of 25 years each) and the appropriateness of this time frame with the management procedure determined in the plantations as evidenced by the management plan provided by the PP and the evidence gathered in the field and from interviews to different stakeholders as company personnel and contractors as well as field observations by the audit team.

d) As per the requirements of the evidence demonstration of the previous land use, the PP is compromising on a more accurate way of doing it, therefore it does comply with the VCS standard.

e) New consultant in charge of document preparation: the VVb has been able to verify the collaboration with Pablo Dominguez as the consultant for this verification event as well as the expertise the consultant has on the field of MRV.

AENOR considers that the project description deviations, some of which were already validated and verified, are appropriate and justified. Therefore, the project and its project description deviations comply with the VCS rules. AENOR considers therefore that the deviations does not affect neither the applicability of the methodology, the additionality of the project nor the appropriateness of the baseline scenario.

3.4 Grouped Project

In the current monitoring period, two new areas were included in boundary, San Pablo and La Laguna 2015 and 2016 plantations respectively which were checked against eligibility criteria in terms of additionality and baseline in the time of validation and only the calculations are to be included in this verification event.

The audit team confirmed via, maps, satellite imagery and information provided by the PP such as the management plan /34,35/ the plantations list and their information /33/ that the two new inclusions comply with the eligibility criteria. During the visit, the audit team was able to confirm that the management activities done in the plantations matched the ones described in the management plan.

As per the scalability limits of the project, these inclusions do not overstate the limits marked in the PDD/47/ of willing to reforest 15,000ha of degraded land. Moreover, no new mitigation measures need to be implemented as the inclusions do not threaten to pose any negative impacts on the community or environment as evidenced in the environmental assessment /51/ and consultation process/24,25/

Therefore, the audit team considers the inclusions to comply with the VCS standard requirements and that they do not affect in any negative way their environment.

4 VERIFICATION FINDINGS

4.1 Project Implementation Status

During the on-site visit, through observations of project activities and interviews with project personnel, the audit team confirmed that the project has been implemented throughout this monitoring period as it was described in the Monitoring Report /63/.

The monitoring report was cross-checked against the monitoring plan submitted in the PD /47/ to ensure compliance in terms of GHG emission reduction calculations as well as monitoring occurrences. AENOR also conducted on-site interviews to confirm that monitoring plans were implemented as described in the PD /47/ (see Sections 2.3 and 2.4 of this verification report for more information).

The legal use of land of the project instances was confirm by management plan properly received and sealed by the environmental authority SEMARNAT, where each management plan includes Proof of title, map, forestry management plan and declaration of legal situation of land which confirm that the project participants as stated in the MR are correct.

To verify that the species is Tectona grandis, pictures from the trees in different plots were taken and the opinion of forest expert was requested. It is confirmed that the plantations included in the project are of the species Tectona grandis as stated in the PD. No other species have been identified.

By the GPS exact location of the instances, it is conformed that the instances are located in the expected departments as per registered PD and MR.

Section 1.11 of the MR describes the contribution to sustainable development of the project. The confirmation by AENOR's audit team was evaluated through the on-site visit and interviews with the project's technical team, relevant stakeholders and with the support of documents provided by PP (see Appendix 1 for more information about these documents). The project contributes to several nationally NDCs. Table 3. Sustainable Development Contributions, of the MR, describes the Net Impact on each SDG indicator, the current project contributions, and the contributions over project lifetime. The audit team visited the project area and interviewed several stakeholders, confirming not only through the reported evidence of the PP shared with the audit team, but by visual observation of each of other benefits.

Section 3.1 of the MR /61/ describes the implementation status of the project activity, referring to routine management activities, such as pruning, thinning, and forest preservation, have been performed as is the normal practice. The monitoring system defined in the PDD is utilized to systematically evaluate risks.

During this verification process, AENOR has not detected project changes with regards to the project title, its purposes, and objectives. As such, the project activity accurately reflects the proposed project which mainly consists of the removal of emissions from teak Mexico. Through on-site interviews with key staff, the auditor's team ratified the main objectives of the project activity.

Carbon pools addressed and emissions of non-CO2 GHGs are the same as those validated in the PD /47/. Leakage is considered and assessed, and the non-permanence risk report /64/ is also evaluated.

The audit team has clearly reviewed the spatial extent of the project, as the PP has facilitated AENOR an accurate monitoring, reporting and verification of GHG emission reductions and removals. As such, KML files with geodetic polygons has been shared to the audit team, including a precise delineation of project zones within the Fresh Breeze Project. These KML files has excluded non-eligible areas and areas not part of the project area, according to the methodology.

After the review of the MR /61/, spreadsheet calculations /62/, raw data and the other document to support calculations such as GIS information /28/, on-site interviews and others, AENOR deems that project status is in compliance with applicable methodologies and implementation is in support of the VCS principles of Conservativeness and Accuracy.

There is no evidence of double counting or that the Project has participated nor been rejected under any other GHG programs. GHG emission reductions or removals generated by the project are not included in an emission trading program or any other mechanism that includes GHG allowance trading. The project has not received or sought any other form of environmental credit.

AENOR checked the monitoring plan contained in the last validated PD /47/ and compared it with the monitoring report to verify whether there was any difference that would cause an increase in estimates of the GHG emission removals in the current monitoring period. AENOR has confirmed that there are no material discrepancies between the actual monitoring system, and the monitoring plan set out in the PD and the applied methodologies. Also, the project proponent effectively monitors the required parameters to determine the project's removals by sinks and emissions by sources as required by the monitoring plan and the applicable methodologies.

The parameters reported, including source, frequency and review criteria as indicated in the monitoring plan were verified to be correct and in line with the monitoring plan of the validated PD. Necessary management system procedures including responsibility and authority of monitoring activities have been verified to be consistent with the PD. Knowledge of personnel associated with the project activity was also found to be satisfactory.

Regarding leakage emission, they account 0. In this regard, AENOR has checked evidence provided which confirms the information included in the MR. Hence, after a complete review of the different documents provided and the interviews process, AENOR's audit team is able to confirm that the project implementation is in accordance with the updated version of the validated PD. There are no material discrepancies between project implementation and the project description.

Section 1.1 of the MR provides the following table regarding audit history:

Audit Type	Period	Program	VVB Name	Number of years
Validation	03 June 2014	VCS	Asociación Española de Normalización y	N/A

			Certificación - AENOR-	
Verification	01-July-2009 to 22-December-2014	VCS	Asociación Española de Normalización y Certificación - AENOR-	5 years
Verification	23-December-2014 to 31-December-2019	VCS	SCS Global Services	5 years
Verification	01-January-2020 to 31-December-2020	VCS	KBS Certification Services Pvt. Ltd.	1 year
Verification	01-January-2021 to 31-October-2022	VCS	Asociación Española de Normalización y Certificación - AENOR-	2 years
Total				**13 years**

AENOR reviewed the project in the Verra Registry: https://registry.verra.org and also crosschecked previous MRs, Verification reports and PDDs to confirm that the length and duration of each period was correctly identified.

4.2 Safeguards

4.2.1 No Net Harm

Fresh Breeze confirms that there are no potential negative environmental and socio-economic impacts as a result of the project, considering the project activity, which are based on planting a new forest on a degraded land, as described under section 2.3 of the Monitoring report.

A comprehensive Socio-Economic Impact Assessment (SEIA) was undertaken for all project locations with the aim of integrating environmental and socio-economic components in management decisions at the earliest stages of the program. The SEIA has enabled the development of plans to mitigate negative effects and enhance positive effects on existing conditions. The SEIA has identified no major negative impacts of the proposed project. AENOR has reviewed the SEIA /9,24,25/ and crosschecked such information with onsite information and several testimonies.

Complementary, the project is certified under FSC /27/. The company's plantations have been certified by the Forest Stewardship Council (FSC), following the principles and criteria of their certification program. AENOR has reviewed the FSC certification and considers that the information is correct.

To ensure that they maintain their commitment to responsible management, the PP has developed a management system of separate protocols that describe the process of environmental and social management. These protocols, along with the Management Plan, form the group of documents that set the PP´s Management plan, which aims to mitigate any negative environmental and socio-economic impacts. AENOR has also reviewed these management plans during the onsite visit and commented with the stakeholders as well as the project staff and considers that the long-term objective is to prevent damage to the environment, biological diversity, and sensitive habitats, where present. Additionally, the management plans seeks to consider the interests of all stakeholders in the project to promote sustainable development. AENOR has also reviewed the management protocols and confirms with interviews that the information provided is correct.

Thus, AENOR's audit team considers that the project generates net positive impacts on the social and economic well-being of the local communities who derive livelihoods from the project area.

4.2.2 Local Stakeholder Consultation

The stakeholder engagements continued in this monitoring period, building on the meetings and engagements held in the previous monitoring periods. In the current monitoring period, the PP has provided the list of interviews carried out between the PP and the stakeholders. These meetings were crosschecked with the mentioned evidence provided by the PP and also it was confirmed through several interviews with stakeholders, who confirmed that the ongoing communication with the PP is being implemented as described in the MR and the PDD.

Regarding the VVB visit, it is stated that the PP informed the stakeholders of the VVB site visit and the verification process in advance and also arranged any meetings that the VVB requests. AENOR asked about this information to different stakeholders during the onsite visit and considers that all of the stakeholders were informed about the VVB visit as well as the process of verification.

AENOR has checked the evidence of each meeting with stakeholder and confirms that within each meeting evidence, the PP provides the results of project implementation as well as the results of the current monitoring.

During the monitoring period, there were no changes to risks, costs or benefits to the stakeholders. However, the VVB asked to the stakeholders about their knowledge in regard to costs, risks and benefits that the project brings to their communities. All the interviewees were aware of the possible costs, risks and benefits, and AENOR considers that this information has properly been shared between stakeholders.

No new laws or regulations were promulgated in Mexico since the conclusion of the previous monitoring period, and therefore, there was no information to share with stakeholder in this regard. AENOR has reviewed the appliable Laws and considers that the information regarding the updates of the Laws is correct, and there are not relevant modifications.

AENOR reviewed the registries of communication and crosschecked the information with the testimonies gathered during the onsite visit. AENOR considers that the methods for communication are properly described.

Regarding the policies and documentation for guiding the LSC process, the PP has several policies which have been assessed by AENOR. AENOR has reviewed such protocols and confirms that they are aligned with the information described in the MR and PD. AENOR confirms that all the stakeholders are aware of the protocols as well as the general complains mechanism.

Hence AENOR verified during the on-site interviews that the project has continuous communication with the whole stakeholders' group and their inputs are taken into consideration. The stakeholders interviewed were aware of the current status of the project implementation, the grievances occurred, activities, next steps, etc.

4.3 AFOLU-Specific Safeguards

The project proponent has provided information about how the project approaches community outreach. The PP has provided evidence on the process of how grievance and other considerations are treated on different topics. Table 5 under section 2.3 of the MR shows information on how the project has acted in the different activities and the results related to the goals set. The nature of the project sets the environmental goal of improving the environment but also, as the audit team was able to confirm, as they experienced it during the visit, the PP takes the H&S protocols /41/ very seriously as no worker was found without the proper safety equipment, everyone was well aware of the risks of their activity and a constant reminder was in place.

During the audit visit and interviews, the audit team inquired about the hiring policy to community members and people related to the project to confirm if the claims of non-discrimination made by the PP in the project and their policies /4,3,20/ to which the responses were always positive as no one had any complains on discrimination.

Table 6 in the MR section 2.3 indicates the trainings held, the audit team was able to confirm, via internal registry and evidence provided by the PP during the document review as well as the responses from the interviewees where they confirmed to having received those trainings as needed and in several occasions. They wanted to point out that they have never been asked to do something in which they did not receive any training.

During the on-site audit process, AENOR interviewed local community stakeholders and verified that the Project has a net positive impact from both the environmental and social, AENOR deems that the PP has taken successfully reasonable steps to mitigate potential negative impacts, refer to the assessment in section 4.6 of this report.

4.4 Accuracy of GHG Emission Reduction and Removal Calculations

Procedures for quantifying emission reductions and removals were conducted in accordance with the AR-ACM0003: Afforestation and reforestation of lands except wetlands --- Version 1 and its related tools:

- Tool for the identification of degraded or degrading lands for consideration in implementing CDM A/R project activities (Version 01)
- Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities (Version 01)
- Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R CDM project activity (Version 02.0)
- Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities (Version 04.2)

- Tool for estimation of change in soil organic carbon stocks due to the implementation of A/R CDM project activities (Version 01.1.0)
- VCS AFOLU Non-Permanence Risk Tool (Version 4.0)
- Calculation of the Number of Sample Plots for Measurements within A/R CDM Project Activities v2.1

The verification team performed an intensive review of all input data, parameters, formulas, calculations, conversions, statistics and resulting uncertainties and output data to ensure consistency with the VCS documentation, VCS methodology and associated tools, and the PD.

Furthermore, the verification team reproduced calculations for selected samples to ensure accuracy of the results. Conversion factors, formulas, and calculations were provided by PP in spreadsheet /62/ format to ensure all formulas were accessible for review. The verification team recalculated subsets of the analysis to confirm correctness. Also, the VVB reviewed the raw data for the inventory spreadsheets, and they were compared with the carbon calculations and the GIS evidence to ensure the correct matching between shapefiles and spreadsheets. Where applicable, references for analysis methods or default values were checked against relevant scientific literature for best practice. Where applicable, references for analysis methods or default values were checked against relevant scientific literature for best practice.

Baseline Emissions

In the case of this project, the baseline emissions approach indicated that, and In accordance with the validated PD, continuation of pre-project activity (extensive cattle grazing with no pasture improvement) has been identified as the most plausible scenario in the absence of the proposed project activity.

Since continuation of an activity that has been applied without changes for more than 20 years has been selected as the baseline scenario, it is assumed, in accordance with IPCC Good Practice Guidance for Land Use, Land Use Change and Forestry (2003) that the net GHG removals by sinks in the baseline equals zero., as validated and verified in the different vintages. Th audit team for this verification has found no new evidence that this has changed.

Project Emissions

According to the methodology AR-ACM0003 version 01.0.0 is stated that if biomass distribution over the project area is not homogeneous, stratification should be carried out to improve the precision of biomass estimation. In the case of this project there is a need to stratify taking into account the state , the material used i.e. cloned seed or normal seed, this last characteristic was easily identifiable on the field and the differences were notable.

The actual net GHG removals by sinks shall be calculated as follows:

$\Delta C_{ACTUAL,t} = \Delta C_{P,t} - GHG_{E,t}$

Where,

ΔCACTUAL,t= Actual net GHG removals by sinks, in year t; tCO2-e

ΔCP,t= Change in the carbon stocks in project, occurring in the selected carbon pools, in year t; tCO2-e

GHGE,t = Increase in non-CO2 GHG emissions within the project boundary as a result of the Implementation of the A/R project activity, in year t, as estimated in the tool "Estimation of non- CO2 GHG emissions resulting from burning of biomass attributable to an A/R CDM project activity"; tCO2-e.

The increase in GHG emissions as a result of the implementation of the proposed A/R CDM project activity within the project boundary is estimated as:

$$GHG_E = \sum_{t=1}^{t} GHG_{Et}$$

Where,

GHGE = Increase in GHG emissions as a result of the implementation of the proposed A/R CDM project activity within the project boundary; t CO2-e

GHGE,t= Increase in non- CO2 emissions due to burning of biomass of existing woody vegetation as part of site preparation in year t, as estimated in the tool "Estimation of non CO2 GHG emissions resulting from burning of biomass attributable to an A/R CDM project activity"; tCO2-e t= 1,2,3,....t* years elapsed since the start of the A/R CDM project activity

The PP uses a procedure for land preparation which demonstrates (and it is audited as part of the ISO 9001 certification) that no biomass is burned during site preparation, so there will be no GHG emissions from biomass burning.

$$GHGE=0$$

Thus, change in the carbon stocks in project, occurring in the selected carbon pools in year t shall be calculated as follows:

$$\Delta CP,t = \Delta\ CTREE\_PROJ,t + \Delta CSHRUB\_PROJ,t + \Delta CDW\_PROJ,t + \Delta CLI\_PROJ,t + \Delta SOCAL,t$$

Where,

ΔCP,t : Change in the carbon stocks in project, occurring in the selected carbon pools, in year t; tCO2-e.

ΔCTREE_PROJ,t: Change in carbon stock in tree biomass in project in year t, as estimated in the tool "Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities"; tCO2-e.

ΔCSHRUB_PROJ,t: Change in carbon stock in shrub biomass in project in year t, as estimated in the tool "Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities"; tCO2-e.

ΔCDW_PROJ,t: Change in carbon stock in dead wood in project in year t, as estimated in the tool "Estimation of carbon stocks and change in carbon stocks in dead wood and litter in A/R CDM project activities"; tCO2-e .

ΔCLI_PROJ,t: Change in carbon stock in litter in project in year t, as estimated in the tool "Estimation of carbon stocks due to the implementation of A/R CDM project activities", as estimated in the same tool; tCO2-e.

ΔSOCAL,t: Change in carbon stock in SOC in project, in year t, in areas of land meeting the applicability conditions of the "Tool for estimation of change in soil organic carbon stocks due to the implementation of A/R CDM project activities", as estimated in the same tool; tCO2-e Estimation of GHG emissions within the project boundary.

The baseline net GHG removals by sinks shall be calculated as follows:

$$\Delta CBSL,t = \Delta CTREE\_BSL,t + \Delta CSHRUB\_BSL,t + \Delta CDW\_BSL,t + \Delta CLI\_BSL,t$$

Where:

ΔCBSL,t: Baseline net GHG removals by sinks in year t; t CO2-e

ΔCTREE_BSL,t: Change in carbon stock in baseline tree biomass within the project boundary in year t, as estimated in the tool "Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities"; t CO2-e

ΔCSHRUB_BSL,t: Change in carbon stock in baseline shrub biomass within the project boundary, in year t, as estimated in the tool "Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities"; t CO2-e

ΔCDW_BSL,t: Change in carbon stock in baseline dead wood biomass within the project boundary, in year t, as estimated in the tool "Estimation of carbon stocks and change in carbon stocks in dead wood and litter in A/R CDM project activities"; t CO2-e

ΔCLI_BSL,t: Change in carbon stock in baseline litter biomass within the project boundary, in year t, as estimated in the tool "Estimation of carbon stocks and change in carbon stocks in dead wood and litter in A/R CDM project activities"; t CO2-e.

As part of the resolution of the PRR 2nd round, the PP has discounted the initially taken as generated emissions in La Laguna and San Pablo farms as a conservative measure to not overestimate the emissions generated. This has been explained in the MR section 5.2 where the PP explains how this decision and the calculation were made. The VVB has reviewed the maps to confirm the areas presented, satellite imagery to confirm the years of plantations and the updated ERR spreadsheets shared by the PP.

The tree biomass has been estimated using the BEF method.

In this method, volume tables or volume equations are used to convert tree dimensions to stem volume of trees. Stem volume of trees is converted to above-ground tree biomass using density and biomass expansion factors, and the above-ground tree biomass is expanded to total tree biomass using root-shoot rations. This is estimated as:

$$BTREE,j,p,l,t = VTREE \times DJ \times BEF2,j \times (1+Rj)$$

Where,

BTREE,j,p,l,t: Biomass of trees of species j in sample plot p of stratum l at a point of time in year t, t dry matter (d.m.)

VTREE = Stem volume of trees species j in sample plot p of stratum i at a point of time in year t, estimated by using the tree dimension(s) as entry data into a volume table or volume equation; m3

DJ: Density (overbark) of tree species j; t.d.m. m-

BEF2,j: Biomass expansion factor for conversion of stem biomass to above-ground tree biomass, for tree species j; dimensionless

Rj: Root-shoot ratio for tree species j; dimensionless

J: 1, 2, 3, tree species in plot p

P: 1, 2, 3, sample plots in stratum i

I: 1, 2, 3, tree biomass estimation strata within the project boundary

The calculation of the teak biomass was calculated by the following equations of Petmark and Sahunalu published in the research article of the University in Bangkok. The equations are the following: activity"; tCO2-e.

For Stem biomass (WS): Log WS = 0.9797 log (D2H) – 1.6902 r2 =0.9930

For Branch biomass (WB): Log WB = 1.0605 log (D2H) – 2.6326 r2 =0.9567

For Leaf biomass (WL): Log WL = 0.7088 log (D2H) – 1.7383 r2 =0.8523

The sum of each formula will correspond to the mass per three.

The values used for estimating tree biomass can be seen in table 11 in the MR: density for teak tdm/m3=0.5; density for teak calculated with the formula tdm/m3=0.485; BEF2,j=1.3; Cabron faction 1.5 and the root to shoot ratio 0.31. The sources of these values have been checked and confirmed by the audit team. Aenor has reviewed the correct application of the values and formulas in the calculation spreadsheets and considers them correctly implemented. For that Aenor has reproduced the calculations for all the data provided by the PP and followed the proper calculations.

CHANGE IN SOIL ORGANIC CARBON ($\Delta \boldsymbol{SOC}$)

The change in Soil Organic Carbon is estimated using the "Tool for estimation of change in soil organic carbon stock due to the implementation of A/R CDM project activities" (version 01.1.0). The project in table 12 of the MR shows the parameters used for this estimation: Reference SCO (tC/ha) 44; LU factor=1; Management 0.7; Input=1 and RTS ratio 0.31, the sources and reasons behind the provided values have bee checked by the audit team and deemed correct.

SOC at the beginning of the project (SOCINITIAL,i) is estimated by multiplying the factors in Table by the reference SOC. As per the tool, a loss in SOC (SOCLOSS,i) is applied in the case that soil disturbance occurs on more than 10 percent of the land area, for the case of the project activity this is not the case, therefore SOCLOSS,i is zero.

The following methodological formula is used for calculating the annual change in SOC stock:

$$dSOC_{t,i} = \frac{SOC_{REF,i} - \left(SOC_{REF,i} - SOC_{Loss,i}\right)}{20\ years}$$

Where:

dSOCt,I = The rate of change in SOC stock in stratum i of the area of land, in year t; tC/ha/year

SOCREF,i = Reference SOC stock corresponding to the reference condition in native lands by climate region and soil types applicable to stratum i of the area of land; tC/ha

SOCINICIAL,I = SOC stock at the beginning of the A/R project activity in stratum i of the areas of land

SOCLOSS,i = Loss of SOC caused by soil disturbance attributable the A/R project activity, in stratum I of the areas of land ; tC/ha

The result of dSOCt,i is 0.66 t C/ha/year, therefore this is the value of the increase of the soil organic carbon

As per the Long Term Average, the calculations remain as in the PD /47/ only modifying the real planting area and the real GHG removals verified up to the last vintage.

Leakage

As demonstrated in the PDD leakage is deemed de minimis, and therefore set to zero.

$LK_t = LK_{AGRIC,} \rightarrow LK_t = 0$

NET GHG Emissions Reductions and Removals

According to the equation 5 of the AR-ACM0003: $\Delta CAR{-}VCS,t = \Delta CACTUAL,t - \Delta CBSL,t - LKt$, which after considering $\Delta CBSL,t$ and LKt, as zero, therefore: $\Delta CAR{-}VCS,t = \Delta CACTUAL,t$

$\Delta CAR{-}VCS,t = \Delta CAR{-}VCS,t\_TEAK + \Delta CAR{-}VCS,t\_IND$

The net anthropogenic GHG reductions due to the project activity for the monitoring period (January 1st, 2021 to October 31th, 2022) were 61,446 tCO2e. The total number of buffer credits that need to be deposited into the AFOLU pooled buffer account are 6,145 and the VCUs eligible for issuance are 55,301 VCUs.

AENOR reproduced the calculations to achieve the same results and deems they are depicted clearly and correctly in the provided sheets /63/. AENOR verification team was able to trace calculations directly from the data sources of inventory´s field measurements . Formulae used are in compliance with MR, validated PD and methodology, like the default values used to determine the parameters, are appropriate. Thus, the net amount of VCUs to be issued is accurate and realistic.

AENOR verified for the parameters available at validation, the values reported or the references to the documents where they are used or explained by reviewing, reproducing, and crosschecking the evidence provided by the PP. AENOR checked the values of these parameters to be appropriate and correctly used in equations.

The following table presents the net change in carbon stocks, the non-permanence risk rating (as determined in the non-permanence risk report) and the calculated total number of buffer credits that need to be deposited into the AFOLU pooled buffer account.

Year	Baseline emissions or removals (tCO_2e)	Project emissions or removals (tCO_2e)	Leakage emissions (tCO_2e)	Net GHG emission reductions or removals (tCO_2e)	Buffer pool allocation	VCUs eligible for issuance
01-January-2021 - 31-December-2021	5587	40,883	0	35,296	3,530	31,766
01-January-2022 - 31-October-2022	4572	33,450	0	28,878	2,888	25,990

Total	10,159	74,333	0	64,174	6,417	57,756

Regarding the accuracy of spreadsheet /63/, formulae, conversions and aggregations and consistent use of data and parameters, the PP elaborated a complete procedure to assure the accuracy and appropriateness of data. During the verification process, AENOR not only verified the spreadsheet calculation, data and parameters but also the AENOR team could verify that the PP conducted a rigorous QC/QA procedure of its field measurements and an assessment of uncertainty. Thus, AENOR deems the PP performed good practices in this assessment and concludes that GHG reductions were quantified correctly in accordance with the project description and applied methodology.

AENOR verified the consistency and accuracy of each parameter detailed in it Section 4 of the MR by crosschecking the information in the MR with the information in PD as well as checking values and reproducing the calculations in the spreadsheet calculation package and did not find inconsistencies. Therefore, AENOR deems that values reported for the parameters are accurate and consistent.

The following tables summarize the data and parameters used by the PP to calculate the GHG emission reductions, their verified values and the assessment procedures implemented by AENOR and their results. The tables below represent the parameteres fixed in validation and those which are monitored in the current MR.

Data/Parameter available at validation	Value	Assessment procedure and result
Dj Density (overbark) of tree stem for tree species j	0.485	Value is consistent with validated PD and source provided. Correctly inputted in the calculation spreadsheets /63/.
$BEF_{2,j}$ Biomass expansion factor for conversion of stem biomass to above-ground biomass for tree species or group species j	1.3	Value is consistent with validated PD and source provided. Correctly inputted in the calculation spreadsheets /63/.
Rj Root-shoot ratio for species or group of species j	0.31	Value is consistent with validated PD and source provided. Correctly inputted in the calculation spreadsheets /63/.
$SOC_{REF,i}$ Reference SOC stock corresponding to the reference condition in native lands (i.e. non-degraded, unimproved lands under native vegetation normally forest) by climate	44	Value is consistent with validated PD and source provided. Correctly inputted in the calculation spreadsheets /63/.

region and soil type applicable to stratum i of the areas of land		
Fin,i Relative stock change factor input regime (e.g. crop residue returns, manure) in stratum I of the areas of land.	1	Value is consistent with validated PD and source provided. Correctly inputted in the calculation spreadsheets /63/.
fMG,i Relative stock change factor for baseline management regime in stratum i of the areas of land; dimensionless	0.7	Value is consistent with validated PD and source provided. Correctly inputted in the calculation spreadsheets /63/.
$f_{LU,i}$ Relative stock change factor for baseline land use in stratum i of the areas of land	1	Value is consistent with validated PD and source provided. Correctly inputted in the calculation spreadsheets /63/.
Volume table or equation	For Stem biomass (WS): Log WS = 0.9797 log (D2H) – 1.6902; r2 =0.9930 For Branch biomass (WB) : Log WB = 1.0605 log (D2H) – 2.6326; r2 =0.9567 For Leaf biomass (WL) : Log WL = 0.7088 log (D2H) – 1.7383; r2 =0.8523	Value is consistent with validated PD and source provided. Correctly inputted in the calculation spreadsheets /40/.

Data/Parameter monitored	Value	Assessment procedure and result
Ap,i Area of sample plot in stratum i	During the monitoring period 1,506 plots were measured during the	The VVB checked the parameter from the source and confirmed the good citation in the spreadsheets.

	measurement event.	
DBH Diameter at Breast heigh	Value depends on DBH and Height according to equations obtained from specific source	The VVB checked the parameter from the source and confirmed the good citation in the spreadsheets.
H Total height of trees	Different values obtained in the current MR	The VVB checked the parameter from the source and confirmed the good citation in the spreadsheets.
T Year	01-January-2021 to 31-October-2022 Total of 1.83 year.	The VVB checked the parameter from the source and confirmed the good citation in the spreadsheets.

AENOR, through the fully assessment of the calculations and the parameters, as well as the comparison with the methodology and the previous MR, considers that the parameters has been stablished correctly and they are appropriate.

AENOR deems the parameters monitored and available at validation are correct, reliable, and consistent. Information in the monitoring report is in compliance with the PD, the calculations provided and the applicable methodology. Then, the results showed in the monitoring report are reliable, consistent, and accurate.

4.5 Quality of Evidence to Determine GHG Emission Reductions and Removals

The data and parameters used to determine GHG emission reductions and removals are listed in Section 4 of the MR and also mentioned in the section above of this report together with the assessment method.

During AENOR's verification, the evidence provided by the PP was enough in both quantity and quality to support the determination of GHG emission removals reported by the project.

Quality assurance and control is an essential part of company procedures in order to assure the accuracy of inventory data, modeling results, and carbon accounting. Quality assurance procedures are done in order to minimize and correct any potential data transcription, calculation, or formatting errors that may result in inaccurate carbon accounting results. To enhance the precision of monitoring data quality, quality assurance and quality control (QA/QC) procedures are established in accordance with the International Panel on Climate Change (IPCC) best practice guidelines for Land Use, Land-Use Change and Forestry (LULUCF) (IPCC, 2003).

The process of recording, storing, and aggregating data on parameters of field measurements procedure in Fresh breeze involves several methods that can be studied in the procedures /43,44,45/. The PSPs are evaluated annually through a specific procedure, some indications of the procedure are:

- The basic shape of a PSP is circular, with a pole placed at the center.
- The site location is determined using GPS coordinates obtained from the GIS system.
- The plot is laid out by measuring the radius with a tape in eight directions and marking the trees in the plot with paint.
- The plot size remains the same for all plantation ages and stem densities.

AENOR has reviewed the SOPS and the procedures used for monitoring during the onsite visit. The auditor compared the procedures with the demonstration made on field by the staff. The VVB deems that the Proteak staff follows properly the procedures for monitoring.

All data submitted to the central database is subjected to quality control by appropriate staff. The PP has developed SOP and Field manuals which covers all aspects related to carbon inventory. Spot checks and internal audits are conducted to make sure all data collection is carried out following the standards.

In accordance with VCS, the PP is committed to storing all project data in a secure and retrievable manner for at least two years after the end of the project crediting period. In order to facilitate project management and long-term accounting, all primary data outputs supporting annual verification including the spatial database is stored and maintained.

Roles and responsibilities are clearly identified in the MR. QA/QC procedures were developed by the PP for maintaining consistency and quality of field inventories over time. Interviews with the PP and inspection of data and results demonstrated that the PP possess all the competencies required for reporting of GHG emissions removals in an accurate way.

Data presented to the audit team were clear and coherent and processing steps could be traced to the corresponding sections of the methodology and monitoring plan with transparency.

Above procedures to ensure this are described in Section 4.3 of the MR, in terms of general QA/QC of the monitoring plan and specific QA/QC procedures applied to data and parameters monitored.

AENOR deems that the PP performed good practices in this assessment and concludes that GHG reductions were quantified correctly in accordance with the PD and applied methodology, and that the that evidence is sufficient in quantity and appropriate in quality to determine the GHG reductions of the project.

4.6 Non-Permanence Risk Analysis

The project utilized the non-permanence risk analysis tool, AFOLU Non-Permanence Risk Tool 4.0 as permitted by the exemption granted by VERRA, to assess risk according to internal risk, external risk, natural risk, and mitigation measures for minimizing them. The audit team reviewed the Non-Permanence Risk Report /64/, following VCS Standard v4.4 Section 3.2.10 and confirmed that the project adheres to the requirements set out in the VCS AFOLU Non-Permanence Risk Tool.

At all levels, the audit team evaluated the rationale, appropriateness, and justifications of risk ratings chosen by the PP. Each risk factor was thoroughly assessed for conformance. A brief review of each factor is shown in the table below.

Risk factor	Risk Rating	Assessment
Internal Risks		
Project Management: It is assessed using table 1 of the VCS AFOLU Risk Tool.	0 (total may be less than zero)	a) More than 25% of GHG credits were issued for stocks derived from Teak (Tectona grandis), which is not a native species, but has been proven to grow in the same agro-ecological zone(s). AENOR has reviewed the evidence named as “Programa de Desarrollo de plantaciones forestales” and also reviewed previous verification events and other projects in which Teak is used. Risk rating = 0 b) No particular or special enforcement is considerated needed for prevent encroachment. As evidenced by the consultation to the stakeholders. Risk rating = 0 c) The management team is formed by staff with significant experience in their respective professional fields, which is mainly spread over the following key staff. AENOR has interviewed such people and reviewed the CVs onsite. Risk rating = 0 d) The Management Team is based in the offices close to Villahermosa close to the area of the plantations. , which is within one day’s travel from the project area. The team is based in Mexico. Risk rating = 0

Risk factor	Risk Rating	Assessment
		e) The experience of the management team is extensive and as evidence by the CVs shared. Mitigation=-2 f) there are several management plans, some of them certified under FSC /27/. AENOR has reviewed such plans and the FSC certificate. Mitigation = -2
Financial viability: It is assessed using table 2 of the VCS AFOLU Risk Tool.	0 (total may not be less than zero)	a)-c) N/A d) AENOR has reviewed the cashflow (which is confidential) and considers that the project cash flow breakeven point is expected to be in 2026. Cash inflows encompass commercial revenue streams related to the project, donor funds, and initial investments. e) – g) N/A h) AENOR has reviewed the cashflow (which is confidential) and considers that the project has secured 100% of the funding needed to cover the total cash out before the project reaches break even. Risk rating = 0
Opportunity Cost: It is assessed using table 3 of the VCS AFOLU Risk Tool.	-2 (total may be less than zero)	a)-c) N/A d) NPV from the most profitable alternative land use activity is expected to be between 20% more than and up to 20% less than from project activities; or where baseline activities are subsistence-driven, net positive community impacts are demonstrated. AENOR has reviewed the FSC certificates as well as the papers from Forestry Commission. Finally, the SEIA were also assessed and contrasted with the additionality section. Risk rating = 0 e) – j) N/A
Project Longevity: It is assessed using table 4 of the VCS AFOLU Risk Tool.	14 (total may not be less than zero)	a-b) Risk rating=14 is justified.
Total internal risk=6 (total may not be less than zero)		
External Risks		
Land Tenure and resources access/impact: It shall be assessed using table 6 of the Risk Tool.	2 (total may not be less than zero)	b) 2 not the entire area is held by the same entity (Proteak), due to the three properties included in the Trust, despite the fact that Proteak does have a long-term legal binding on these properties.
Community engagement: It shall be assessed using table 7 of the Risk Tool.	-5 (total may be less than zero)	a)-b) = 0 the project activities were initiated in an area that was previously subjected to intensive farming. It is noteworthy that presently, there is no human habitation in the project area. It is noteworthy that the communities residing outside the project area are not dependent on or affected by the project area. AENOR interviewed local people during

Risk factor	Risk Rating	Assessment
		the onsite visit, and also compared previous verification reports to confirm such information. c) AENOR has reviewed the evidence and confirms that the project generates net positive impacts in local communities. It has also crosschecked with onsite information. Mitigation = -5
Political Risks: It shall be assessed using table 8 of the Risk Tool.	2 (total may not be less than zero)	a)-b) N/A c) Governance score of -0.43 to less than 0.19. AENOR has reviewed the WB indicators and considers that the value used is correct. Risk rating = 4 d)-e) N/A f) Country is implementing REDD+ Readiness or other activities risk rating = -2
Total external risks=0 (Total may not be less than zero)		
Natural risks		
Fire Risk: It shall be assessed using table 10 of the Risk Tool.	LS*M=0*0.25=0	The fire significance is assessed correctly as insignificant due to the data provided by the PP that has been reviewed by the VVB as the fire occurrence in Tabasco is lo, aprox 1.59% of forest has been affected in the last year. As well as the likelihood, demonstrated to be less than 50 years. The PP has in place a firefighter team, with yearly trainings and composition of the team corroborated by the evidence and the interviews during the visit. Thus, LS= 0 Mitigation (M)= 0.25
Pest and disease outbreaks: It shall be assessed using table 10 of the Risk tool.	LS*M=2*0.25=0.5	The primary tree species cultivated in the project area is teak, which is less susceptible to pests and diseases. However, some plantations were affected by diseases leading to die-back, amounting to less than 5% loss of carbon stocks. AENOR has reviewed the evidence provided , and also asked directly to the local authorities to knowhow the incidence of different pests in the country and specifically in these plantations. AENOR considers that the effects are insignificant (less than 5%), and the normal likelihood could be less than every 10 years as explained in the NPRR. Thus, LS =2 Preventive measures were implemented after identifying teak die-back, which suggests that strategies were put in place to prevent this issue from occurring again in the future. Mitigation (M)=0.5
Extreme weather: It shall be assessed using table 10 of the Risk tool.	LS*M=2*0.25=0.5	Less than of 5% of the carbon stock could be affected by extreme weather as heavy winds combined by heavy rainfall: Hurricaines. The PP apply thinning regime which takes stability of the stands into accounts. Thus, LS score 2 is reasonable applied.

Risk factor	Risk Rating	Assessment
		Proteak´s forest managers and professionals do monitor changes in weather patterns and if significant changes occur, will make informed decisions regarding forest management practices and procedures, such as thinning, harvesting cycles and other interventions to minimize their negative impacts caused during extreme weather conditions, should they occur. Mitigation (M)=0.25
Geological risks: It shall be assessed using table 10 of the Risk Tool.	LS*M=0	No loss is assessed for this risk. LS=0 Mitigation=1
Other natural risk: Volcanic activity	LS*M=0	No loss is assessed for this risk. LS=0 Mitigation=1
Total natural risks=1		
OVERALL RISK RATING=7. Then an overall risk rating of 10% is considered.		

5 VERIFICATION OPINION

After review of all project information, procedures, calculations, and supporting documentation and the interview process, AENOR confirms that the monitoring conducted by the Project Proponent, along with the supporting Monitoring Report, are accurate and consistent with all VCS Version 4.4, the validated PD, and the selected methodology (methodology AR-ACM0003: Afforestation and reforestation of lands except wetlands --- Version 1). AENOR confirms that the project Fresh Breeze Afforestation Monitoring Report has been implemented in accordance with the validated PD.

AENOR confirms all verification activities, including objectives, scope and criteria, level of assurance, monitoring and project documentation adherence to VCS Version 4 (and all associated updates), as documented in this report are complete. AENOR concludes without any qualifications or limiting conditions that the Fresh Breeze Afforestation Project meets the requirements of VCS Version 4 (and all associated updates) for the monitoring period (01-January-2021 to 31-October-2022).

The verification of the ex-post emissions of the Project has been conducted by AENOR in accordance with ISO 14064-3;2019.

The GHG assertion provided by the project proponent and verified by AENOR has resulted in a total net GHG Emission Removals of 74,333tCO2e by the project during the monitoring period (01-January-2021 to 31-October-2022). Considering 10% of buffer withholding based on the VCS Non-Permanence Risk Assessment Tool v4.0, which means a buffer allocation of 6,417 tCO2e, the Verified Carbon Units (VCU) to be issued are 57,756VCUs.

It is opinion of AENOR, with a reasonable level of assurance, that the reasonableness of assumptions, the described limitations, the methods that supported each one of the claims about the outcome of future activities and the claimed ex-post emissions removals are free from major errors, omissions, or inaccuracies.

Verification/monitoring period: 01-July-2021 to 31-October-2022.

Verified GHG emission reductions and removals in the above verification period:

Year	Baseline emissions or removals (tCO_2e)	Project emissions or removals (tCO_2e)	Leakage emissions (tCO_2e)	Net GHG emission reductions or removals (tCO_2e)	Buffer pool allocation	VCUs eligible for issuance
01-January-2021 - 31-December-2021	5587	40,883	0	35,296	3,530	31,766
01-January-2022 - 31-October-2022	4572	33,450	0	28,878	2,888	25,990
Total	10,159	74,333	0	64,174	6,417	57,756

Overall non-permanence risk rating: 10%

VCUs buffer to be deposited: 6,417 tCO2e.

Total VCUs to be issued: 57,756 tCO2e.

Ex-ante emissions reductions (tCO2e)	Achieved emissions reductions (tCO2e)	Percent difference	Justification for the difference
1,215,246	74,333	-94%	The forecasted figures were estimated with a pace of plantation much higher than the actual plantation rate resulting in a deficit of 8,400ha of planting that has not been performed. This difference is due to this shortfall. The justification provided by the PP during the PRR is deemed enough to support this difference and the decision made to plant less ha during the project lifetime.

Madrid, 27th March 2025

Daniel Bermejo

Lead auditor

APPENDIX 1: LIST OF EVIDENCE ASSESSED

#	Document
1	1. Petsri, S.-Aboveground carbon content in mixed deciduous forest and teak plantations.2003.pdf
2	1.1 Human resource development. PROTEAK report 2023.pdf
3	1.2 POL-06-01-01 Selección y contratación de empleados.pdf
4	1.3 POL-DHM-001 Politica de Reclutamiento, selección y contratación de personal.pdf
5	1.4 Compensaciones y Beneficios - reporte PROTEAK.pdf
6	1.5 PFC en México_Foro Tabasco Jul2023.pdf
7	1st rd findings Fresh Breeze VCS Ver 040923.docx
8	2.1 PROTEAK_GRSS_14_08_2023_13_19 desarrollo rural reporte.pdf
9	2.2 PROTEAK-2022 suveys for social monitoring.pdf
10	2022-Evidencia de capacitación de curso básico de combatiente forestal.pdf
11	4. AR-AM-tool-15-Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities v2.0.pdf
12	4.1 PROTEAK-Monitoreo de flora y fauna silvestre y diagnóstico de la calidad de agua y suelo.pdf
13	4.2 OFICIO_PROTEAK_GRSS_29_08_2023_06_14.pdf
14	7. Diameter growth-scientific paper.pdf
15	8. Diameter growth-Forest specialist analysis.pdf
16	Allometric Models for Accurate Estimation of Aboveground Biomass of Teak in Tropical Dry Forests of India.pdf
17	Annual Monitoring Report April 2023.pdf
18	Balancan- Reporte de Capacitación-curso básico para combatiente forestal.2022.pdf
19	Carbon stock of teak plantations in Subtropical region of lower northern Thailand.pdf
20	Codigo de Etica Proteak.pdf
21	CONTRATO EVENTUAL-OLGALID ALVAREZ.pdf
22	EPP-matriz de protección.xlsx
23	Estimation of aboveground biomass using aerial photogrammetry from unmanned aerial vehicle in teak.pdf
24	Evaluación Impacto Social_Proteak Uno_2021.pdf
25	Evaluación Impacto Social_Proteak Uno_2022.pdf
26	Fresh-Breeze-Risk-Report-Calculation-Tool-2022.xls
27	FSC Certification-FM_CRT_Proteak_033023.pdf
28	GIS-information_PAI.kmz
29	Huimanguillo- Reporte de Capacitación-curso básico para combatiente forestal.2022.pdf
30	LC2. Empeño 8.pdf
31	LC3. Fideicomiso F-1766 MONEX.pdf
32	Leasing Contract1. Cascada.pdf
33	Listado de Plantaciones MR 2022.xlsx

34	Management Plan-Proteak Uno 2021-2025 v2.pdf
35	Management Plan-Proteak Uno 2021-2025.pdf
36	MAQR-2022.xlsx
37	POL-01-01-02-Activo biológico teca.pdf
38	POL-06-01-01 Selección y contratación de empleados.pdf
39	POL-DHM-001 Politica de Reclutamiento, selección y contratación de personal.pdf
40	POL-LEG-004 Política Gestión del canal de denuncias.pdf
41	Poli´ticaAmbientalSocialSeguridadHigieneLaboral.pdf
42	Presentación RSG - Linea Etica - Proteak - canal de denuncias.pdf
43	PRO-FOR-INV-001-Procedimiento-planeacion-inventarios.pdf
44	PRO-FOR-INV-002 Procedimiento toma física de inventario.pdf
45	PRO-SG-AUD-03 Procedimiento de no conformidad y acción correctiva.pdf
46	PRO-SG-DHAS-05 Procedimiento de quejas y retroalimentacion externa.pdf
47	PROJ_DESC_1141_30JUN2014.pdf
48	PROTEAK assessment_Reconversio´n de potreros a plantaciones forestales comerciales sustentables.pdf
49	Proteak-2023 Social training report 1.pdf
50	PROTEAK-Bitácora de seguimiento y atención a la comunidad 2022.xlsx
51	PROTEAK-Estudio de impacto ambiental.pdf
52	Proteak-LTA updated 2022.xlsx
53	Proteak-Monitoring plan 2021.pdf
54	Proteak-Monitoring plan 2022.pdf
55	PROTEAK-Programa de capacitación v2.xlsx
56	PROTEAK-Programa de capacitación.xlsx
57	PSPMaps.pdf
58	PT-FB-Monitoring Report 2022 v1-2.pdf
59	PT-FB-Monitoring Report 2022 v1.pdf
60	PT-FB-Monitoring Report 2022 v2.pdf
61	PT-FB-Monitoring Report 2022 v3.pdf
62	PT-FB-MR2022 measurement and calculation v2.xlsx
63	PT-FB-MR2022 measurement and calculation.xlsx
64	PT-FB-VCS Non-Permanence Risk Report 2022.pdf
65	Reporte de Sustentabilidad 2022.pdf
66	Training correct use and knowledge of the fire extinguishers..pdf
67	Training for machinery operators and mechanical maintenance personnel.pdf
68	Training good use and handling of agrochemicals.pdf
69	Training in first aid, attention to hemorrhages, fractures, and transfer to a health center.pdf
70	Training what to do in the event of a lightning storm.pdf
71	Vegetation Map 1997 Chiapas.pdf
72	Vegetation Map 1997 Nayarit.pdf
73	Vegetation Map 1997 Tabasco.pdf
74	INEGI. Instituto Nacional de Estadistica y Geografía. Principales Tipos de Suelo. Available at: http://mapserver.inegi.gob.mx/geografia/espanol/datosgeogra/fisigeo/suelos.cfm
75	Demonstrating appropriateness of allometric equations for estimation of aboveground tree

	biomass in A/R CDM project activities. https://cdm.unfccc.int/methodologies/ARmethodologies/tools/ar-am-tool-17-v1.pdf
76	www.ipcc-nggip.iges.or.jp/public/gpglulucf/gpglulucf_files/GPG_LULUCF_FULL.pdf
77	Intergovernmental Panel on Climate Change [IPCC]. (2003). Good Practice Guidance for Land Use, Land-Use Change and Forestry. National Greenhouse Gas Inventories Programme. Retrieved from http://www.ipcc-nggip.iges.or.jp/public/gpglulucf/gpglulucf_files/GPG_LULUCF_ FULL.pdf

APPENDIX 2: CORRECTIVE ACTION AND CLARIFICATION REQUESTS

Non Conformities (NCs)/Corrective Action Request (CARs)

CAR id.	**01**	**Date:: 21/07/2023**
CAR description		
The following formatting issues need to be addressed: 1. Table of contents, include the section number as per the VCS MR template v4.2		
Project Proponent's Response		**Date:** 04/09/2023
1. Table of contents includes the section number.		
Documentation provided by the project proponent		
1. New version of the Monitoring Report (v2) is provided.		
VVB's evaluation		**Date:** 27/09/2023
1. Update MR provided. Item closed. Thus, CAR 01 is closed.		

CAR id.	02	Date: 21/07/2023
CAR description		
The following issues were found: 1. Section 1.11 table 3 row number 5 As per the VCS MR template v4.2 section 1.11 the cumulative impact should be calculated by summing the current project contributions with all impacts included in previously approved VCS monitoring reports or SD CR. Following that, more specificity may be required. 2. Section 1.11 table 3 row number 6 Current project contributions include only contributions relatable to this MP. 3. Section 3.2.2.3 evidence 23 and the text it is on defines thinning as a natural process. Although it may be done following natural needs of the plantations to grow better it is an anthropogenic activity, please modify this.		
Project Proponent's Response		Date: 04/09/2023
1. The precise number of project contributions during the project lifetime has been added; Table 3, row number 5 has been corrected. 2.Table 3 row number 6, now clearly states the contribution during the current monitoring period, and the achievement during the project lifetime; Table 3, row number 6 has been corrected. 3. The correct section related to evidence 23 and thinning is Section 3.2.2.2. The paragraph where it erroneously mentions that thinning is a natural process, was edited; the deletion of this part does not alter the meaning of what PP has meant in that section.		
Documentation provided by the project proponent		
1. Evidence: New version of the Monitoring Report (v2) is provided. 2. Evidence: New version of the Monitoring Report (v2) is provided. 3. Evidence: New version of the Monitoring Report (v2) is provided.		
VVB's evaluation		Date: 27/09/2023

1. Section 1.11 table 3 has been updated in the row referring to SDG target 13. Item closed. 2. Section 1.11 table 3 row related to SDG 15 has been updated and deemed correct. However, the information related to SDG 12 has been eliminated. Please explain the reason for this. This item remains open. 3. Section 3.2.2.2 has been updated and the direct identification of thinning as a natural process has been eliminated, however, please provide an in-text more complete explanation of this sentence "The values are below the value that was planned in the Management Program files because those thinning procedures are only recurring natural processes." To provide a full understanding of the text and avoid the beforementioned direct identification. This item remains open.

Project Proponent's Response	**Date: 21/01/2024**
2. The current and over project lifetime contributions of SDG 12 that had been referred on the previous version of MR, were more related to SDG 15; given this, the Project Proponent decided to correct this issue and leave it more precisely in the table, relating the issue of FSC certification to SDG 15. 3. The PP has re-edited the paragraph in the MR to avoid misunderstanding; a part was removed to give more coherence to the statement, avoiding mixing natural process with commercial processes. What actually happens in plantation management (thinning) is strictly productive process (commercial process).	

Documentation provided by the project proponent
2. No evidence is necessary; the Project Proponent has responded with arguments to the requirement of the auditor. 3. Evidence: New version of the Monitoring Report (v3) is provided.

VVB's evaluation	**Date: 14**/02/2024
2. Ok, the explanation is deemed correct. 3. Ok, the modifications have been reviewed. Thus, CAR02 is closed.	

CAR id.	03	Date: 21/07/2023
CAR description		
Section 2.2 has been completed except for the AFOLU projects specific requirements set on the VCS MR template section 2.2: *For AFOLU projects, also demonstrate how the project has communicated the following with local stakeholders: The results of project implementation, including the results of monitoring. Any changes, where relevant, to risks, costs and benefits the project may bring to local stakeholders. Any changes, where relevant, to relevant laws and regulations covering workers' right in the host country. The process of VCS Program verification and the validation/verification body's site visit*. Please complete this section with the information required.		
Project Proponent's Response		**Date:** 04/09/2023

Although the PP has communicated the mentioned topics in a dispersed manner, there had not been a formal event that included all of them; therefore, during the months of August and September 2023, public events were held in order to provide relevant information and document this approach to the local communities, as well as to the company's workers, who also belong to the local communities surrounding the project areas.

Given the above, a total of 7 events were held in the following communities:

- Tacotalpa

- Humanguillo

- Palenque

- Balancan

- Pichucalco

Special emphasis was placed on the communities of Tacotalpa and Huimanguillo, since PROTEAK's largest operations are related to these communities.

The main objectives of these communications, were:

1. To inform and get people´s feedback about the results of project implementation, including the results of monitoring.

2. To inform and get people´s feedback about any changes to risks, costs and benefits the project may bring to local stakeholders.

3. To inform and get people´s feedback about any changes to relevant laws and regulations covering workers' right in the host country.

4. To inform about the process of VCS Program verification and the validation/verification body's site visit.

5. To inform and get people´s feedback about information of the carbon sequestration project

The PP prepared 2 reports specifying the methodology, the information that was shared, the scope of the socializations and, above all, the results and feedback of the events.

As can be seen in both reports, the events required feedback from the attendees; the evidence, apart from the participation lists, also includes the comments received.

Additionally, this same information is included in the monitoring report, specifically in section 2.2.3.; as well as the references that serve as evidence, were linked to the added text.

Documentation provided by the project proponent

1. Evidence: New version of the Monitoring Report (v2) is provided. ANNEX V. Monitoring\Community and stakeholders\Documents: Proteak-2023 Social training report 1.pdf and Proteak-2023 Social training report 2.pdf

VVB's evaluation	**Date: 27**/09/2023
The updated MR was evaluated and the provided reports were examined: Only Proteak-2023 Social training report 1.pdf was provided, provide the other report. In this section 2.2 please limit the information (although supporting information is appreciated) to the required information in the template. As a summary: Section 2.2 requires that the PP provides the process and outcomes of informing and communicating with different stakeholders. Section 2.3 requires information from the feedback received from consultation processes and any complaints received. Among other specific AFOLU safeguards. Considering this, section 2.2 does not meet the template requirements including information that should be detailed in section 2.3 and section 2.3 includes information not relevant to this section. Please complete and correct both sections according to the template`s requirements.	

Project Proponent's Response	**Date:** 21/01/2024
The evidence Proteak-2023 Social training report 2.pdf, is still pending to be reviewed by the auditor; such evidence was provided at the same time as the evidence mentioned as reviewed (Proteak-2023 Social training report 1.pdf) but could not be accessed by the auditor team. The PP resubmits this evidence, which complements what was originally answered for the closure of CAR 03. Sections 2.2.2 and 2.2.3 of MR were revised, making the necessary changes to comply with the requirements of the template and the topics to be developed in each item. The PP did not eliminate any information, since it considers that the information is pertinent to the project and serves to better explain the performance of the project; no information was considered as superfluous.	

Documentation provided by the project proponent
1. Evidence: New version of the Monitoring Report (v3) is provided. 2. ANNEX V. Monitoring\Community and stakeholders\Documents: Proteak-2023 Social training report 2.pdf

VVB's evaluation	**Date: 20**/02/2024

The training report has been shared and reviewed by the VVB. The updated MR has been reviewed and deemed correct. Thus, CAR03 is closed.

CAR id.	04	Date: 27/09/2023
CAR description		
The following has been found in the NPRR: 1 Name the sections and use the titles as required by the template. 2 Financial viability. Provide justification and evidence for factor i) 3 Opportunity cost. As per the explanation provided, factors a-f may be different. 4 The audit team was not able to find the NPV analysis of the different land use scenarios. 5 External risk. Provide the lease for the leased properties. 6 Community engagement. Mitigation factor c) is not sufficiently justified. Refer to the tool to justify it and avoid providing irrelevant justifications for that factor. 7 Political risk. The value is ok but in the excel it refers to Guatemala.		
Project Proponent's Response		**Date: 21/01/2024**

1. The NPRR was revised to corresponding with the name of the sections, using the titles as required by the template

2. The correct factor referred to by the auditor should be h); that was the factor applied at the NPRR.

According to the evidence provided, the financial analysis updated to 2022 reflects that at least 82.41% of the funding needed to cover the total cash out for the plantation establishment and maintenance, has been secured by Proteak.

The project's cash flow becomes positive in 2026; therefore, the cash outflow needed for the years 2022 to 2025 is estimated at USMD 16.8, of which USMD 13.25 is assured. This value of the available financial resources (USMD 13.25) is according to the new evidence presented (Proteak-One-4Q22-report-DICAMINATED), which is the audited report for the year 2022 (as of the fourth quarter), where, in section III. Analysis of the Cash Flow Statement, it is established that the cash flow for the period is in line with the company's operations. Working capital management, together with EBITDA in the fourth quarter, resulted in net operating cash of $273MM.

The audited PROTEAK Report is publicly available at:

https://proteak.com/wp-content/uploads/2023/04/Proteak-Uno-4T22-reporte-pagina-Proteak-DICTAMINADO.pdf

Given the above, the choice of factor h) is duly substantiated and supported with evidence.

3. Given the new evidence presented, such as land uses at the baseline scenario and financial analysis of the project updated to 2022, the Project Proponent has modified the explanatory paragraph in the factor selection in the Opportunity Cost at the Project's risk analysis.

Given the above (new and updated evidence, and updated Risk Report) the necessary support is given for the selection of the factor corresponding to the Fresh Breeze project.

For the Project activity scenario (reforestation), the $54 million is more than 50% more profitable than the current crop production alternatives, mango ($35 million) and sugar cane ($19 million), being both crops, the most profitable current land use alternatives.

4. New evidence has been provided; refer to the evidence presented as response of the previous CAR04-3.

5. PP presents evidence of the lease of leased properties.

6. The explanation of the issue of community engagement has been expanded at the NPRR, in order to provide information and arguments that demonstrate why PP requires applying factor c) to this mitigation. As per AFOLU Non-Permanence Risk Tool, certification system as the FSC may be used to demonstrated that a project satisfies this mitigation requirement. 7. The document has been revised; the reference is now correct when referring to Mexico.
Documentation provided by the project proponent
1. Evidence: New version (revised) of the NPRR (v2) is provided. 2. ANNEX VIII. Risk analysis\2) Financial Viability and 3) Opportunity Cost\Document: Proteak-Uno-4T22-reporte-DICTAMINADO.pdf ANNEX VIII. Risk analysis\2) Financial Viability and 3) Opportunity Cost\Document: PROTEAK-Fresh Breeze-Financial Analysis v2022.xlsx. New version (revised) of the NPRR (v2) is provided. 3. Evidence: New version (revised) of the NPRR (v2) is provided. ANNEX VIII. Risk analysis\2) Financial Viability and 3) Opportunity Cost\NPV comparation\Documents: P116_VER_079_forest scenario_updated_2022.xlsx, P116_VER_082_agriculture scenario_mango.xlsx and P116_VER_082_agriculture scenario_sugar cane.xlsx. 4. ANNEX VIII. Risk analysis\2) Financial Viability and 3) Opportunity Cost\NPV comparation\Documents: P116_VER_079_forest scenario_updated_2022.xlsx, P116_VER_082_agriculture scenario_mango.xlsx and P116_VER_082_agriculture scenario_sugar cane.xlsx. 5. Evidence at: ANNEX II. Project Activity Instances\ Leasing contracts\Documents: 1. Cascada.pdf, 2. Empeño 8.pdf and 3. Fideicomiso F-1766 MONEX.pdf. 6. Evidence: New version of the NPRR (v2) is provided. 7. ANNEX VIII. Risk analysis\7) Political Risk\Document: Worldwide Governance Indicators dataset 2022 v2.xlsx.

VVB's evaluation	**Date: 20**/02/2024
CAR04 is closed.	

CAR id.	05	Date: 27/09/2023
CAR description		
1. The figures in table 13 are different from the ones showed in the calculation spreadsheet. Please correct. 2. Section 2.3.3 The information included in this section is not related to the information the template asks for. Include only relevant information.		
Project Proponent's Response		**Date: 21/01/2024**
1. Table 13 has been corrected; the information presented in the MR (corrected) now matches with the presented in the calculation spreadsheet (correct). 2. Section 2.3 of the MR template, requires to report: - *Activities implemented to mitigate risks local stakeholders due to project implementation; and* - *information about to prevent any conflicts that arose between the project proponent and local stakeholders*. The previous section 2.33 Anti-Discrimination Assurance, is linked to both requirements, since through this section, the PP reports that The Fresh Breeze Project holds every individual in the company involved in the design and implementation of the project to a high standard of integrity, to ensure that no one is involved in or complicit in any form of discrimination or sexual harassment with respect to the project (*information about to prevent any conflicts*). This includes discrimination on the basis of gender, race, religion, ethnicity, class or other aspects of human individuality. In addition, to ensure compliance, the project has a grievance system (Activities implemented to mitigate risks local stakeholders) in place that will provide all project employees, identified community members, and other stakeholders with a formal system if any discriminatory actions or sexual harassment does occur, to ensure grievances can be addressed quickly and appropriately. Given the above, the PP considers that the information is related to what the MR template requires, and it should remain as general information. Due to the reassessment of section 2.2 and 2.3 at the MR, the referred section changes to 2.3.2.		
Documentation provided by the project proponent		
1. Evidence: New version of the Monitoring Report (v3) is provided. 2. The Project Proponent has responded with arguments to the requirement of the auditor; Evidence: New version of the Monitoring Report (v3) is provided.		

VVB's evaluation	**Date: 15**/02/2024
1. Corrected, ok. 2. OK, the VVB has reviewed the explanation provided and deems the explanation correct. Thus CAR05 is closed.	

Clarifications (CL)

CL ID	01	Date: 21/07/2023
CL description		
Provide the following evidence from section 1 of the following claims: 1. Project has provided better employment in quantity and quality. 2. Project fosters rural development. 3. Increased gross value and fiscal balance. 4. Biodiversity preservation and soil quality.		
Project proponent's response		**Date: 04**/09/2023
1. Section 1.1 of the MR refers to the stated in the validated PD, section 1.1. However, given the auditor requirement in this verification, the PP explains and presents the following evidence: 1. Based on the most recent information (Proteak report 2023), it is evident that PROTEAK has not only generated a large number of jobs, but has improved the livelihood of its employees. In the previous validation and verification reports, the general situation of the communities was verified, concluding into a lack of opportunities and decent jobs. PROTEAK developed its human resource strategy based on 3 pillars to foster better jobs: People & Culture, Engagement & Development and, Compensation. To support the execution of this strategy, PROTEAK has deployed multiple programs available to all employees, as: a) Orienta PAE, which is a 24/7 toll-free wellness-oriented program covering many aspects, as medical assistance, nutrition and legal. b) E-learning platforms (MEFLIX & UBITS) aiming to develop hard and soft skills; c) the internal Job posting to provide equal opportunities among all PROTEAL employees; and d) Onboarding and training programs. PROTEAK also has participated of the "TOP COMPANIES", a Mexican survey published by one of the most important domestic business magazines, Expansión.		

PROTEAK has always complied with federal law in terms of employment and compensation, providing competitive salaries according to the regions and communities where the Project operates.

In terms of quantity, PROTEAK keeps a certain base of employees according to the business requirement and cycles.

In reference to the quality of the jobs, the 2023 report lists aspects that are remarkable, but above all, not common in the areas where the Project activity is developed:

- the application of best practices in workers' activities is promoted;

- an emotional assistance program is made available to employees (PAE);

- Quality of Life Program (improving the workspace)

- Encouragement to provide equal development opportunities to all employees;

- Encourage local development by providing job opportunities for the talent of professionals who are close to the area of influence;

- Induction for new recruits: welcome kit, code of ethics, etc.

- Training programs.

2. In the year 2022, PROTEAK conducted surveys with communities surrounding the project sites, where according to the perception collected in the surveys, is evident that the Project has a positive impact on the communities because more employment is generated and this fact, is evidenced in the improvement of livelihood; this indirectly promotes the local economies of the communities, which in turn, translates into greater purchasing power to meet their needs.

Currently, it can be noted that there is greater coverage by the banks, and all personnel receive their payments by bank card.

3. Related to iv) improved fiscal balance: This is an affirmation that is difficult to prove, and whose elimination does not detract from the importance of all the contributions that the Project makes, so the PP removed this part from the introductory general summary of section 1.1 of the MR.

Related to iii) increased gross value of production: In a timber market, and with an increasing demand for management and quality certifications, the key to buying any wood sustainably is to check the relevant environmental and origin certifications. An FSC certification guarantees that teak wood comes from responsibly managed forests that provide environmental, social and economic benefits. Because there is a high risk of illegal or over logging for teak timber, the consumers are aware that have to buy teak products with an FSC certification. Certification initiatives rely on consumers exercising

purchasing choice in favor of products labeled as originating from forests certified as being sustainably managed.

PROTEAK's business model is mainly driven by the commercialization of teak in the Indian Market. Since 2020, the company has exported directly to India, over 6,000 cubic meters of timber.

According to the Ministry of the Environment and the National Forestry Council, Commercial Forest Plantations (CFP) are a productive alternative to promote land use diversification, particularly in medium/low productivity agricultural land. Currently, according to these Mexican government agencies, there are 45,000 ha with FSC certification, which demonstrates the importance of the FSC seal in the commercialization of forest products; of the total volume exported from Mexico, 22,087.4 m3 (60%) corresponds to timber from commercial forestry plantations of two species (Tectona grandis and Gmelina arborea).

4. According to the information that PROTEAK generated in 2018, having commissioned a Flora and Fauna Monitoring study and diagnosis of water and soil quality, it is evident that:

a) The conservation areas that covers a strip of land on each side of the stream beds (riparian forest) are composed of different species of trees, abundant shrubs that vary greatly in height, as well as epiphytes, lianas and grasses.

This type of vegetation represents a refuge for vulnerable species of both plants and animals. These strip-like areas provide habitat for a large number of wildlife species and act as corridors for the movement of wildlife.

At no site was the presence of pests or diseases in the trees detected, which could threat the continuity of the forest.

b) The use of agrochemicals has been strictly avoided within the Protected Areas, in order to maintain and improve soil and water health, and within the teak plantation areas, only agrochemicals allowed by Mexican regulations and by the FSC have been used, and only in the minimum indispensable quantities.

c) In the Conservation Areas included at the study, the presence of 113 species of wild fauna was detected, distributed in: 56 species of birds in 16 orders and 27 families in the class, 29 species of the mammal class distributed in 8 orders and 14 families, for the reptile class a richness of 20 species in 3 orders and 12 families was determined, while for amphibians 8 species in 7 families.

In total, according to the 2022 Sustainability Report-PROTEAK, there are 761 hectares of teak plantation conservation areas (land inside and outside the Fresh Breeze Project).

Regarding to soil quality, as the PROTEAK's Soil quality report refers that according to the Mexican Official Standard NOM-021-RECNAT-2000, which establishes the specifications for fertility, salinity and soil classification in Mexico, the values obtained from the soil analysis parameters performed on the project sites are in the medium to very high ranges, which is considered soil in good condition

according to NOM-021-RECNAT-2000, after having been catalogued by definition as degraded soils in the baseline.

Similarly, the Land Use and Vegetation Map Series VII of the National Institute of Statistics, Geography and Informatics shows that the plantation sites are located on degraded agricultural land that PROTEAK transformed into plantations; so it is assumed that the project activity has achieved the recovery of the physical and chemical characteristics of the soils.

Documentation provided by the project proponent

1. Evidence: Supporting evidence for CARs and Findings\CL01\Documents:

1.1 Human resource development. PROTEAK report 2023.pdf;

1.2 ANNEX V. Monitoring\POL-06-01-01 Selección y contratación de empleados.pdf (evidence available since the start of the audit);

1.3 POL-DHM-001 Politica de Reclutamiento, selección y contratación de personal.pdf (new evidence provided, and now available at MR2022\ANNEX V. Monitoring).

1.4 Compensaciones y Beneficios - reporte PROTEAK.pdf

2. Evidence: Supporting evidence for CARs and Findings\CL01\Documents:

2.1 PROTEAK_GRSS_14_08_2023_13_19 desarrollo rural reporte.pdf

2.2 PROTEAK-2022 suveys for social monitoring.pdf

3. Evidence: Supporting evidence for CARs and Findings\CL01\Documents:

https://gbmenlinea.gbm.com.mx/Documentosanalisis/Proteak_InitiatingCoverage.pdf

http://www.itto.int/files/itto_project_db_input/2606/Technical/PD416-06%20Regional%20Teak%20Workhop%20-%20Proceedings.pdf

ANNEX IV. Plantation Management\Forest Management certification\Document: FSC Certification-FM_CRT_Proteak_033023.pdf

1.5 PFC en México_Foro Tabasco Jul2023

4. Evidence: Supporting evidence for CARs and Findings\CL01\Documents:

4.1 PROTEAK-Monitoreo de flora y fauna silvestre y diagnóstico de la calidad de agua y suelo.pdf

4.2 4.2 OFICIO_PROTEAK_GRSS_29_08_2023_06_14.pdf; Soil quality report elaborated by PROTEAK, based on soil analisis. 4.3 Planes Anuales – Proteak (PROTEAK's web page).

VVB's evaluation	Date: 27/09/2023
The PP has justified and presented evidence for all the claims required in this finding. The audit team, on top of being able to access and review the evidence provided, was able to confirm that the contractual situation of Proteak`s employees is better than neighboring economic activities by testimony of other workers who had nothing to do with the PP. Thus, CL 01 is deemed closed.	

CL ID	02	Date: 21/07/2023
CL description		
Provide clarifications or evidence in the following: 1. Clarify whether the La Laguna plantation was done in 2015 or 2016 as in different parts of the document it is mixed. E.g. section 1.1 and 3.1 claim different years. 2. Section 1.1& 5.3 provide the evidence for the leakage calculation and the no displacement claim made in section 2.3. 3. Provide the risk assessment calculations. 4. Provide the KML with the project location information. 5. Section 1.11 table 3 Provide further clarifications on whether the information table 3 of the current project contributions relates to the contributions during this monitoring period. AS required by VCS MR template v 4.2 setion 1.11. 6. Section 2 provide evidence of the training of the fire brigades as well as the fireburns prevention. 7. Section 2.1 provide evidence on how *"the activities are planned by setting goals based on the biophysical capabilities of people, so that they do not exceed occupational risks in workers."* . 8. Provide further clarification on the number of plots calculation and determination. (evidence 29 on the MR) 9. Section 4.3.1 provide the strata by strata classification following this claim: *Less intensive measuring: For those plantations that have their second monitoring and have at least 5 years of age, the measuring program establishes that the rate of measuring will be 1 plot per 5 ha* 10. Section 5.1 Provide further information on the baseline emissions as required by the VCS MR template in section 5.1. 11. Section 5.2 Provide the reference for the equations used described in the MR. 12. Section 5.2.1 The equation for the BTREE or the value BEF=1.3 have not been used in the calculations, please clarify. 13. Section 5.2.3 provide the following evidence "Proteak-LTA udated 202234" 14. Section 3.3.4 & 3.1 tehre are two different figures for the goals of the project 10,000 and 5,000 ha and the already planted area is 5,402.69ha please clarify this.		
Project proponent's response		**Date:** 04/09/2023

1. La Laguna farm has two years of plantation establishment: 2012 and 2015. This is also verifiable in the calculations, where both years of planting were taken into account.

The only wrong reference error was corrected in section 3.1.

4. 2. According to the validated PD: " All the plantations were grassland, therefore these emissions are not considered in the project activity, this assumption is supported with the photo of each plantation"; . In this way, photographs serve as evidence to establish the above.

Section 3.3 of the PD, dully assessed the reason to not include emissions in the Project activity as leakage.

As an improvement action, and since this monitoring report, the following deviation is requested, in section 3.2.2.4 of the new version of the Monitoring Report: The Project should use appropriate, specific and reliable source of information to be able to demonstrate previous land use; instead of photographs of the properties, corresponding to the baseline (prior to plantation establishment) as an improvement action that seeks to reduce the uncertainty regarding the assessed (previous land use in the participating properties), it is proposed to use cartographic/geographic information, appropriate and elaborated specifically for the host country, as a verifiable and reproducible source of information.

5. For such improvement action, and for this evaluation period as a consequence, until better information is available, the PP proposes the following: The Geographic Database of the National Environmental and Natural Resources Information System of México (SNIARN), as a component of this system, integrates geographic information of the environment and natural resources sector, according to the standards issued by the National Institute of Statistics and Geography of Mexico (INEGI) and represents the work and joint effort of the different information generating areas, mainly of the Ministry of Environment and Natural Resources (SEMARNAT) and the National Institute of Statistics and Geography (INEGI).

6. One of the main dissemination products of the Geographic Database is the Geographic Atlas of the Environment and Natural Resources. The Digital Atlas contributes to the geographic knowledge of the country by means of general maps with the most current information available on orography, population, ecosystems, soils, biodiversity, atmosphere and the status of water resources, accompanied by metadata and graphics that complement the information included in the map.

7. Given that this information is official and generated specifically for the entire host country of the Project (México), it is considered appropriate, generated by an official source, and specific, and therefore, it is proposed to use the information generated for vegetation types and land use, in order to document and evidence that the land use of each Project site is in compliance with what is described in the PD, i.e., that they were grasslands before the implementation of the Project activity and, therefore, these emissions are not considered in the project activity.

8. The proposed to demonstrate the above is by superimposing the polygon of each Project site on the layers of this map, in order to determine the type of land use prior to the establishment of teak plantations, generating a map where the properties (sites) are located with the consequent determination of the previous land use.

9. Taking into consideration the definition of the VCS Standard v4.4, about Project Description Deviations "Projects may deviate from the validated project description in certain cases in order to accommodate changing post-validation circumstances, and that such deviations must be described and assessed by a validation/verification body during the next project verification", the PP makes the following assessment:

10. The deviation required, do not impact the applicability of the methodology, additionality or the appropriateness of the baseline scenario, furthermore, what is requested, serves to improve the type of evidence to determine the previous land use, and it does not make a re-evaluation that modifies methodology, additionality or the baseline scenario. Therefore, and in accordance with the VCS Standard, the deviation is described and justified in this monitoring report, and also, will be reported on in all subsequent verification reports.

11. In addition, with this project description deviation, the PP states that is not looking for a change to a different methodology.

12. This deviation requirement, is included in the monitoring report, specifically in section 3.2.2.4, and the assessment of leakage is dully referred in section 5.3.

13. The previous assessment, presented at this response and, within the monitoring report are dully supported for the evidence presented at ANNEX V. Monitoring\Leakage.

14.

15. 3. Document available on the first day of the audit visit. PP presents the evidence as a support of this response.

4. Files available on the first day of the audit visit. PP presents the evidence as a support of this response.

5. The information described in Table 3 of the MR specifies, according to what the template requires, when a contribution is for the monitored period and when it is for Contributions Over Project Lifetime; however, in case it is not understood, to give better clarity, to the Current Project Contributions column, "During the monitoring period reported" was added at the beginning of each description, adding only what was achieved and executed in 2020 to 2022, which is the reporting period.

6. The required evidence is provided. The documents/registry of reports, are the evidence of training for the forest protection crews.

The photos, are the evidence of the fire prevention measures at PROTEAK's sites (farms).

7. Although this procedure by setting goals based on the biophysical capabilities of people is a common practice in all PROTEAK sites, it was not specifically described at any procedure. To improve this, and to make it applicable to any PROTEAK operation, a new version of the Management Plan was generated, section 3.23.5, which details this instruction that is applicable to any PROTEAK site.

In addition, PROTEAK has established the personal protective equipment - PPE - to be delivered to each field work position, and the frequency of delivery of the same; PPE contributes to the safe performance of the activities.

8. The section of the MR where the number of plots to be established is described is 4.3.1 Sampling design and stratification. PROTEAK has developed monitoring for silvicultural purposes and biomass estimation; information that is later used to estimate carbon removals.

The information described in the section referred to in the MR, as well as reference 29 of the MR (PRO-FOR-INV-002 Physical inventory taking procedure.pdf) is complemented by two additional documents that are presented as evidence in the response to this finding:

-PRO-FOR-INV-001-Procedure-planning-inventories.pdf

-POL-01-01-02-Teak Biological Active.pdf

These procedures show how to estimate the sampling intensity and the type of plot that corresponds; according to document PRO-FOR-INV-001-Procedure-planning-inventories.pdf, the Planning Manager is responsible for this activity.

Based on the information from all the years of operation of PROTEAK, it has been possible to estimate the sampling intensity for the farms, based on their extension, always looking for the sampling error to be less than 10%

9. PROTEAK's procedures describing the planning and physical inventory measurements, refer to both teak and eucalyptus species. Unfortunately, the information in the 2022 Monitoring Report is for eucalyptus and not teak. Based on the Clarification 02 requested by the auditor, this error was noted and corrected. The appropriate information corresponding to teak species was added in section 4.3.1 Sampling design and stratification.

10. Section 3.1 of the validated PD, and the consecutive sections of the Monitoring Reports that have been generated since the validation/verification event (3 verification events) has stated that: "Since continuation of an activity that has been applied without changes for more than 20 years has been selected as the baseline scenario, it is assumed, in agreement with IPCC Good Practice Guidance for Land Use, Land Use Change and Forestry (2003) that the net GHG removals by sinks in the baseline equals zero".

The current report in concordance with this assumption and states the same in section 5.1; the description of the baseline scenario was added in order to provide more information.

11. Documents available on the first day of the audit visit. However, responding to this finding, the original reference cited in the validated PD is presented as evidence.

12. The definition of Biomass Expansion Factors (BEF) refers that it could be used if a biomass equation provides the merchantable biomass (t/ha) directly. BEF expands the dry weight of the merchantable volume of the growing stock to account for non-merchantable components of trees. As mentioned in the MR "The sum of each formula will correspond to the mass per three"; this implies that, when a calculation of Stem biomass (WS) + Branch biomass (WB) + Leaf biomass (WL) is made, what is obtained is the total aerial biomass of the tree (BTREE), therefore, applying the BEF would represent one over estimate. This can be verified in the Excel document that contains all the calculations, specifically in columns J to N.

However, to give more clarity to the MR reader, in section 5.2.1 Estimation of tree biomass using the BEF method, a note was made to indicate what was previously described, specifically below Table 11.

13. Document available as new evidence at the Annexes.

14. Value of section 3.1 was corrected.

Documentation provided by the project proponent

1. New Monitoring Report (v2) is provided to VVB.

2. New Monitoring Report (v2) is provided to VVB.

ANNEX V. Monitoring\Leakage\Documents: Vegetation Map 1997 Chiapas.pdf, Vegetation Map 1997 Nayarit.pdf and Vegetation Map 1997 Tabasco.pdf.

3. MR2022\MR2022\ANNEX VIII. Risk analysis\Documents: Fresh-Breeze-Risk-Report-Calculation-Tool-2022.xlsx and PT-FB-VCS Non-Permanence Risk Report 2022.pdf

4. MR2022\ANNEX II. Project Activity Instances\KML Instances\Folders: Balancan, Huimanguillo, Nayarit, Ostuacan, Palenque, Tacotalpa, Tapachula and Tenosique.

5. New Monitoring Report (v2) is provided to VVB.

6. MR2022\ANNEX V. Monitoring\Training\Documents:

Balancan- Reporte de Capacitación-curso básico para combatiente forestal.2022.pdf

Huimanguillo- Reporte de Capacitación-curso básico para combatiente forestal.2022.pdf

Nayarit- Reporte de Capacitación-curso básico para combatiente forestal.2022.pdf

2022-Evidencia de capacitación de curso básico de combatiente forestal.pdf

ANNEX VIII. Risk analysis\8) Natural Risk\1) Fire Risk\Document: 5. PROTEAK-Fire measures and fire control equipment.pdf

7. ANNEX IV. Plantation Management\Documents:

Management Plan-Proteak Uno 2021-2025 v2.pdf.

ANNEX IV. Plantation Management\Document: EPP-matriz de protección.xlsx

8 MR2022\ANNEX V. Monitoring\Documents: PRO-FOR-INV-001-Procedimiento-planeacion-inventarios.pdf and POL-01-01-02-Activo biológico teca.pdf

9. New Monitoring Report (v2) is provided to VVB.

10 New Monitoring Report (v2) is provided to VVB

11. ANNEX III. Scientific literature references\Documents: 2. Carbon stock of teak plantations in Subtropical region of lower northern Thailand.pdf and 1. Petsri, S.-Aboveground carbon content in mixed deciduous forest and teak plantations.2003 13. MR2022\ANNEX VI. GHG Estimations\Document: Proteak-LTA updated 2022.xlsx. 14. New Monitoring Report (v2) is provided to VVB.

VVB's evaluation	**Date: 27**/09/2023

1. The PP has updated the MR and the Audit team crosschecked it with the calculation provided. Item closed.
2. Leakage. The PP has provided the evidence requested in the validated PD and the updated MR. The audit team has reviewed the requirements for the deviation of the methodology and deemed it correct and no update in the PD is needed as it complies with the Standard 4.4 section 3.20.2.2. This item is closed.
3. The PP has provided the NPRR and the risk assessment calculations. Item closed.
4. Spatial information provided. Item closed.
5. Section 1.11. The PP has updated table 3 providing more accurate information about this MP. Please provide evidences of the contributions claimed in row 2 current contributions to the project. This item remains open.
6. The training evidence has been provided and during the visit the audit team was able to confirm that the workers receive this kind of training. Item closed.
7. The updated documentation has not been provided. This item remains open.
8. The sampling documentation was reviewed, but no section 4.3 related to sampling could be found or any update mentioned in the response. This item remains open.
9. Section 4.3.1 Documentation has been provided. The sampling and measurement methods are clear. Refer to the relevant documentation in the MR. Provide the document referenced in PRO-FOR-INV-002, ***PRO-FIN-INV-003*** for further review. This item remains open.
10. 5.1 Baseline scenario. The validated PD was reviewed and the answer provided deemed correct. This item is closed.
11. References provided. Item closed.

12. 5.2 clarification noted and deemed appropriate. Item closed.

13. Documentation provided. Item closed.

14. Section 3.1 and 3.3.4 the goal is set at 5,402.69ha. item closed.

Project proponent's response	**Date: 21/01/2024**

5. The required evidence was provided to the auditor team.

7. The new version of the Management Plan (v2) was provided and the rest of the referred evidence mentioned since the previous round of findings.

8. Section 4.3 of the monitoring report is dedicated to the description of the Monitoring Plan. Specifically in section 4.3.1 Sampling design and stratification, the procedure is described, mentioned the number of sampling plots originally determined as necessary, compared with the number of plots used at the current monitoring event. Additionally, section 4.3.1 mentions the documents at which the estimation of sampling plots is based.

9. Section 4.3.1 of the MR clearly mention the relevant documentation, as it states:

The monitoring process take into account internal procedures and internal technical instructions part of the Quality Management System implemented in the company, based specifically on three documents:

- POL-01-01-02-Activo biológico teca;

- PRO-FOR-INV-001-Procedimiento-planeacion-inventarios

- PRO-FOR-INV-002 Procedimiento toma física de inventario.

The reference to the location of these documents, as evidence, is made as a footnote in this paragraph.

Document PRO-FIN-INV-003, mentioned at PRO-FIN-INV-002 which is required for review by the audit team, is provided.

Documentation provided by the project proponent

5. Documents at CL02 file.

7 . ANNEX IV. Plantation Management\Documents:Management Plan-Proteak Uno 2021-2025 v2.pdf. and ANNEX IV. Plantation Management\Document: EPP-matriz de protección.xlsx 8. No evidence is necessary; the Project Proponent has responded with arguments to the requirement of the auditor. 9. No evidence is necessary to demonstrated the relevant documents to the measurement and monitoring process; the Project Proponent has responded with arguments to the requirement of the auditor. ANNEX V. Monitoring/Document:PRO-FIN-INV-003.pdf

VVB's evaluation	**Date: 15**/02/2024
5. Evidence provided. Ok 6. Evidence provided and reviewed. Ok 7. Evidence provided and reviewed, it is deemed ok. 8. Evidence provided. Thus CL02 is closed.	

CL ID	03	Date: 21/07/2023
CL description		
Provide the following evidence: 1. Provide the the supporting documentation provided cited in the MR. 2. Provide the Social Impact Assessment 2021 and 2022 3. Provide the Internal Complaints and Grievance Management Procedure 4. Provide the evidence of the FSC certification. 5. Section 2.3.1 Provide further evidence of the stakeholder access to documentation and how they are informed. 6. Section 2.3.2 Provide further evidence of the information to stakeholder on the verification process claim. 7. Section 2.3.3 Provide further evidence to support this claim: *Project Proponent verify in every monitoring event, that individuals are employed without discrimination.* 8. Section 2.3.5 provide evidence of the implementation of the training program. 9. Section 2.3.6 provide evidence to support the claim that the job demand is higher in the project scenario than in the baseline scenario. 10. Section 3.3.3 provide the management plan as an evidence. 11. Provide the photos mentioned in section 3.3.3. 12. Provide the standard operative procedure (description of the inventory works) 13. Section 5.4 Provide the NPRR calculations. 14. Provide, on top of the KML file, a shp file so more information can be assessed.		
Project proponent's response		**Date:** 05/09/2023
1. The information that was mentioned/cited in the Monitoring Report, is available thru the 8 annexes with all the evidence mentioned. 2. Social Impact Assessment, 2021 and 2022, mentioned in reference 7 are provided as evidence.		

3. This document was updated and replaced in the year 2022; the information and reference in the Monitoring Report was incorrect and now the current and updated information is presented.

4. Document available on the first day of the audit visit.

5. PROTEAK has generated a sustainability report, which compiles the company's performance and results. This is a summary of the company and its corporate responsibility.

This document is publicly available to anyone who searches the following link: https://proteak.com/planes-anuales/

The information presented is summarized in four main topics:

- Human Rights

- Labor standards

- Environmental performance

- Code of ethic

- Biodiversity

- Stakeholder communication mechanisms

Specifically in the communication mechanisms, a summary is made of the results obtained through the communication channels and response/complaint mechanisms.

6. Between August and September, the PP held socialization events, informing local communities and stakeholders about the audit and verification process of the carbon credit project. In the presentations made and the printed information given to the participants of the events and people visited/interviewed, it is stated that the audit process, carried out by a third party authorized by VCS is a requirement that PROTEAK has to meet, and this fact was communicated.

7. PROTEAK has several documents that prevent individuals from being hired without discrimination; this is a process that runs since the application or request for new positions. In order to carry out the complete process, PROTEAK has the following documents:

- POL-06-01-01 Selección y Contratación de empleados

- POL-DHM-001 Politica de Reclutamiento, selección y contratación de personal

- Codigo de Etica Proteak

Through the execution of the procedures already established and the compliance of the ethic code, it ensures that there is no discrimination.

However, in case of any inconvenience occurs, PROTEAK has an efficient mechanism that allows anonymous complaints of many aspects or irregularities, such as discrimination, bribery/corruption, harassment, misuse of assets, theft of information or fraud.

There is a presentation of this reporting system called Resguarda that was presented to all PROTEAK employees, and there is a specific procedure for reporting:

- POL-LEG-004 Política Gestión del canal de denuncias

8. Training program is presented as evidence.

9. The MR in section 2.3.6 has provided a measurable value that evidences the previous MR's version statement, related to higher job demand. In this issue, PROTEAK made an evaluation and comparison, with verifiable sources, about the amount of work generated for different activities, having been able to compare, specifically, the baseline activity (grasslands) with the project activity (reforestation with teak trees).

10. The document was available on the first day of the audit visit; however, due to other changes made to the document, a new version of the Management Plan (v2) is presented.

11. As mentioned in the new version (2) of the Monitoring Report, section 3.3.3, "According to the deviation requested in this report (section 3.2.2.4), and the evidence presented, it can be determined that all the properties included in the project are classified, according to the Geographic Database of the National System of Environmental Information and Natural Resources of Mexico (SNIARN), as grassland/savannah. This information/classification, which results in a 1997 land use and vegetation map, corresponds to at least 10 years prior to the start of Project activity, which was in 2009. When Project activities began, these pastures were abandoned.

Each property included in the Project was over-positioned in this available information, and this is henceforth proof that the previous use did not generate leakage.

Given the above, photos are no longer presented, but instead, the overlay of the polygons of the Project sites on the maps mentioned as evidence.

12. As mentioned in section 4.3 of the monitoring report, PROTEAK has developed a specific procedure for tree measurements in the field; this procedure details the structure, responsibilities and competencies of the measurement teams.

- details the structure, responsibilities and competences of the measurement teams;

- describes the methods of measurement of dasometric and tree trunk quality variables, the collection/recording of the measured data in real time and the transfer of the data for further processing and analysis; and

- flowchart of the complete process.

The monitoring process takes into account internal procedures and internal technical instructions that are part of the Quality Management System implemented in the company, based specifically on three documents:

- POL-01-01-02-Teca Biological Asset;

- PRO-FOR-INV-001-Procedure-planning-inventories

- PRO-FOR-INV-002 Procedure for physical inventory taking .

13. The document was available on the first day of the audit visit; however, due to other changes made to the document, a new version of the NPRR calculations (v2) is presented.

14. Shape file is provided to VVB as required.

Documentation provided by the project proponent

1. MR2022\ANNEXES:

- ANNEX I. PD Last Version

- ANNEX II. Project Activity Instances

- ANNEX III. Scientific literature references

- ANNEX IV. Plantation Management

- ANNEX V. Monitoring

- ANNEX VI. GHG Estimations

- ANNEX VII. QA QC

- ANNEX VIII. Risk analysis

2. MR2022\ANNEX V. Monitoring\Community and stakeholders\Document: Evaluación Impacto Social_Proteak Uno_2021.pdf and Evaluación Impacto Social_PROTEAK Uno_2022.pdf

3. New Monitoring Report (v) is provided to VVB.

Document referred at MR, is available as new evidence at the Annexes.

ANNEX IV. Plantation Management\POL-LEG-004 Política Gestión del canal de denuncias.pdf

4. MR2022\ANNEX IV. Plantation Management\Forest Management certification\Document: FSC Certification-FM_CRT_Proteak_033023.pdf.

5. ANNEX V. Monitoring\Document: Reporte de Sustentabilidad 2022.pdf.

6. Evidence: New version of the Monitoring Report (v2) is provided.

ANNEX V. Monitoring\Community and stakeholders\Documents: Proteak-2023 Social training report 1.pdf and Proteak-2023 Social training report 2.pdf

7. MR2022\ANNEX IV. Plantation Management\Documents:

POL-06-01-01 Selección y Contratación de empleados.pdf

POL-DHM-001 Politica de Reclutamiento, selección y contratación de personal.pdf

Codigo de Etica Proteak.pdf

Presentación RSG - Linea Etica - Proteak - canal de denuncias.pdf

POL-LEG-004 Política Gestión del canal de denuncias

8. ANNEX V. Monitoring\Training\Document: PROTEAK-Programa de capacitación v2.xlsx

9. New Monitoring Report (v2) is provided to VVB.

Document referred at MR, is available as new evidence at the Annexes.

ANNEX IV. Plantation Management\Document: PROTEAK assessment_Reconversión de potreros a plantaciones forestales comerciales sustentables.pdf 10. ANNEX IV. Plantation Management\Document: Management Plan-Proteak Uno 2021-2025 v2.pdf. 11. Evidence: New version of the Monitoring Report (v2) is provided. ANNEX V. Monitoring\Leakage\Documents: Vegetation Map 1997 Chiapas.pdf, Vegetation Map 1997 Nayarit.pdf and Vegetation Map 1997 Tabasco.pdf. 12. ANNEX V. Monitoring\Documents: PRO-FOR-INV-001-Procedimiento-planeacion-inventarios.pdf, PRO-FOR-INV-002 Procedimiento toma física de inventario.pdf and POL-01-01-02-Activo biológico teca.pdf 13. Document: PT-FB-MR2022 measurement and calculation v2.xlsx. 14. ANNEX II. Project Activity Instances\File: Shape files.

VVB's evaluation	**Date: 27**/09/2023

1. Evidence has been provided, if something is missing it is required individually. Item closed.
2. The social impact assessments from 2021 and 2022 have been provided. Item closed.
3. Internal Complaints and Greivance Management Procedure (MAQR) has been provided. Item closed.
4. FSC certification evidence has been provided. Item closed.
5. Section 2.3.1 The sustainability report has been provided in which indicates the different channels used for different stakeholder groups. Provide evidence of each form of communication mentioned where applicable. This item remains open.
6. Section 2.3.2 only one training report was shared. This item remains open.

7. Section 2.3.3 the PP has provided evidence of policies applied to the hiring of personnel where it states equal access to job opportunities. Include references to the evidence in the MR. This item remains open.
8. Section 2.3.5 Evidence for the training program and its implementation have been provided. This item is closed.
9. Section 2.3.6 the PP has provided adequate evidence to support this claim. This item is closed.
10. The PP has provided the Management plan. This item is closed.
11. The PP has provided eligibility documentation. This item is closed.
12. The description of the inventory works has been provided. This item is closed.
13. Section 5.4. The NPRR calculations have been provided. This item is closed.
14. The PP has not provided the shapefiles. This item remains open.

Project proponent's response	**Date: 21/01/2024**

5. According to the Sustainability Report, the three main stakeholders interacting with PROTEAK are:

- Shareholders and general public;

- Customers, Associations, Industrial Chambers and Local Communities; and

- Collaborators and directors.

In this regard and to achieve effective communication, PROTEAK has several means to receive information, requirements, complaints and doubts, which are duly described and mentioned in the report (e.g. web page).

The PP provides evidence of communication with the main groups previously identified.

In addition, PROTEAK makes publicly available several documents containing information on the company's performance, communications received and interaction with stakeholders.

6. The two evidences mentioned in the response to the previous round of findings are again made available to the audit team.

7. The MR as foot note, includes references to the policies applied to the hiring of personnel where it states equal access to job opportunities; i.e. ANNEX IV. Plantation Management\Documents: Codigo de Etica Proteak.pdf, POL-06-01-01 Selección y contratación de empleados.pdf, POL-DHM-001 Politica

de Reclutamiento, selección y contratación de personal.pdf; ANNEX V. Monitoring\PolíticaAmbientalSocialSeguridadHigieneLaboral.pdf; ANNEX V. Monitoring\ Community and stakeholders\ PRO-SG-DHAS-05 Procedimiento de quejas y retroalimentacion externa.pdf; ANNEX IV. Plantation Management\POL-LEG-004 Política Gestión del canal de denuncias.pdf, and Presentación RSG - Linea Etica - Proteak - canal de denuncias.pdf (Section 2.3.2 Anti-Discrimination Assurance). 14. Shapefiles are available since the audit visit; PP share again these shape files.
Documentation provided by the project proponent
5. Evidence: CL03 files: Accionistas y Público en General; Clientes, Asociaciones, Cámaras Industrial y Comunidades; and Colaboradores & Directores. 6. Evidence: ANNEX V. Monitoring\Community and stakeholders\Documents: Proteak-2023 Social training report 1.pdf and Proteak-2023 Social training report 2.pdf 7. Evidence: New version of the Monitoring Report (v3) is provided. 14. Evidence: ANNEX II. Project Activity Instances\Shape files.

VVB's evaluation	**Date: 26**/02/2024
5.The PP has provided the required evidence. 6. The evidence has been provided. 7. Reference included in the MR. 14. Shapefiles provided. Thus CL03 is closed.	

CL ID	04	Date: 21/07/2023
CL description		
The following issues were found on the carbon calculations: 1. Provide references to the unreferenced values on SUMMARY tab. 2. Provide further clarification on the meaning of the Z4, Z5, Z19, Z16, and Z20 headers.		
Project proponent's response		**Date:** 04/09/2023
1. What the VVB considers unreferenced, are the final values, verified at the previous verification. The PP would not linked the verified values of the previous monitoring event (the Excel file is not provided as an evidence), given that they stayed fixed as the VVB concludes, and, as all the estimations of the monitoring event, the data and documents (Excel file with 2020 event's carbon calculations) are accessible at VERRA registry as public documentation. Even thought, as the PP required to update the Excel file with the carbon calculations, the PP presents the new version of the document. 2. There is no further clarification or explanation of the referred headers than the format of the carbon calculations is the same used in previous monitoring reports; the do not interfered in the calculation; however, to given a meaning, now the headers are referring to the cell of the substrata sheets, where the data is linked. The PP required to update the Excel file with the carbon calculations, the PP presents the new version of the document.		
Documentation provided by the project proponent		
1. New version of the carbon calculations (v2) is provided to VVB. Document: PT-FB-MR2022 measurement and calculation v2.xlsx. 2. New version of the carbon calculations (v2) is provided to VVB. Document: PT-FB-MR2022 measurement and calculation v2.xlsx.		
VVB's evaluation		**Date: 27**/09/2023
1. Ok, item closed 2. Ok, item closed		

Thus CL04 is closed.

CL ID	05	Date: 21/07/2023
CL description		
The following issues were found during the site visit: 1. During the site visit it was said that the harvesting period might be less than the 25 years stated in the MR section 3.3.3 please clarify or modify where necessary. 2. It was evidenced that the measurements were, on average, 0,3cm for the circumference at breast height over the ones measured during the visit, please clarify if there is a reason for this and how it can affect the carbon results. 3. As result of the interviews with different stakeholders during the visit there is lack of clarity on how the temporal contracts work when changing responsibilities or activity, please clarify. 4. The stakeholders interviewed are not aware of the carbon sequestration project provide, if they exist, the evidence demonstrating the stakeholder communication about the project.		
Project proponent's response		**Date:** 04/09/2023
1. Certainly, during the audit visit, it was mentioned that in some cases, specifically for some plantations coming from clonal gardens, the cutting cycle could be shortened, due to good growth and market demand. However, for plantations coming from seed, it is very likely that this will not be the case, since the growth of the plantations is not so accelerated and/or uniform. As shortening the cutting cycle is not happening now, nor did it happen in the reporting period, no deviation to the PD is requested; when appropriate and required, then the PP will be duly reported in section 3.2.2. In addition, it is appropriate to mention that, in terms of technology, the adoption of a 25-year rotation imposes uncertainties about wood productivity and quality; wind damages; and harvesting of thick logs, which are additional to other uncertainties applicable to shorter-rotation plantations (e.g., pest and disease outbreaks). Given the above, it is clear as the Monitoring Report states, that harvest/cutting cycle of the teak is 25 years and no change is required. 2. As is stated in the document PRO-FOR-INV-002 inventory measurement procedure, "The personnel performing the measurements, should make sure that the tape measure is in centimeters and is		

properly positioned, that is, that it does not have any folds or is in a position that could cause a variation in the measurement. However, due to the type of bark that characterizes the forest species of interest, a statistical error of at least 10% is acceptable and can be explained according to climatic conditions and rainfall at the time of the measurements. For audit purposes it is suggested to verify the measurement in the same season".

This type of bark on teak trees tends to contract or expand, depending on the time of year (dry or rainy); this fact can be verified not only in our plantations, but also in other teak projects. As could be seen in the field visit, the bark is very porous and therefore can generate a difference in the measurements, depending on the date on which the comparison is made (original measure and audit measure). Likewise, the differences found in the field visit and that are referred to in this report of findings (0.3cm) are less than 2%, which is not significant.

3. PROTEAK performs different operative and administrative activities like plantation maintenance and inventory data collection throughout the year, depending not only on the weather conditions but also on 3rd parties' compliance requirements deriving in a non-continuous operation or business cycle. That is the reason the company hires temporary employees according to the periods when such activities are required or even, as mentioned before, when the weather lets the Company operates; hence temporary contracts are required and PROTEAK adopted, in compliance with federal regulations, a minimum of 3 months contract period for each employee and it can be renewed for an additional 3 months period if the activity has not been concluded. When a new activity is about to start, PROTEAK hires again the same employee for another round of three or six months depending on the activity duration.

4. This clarification is resolved with the answers and evaluated in CAR 03. The PP has presented in the responses to these findings, evidence of the stakeholder communication about the project.

Documentation provided by the project proponent

1. Given the above explanation, no change is being required and no evidence is necessary.

2. ANNEX V. Monitoring\Document: PRO-FOR-INV-002 Procedimiento toma física de inventario.pdf.

3.- Evidence: CL01: CONTRATO EVENTUAL-OLGALID ALVAREZ

4. Evidence: New version of the Monitoring Report (v2) is provided.

ANNEX V. Monitoring\Community and stakeholders\Documents: Proteak-2023 Social training report 1.pdf and Proteak-2023 Social training report 2.pdf

VVB's evaluation	Date: 27/09/2023

1. The explanation is deemed correct and the audit team has been able to review the Plantation management plan and can confirm that the intention is to maximize growth within the different stands. As the inventory is done yearly and the biomass will be updated, it will not affect the carbon sequestration reported in subsequent MRs. This item is closed.
2. The explanation provided is sensible although, evidence of this minor variation on the teak bark between seasons may be required to accept that argument. Even though it s not significant it is systematic and may not be attributable to human error as it is always in the same direction. This item remains open.
3. Ok, the explanation is understood, however, refer to the law or group of laws that relevant for hiring temporal employees, it will be appreciated if the relevant sections are mentioned as well, for the audit team to review this practices compliance with national, regional, local and sectoral law as it may apply. This item remains open.
4. That is correct, please refer to finding CAR03 for further developments in this topic. This item is closed.

Project proponent's response	Date: 21/01/2024

2. It is clear that the errors found in the measurements, as mentioned by the auditor in his question, are minimal/small, and should be taken into account that could be within the confidence interval (95%). However, the errors found are not due to human error; PROTEAK must present annual data on the growth of its forest plantations, which are based on the measurements of dasometric variables through plots.

In order to provide technical and scientific support, the PP presents evidence through a scientific publication that explains reasons why the diameter may decrease in certain seasons of the year, as well as the analysis of the silvicultural expert who knows PROTEAK's teak plantations, concluding that this occurs mostly in stands and trees subject to strong competition and stressors.

The scientific paper explains that tree diameters, could decrease during the growing season due to water depletion. Annual negative growth measurements are usually attributed to human error and not to other physiological or physical processes. Although seasonal and diurnal fluctuations of diameter have been well documented, perennial decrement of diameter has not been the focus of physiological research.

3. The legal support that allows PROTEAK's actions with respect to for hiring temporary employees is in the Federal Labor Law of Mexico, specifically in Chapter II. Evidence of this law is presented, and an extract is added in this response of what this reference in the law cites:

CAPITULO II
Duración de las relaciones de trabajo

Artículo 35. Las relaciones de trabajo pueden ser para obra o tiempo determinado, por temporada o por tiempo indeterminado y en su caso podrá estar sujeto a prueba o a capacitación inicial. A falta de estipulaciones expresas, la relación será por tiempo indeterminado.

Artículo reformado DOF 30-11-2012

Artículo 36.- El señalamiento de un obra determinada puede únicamente estipularse cuando lo exija su naturaleza.

Artículo 37.- El señalamiento de un tiempo determinado puede únicamente estipularse en los caso siguientes:

I. Cuando lo exija la naturaleza del trabajo que se va a prestar;

II. Cuando tenga por objeto substituir temporalmente a otro trabajador; y

III. En los demás casos previstos por esta Ley.

Documentation provided by the project proponent

2. Evidence: ANNEXII. Scientific literature references\Documents: 7. Diameter growth-scientific paper.pdf and 8. Diameter growth-Forest specialist analysis.pdf.

3. Evidence: CL01 file/Document: 1. Ley Federal del Trabajo.pdf

VVB's evaluation	**Date: 26**/02/2024

2.The justification provided and the evidence that supports it is deemed sufficient.

3. The justification is deemed correct.

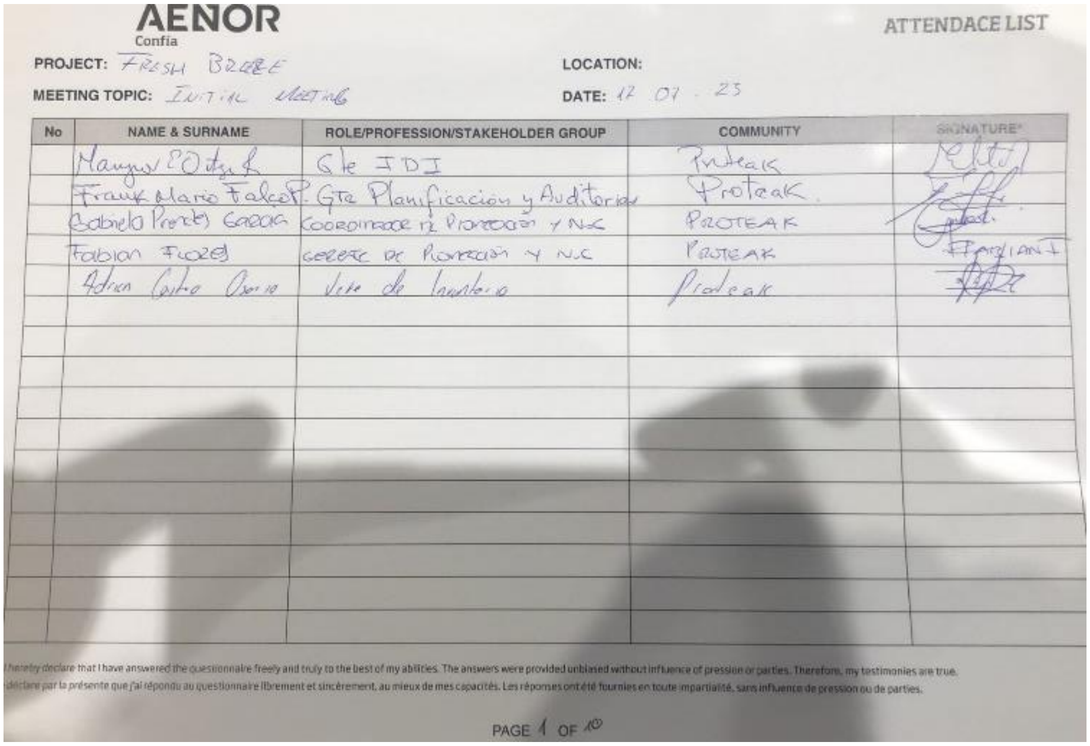
Thus CL05 is deemed closed.

CL ID	06	Date: 27/09/2023
CL description		
Provide the following information: 1. Section 2.2.3. Provide all the evidence related to the 4 complaints registered. From its reception to their resolution. 2. Section 2.2.4 refer to the process of data collection in text. 3. Evidence 14 Annex V Monitoring PRO-SG-AUD-03 Procedimiento de no conformidad y acción correctiva. Provide evidence of its application. Provide the approved and revised version up to date. 4. Section 2.3.2 Provide evidence of the information to Stakeholders of the Verification process. 5. Section 2.3.7 table 7. Provide the documents or a more specific name for the laws mentioned.		
Project proponent's response		**Date: 21/01/2024**
1. The PP provides the required evidence. 2. Evidence of the procedure that detail the process of data collection is provided. 3. The PP provides the required evidence. 4. As mentioned in the response of CL03, number 6: Between August and September, the PP held socialization events, informing local communities and stakeholders about the audit and verification process of the carbon credit project. In the presentations made and the printed information given to the participants of the events and people visited/interviewed, it is stated that the audit process, carried out by a third party authorized by VCS is a requirement that PROTEAK has to meet, and this fact was communicated. Given that, the PP presents the same evidence referred at the response of CL03, number 6. 5. Evidence of the laws mentioned in Table 7 is provided.		
Documentation provided by the project proponent		

1. Evidence: CL06 file/Document: OFICIO_PROTEAK_GRSS_121223.pdf 2. ANNEX V. Monitoring\Document: PRO-FOR-INV-002 Procedimiento toma física de inventario.pdf 3. ANNEX IV. Plantation Management\Document: PRO-SG-AUD-03 Procedimiento de no conformidad y acción correctiva.pdf 4. ANNEX V. Monitoring\Community and stakeholders\Documents: Proteak-2023 Social training report 1.pdf and Proteak-2023 Social training report 2.pdf 5. Evidence: CL01 file/Document: 1. Ley Federal del Trabajo.pdf, 2. Ley General de Salud.pdf, 3. Reglamento Federal de Salud y Seguridad en el Trabajo.pdf and 4. Ley del Seguro Social.pdf

VVB's evaluation	Date: 27/02/2024
1. The evidence has been provided and reviewed. 2. Reference included in the MR text. 3. Evidence provided. 4. Evidence presented for CL03 has been provided, reviewed, and deemed correct. 5. The evidence for the laws mentioned has been provided and reviewed. Thus CL06 is closed.	

APPENDIX 3: ATTENDANCE SHEET



AENOR
Confía

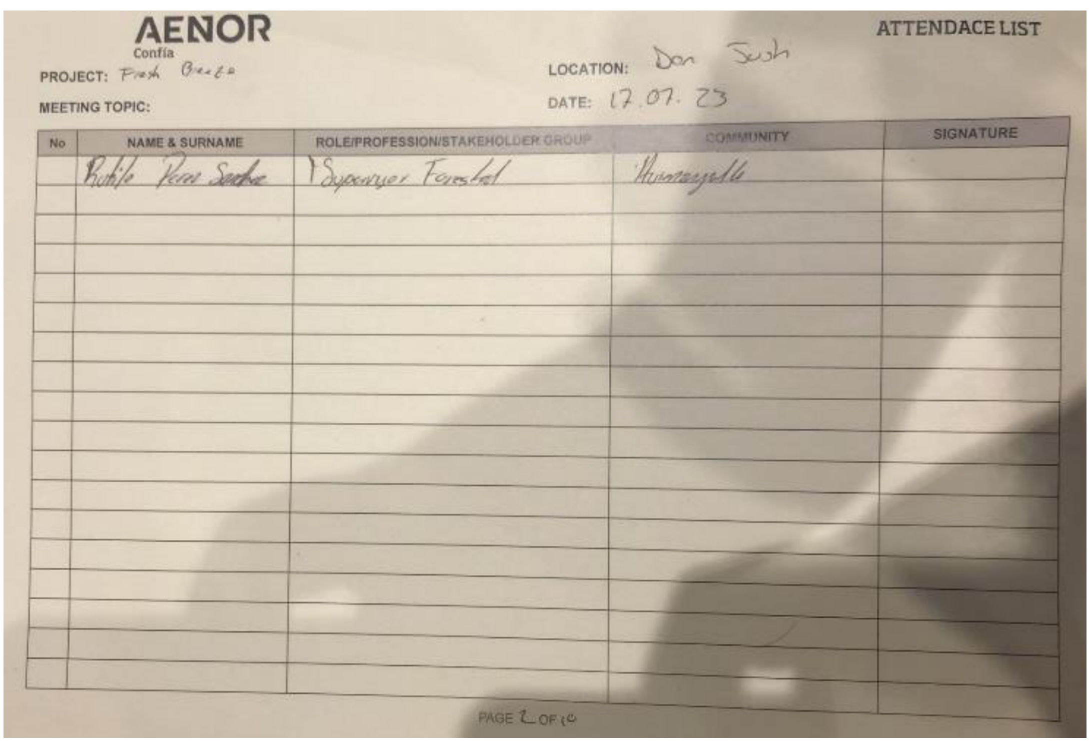
ATTENDACE LIST

PROJECT: FRESH BREEZE
LOCATION:
MEETING TOPIC: INITIAL MEETING
DATE: 17 07 . 23

No	NAME & SURNAME	ROLE/PROFESSION/STAKEHOLDER GROUP	COMMUNITY	SIGNATURE*
	[illegible]	Gte IDI	Proteak	
	Frank Mario Falcón	Gte Planificacion y Auditoria	Proteak	
	Gabriela [illegible] Garcia	Coordinador de Protección y N.C	PROTEAK	
	Fabian Flores	Gerente de Protección y N.C	PROTEAK	
	Adrian Castro [illegible]	Jefe de [illegible]	Proteak	

I hereby declare that I have answered the questionnaire freely and truly to the best of my abilities. The answers were provided unbiased without influence of pression or parties. Therefore, my testimonies are true.
Je déclare par la présente que j'ai répondu au questionnaire librement et sincèrement, au mieux de mes capacités. Les réponses ont été fournies en toute impartialité, sans influence de pression ou de parties.

PAGE 1 OF 10



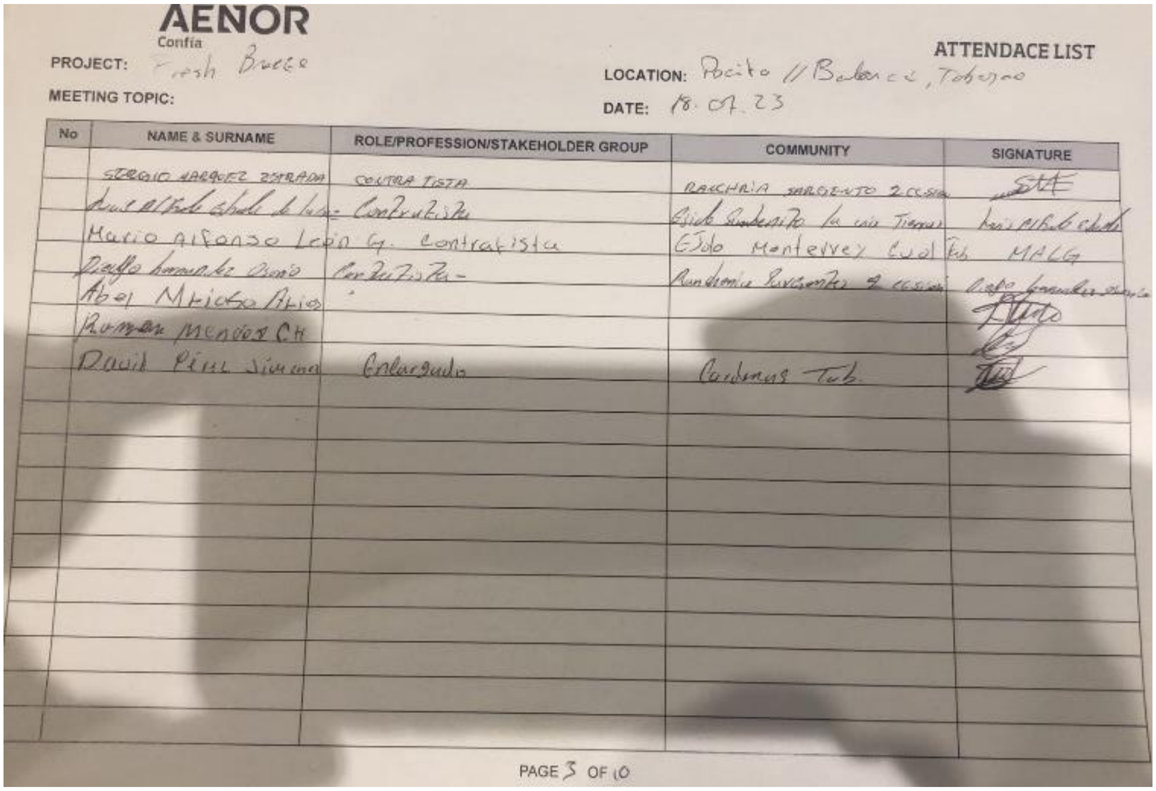
AENOR
Confía

ATTENDACE LIST

PROJECT: Fresh Breeze
LOCATION: Don Suchi
MEETING TOPIC:
DATE: 17.07.23

No	NAME & SURNAME	ROLE/PROFESSION/STAKEHOLDER GROUP	COMMUNITY	SIGNATURE
	[illegible] Perez Sanchez	Supervisor Forestal	[illegible]	

PAGE 2 OF 10



AENOR
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ATTENDACE LIST

PROJECT: Fresh Breeze

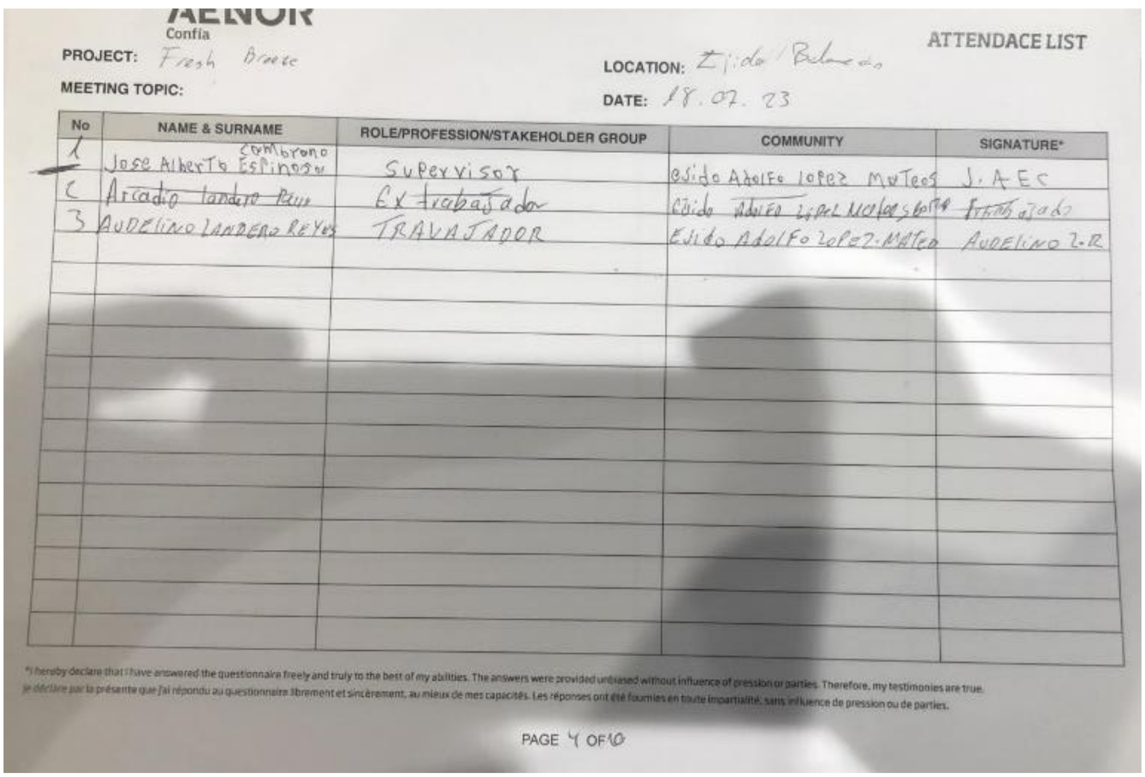
LOCATION: Pocito // Balancán, Tabasco

MEETING TOPIC:

DATE: 18.07.23

No	NAME & SURNAME	ROLE/PROFESSION/STAKEHOLDER GROUP	COMMUNITY	SIGNATURE
	SERGIO MARQUEZ ESTRADA	CONTRATISTA	RANCHERIA SARGENTO 2 SECCION	[illegible]
	[illegible]	Contratista	[illegible]	[illegible]
	Mario Alfonso León G.	contratista	Ejido Monterrey [illegible]	MALG
	[illegible]	Contratista	[illegible]	[illegible]
	Abel [illegible]			[illegible]
	[illegible] Mendoza CH			[illegible]
	David Pérez [illegible]	Encargado	Cardenas Tab.	[illegible]

PAGE 3 OF 10



AENOR
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ATTENDACE LIST

PROJECT: Fresh Breeze

LOCATION: Ejido / Balancán

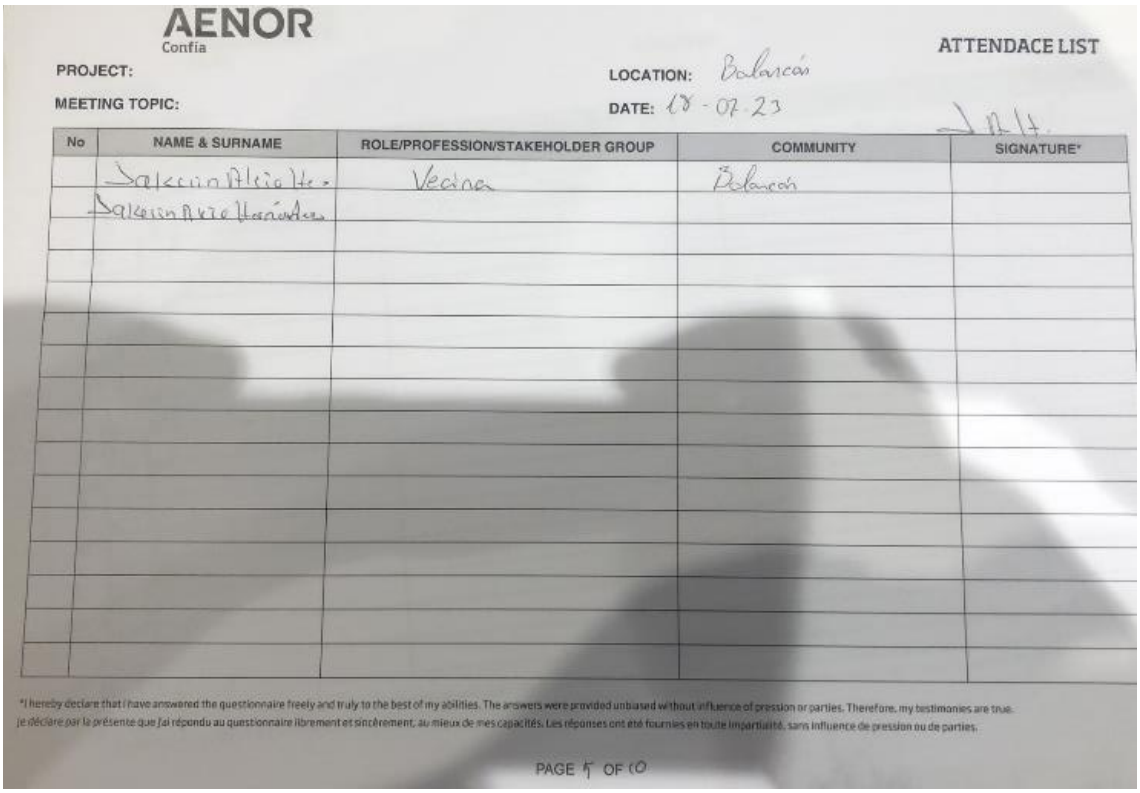
MEETING TOPIC:

DATE: 18.07.23

No	NAME & SURNAME	ROLE/PROFESSION/STAKEHOLDER GROUP	COMMUNITY	SIGNATURE*
1	Jose Alberto Espinosa Cambrano	Supervisor	Ejido Adolfo lopez Mateos	J.A.E.C
2	Arcadio Landero Reyes	Ex trabajador	Ejido Adolfo López Mateos [illegible]	Trabajado
3	AUDELINO LANDERO REYES	TRAVAJADOR	Ejido Adolfo Lopez Mateo	AUDELINO L.R

*I hereby declare that I have answered the questionnaire freely and truly to the best of my abilities. The answers were provided unbiased without influence of pression or parties. Therefore, my testimonies are true.
Je déclare par la présente que j'ai répondu au questionnaire librement et sincèrement, au mieux de mes capacités. Les réponses ont été fournies en toute impartialité, sans influence de pression ou de parties.

PAGE 4 OF 10



AENOR
Confía

ATTENDACE LIST

PROJECT:

LOCATION: Balancán

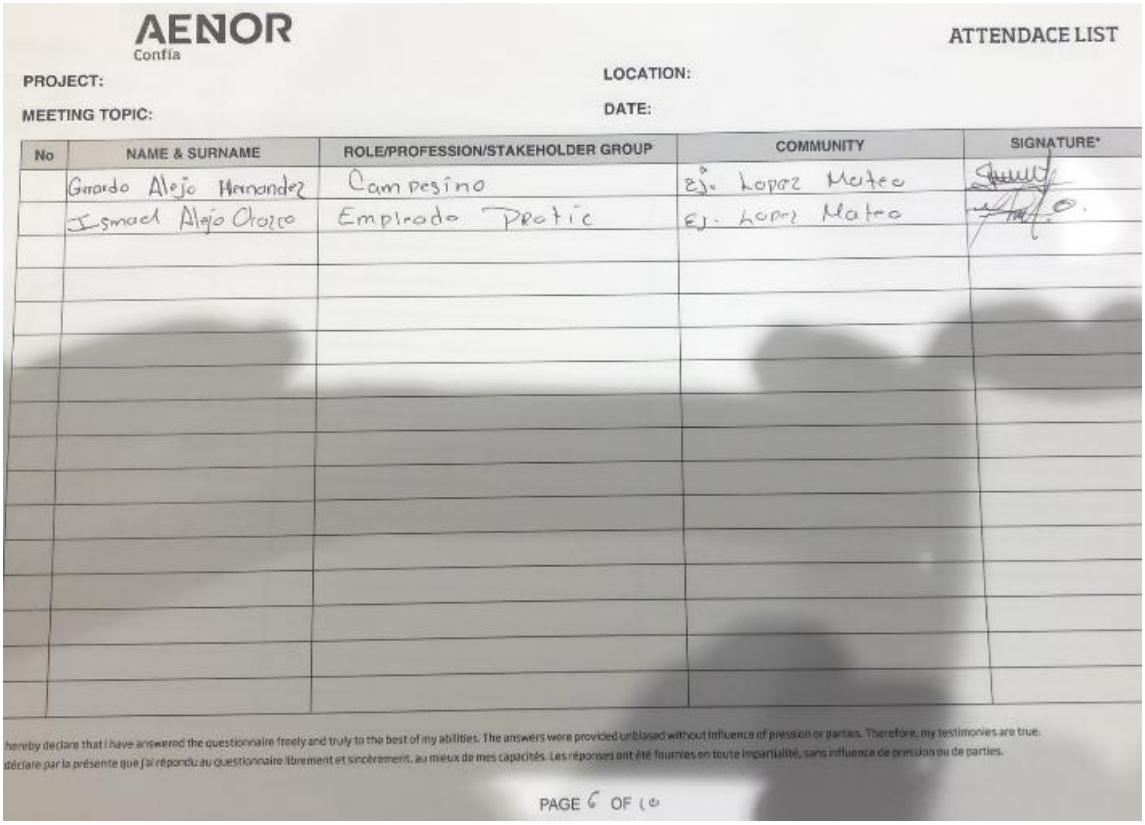
MEETING TOPIC:

DATE: 18-07-23

No	NAME & SURNAME	ROLE/PROFESSION/STAKEHOLDER GROUP	COMMUNITY	SIGNATURE*
	Salvador Alejo Hernández	Vecino	Balancán	
	Salvador Alejo Hernández			

*I hereby declare that I have answered the questionnaire freely and truly to the best of my abilities. The answers were provided unbiased without influence of pression or parties. Therefore, my testimonies are true.
Je déclare par la présente que j'ai répondu au questionnaire librement et sincèrement, au mieux de mes capacités. Les réponses ont été fournies en toute impartialité, sans influence de pression ou de parties.

PAGE 5 OF 10



AENOR
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ATTENDACE LIST

PROJECT:

LOCATION:

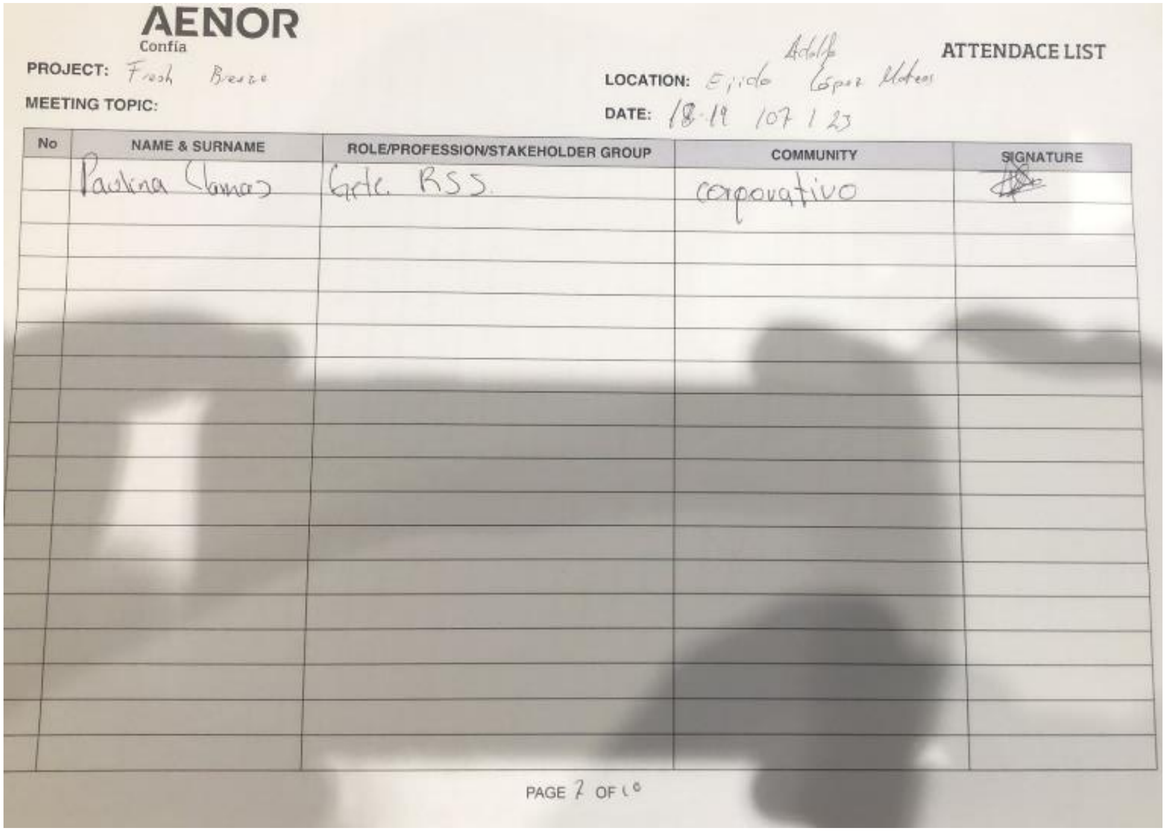
MEETING TOPIC:

DATE:

No	NAME & SURNAME	ROLE/PROFESSION/STAKEHOLDER GROUP	COMMUNITY	SIGNATURE*
	Gerardo Alejo Hernandez	Campesino	Ej. Lopez Mateo	
	Ismael Alejo Chozo	Empleado Protic	Ej. Lopez Mateo	

hereby declare that I have answered the questionnaire freely and truly to the best of my abilities. The answers were provided unbiased without influence of pression or parties. Therefore, my testimonies are true.
déclare par la présente que j'ai répondu au questionnaire librement et sincèrement, au mieux de mes capacités. Les réponses ont été fournies en toute impartialité, sans influence de pression ou de parties.

PAGE 6 OF 10



AENOR
Confía

ATTENDACE LIST

PROJECT: Fresh Breeze

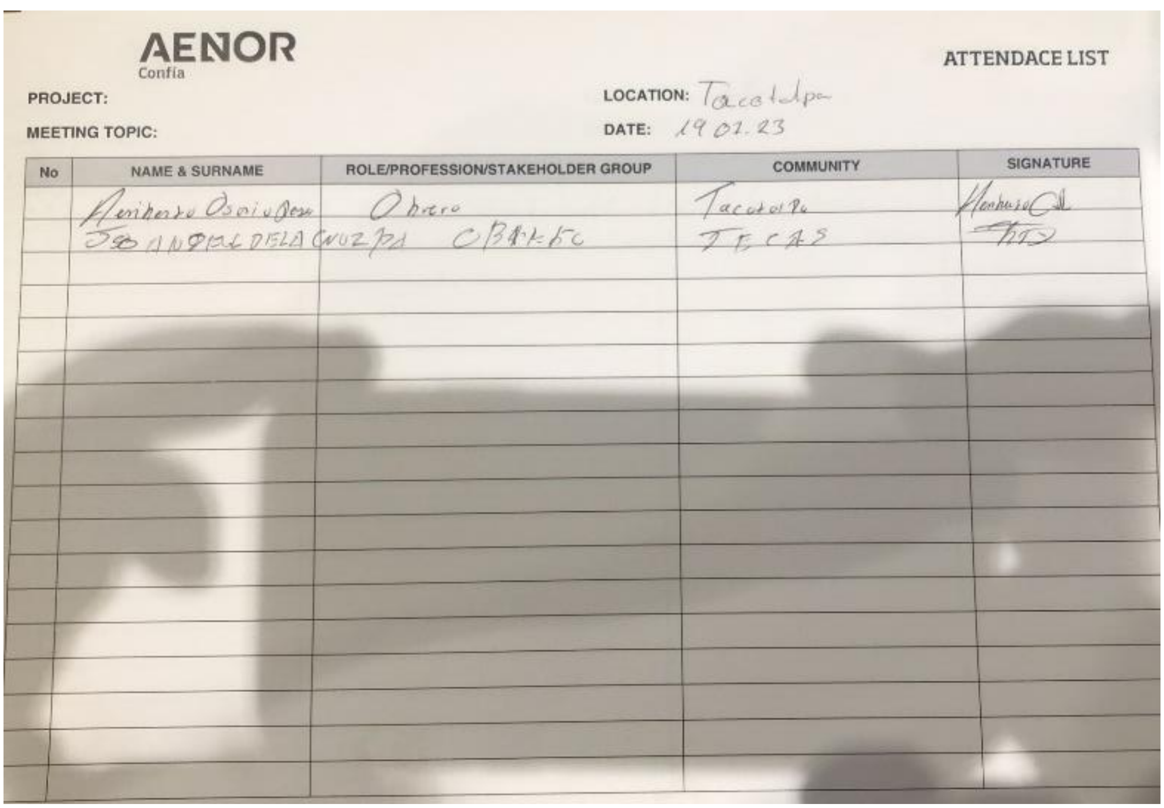
MEETING TOPIC:

LOCATION: Ejido Adolfo López Mateos

DATE: 18-19 /07 / 23

No	NAME & SURNAME	ROLE/PROFESSION/STAKEHOLDER GROUP	COMMUNITY	SIGNATURE
	Paulina Llamas	Gte. RSS	corporativo	[illegible]

PAGE 7 OF 10



AENOR
Confía

ATTENDACE LIST

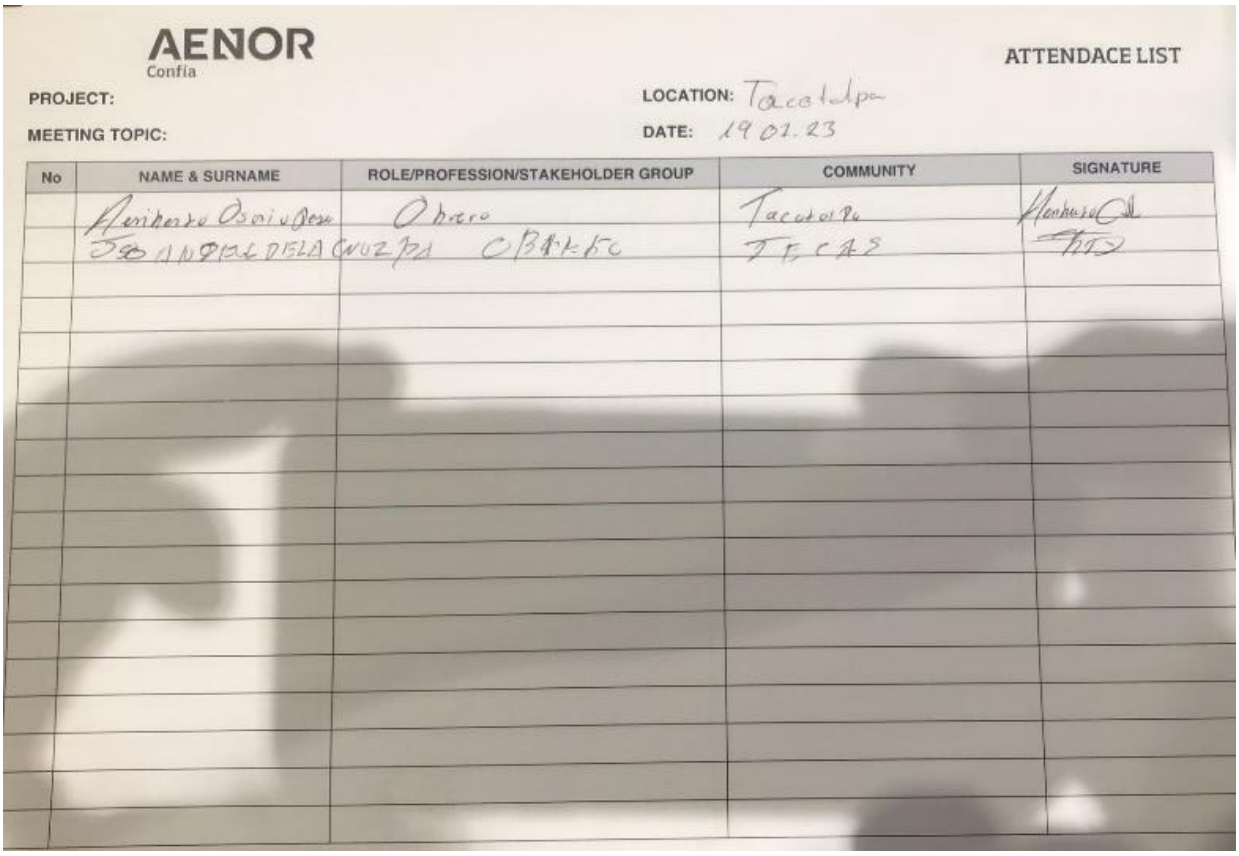
PROJECT:

MEETING TOPIC:

LOCATION: Tacotalpa

DATE: 19 07.23

No	NAME & SURNAME	ROLE/PROFESSION/STAKEHOLDER GROUP	COMMUNITY	SIGNATURE
	Heriberto Osorio Pérez	Obrero	Tacotalpa	[illegible]
	JOSÉ ANGEL DE LA CRUZ [illegible]	OBRERO	[illegible]	[illegible]



AENOR
Confía

ATTENDACE LIST

PROJECT:

LOCATION: Tacotalpa

MEETING TOPIC:

DATE: 19.01.23

No	NAME & SURNAME	ROLE/PROFESSION/STAKEHOLDER GROUP	COMMUNITY	SIGNATURE
	[illegible]	Obrero	Tacotalpa	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]

APPENDIX 4: BASIC QUESTIONS LIST

AENOR
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FRESH BREEZE PROJECT

VCS Verification

(17-07-23 to 19-07-23)

GENERAL QUESTIONS FOR PROJECT PROPONENT

1. What is your name, profession, and place of residence?
2. What is your relation to the project? How did you come to know about the project?
3. Have you received training from the project to perform these activities?
4. Have you been notified your rights and obligations as a stakeholder?
5. Have you received any other training? If so, in which topics?
6. Have you been made aware of potential risks derived from your daily activities related to the project and measures to prevent them?
7. What is your opinion of the project?
8. Do you think there is a connection between Climate Change and this project?
9. What are in your opinion the main risks of the project implementation? Other problems?
10. When did the project start? What activities are being carried out?
11. Are you aware of any effects of the project outside the obvious reforestation?
12. Are you aware of any complains of people related or not to the project?
13. Do you believe the project is following the national Laws? Are you aware of any of illegal activities? Do you know what the PP is doing to reduce these illegal activities?
15. Have you participated in public comments processes, when?
16. Have you received documentation? Has the PP explained this documentation to you? Has the PP responded to any doubts that you might have had?
17. Are you aware of the VCU´s sharing benefits? Can you tell me where do are you in this?
18. What is your opinion on the PP?
19. How do you communicate with the PP? is it easy? Please, give a quick example of communication.
20. Who is making the measurements? What control by the PP of the implementation of the project there is in place?
21. Are you aware of the outputs of the project? both timber and carbon related?
22. Are you aware of the situation of the project? Meaning verification and/or havesting and activities?
23. What activities or measures, outside the typical forestry project management activities, are you aware that the PP has carried out?

Page 1 of 1