Validation and Verification Report

ACR1129 Tradewater – Middle East 1

June 26, 2025

TÜV SÜD America, Inc.
Ruby Canyon Environmental Services
750 Main Street, Suite 200
Grand Junction, Colorado 81501
(970) 241-9298

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Introduction

Tradewater LLC (Tradewater) contracted with TÜV SÜD America, Inc. (TÜV SÜD) to perform the validation and verification of the ACR1129 Tradewater - Middle East 1 (Project) for the reporting period of February 7, 2025 through March 19, 2025 and a crediting period of February 7, 2025 to February 6, 2035 under the ACR program.

This report is documentation of validation and verification activities that TÜV SÜD performed for the Project located in Saint-Vulbas, France. For the validation, TÜV SÜD reviewed the project information as described in the Project Plan dated June 2025 [ACR1129_GHGPP_V2.2-signed]. For the verification, TÜV SÜD ensured that the GHG statement was materially correct, that the data provided to TÜV SÜD was well documented, and that if Tradewater made any material errors, that these errors were corrected.

Objectives

The objectives of the validation are to evaluate:

- Conformance to the ACR Standard and the approved ACR Methodology for The Destruction of Ozone Depleting Substances from International Sources, Version 1.0 (April 2021) (Methodology) and the Errata and Clarifications to the Methodology (June 2025);
- GHG emissions reduction project planning information and documentation in accordance with the applicable ACR-approved Methodology, including the project description, baseline, eligibility criteria, monitoring and reporting procedures, and quality assurance/quality control (QA/QC) procedures;
- Reported GHG baseline, ex ante estimated project emissions and emissions reductions/removal enhancements, leakage assessment, and impermanence risk assessment and mitigation (if applicable).

The objectives of the verification are to evaluate:

- The emissions reductions and to ensure that the statement is materially correct;
- The data provided to TÜV SÜD can be documented and if errors or omissions are detected, they be corrected.

TÜV SÜD retains all data and documents for seven years after the end of the project reporting period or for the duration required by the GHG program, whichever is longer.

Project Background

The Project destroys R-12 that was collected, recovered, and aggregated by Environmental and Industrial Solutions, Inc. (EIS) from multiple sources in Saudi Arabia. Tradewater purchased the ODS from EIS and transported the ODS from Saudi Arabia to Saint-Vulbas, France for destruction. The destroyed ODS ensures that it will no longer be used or stockpiled and ensures that the ODS cannot leak into the atmosphere. Tradewater utilized the Trédi Saint-Vulbas (Trédi) destruction facility, which is operated by Séché Environment. Trédi operates a rotary kiln incinerator which destroys ODS at 1,100 degrees Celsius. This process ensures a 99.99% destruction efficiency.

Responsible Parties

Project Proponent

Tradewater LLC
1550 West Carroll Avenue, Suite 213
Chicago, IL 60607

Aggregator

Environmental and Industrial Solutions, Inc. (EIS)
2nd Industrial City
Dammam, Saudi Arabia

Destruction Facility

Trédi
Rue Charles de Gaulle
0150 Saint-Vulbas, France

Tradewater is responsible for the preparation and fair presentation of the GHG statement in accordance with the criteria listed below.

Validation and Verification Team

TÜV SÜD is responsible for expressing an opinion on the GHG statement based on the verification. The TÜV SÜD verification team consisted of the following individuals who were selected based upon verification experience and knowledge of ozone depleting substance projects.

Lead Validator and Verifier: Garrett Heidrick

Team Members: Kelli Miller and Ashley Emery

Independent Reviewer: Phillip Cunningham

Validation and Verification Criteria

Validation and Verification Standards, Guidelines, and Tools

- ACR Standard, Version 8.0 (July 2023)
- ACR Validation and Verification Standard Version 1.1 (May 2018)
- The Destruction of Ozone Depleting Substances from International Sources, Version 1.0 (April 2021) (Methodology)
- Methodology Errata and Clarifications (June 2025)
- ISO 14064-3:2019 "Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas statements"

Level of Assurance

The verification was conducted to a reasonable level of assurance.

Materiality

The verification was conducted to ACR's required materiality threshold of ±5% of the GHG project's emissions reductions or removal enhancements.

Validation and Verification Process

As the first step in validation/verification activities, the Lead Validator/Verifier developed a Validation/Verification Evidence-Gathering Plan to be followed throughout the validation and verification. The plan included the following activities:

- TÜV SÜD completed a COI form on April 18, 2025 to identify any potential conflict of interest with the Project, Project Proponent, or Project Developer. The COI form was approved by ACR on April 21, 2025.
- TÜV SÜD and Tradewater held a validation/verification opening meeting on April 23, 2025. During the kick-off meeting TÜV SÜD reviewed the validation/verification objectives and process, reviewed the schedule, and submitted an initial document request.
- TÜV SÜD performed a strategic review and risk assessment of the received data and support documents to understand the scope and areas of potential risk in the GHG emissions reduction.
- TÜV SÜD developed a risk-based evidence-gathering and sampling plan based upon the strategic review and risk assessment. The validation/verification evidence-gathering plan and sampling plan were used throughout the process and were revised as needed based upon additional risk assessments.
- TÜV SÜD conducted a site visit to Trédi located in Saint-Vulbas, France on August 2, 2024 for the verification of ACR983 and ACR889. A site visit was not conducted for this Project. During the previous verifications' site visit TÜV SÜD observed the weighing in, mixing, and destruction processes as well as onsite GHG management systems and data gathering, monitoring, and handling practices. TÜV SÜD interviewed key personnel involved in the destruction and aggregation processes.
- TÜV SÜD met with the following personnel during the site visit:
    - Gina Sabatini-Mattei – Manager of Verification and Logistics, Tradewater
    - Ana Laura Fernandez Galera – Logistics Associate, Tradewater
    - Raoul Goldbronn – Director of Process, Trédi
    - Damien Motteau – Business Developer, Trédi
- TÜV SÜD performed a risk-based desktop review of the submitted validation/verification documents. The desktop review included an assessment of the GHG calculation methods and inputs, source data completeness, GHG management and monitoring systems and eligibility documentation.
- TÜV SÜD submitted requests for corrective actions, non-material findings, additional documentation, and clarifications as necessary to Tradewater throughout the validation/verification.
- TÜV SÜD's independent reviewer conducted a review of the validation/verification sampling, report, and opinion.

- TÜV SÜD issued a final validation/verification report, verification opinion, and List of Findings.
- TÜV SÜD held an exit meeting with Tradewater.

Validation and Verification Findings

Project Boundary and Activities

TÜV SÜD reviewed the project boundary and activities and confirmed that both were appropriately identified and described in the Project Plan. For the Project, EIS collected ODS from multiple sources in Saudi Arabia. The ODS was consolidated and stored in EIS' warehouse until Tradewater purchased the ODS and began the destruction process. The Project destroyed the R-12 at Trédi's facility in Saint-Vulbas, France.

All cylinders that were collected and aggregated at EIS were downloaded into an ISO tank and 14 one ton tanks before being shipped to Trédi. Once the tanks were received by Trédi, a sample was pulled from each container and sent to Bureau Veritas for analysis. Once analyzed, the destruction process began.

The Project's temporal boundary is the reporting period from February 7, 2025 – March 19, 2025.

GHG Sources Sinks, and Reservoirs

Table 1 shows the GHG emission sources included in the project boundary based on the Methodology. TÜV SÜD confirmed that the Project Plan appropriately identifies the offset project boundary and includes all relevant SSRs.

Table 1. GHG Emissions Sources

Source	GHG	Description
SSR 5	CO_2	Fossil fuel emissions from the vehicular transport of ODS from aggregation point to final destruction facility.
SSR 6	CO_2e	Emissions of ODS from use, leaks, and servicing through continued operation of equipment. Emissions of substitute from use, leaks, and servicing through continued operation of equipment.
SSR 7	ODS and CO_2	Emissions of ODS from incomplete destruction at destruction facility. Emissions from the oxidation of carbon contained in destroyed ODS. Fossil fuel emissions from the destruction of ODS at destruction facility. Indirect emissions from the use of grid-delivered electricity.

Eligibility

ACR Eligibility

TÜV SÜD confirmed the following ACR eligibility criteria listed in the ACR Standard, Version 8.0 by reviewing the project proponent's Project Plan, Monitoring Report, and calculations as well as other

supporting documentation described throughout this report (a full list of documents reviewed is in Appendix A).

- Start Date: The project start date is February 7, 2025.
- Crediting Period: The crediting period is ten years as specified by the Methodology, February 7, 2025 – February 6, 2035.
- Minimum Project Term: Projects with no risk of reversal subsequent to crediting have no required minimum project term.
- Offset Title: TÜV SÜD confirmed that the project proponent has undisputed title to all offsets. The project proponent purchased refrigerant from EIS' stockpiles and then destroyed the refrigerant at an eligible facility. All refrigerant transactions are described by Tradewater's Transfer of Ownership documentation. Tradewater retains all legal claims to the environmental attributes and GHG benefits of its processes and the avoidance of future leaks into the atmosphere.
- Additional: TÜV SÜD confirmed that the project is additional as described under "Additionality."
- Permanent: In the absence of the project, the ODS would have been stored in stockpiles. The ODS will eventually leak into the atmosphere from the degradation of the storage vessel. By destroying the refrigerant, Tradewater ensures that there will be no future leaks into the atmosphere. The project will generate emission reductions that are permanent and have no risk of reversal.
- Net of Leakage: The Methodology specifies that leakage does not need to be considered as it is unlikely that any emissions would occur outside the project boundary.
- Independently Validated and Verified: TÜV SÜD is a third-party validation and verification body that the project proponent has contracted to validate the project.
- Environmental and Social Impacts: TÜV SÜD reviewed project impacts as described below and in the *Environmental and Social Impact Assessment Report* and *Sustainable Development Goals* (*SDG) Contributions Report* uploaded to ACR.

Methodology Eligibility

TÜV SÜD reviewed the Project against the ACR Methodology eligibility requirements and confirmed the following:

- The Project collected ODS in Saudi Arabia.
- The destruction facility is located at Rue Charles de Gaulle, 0150 Saint-Vulbas, France. GPS coordinates 45.83921, 5.27329.
- Trédi meets the requirements of the Montreal Protocol TEAP standards with an ODS destruction efficiency of 99.99%.
- The refrigerant meets the definition of eligible refrigerant sources, which must originate from equipment, systems, or other supplies outside of the United States.
- The destroyed ODS are eligible species; CFC-11, CFC-12, CFC-13, CFC-113, CFC-114, or CFC-115.

Additionality

The Project meets the requirements for the demonstration of additionality specified by the ACR Standard by exceeding the approved performance standard defined in the Methodology and demonstrating surplus to regulations.

Regulatory Additionality Test

No existing laws or regulations mandate the Project activity. There are no known requirements to destroy refrigerants in Saudi Arabia. TÜV SÜD reviewed Saudi Arabia's legislation *01-1443 AH: Waste Management Systems and its Executive Regulations (2021)* and *11-1441 AH: Regulation of Ozone Depleting Substances and Hydroflourocarbons (2020)*, which states the ODS can be recycled or treated as options, however it does not stipulate or require destruction. The Project passes the regulatory additionality test.

Practiced-Based Performance Standard Test

Per the Methodology, in the Business as Usual (BAU) scenario, the ODS would be used to recharge equipment and be released to the atmosphere due to equipment leaks or the refrigerant would be stored in containers for possible future use. Either way, the refrigerant would eventually leak into the atmosphere. By destroying the gas, Tradewater is going beyond the BAU scenario. The Project passes the performance standard test.

Permanence

The emissions reductions from the destruction of ODS can be deemed as permanent because they are destroyed at a facility with a 99.99% destruction efficiency.

Environmental and Social Impacts

The Project Plan, *SDG Contributions Report*, and *Environmental and Social Impacts Assessment Report* include a comprehensive summary of the Project activity's net positive environmental impacts. Destroying ODS avoids the future leakage of the ODS into the atmosphere. There are no negative community or environmental impacts for the Project. The Project Plan and *SDG Contributions Report* identify contributions as aligned with relevant SDGs including:

<u>Direct Positive Impact to SDG Targets</u>

- SDG 12.4 Responsible Consumption and Production: The Project supports the collection and destruction of one of the most powerful greenhouse gases in the world, paving the way to the development and use of safer and more environmentally friendly alternatives.
- SDG 13.2 Climate Action: The phase-out to date of most ODS has not only led to the regeneration of the ozone layer but also to significant reductions in greenhouse gas emissions (GHG), as most ODS are also powerful GHGs.

Indirect Positive Impact to SDG Targets

- SDG 3.9 Good Health: Ozone layer depletion allows more UV radiation to reach the earth's surface, a contributing factor to melanoma skin cancer. Increases in UV radiation also cause other health concerns, including eye damage (e.g. cataracts), suppression of the immune system and premature skin aging. The destruction of ODS before it leaks contributes to reducing the number of deaths and illnesses from a thinning ozone layer.
- SDG 6.3 Sustainable Water & Sanitation: Many ODS, such as CFCs, are classified as 'forever chemicals' due to their persistence in the environment and resistance to degradation. These substances have been detected in both the atmosphere and water systems, where conventional filtration technologies cannot remove them. Destruction of ODS prevents their release and mitigates long-term environmental contamination.
- SDG 14.1 Life Below Water: The destruction of ODS protects the bodies of water and its species as the thinning of the ozone layer increases the UVB radiation, which can have negative impacts on survival rate, early developmental stages, and population numbers in different marine species.
- SDG 15.1 Life on Land: As Ozone Depleting Substances are potent greenhouse gases, their destruction contributes to climate change mitigation efforts as it avoids these gases to leak to the atmosphere, and as they prevent the thinning of the ozone layer it also protects the terrestrial biosphere and its capacity as carbon sink.

Furthermore, the *Environmental and Social Impact Assessment Report* identifies any positive or negative environmental or social impacts, including positive impacts for:

- Biodiversity Conservation and Sustainable Management of Living Natural Resources
    - Terrestrial and Marine Biodiversity and Ecosystems: Some ODS are classified as 'forever chemicals,' including certain per- and polyfluoroalkyl substances (PFAS), which persist in the environment and are resistant to removal by conventional treatment methods. CFCs, a subset of PFAS and ODS, contribute to the degradation of marine ecosystems. The destruction of these ODS helps prevent environmental release and supports the protection of marine biodiversity.
- Resource Efficiency and Pollution Prevention
    - Pollutant Emissions to Air: The baseline activity that would occur in the absence of the project is the continued use, storage, and eventual leakage of ODS to the atmosphere. Destroying the ODS prevents this leakage from occurring, resulting in a positive environmental impact.
    - Generation of Waste and Release of Hazardous Materials: ODS are considered hazardous waste. By destroying them, the project guarantees that the hazardous waste is disposed of safely and in accordance with the Montreal Protocol.

The validation team confirmed that the project activity will not promote significant negative environmental impacts.

Local Stakeholder Consultation

The Project had a 30-day public comment period where the Project Listing Form and project information were made available. No comments were received.

Point of Origin Determination

TÜV SÜD verified one point of origin, collection, and aggregation facility. The collection, aggregation, and point of origin facility was EIS located at 2nd Industrial City, Dammam, Saudi Arabia.

Chain of Custody

TÜV SÜD verified the Chain of Custody (CoC) for the shipment from EIS' warehouse to Trédi's destruction facility during the desktop review. EIS shipped one ISO tank and 14 one ton tanks to Trédi. TÜV SÜD reviewed all bills of lading from EIS to the port in Jeddah, Saudi Arabia; from the port in Jeddah, Saudi Arabia to the port in Marseille, France; and from the port in Marseille, France to Trédi's facility in Saint-Vulbas, France.

ODS Composition and Quantity Analysis

Scales

TÜV SÜD confirmed that Trédi used calibrated scales to measure the pre- and post-destruction weights of the tanks. TÜV SÜD verified that all scales were calibrated quarterly according to the Methodology requirements.

Composition Sampling

TÜV SÜD confirmed the procedures for the sampling of the non-mixed ODS for the destruction events met the requirements of the Methodology by reviewing the documentation provided by Tradewater. A third party, Trédi, was used for all sampling.

TÜV SÜD also confirmed that the Bureau Veritas laboratory used for composition and concentration analysis is a certified ISO IEC 17025 laboratory.

For sampling, TÜV SÜD confirmed the following:

- The samples must be taken while ODS is in the possession of the company that will destroy the ODS
    - TÜV SÜD confirmed that the samples were taken at the Trédi facility.
- Samples must be taken by a technician unaffiliated with the project proponent
    - TÜV SÜD confirmed that the samples were taken by Raoul Goldbronn, a Trédi employee.
- Samples must be taken with a clean, fully evacuated sample bottle that meets applicable Department of Transportation requirements with a minimum capacity of one pound
    - TÜV SÜD confirmed through the ODS SOPs and sample tickets provided by Trédi.
- Each sample must be taken in liquid state
    - TÜV SÜD confirmed through the ODS SOPs and sample tickets provided by Trédi.
- A minimum sample size of one pound must be drawn for each sample
    - TÜV SÜD confirmed through the ODS Sampling Report signed by Raoul Goldbronn of Trédi.
- Each sample must be individually labeled and tracked according to the container from which it was taken, and the following information recorded: time and date of sample, name of project proponent, name of technician taking sample, employer of technician taking sample,

volume of container from which sample was extracted, and the ambient air temperature at time of sampling
    - TÜV SÜD confirmed through the ODS Sampling Report signed by Raoul Goldbronn of Trédi.
- Chain of custody for each sample from the point of sampling to the laboratory must be documented by paper bills of lading or electronic, third-party tracking that includes proof of delivery
    - TÜV SÜD confirmed through the Chain of Custody form.

Refrigerant Analysis Reports

TÜV SÜD reviewed the Refrigerant Analysis Report provided by Bureau Veritas for the destruction events. TÜV SÜD confirmed that the analysis demonstrates that the ODS met all the requirements as outlined in Appendix C of the Methodology. The analysis provided:

- Identification of the refrigerant
- Purity of the ODS mixture by weight
- Moisture level in mg/kg, which is functionally equivalent to parts per million, demonstrating a moisture content of less than 75 percent of the saturation point of the ODS species with the lowest saturation point that is at least 10 percent of the mixture by mass
    - Several samples failed the 75 percent test, see "Deviation."
- Analysis of high boiling residue (HBR) indicating less than 10 percent by mass
- Analysis of other ODS

Destruction Facility Requirements

TÜV SÜD confirmed that the Trédi destruction facility meets the TEAP requirements in the Methodology. TÜV SÜD reviewed the most recent DRE test from June 2024, which states the Destruction Removal Efficiency (DRE) of the system using SF_6 as the testing material is 99.99% removal efficiency. SF_6 is more difficult to destroy than the eligible ODS species, which ensures that all ODS species are being destroyed at an efficiency of 99.99% or greater.

Monitoring Parameters

Trédi provided an excel file download of the real-time monitoring parameters data for the reporting period as defined in Section 6.1 of the Methodology. The CEMS parameters are monitored continuously, recorded every 15 minutes, and downloaded to excel on an as-needed basis. The following information was tracked during the destruction events:

- Date and time
- ODS feed rate (lbs/hr)
- Rotary kiln incinerator temperature (°C)
- Rotary kiln incinerator pressure (bar)
- CO flow rate (ppm)
- pH of effluent

TÜV SÜD confirmed that the rotary kiln incinerator unit operated within the parameters recorded during DRE testing or the parameters specified within their hazardous waste permit, and if the rotary

kiln incinerator unit fell outside of these parameters, that the proper Startups, Shutdowns, or Malfunctions Plans (SSMPs) were used. There were no instances of shutdowns due to permit limit exceedances.

Certificate of Destruction

TÜV SÜD confirmed that the Certificate of Destruction contained Methodology required parameters.

- Project Proponent or Project Developer
- Destruction facility
- Certificate of Destruction ID number
- Serial, tracking, or ID number of all containers for which ODS destruction occurred
- Weight and type of material destroyed from each container
- Destruction Start Date
- Destruction End Date

Baseline Scenario

The baseline determines the emissions that would occur in the absence of the Project. The Project activity is the destruction of ODS to avoid future leakage into the atmosphere. GHG emissions are avoided because in the baseline scenario, the ODS would have been stored in collection tanks causing CO_2e emissions to be released. Instead, the ODS are purchased from stockpiles, aggregated, and destroyed, thus avoiding those emissions. The Methodology establishes the baseline scenario as the continued use or storage for future use of ODS. TÜV SÜD confirmed that the Project Plan appropriately identifies the baseline scenario.

Data Management System and Monitoring Plan

TÜV SÜD reviewed Trédi and Tradewater's processes for data collection and management and determined that they were sufficient to meet all ACR and Methodology requirements. The validation/verification team gained an understanding of the controls put in place to account for the ODS received, mixing and sampling, and destruction through interviews with key personnel, the site visit, and the review of all documentation provided by Tradewater. Trédi monitors the amount of ODS that are purchased, bulked for destruction, and sampled. Trédi also monitors the weight of ODS sent for destruction and the destruction process. Trédi's scales are calibrated quarterly. This activity is completed by Precia Molen Service. The ODS sent for destruction are analyzed by Bureau Veritas before destruction.

The CEMS was confirmed to be calibrated by the Project Proponent prior to the start of destruction and is required to be calibrated annually. This calibration was not reviewed as part of this Project, as the Methodology Errata and Clarifications introducing this requirement was released after the Project was submitted to ACR. CEMS data is live-streamed to the destruction facility's regulatory authority, which is capable of remotely initiating a shutdown or raising an alarm in the event of an issue. The ODS sent for destruction are analyzed by Bureau Veritas.

Tradewater's Project Plan includes a Monitoring Plan that identifies all monitored data and parameters. TÜV SÜD confirmed that the monitoring parameters and approaches conform to the methods required by the Methodology. The plan includes all relevant data parameters and

appropriately identifies units of measurements, data sources, methodologies, uncertainty, monitoring frequency and procedures, and QA/QC procedures. After discussions with Tradewater and reviews of project documents, TÜV SÜD determined that the Monitoring Plan accurately reflects how Project data is monitored and recorded. There is one deviation relevant to the Project activity against the requirements of the Methodology (see "Deviation"). Tradewater implemented the monitoring plan as stated in the Project Plan during Project activities.

Project Data and GHG Emissions Reduction Assertion

TÜV SÜD reviewed the Project Plan, Project data, and calculations to ensure that appropriate equations were used in calculating baseline emissions, project emissions, and emissions reductions.

Baseline Emissions

Baseline emissions include the emissions that would have occurred had the ODS been stored and leaked. TÜV SÜD used the total amount of ODS destroyed as found on the CODs provided by Trédi and then removed the amount of high boiling residue (HBR) and moisture determined by the lab analyses provided by Bureau Veritas. The remaining weight was multiplied by the percent composition of eligible refrigerants in the material destroyed.

The weight of eligible materials was then converted from pounds to metric tons to calculate Q_{refri} for each eligible refrigerant. Q_{refri} was then multiplied by the appropriate 10-year cumulative emission rate and GWPs for each refrigerant to determine $BE_{refr,i}$. Due to rounding, some values might not equate to the final values claimed by Tradewater.

Project Emissions

TÜV SÜD calculated project emissions for the destruction events. TÜV SÜD calculated the project emissions from substitute refrigerants by multiplying the quantities of eligible ODS by the appropriate refrigerant substitute emission factors. TÜV SÜD calculated the project emissions from transportation and destruction by multiplying the total weight of all ODS destroyed in the CODs by the appropriate default emission factor. TÜV SÜD then added these values together to determine total project emissions. Due to rounding, some values might not equate to the final values claimed by Tradewater.

Emissions Reductions

TÜV SÜD verified that Tradewater calculated emissions reductions according to relevant Methodology equations and that the methods are included in the Project Plan.

TÜV SÜD calculated emissions reductions for the reporting period according to the equations defined in the Methodology and the Project Plan and found the statement to be free of material misstatement. TÜV SÜD's calculated ERTs are shown in Table 2.

Table 2. TÜV SÜD-calculated ERTs (MT CO_2e)

Reporting Period	TÜV SÜD ERTs	Tradewater ERTs	Percent Difference
February 7, 2025 – March 19, 2025	261,825	261,826	0.00%

Deviation

The Project applied for one deviation related to moisture saturation requirements in Appendix B. The sample diverged from the Methodology requirement when its analysis returned a moisture saturation greater than 75% of the saturation point of the major ODS species in the sample. Tradewater applied a conservative calculation by removing the moisture content from the pre-destruction net weight, which reduces the total eligible weight for destruction.

ACR accepted this deviation on March 21, 2025.

Validation and Verification Results

TÜV SÜD developed one List of Findings for the validation and verification, notifying Tradewater of corrective action requests (CARs), non-material findings (NMFs), additional documentation requests (ADRs), and clarification requests (CRs). Tradewater appropriately responded to all items in the List of Findings. The List of Findings is provided as Appendix B.

Validation and Verification Opinion

TÜV SÜD conducted a risk-based validation and verification of the Tradewater – Middle East 1 Project according to the requirements found in ISO 14064-3:2019, 14065:2020, and 17029:2019. The objective of the validation activities was to assess the Project design, baseline scenario, and monitoring plan and to ensure compliance of the Project Plan to the assessment criteria defined in "Validation and Verification Criteria." The objective of this verification was to ensure that the GHG statement is materially correct and conforms to all relevant criteria. The GHG statement is the responsibility of Tradewater.

A summary of the GHG statement is as follows:

- GHG-related activity: Ozone depleting substances destruction in Saint-Vulbas, France
- GHG statement: February 7, 2025 – March 19, 2025
- Criteria:
    - ACR Standard, Version 8.0 (July 2023)
    - ACR Validation and Verification Standard, Version 1.1 (May 2018)
    - The Destruction of Ozone Depleting Substances from International Sources, Version 1.0 (April 2021) (Methodology)
    - Methodology Errata and Clarifications (June 2025)

The data and information supporting the GHG statement were historical in nature.

Based upon TÜV SÜD's review, the GHG statement meets all requirements except for the Methodology requirement for moisture saturation (Appendix B I.D.iii). The missed requirement is allowable via a deviation from ACR (see "Deviation").

TÜV SÜD has ensured Tradewater's effective use of controls related to the GHG statement. TÜV SÜD concludes that there is sufficient and appropriate evidence to support Tradewater's GHG statement and is issuing a Positive Opinion as defined by ACR and a Modified Opinion as defined by ISO.

TÜV SÜD confirms that the GHG statement has been prepared:

- Without material discrepancy,
- In accordance with all applicable criteria, except for those listed above, and
- Verified to a reasonable level of assurance.

Table 3 provides a summary of the emissions reductions.

Table 3. Emissions Reductions (MT CO_2e)

Vintage	Baseline Emissions	Project Emissions	Emissions Reductions
2025	285,915	24,088	261,826

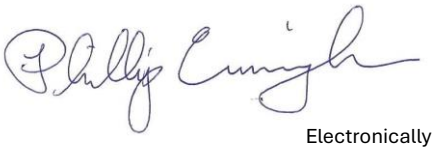
Note: Totals may not sum due to rounding

Lead Validator and Verifier

Electronically signed by: Garrett Heidrick
Validated: June 26, 2025

Garrett Heidrick

Independent Reviewer



Electronically signed by: Phillip Cunningham
Validated: June 26, 2025

Phillip Cunningham

Appendix A—Documents Reviewed

1. Chain of Custody documentation
2. CEMS data report
3. Environmental reports for Trédi
4. Compliance documents and/or statements for applicable facilities
5. GHG statement spreadsheet
6. All relevant permits
7. Weight tickets
8. Refrigerant analysis
9. SOPs
10. Scale calibrations
11. Trédi DRE testing
12. Tradewater regulatory compliance attestation
13. Tradewater Project Plan
14. Tradewater Monitoring Report
15. Tradewater Listing Form
16. Certificate of Destruction
17. Destruction process overview
18. All applicable hazardous waste permits
19. Ownership of environmental benefits
20. Deviation request
21. Training documents
22. Truck permits
23. Bureau Veritas ISO accreditation

Appendix B—List of Findings

Includes Corrective Action Requests (CAR), Additional Documentation Requests (ADR), and Clarification Requests (CR)

Corrective Action Requests (CARs), Non-Material Findings (NMFs), Additional Documentation Request (ADRs), and Clarification Requests (CRs)							
Finding and Date		Require-ment Reference in Program Document	Project Developer Response and Date	TÜV SÜD Response and Date	Additional Project Developer Response and Date	Additional TÜV SÜD Response and Date	Status
CAR 1	4/23/2025: Please update the start date listed in the GHGPP section H1.	Standard 6.B	The GHG Plan has been updated.	5/7/2025: Thank you for updating the GHG Plan. It is noted that the project name in the GHGPP and on the ACR website has been updated to Middle East 1 as well - that change is reflected in the name of this document.			Closed
CAR 2	5/13/2025: Please correct the discrepancy between the total ERs listed in Section VI #4 & #7 in the MR.	Standard 6.E	This has been corrected. Please note that the GHG Plan has also been updated to the correct numbers.	5/19/2025: Corrections confirmed, thank you.			Closed
CAR 3	5/13/2025: Please revise the total baseline, project, and emission reductions stated in the Monitoring Report - Excel's SUM	Methodology 5.1-2	This has been corrected.	5/19/2025: Corrections confirmed, thank you.			Closed

	function still sums when rows are hidden.						
ADR 1	5/1/2025: Please provide the inspection report for the inspection conducted at Tredi on 12/12/2025. Were there any known compliance issues during the reporting period?	Appendix B: ODS Mass & Composition Methodology	According to the French compliance reporting site, https://www.georisques.gouv.fr/risques/installations/donnees/details/0006102272, there are no published reports for Tredi in December 2024. That said, Tredi has communicated to us that an inspection did occur on 12/12/2024. Tredi would receive an immediate letter for Action Required ahead of the report submission should there be any unmet requirements, violations, or issues revealed at the inspection. Additionally, any major issues that would reflect an operational violation would result in the immediate shut down or pause in all activities until	5/7/2025: Thank you for providing clarification. Response accepted.			Closed

			the issue is rectified. The 12/12/2024 inspection yielded no such actions (letter, shut down), meaning that there are no non-compliance concerns at Tredi. The full report is expected within 6 months from the inspection date, though could take longer. We have verified with Tredi that the report has still not been issued.				
ADR 2	5/2/2025: Please provide the saturation point of R-12 at 8°C and 10°C from Bureau Veritas.	Appendix B: ODS Mass & Composition Methodology	Tradewater uses values sourced from the 1990 ASHRAE Handbook: Refrigeration Systems and Applications to determine the moisture saturation point for R-12. The saturation points are as follows: 8°C - 38.7 ppm 10°C - 44 ppm	5/7/2025: Thank you for providing the moisture saturation points at the specified temperatures in addition to the source of data.			Closed
CR 1	5/1/2025: Please clarify the expiration dates of EIS's operating and industrial facility licenses.	6.3 Document Retention	Operating license expired: 11/22/2024* Industrial license expires: 9/11/2027 * Note that EIS has applied for renewing the	5/7/2025: Thank you for providing clarification. Response accepted.			Closed

			Operating License, but it is still under review by the NCEC as of 5/7/2025.				
CR 2	5/2/2025: Thank you for providing the Tredi permit in English. It appears there is no expiration date. Could you please clarify why an expiration date would not be required for a permit of this type?	clarification only	Tredi's permit does not get renewed and therefore does not have an expiration date -- it would only be revoked in the case of a major regulatory issue, or updated in the case of a substantial change in operation or regulation.	5/7/2025: Thank you for providing clarification. Response accepted.			Closed