



C-Capsule Code

For Carbon Dioxide Removal (CDR)

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Table of Contents

1	Introduction	3
2	Terms and Definitions.....	5
3	Purpose and Principles	11
4	Market Structure and Services	18
5	Lifecycle Overview.....	22
6	Market Entry and Exit	23
7	Facility Registration.....	33
8	Certificate Issuing	40
9	Certificate Ownership and Transfer	45
10	Redemption.....	47
11	Event of Carbon Default.....	50
12	Error Management.....	53
13	Complaint Management	54
14	Support for Platforms.....	57
15	Issuers.....	58
16	Insurance Bodies	61
17	Change Management	62
18	Quality Assurance	66
19	General Regulations	68
20	Associated Documents.....	69

1 Introduction

This document is the C-Capsule Code for Carbon Dioxide Removal (CDR). Its purpose is to describe the implementation of the International Attribute Tracking Standard (the “Standard”) in delivering a Product Certificate for CDR. The Standard is owned by the International Tracking Standard Foundation (“Foundation”). This Product Code sets out the definitions, processes, and procedures that form the specification of the C-Capsule Certificate, known as a Carbon Removal Unit (CRU). This document is a Product Code as defined within the Standard.

C-Capsule and associated Market Facilitators provide Services to Market Entities requiring the Issue, Transfer, or Redemption of CRUs, which represent the direct removal and sequestration of greenhouse gases (GHG) from the atmospheric cycle. Within this scope of Service provision, C-Capsule acts as Code Manager.

All Market Facilitators acting as Code Manager, Registry Operator, Issuer, or Platform Operator under this Product Code are subject to ongoing Accreditation by the Foundation.

1.1 The C-Capsule Product

CRUs are an exchangeable, ex-post, and evidence-based Product Certificate for Carbon Dioxide Removal (CDR), as defined by the International Panel on Climate Change (IPCC)¹. Facilities can replace existing contractual agreements for CDR activity in exchange for reliably and robustly tracked certification to organise ownership of Attribute rights. Issuance of CRUs can provide primary or additional revenue streams for independently verified CDR activity.

CRUs can be used to neutralise direct emissions (Scope 1) and indirect emissions (Scope 3) for End-users around the world, without restriction². CRUs allow End-users to make an informed and evidence-based choice for CDR from their preferred technology or process.

The unit of measure for a CRU is metric-tonne of CO_{2eq}. Each unit of CO_{2eq} is uniquely attributable to the point of CDR, containing a unique reference that can be traced throughout the chain of custody back to the source Facility. A metric-tonne of CO_{2eq} recognised through the Issuance of a CRU is a globally fungible product, but the method of CDR is always unique.

C-Capsule utilises an open book and claim system to provide a robust chain of custody for CDR

¹ IPCC, 2018: Annex I: Glossary [Matthews, J.B.R. (ed.)]. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)]. In Press

² Subject to country specific NDC and Corresponding Adjustment requirements. *Please note: An annual report will be created by the Code Manager that declares the total exports and imports of CO_{2eq} tons from one country to another that is publicly available.*

Attributes from the point of CDR to the End-user claim. C-Capsule is designed to be open and accessible for all organisations wishing to be active within the global CDR market.

1.2 Regulatory Scope

This Product Code encompasses Services that are delivered primarily within a voluntary commercial environment. Where Services under this Product Code are provided within a legislative environment, that legislation shall take legal precedence to this Product Code.

2 Terms and Definitions

2.1 Defined Terms

Term	Definition
Account	A data store within the Registry that is Attributed directly to a single Entity for the purpose of recording a Product Certificate within that Registry.
Accredit or Accreditation	The act of acknowledging that a Product or Entity is compliant with the Standard.
Accredited Entity	An Entity that has achieved Accreditation.
Additional/Additionality	A CDR activity that would not have otherwise happened without the incentive created by carbon financing or technological, institutional or regulatory barriers are demonstrable.
Applicant	An Entity applying to be an Accredited Entity, a Participant and/or a Registrant under this Product Code.
Assignment or Assigned	The allocation of a redeemed Product Certificate to a specified End-user for use in a disclosure statement for a specified reporting period.
Attribute	A set of verifiable facts that describe the process of how, when, and where a tonne of carbon was removed.
Audit Period	A period which the CDR activity of a Facility is eligible for the issuance of C-Capsule against a specific Facility Audit.
Audit Report	A document detailing the findings of a Facility Audit, performed on a Facility by an approved Verification Authority.
Authorise/Authorisation	The act of acknowledging that a Product or Entity can provide Services under this Product Code, subject to approval or Accreditation by the Foundation.
Beneficiary	An End-user to which a Product Certificate may be irrevocably Assigned as part of a Redemption transaction.
Calculated Emissions	Lifecycle Emissions included in the calculation of a Facility's Eligible Quantity.
Capture	The process of capturing GHG directly from the atmosphere prior to Durable Sequestration.
Carbon Dioxide Removal (CDR)	Anthropogenic activities removing GHG from the atmosphere and durably storing it in geological, terrestrial, or ocean reservoirs, or in products. It includes existing and potential anthropogenic enhancement of biological or geochemical sinks and direct air capture and storage but excludes natural CO ₂ uptake not directly caused by human activities ¹ .
Carbon Removal Unit (CRU)	A tradeable instrument that represents the collection of environmental Attributes describing a specific record of CDR at a Facility Issued as set out in the Standard and this Product Code. A single C-Capsule is assigned to one unit (CO _{2eq}) of CDR.
Central Issuer	An Issuer authorised and appointed by the Code Manager to provide support to other Issuers, Issuing Services to Registrants, including those that are also Issuers.

CO_{2eq}	A carbon dioxide equivalent or CO_{2eq} is a metric measure used to compare the emissions from various greenhouse gases on the basis of their global-warming potential (GWP), by converting amounts of other greenhouse gases to the equivalent amount of carbon dioxide with the same global warming potential. In this Product Code, the associated quantity of CO_{2eq} relating to GHG is defined using the related values of global warming potential over a 100-year time-horizon (GWPI100) defined in the version of the Assessment Report last published by the IPCC.
Code Manager	An Entity that is responsible for defining a Product and coordinating service operators within the scope of that Product. The nature of that Product and the services provided are defined in a Product Code that is owned by the relevant Code Manager. In the context of this document, C-Capsule is the Code Manager.
Corresponding Adjustment Label	A Labelling Scheme where the Redemption Country intends to use C-Capsule as an Internationally Transferred Mitigation Outcome (ITMO), under Article 6.2 of the Paris Agreement to convey that a corresponding adjustment has been made.
Durable or Durability	The ability to withstand an EOCD over a minimum 100-year time horizon.
Eligible Quantity	The volume of CRUs eligible per CDR event or activity.
End-user	An Entity that uses, claims, redeems, or is the Beneficiary associated with the removal of a Product Certificate from a Market.
Emissions Inventory	The Emissions Inventory of a Facility including assessment of Lifecycle Emissions associated with a Facility. The Emissions Inventory shall be performed during Facility Audit and verified by the Verification Authority.
Entity	An organisation or individual with 'legal' status (e.g. registered incorporated or incorporated business, public sector entity, or private individual).
Event of Carbon Default (EOCD)	An unpredictable Reversal of CDR Attributed to a CRU. An EOCD reflects GHG emissions that have been released back into the atmospheric cycle after the CDR event occurred.
Expected Effect	The probability for CDR activity to achieve Durable Sequestration for 100 years, without an EOCD.
External Issuer	From the perspective of an Accredited Issuer, another Issuer with a signed Code Manager Issuer Agreement.
Facility	One or more assets where CDR takes place through one or more identifiable measurement point(s).
Facility Audit	The systematic, independent, and documented assessment of a Facility by the Verification Authority against the selected Methodology.
GHG	Greenhouse gas, as defined by the Kyoto Protocol. Quantities of GHG are expressed in tonnes of CO_{2eq}.

Infrastructure	A Registry or Platform created to facilitate the ownership, transfer, trade, or visualisation of Products.
Insurance Account	An Account on the Registry managed by an Issuer or Insurance Body which stores CRUs for the purpose of remediating certificates subject to an EOCD.
Insurance Body	An Entity who owns and manages an Insurance Account on the Registry.
Insurance Buffer	A secondary buffer applied at Issue Request commensurate to the risk of an EOCD.
International Tracking Standard Foundation or Stichting I-TRACK	The governance body for the International Attribute Tracking Standard (Standard). A not-for-profit foundation that is independent of the various Entities that may be Accredited. The Foundation owns the Standard and is staffed and supported by a secretariat. Legally known as “Stichting I-TRACK” and founded in the Netherlands under Chamber of Commerce number 59458844.
International Tracking Standard Foundation Board or Board	The legally mandated governance organ of the Foundation, as listed with the Dutch Chamber of Commerce.
Issuance or Issue	The act of creating a record of one or more Product Certificates in an Account on a Registry.
Issue Request	A formal request by a Registrant of a Facility to an Issuer to Issue a Product Certificate in relation to that Facility against evidence provided for a given Removal Period.
Issuer	An Issuer is responsible for processing Facility registrations, as well as Issue Requests relating to the activity of registered Facilities.
Issuing Country	The country where a CRU is generated.
Labelling Authority	An Entity that has established a set of criteria to indicate that a Facility or Product Certificate meets its standards (e.g., environmental). The Labelling Authority is solely responsible for determining whether its criteria are met.
Labelling Scheme or Label	A set of rules established by a Labelling Authority.
Leakage	An emission, either positive or negative, that occurs inside or outside the initial scope of the Facility boundaries. Predictable leakages occur within the scope of the facility boundaries and are accounted for in the Eligible Quantity Calculation, which varies per Methodology. Other leakages include displacement of emissions out of boundaries. These shall be quantified and calculated with practices aligning to factors relevant to each Methodology.
Leakage Buffer	A mandatory buffer applied to CRUs Issued, commensurate to the amount of Leakage evidenced in a particular Methodology.
Lifecycle Emissions	GHG emissions occurring because of the activity of a Facility. This includes Scope 1, Scope 2, and Scope 3 emissions from the CDR activity.
Local Working Instructions or LWI	A document or set of documents adopted and owned by an Accredited Entity that set out procedures to ensure that the quality and integrity of the Product are defined.

Market Facilitator	Either the Code Manager, an Issuer, Registry Operator, or Platform Operator providing Services under this Product Code.
Methodology	The detailed requirements for an eligible CDR technology or process to be registered under the C-Capsule Code on the Registry. A Methodology shall be approved by the Foundation before use at Facility Registration.
Organisation	An Entity registered on the Registry and able to access and interact with the Registry.
Participant	An Entity who manages one or more trade and Redemption Accounts within the Registry. Participants are the specified owners of CRUs held within their Accounts. At the time of Redemption, a Participant may nominate a Beneficiary to receive rights to the Product Certificate. Participants do not require Accreditation.
Platform	Electronic Infrastructure capable of initiating requests for Issuance, Transfer, or Redemption of Product Certificates held within a Registry, and is accessible to Entities other than Accredited Entities. Platforms are systems connected to, but separate, from a Registry. Infrastructure solely for the internal use of an Accredited Entity or Market Entity does not constitute a Platform.
Platform Operator	An Entity responsible for providing and operating a Platform that provides functions to extend the functionality of a Registry. Platforms do not constitute a primary record of the custody of a Product Certificate but may remotely initiate actions within a Registry. Platform Operators may have varied commercial relationships, depending on the nature of their Platform.
Product	A unit of output or production whose Attributes are being tracked, defined as tonnes of CDR under this Product Code.
Product Certificate	An Attribute certificate that is a verified record of an event of production at a registered Production Facility Issued according to a Product Code Accredited under the Standard. Use of Product Certificate in this Product Code refers to a CRU.
Product Code	A document or set of documents that sets out the rules and procedures, and other information required to form the specification of a Product.
Redemption or Redeem	The act of using a Product Certificate for making a claim on the Attributes or benefits. Redeeming removes the Product Certificate from circulation. Redemption shall be accompanied by an Assignment to a Beneficiary.
Redemption Authority	An Entity with a Redemption label that can be used on Redeemed certificates upon the approval of the Redemption Authority itself. A Redemption Authority does not require Accreditation.
Redemption Country	The country where a CRU is being Redeemed.
Redemption Statement	An electronic, non-transferrable receipt which provides evidence of the Redemption of one or more Product Certificates and conveys the associated environmental Attributes.
Registered User	An individual registered on the Registry who has been

	authorised by an Organisation to access the Registry on their behalf. A Registered User is linked to a single username and set of contact details.
Registrant	An Entity that registers a Facility on the Registry, being authorised to do so either by virtue of being the owner of such Facility or legally empowered to act on behalf by the owner(s) of such Facility. A Registrant does not require Accreditation.
Registry	An Accredited database of Product Certificates that includes records of the full lifecycle of ownership and use of the Product Certificate. A Registry acts as a primary information source and may support multiple Product Certificates of differing types.
Registry Operator	An Entity responsible for providing and operating a Registry that records the issuance, transfer, and use of a Product Certificate as an immutable source of information. In the context of this document, Evident is the Registry Operator.
Removal Output	Physical output produced or processed by a Facility during the CDR activity. It can be a stable product, a pure CO ₂ stream, or alternative product defined by a Methodology.
Removal Period	A defined period over which a Facility reports CDR activity eligible for Issuance. A Removal Period relates to a block of CRUs.
Reporting Standard	A standardised framework of guidance and requirements for businesses, organisations, and others preparing an inventory of their environmental footprint.
Reversal	Captured and Sequestered GHG that has re-entered the atmospheric cycle post-Sequestration event.
Sequester or Sequestration	The Durable utilisation or storage of a GHG emissions from the atmosphere.
Service	Activities performed by an Accredited Entity in meeting its obligations under this Product Code.
Stakeholder	Individuals, communities, and organisations who can affect or be affected by activities registered on the C-Capsule Registry.
Verification	The review and validation of data or evidence provided by a Registrant adherent to a Methodology. Verification must always be conducted by a Verification Authority authorised under the relevant Methodology.
Verification Authority	A suitably qualified Entity approved by the Foundation as being competent to independently verify and validate information provided by a Registrant. An Issuer may act in the capacity of a Verification Authority.

2.2 Interpretation

Unless expressly given, the terms in this Product Code that are identified by capitalisation have the meanings assigned to them in section 2.1.

The singular of a term defined in section 2.1. shall include the plural and vice versa.

Where a word or phrase is given a particular meaning in section 2.1, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.

In this code, the following verbal forms are used:

- “Shall” specifies a requirement.
- “Shall not” specifies an act that is prohibited.
- “Should” specifies a recommendation.
- “May” specifies a permission.
- “Can” specifies a possibility or a capacity.

3 Purpose and Principles

This section outlines the purpose and principles that underpin how the Code Manager structures its activities and relationships with Market Facilitators to provide a transparent and robust Service consistent with the requirements of the Standard.

3.1 Purpose

C-Capsule delivers a Product Certificate for CDR, acting as a verifiable record for the direct removal and Sequestration of GHG (expressed in metric tonne of CO_{2eq}) from the atmosphere. C-Capsule will consider methodologies for CDR that are measurable, durable, additional, and verifiable. CRUs can generate primary or additional revenue streams for CDR activity. End-users can use CRUs as an evidentiary statement of the ownership of underlying CDR Attributes for neutralisation and reporting purposes.

The Code Manager ensures that all CRUs Issued are in adherence with environmental integrity and industry best-practice for CDR accounting. It is the explicit goal that C-Capsule ensures adherence to relevant consumer claim standards, associations, and accreditation bodies such as the Integrity Council for the Voluntary Carbon Market (IC-VCM), International Carbon Reduction and Offset Alliance (ICROA) and the Science-Based Target Initiative (SBTi) among others, to help End-users fulfil their neutralisation and reporting requirements.

3.2 Organisation Principles

3.2.1 End-User's Right to Information

The owner or End-user of any CRU has a right to obtain full information concerning the associated origin and Attributes. This right is reflected within this Product Code and ultimately evidenced through the provision of a unique Redemption Statement which is assigned to a Beneficiary or End-user.

3.2.2 Collaboration

The Code Manager's primary objective is to enable an End-user to make robust and reliable claims about the origin and nature of CDR activity. Wherever possible, the Code Manager will engage with governments and relevant NGOs to implement the Service, ensuring open and fair access to the market for all.

All Accredited Entities are required to be collaborative with other similar Attribute tracking systems to help ensure full and accurate information for End-users and minimise potential for double counting. The Code Manager structures and maintains its relationships with all Accredited Entities to guarantee this principle.

Where information exists within the Code Manager's control, it shall, subject to applicable laws, be made available to relevant legal authorities without charge.

Where appropriate and practicable, Services and Infrastructure may be integrated with, or

connected to, other similar tracking systems, whether these are Accredited to the Standard or not.

3.2.3 Independence

The Code Manager is independent from the market it serves and has no role in the CDR value chain. The Code Manager shall not engage in any trade or exchange of CRUs and shall only provide Services under published tariffs that are independent of the traded price of CRUs. The Code Manager shall maintain confidentiality and not provide privileged or otherwise private information to other parties.

Independence from the market allows the Code Manager to operate in a clear, transparent, and equitable manner, offering the Service in a manner which users of the associated market and stakeholders can trust.

Accredited Entities providing Services shall, unless otherwise required by legislation, be contracted under restrictive agreements that prevent them from undertaking any market Entity role within the C-Capsule market. Where required, appropriate provisions to prevent abuse of position and ensure equitable treatment of all parties shall be agreed with the Foundation and enshrined within relevant contracts.

Essential to maintaining independence between the various actors involved is establishing there are no misaligned interests between relevant parties. All parties including, but not limited to, the Foundation, the Advisory Council, the Code Manager, Issuers, Registrants, Participants, Verification Authorities, and Labelling Authorities, are required to attest that they hold no conflicts of interest with pertinent elements of the C-Capsule ecosystem.

3.2.4 Flexibility

The Code Manager recognises that technologies, markets, and laws are subject to evolution and change. Where appropriate, Services provided may accommodate flexibility in how compliance can be demonstrated.

Any provision not explicitly documented within this Product Code that might conflict with the Standard shall be referred to the Foundation prior to adoption.

3.2.5 Stakeholder Engagement

The Code Manager commits to seek engagement with stakeholders wherever appropriate. This may include education and training, consultation on changes to this Product Code and liaison with interested parties.

The Code Manager commits to actively promote the use of CRUs to regulatory authorities, technology developers, End-users, and other relevant market actors.

The Code Manager commits to being an active partner to the Foundation in the development and promotion of the Standard.

To help ensure that this Product Code remains consistent with evolving knowledge, technologies, and best practice, The Code Manager shall where appropriate, seek and consider the views of

stakeholders.

3.2.6 Dispute Resolution

The Code Manager shall appoint the Foundation to act as an independent arbiter, expert, or mediator in the resolution of disputes between Entities relating to the implementation of this Product Code.

3.2.7 Entry Barriers and Non-Discrimination

The Code Manager aims to enable wide and diverse access to the C-Capsule market. Participation in the market is non-discriminatory and conditional only on appropriate due diligence processes and applicable legislation.

Where Services involve a charge, the fees shall be reflective of the Service provided, and applied on a consistent basis to all Entities without bias.

3.2.8 Accurate and Clear Communication

The Code Manager shall ensure that all communication is accurate and clearly presented. Wherever practicable, all public communications should be made available on the C-Capsule website.

3.2.9 Adherence to National Regulations

The Code Manager shall adhere to national and local regulations in the countries in which it provides or seeks to provide Services.

Prior to market development, an analysis of existing and planned carbon Attribute legislation may be undertaken to avoid conflict with existing methods of carbon accounting. The Code Manager shall not provide Services where this conflicts with legislation or the operation of a similar mechanism by an appointed national authority. Where appropriate, responsible national or local authorities are notified prior to commencement of Services in any jurisdiction.

The Code Manager confirms that this Product Code shall be implemented in compliance with applicable national and regional legislation and that it will cease providing Services where it becomes aware of any conflict. See section 10.5.2. for details of the interaction between Article 6 and C-Capsule.

3.2.10 Promote Markets Where All Actors Have a Role

The Code Manager provides Services in an open and transparent manner and actively seeks engagement not only with Market Entities but also wider interest groups, such as governments, NGOs, academics, and End-users.

3.3 Carbon Removal Unit Principles

3.3.1 Immutable Statement of Fact

A CRU is a statement of verified historical fact relating to one or more events at a Facility. Information contained within a CRU at the time of Issue shall not be later amended, other than in exceptional circumstances where verified historical facts are ruled to have been wrong.

CRUs shall not be Issued on an ex-ante basis for future CDR activity and shall only be Issued upon independently verified evidence of GHG removed from the atmospheric cycle.

The eligibility of a CRU to be Redeemed for a purpose may expire in accordance with the requirements of the Entity to which the Redemption is reported, or applicable law. It is the responsibility of the purchaser of a CRU to ensure the validity of the CRU under national legislation or for the intended purpose or reporting requirements.

Any Attribute included within a CRU shall not be later removed for separate transfer. This means no Attribute included within a CRU can be claimed in another verified record of the same activity.

3.3.2 A Carbon Removal Unit is Unique

A CRU is a unique statement representing the evidenced Attributes associated with CDR activity during a specified period.

No CRU may be Issued where another certificate or similar instrument relating to any Attributes included within the C-Capsule specification for the respective unit of CDR currently exists. This is to ensure the avoidance of double counting of any rights to Attributes included within a CRU. To ensure the uniqueness and traceability of CRUs, the C-Capsule Code mandates that each CRU is assigned a Unique Identifier (UID). This UID enables the precise tracking of CRUs throughout their lifecycle—from issuance to retirement—thereby eliminating the risk of double counting. The UID acts as a digital fingerprint, ensuring that each CRU's removal of carbon dioxide is accounted for once and only once, regardless of its use or claim within the C-Capsule system or beyond.

3.3.3 Possession and Ownership of a Carbon Removal Unit

The clear and uninterrupted chain of custody of a CRU from the source Facility to End-user claim is fundamental. Records of possession of all CRUs are recorded within the Registry or an associated Platform authorised by the Code Manager. Each CRU will be assigned a unique identifier.

A CRU shall always exist within an Account on the Registry.

The Attributes from a CRU, at the time of Issuance, shall not be allocated to any other End-user, Facility, project, or product without the Redemption of the CRU taking place against the listed Beneficiary.

3.3.4 Use of a Carbon Removal Unit is Distinct

A CRU is considered consumed when it is Redeemed, and it can only be Redeemed once.

A Redeemed CRU ceases to be transferable to another Entity.

The CRU and its associated Attributes can only be verifiably assigned to an End-user upon Redemption.

Upon Redemption, the Attributes included within a CRU cannot be used beyond the listed Beneficiary at the time of Redemption.

3.3.5 A Carbon Removal Unit is Evidence-Based

A CRU shall only be Issued against independently verified historical facts relating to a CDR event or activity (ex-post). If that evidence is derived from another Attribute tracking system, then that source of information must have been prevented from further use (i.e., removed from any associated market) by means of cancellation or similar deactivation process.

A CRU cannot be issued for estimations of avoided or reduced emissions against a 'business as usual' (BAU) baseline.

3.3.6 A Carbon Removal Unit is Durable

A CRU shall only be issued for Durable CDR activity, ensuring Sequestration over a minimum 100-year time horizon.

Every CRU Issued has an Expected Effect of Durability over a 100-year time horizon. The statement of Durability accounts for the probability of an Event of Carbon Default (EOCD) not occurring over a 100-year time horizon. Any EOCD that does occur shall be fully compensated.

3.3.7 Labelling Schemes and Information Carrier Provision

A CRU may be used to convey additional Attributes and third-party verifications, such as applicable Labelling Schemes.

3.4 C-Capsule Facility Principles

3.4.1 Additionality

A Facility shall demonstrate Additionality, meaning the CDR activity would not have happened without the incentive created by carbon financing or technological, institutional, or regulatory barriers are demonstrable.

Where substantial non-carbon finance exists for the Facility, Additionality may still be demonstrated where technological, financial, and regulatory barriers or risk are present.

3.4.2 Environmental and Social Safeguards

A Facility shall demonstrate clear 'no harm' protections that prevent or mitigate against the potential for negative externalities on the surrounding ecosystems and communities.

Facilities shall adhere to robust environmental and social safeguards for international standards and industry best-practice.

3.5 C-Capsule Infrastructure Principles

3.5.1 Operational Reliability

The Registry utilises a bespoke general-purpose activity accounting engine based on the Registry Operator's immutable data model. This provides the secure storage and management of data and Attributes which are essential to the correct and trusted operation of a Registry Service.

The Registry is constantly monitored and developed to ensure consistent and reliable operation.

3.5.2 Data Integrity and Security

The Registry is designed with referential integrity, full transaction logs, and double-entry bookkeeping protocols to ensure that data integrity is maintained within the Registry and interacting with other Systems.

Security protocols are implemented to prevent unauthorised access to records and the Registry codebase.

3.5.3 Cost Effectiveness

The Registry is designed to enable operation over low bandwidth internet connections and general use specification computer platforms requiring no additional paid-for software.

3.5.4 Accessibility

The Registry is accessible via the internet and maintained to be compatible with current versions of commonly used computer operating systems.

User interfaces are designed in line with best practice for such Infrastructure.

3.5.5 Registry Coordination and Cross-Referencing

The C-Capsule Registry engages in proactive coordination with other carbon accounting registries to cross-verify the uniqueness of carbon removal claims and their corresponding CRUs. This includes sharing information on issued CRUs and their UIDs to prevent the simultaneous registration or claiming of a carbon removal activity in multiple systems.

3.5.6 Transparent Verification and Reporting

The C-Capsule Code emphasises the importance of transparency in the verification and reporting of CRUs. Independent third-party verification ensures that each CRU, marked by its UID, accurately represents the claimed carbon removal. The C-Capsule Registry publicly discloses information about issued, transferred, and retired CRUs, providing stakeholders with the ability to audit and

confirm the uniqueness and integrity of carbon removal claims.

3.6 Accreditation

3.6.1 Confirmation of Compliance with the Standard

C-Capsule, in its capacity as Code Manager hereby asserts that it provides and operates the Service in compliance with the Standard and acknowledges the requirement to maintain alignment with the Standard to retain the Accreditation for C-Capsule and the associated Entities, Services, and Infrastructure.

4 Market Structure and Services

In order to clearly assign responsibilities to Entities within a best practice environment, the Service provided by the Code Manager and its agents is based around a structure and set of requirements designed to be transparent and auditable. This section sets out the high-level definitions of roles and responsibilities and the structure within which the Service is delivered.

4.1 Overview and Responsibilities

Figure 1 shows the relationships between the roles described within the Standard. The Code Manager has adopted this model as the basis for its Service.

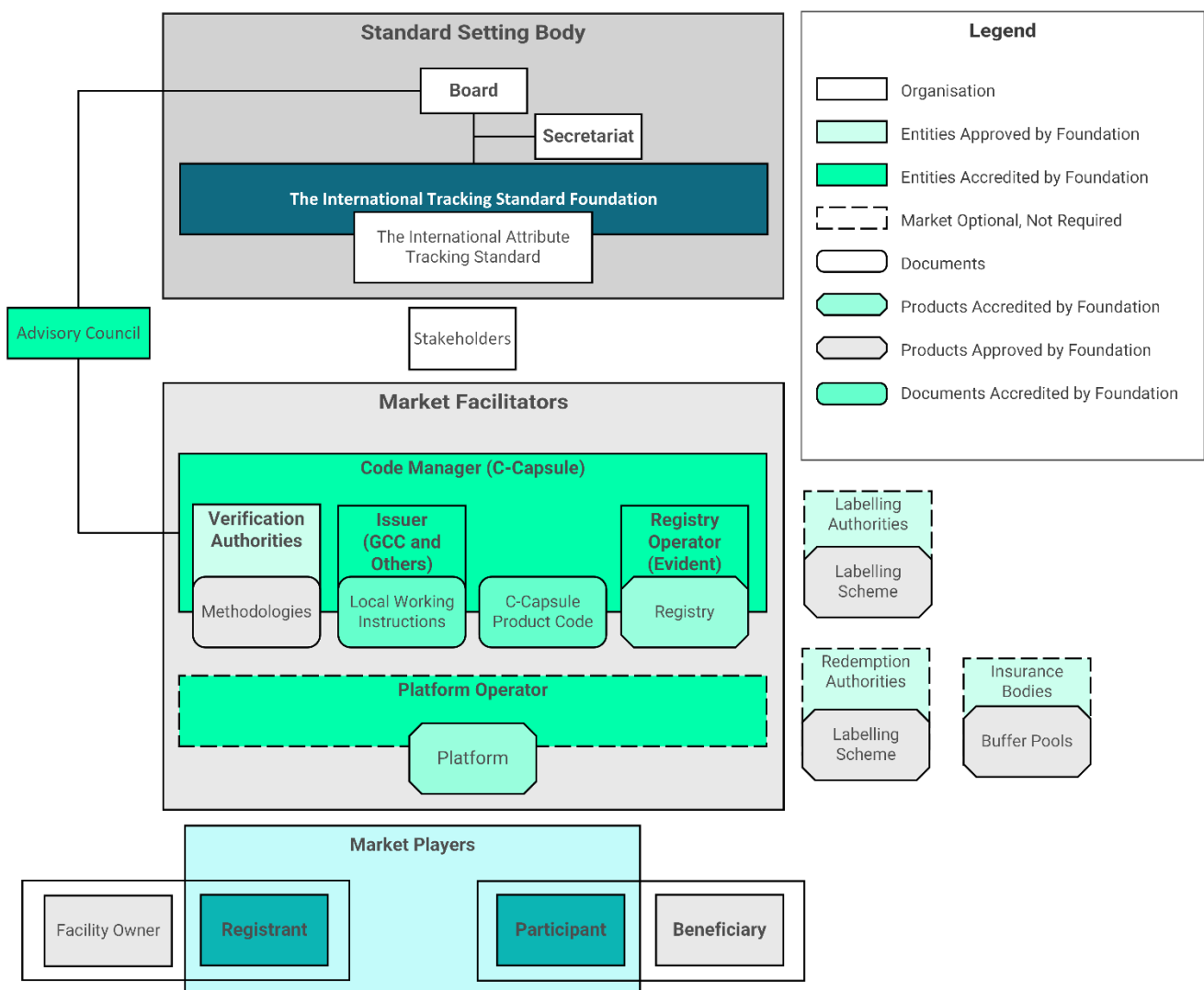


Figure 1. Structure of Roles

Not all roles, but only those which perform a function integral to the implementation and operation of C-Capsule Service require Accreditation under the Standard. Market players, primarily Facility Owners, Registrants, Participants, and Beneficiaries, do not require Accreditation or Approval as their role is that of a consumer of Services.

Methodologies and the associated Verification Authorities require Approval by the Foundation.

4.2 Code Manager

The Code Manager is responsible for delivering and ensuring the quality of the C-Capsule Service, including:

- Authorisation of Issuers, Verification Authorities, Registry Operators, and Platform Operators (in addition to such Entities' Accreditation by the Foundation).
- Maintenance of procedures and governance arrangements relating to this Product Code.
- Overall compliance with the Standard.

4.3 Registry Operator

The Registry Operator is contracted by the Code Manager and is responsible for delivering and ensuring the quality of the Registry. The Registry Operator reviews, verifies, and approves the onboarding of Participants onto the Registry and provides Services related to the Transfer and Redemption of CRUs.

4.4 Issuers

The Code Manager's Service is supported by a designated Central Issuer in the absence of a Local Issuer. The Issuer is responsible for onboarding Registrants, the processing of Facility registrations, and Issue Requests relating to the activity of Facilities. The procedures adopted by an Issuer to ensure the quality and integrity of the Product are defined in Local Working Instructions (LWIs), which are owned by the respective Issuer.

4.5 Insurance Bodies

An Insurance Body is an Entity responsible for insuring Registrants against the risk of an EOCD. Insurance Bodies own and manage Insurance Accounts on the Registry where CRUs are stored. CRUs can be cancelled to remediate for certificates, subject to an EOCD to maintain the integrity of an End-user claim.

Where no Insurance Body exists, the Issuer will act as the default Insurance Body.

An Insurance Body may not be a Participant, Registrant, or Facility owner.

4.6 Platform Operators

A Platform Operator is an Entity responsible for the provision and operation of a digital Platform that provides functions which extend the scope of a Registry. Platforms do not constitute a primary record of the custody of a CRU but may act as a custodian on behalf of Entities and hold details of legal titles to a CRU.

Platform Operators may have varied commercial relationships depending on the nature of their Platform.

The Platform may hold one or more Marketplace Accounts.

4.7 Verification Authorities

A Verification Authority is an Entity appointed by a Registrant to verify Facility characteristics and CDR activity against an approved Methodology.

A Verification Authority shall be approved by the Foundation against one or more Methodologies.

Responsibilities of a Verification Authority include, but are not limited to, the validation of Facilities, the verification of data used for Issuance of a CRU, auditing of activities carried out within the Registry, and investigations of EOCDs.

Verification Authorities must complete an application and receive approval from the Code Manager, Advisory Council, and the Foundation before they have the authority to complete any of the tasks described above.

4.8 Registrants

Registrants are responsible for submitting Facility registrations and requesting the Issuance of CRUs. A Registrant is the Facility owner or has the authority of all the Facility owners to undertake relevant activities.

Registrants shall enter a contract with an Issuer in order to register a Facility.

A Registrant may contract with more than one Issuer, but a Facility may only be registered with one Issuer at any one time.

Any legal person or Organisation can be a Registrant unless they are an Accredited Entity, in which case restrictive (i.e., non-trading) participation provisions may apply.

Entities wishing to become a Registrant should follow the procedure specified in section 6. Where an Organisation or individual wishes to register Facilities in more than one country, it may be necessary

to apply to be a Registrant with more than one Issuer.

4.9 Participants

Participants may hold Accounts in the Registry through which they can hold, transfer, and Redeem CRUs.

Participants shall enter a contract with the Registry Operator to gain access to the Registry.

Any legal person or organisation can be a Participant unless they are an Accredited Entity, in which case restrictive (i.e. non-trading) participation provisions may apply.

4.10 Facility Owner

A Facility owner is an Entity that owns a Facility eligible to be registered in accordance with this Product Code.

4.11 Beneficiaries

Beneficiaries are the End-users of CRUs which have been assigned as part of a Redemption Transaction.

4.12 Labelling Authorities

A Labelling Authority is an Entity which imparts additional criteria on a Facility beyond the scope of a CRU and may be associated with a CRU.

Where a Labelling Authority has an agreement with the Code Manager, and the Labelling Authority's additional criteria and the Registrant requests are met, the relevant CRU may be Issued carrying the Label.

4.13 Redemption Authorities

A Redemption Authority is an Entity with a Redemption label that can be used on Redeemed certificates upon the approval of the Redemption Authority itself. A Redemption Authority may be a government or intergovernmental agency but may also be an NGO for which a defined criterion for Redemption has been set.

4.14 Advisory Council

The Advisory Council (AC) of C-Capsule comprises experts in CDR and market dynamics. The AC

independently evaluates updates to the Code, ensuring decisions reflect a blend of expertise and impartiality. Its role extends to encouraging diverse participation, integrating government perspectives, and upholding the integrity of the Code. The AC's decisions are governed by principles of objective deliberation, transparency, and dynamic membership to ensure relevance and balance in its composition. Changes in publicly available documentation related to C-Capsule and the Code, and approval of new Verification Authorities and Methodologies, shall be endorsed by the AC before they are finalised.

4.14.1 Composition

The C-Capsule AC shall comprise up to 6 members in the first instance. AC members will be selected by C-Capsule leadership in consultation with the Foundation based on proven expertise and credibility in CDR, or carbon markets more broadly. The Council may also decide to establish sub-Councils, working groups or committees to provide additional expertise or address a specific issue. When members leave the AC, a replacement will be identified, and an effort will be made to ensure sufficient topical expertise, gender and geographical balance.

5 Lifecycle Overview

The C-Capsule market is designed to enable simple and clear engagement for Registrants and Participants. The overall process is illustrated in Figure 2.

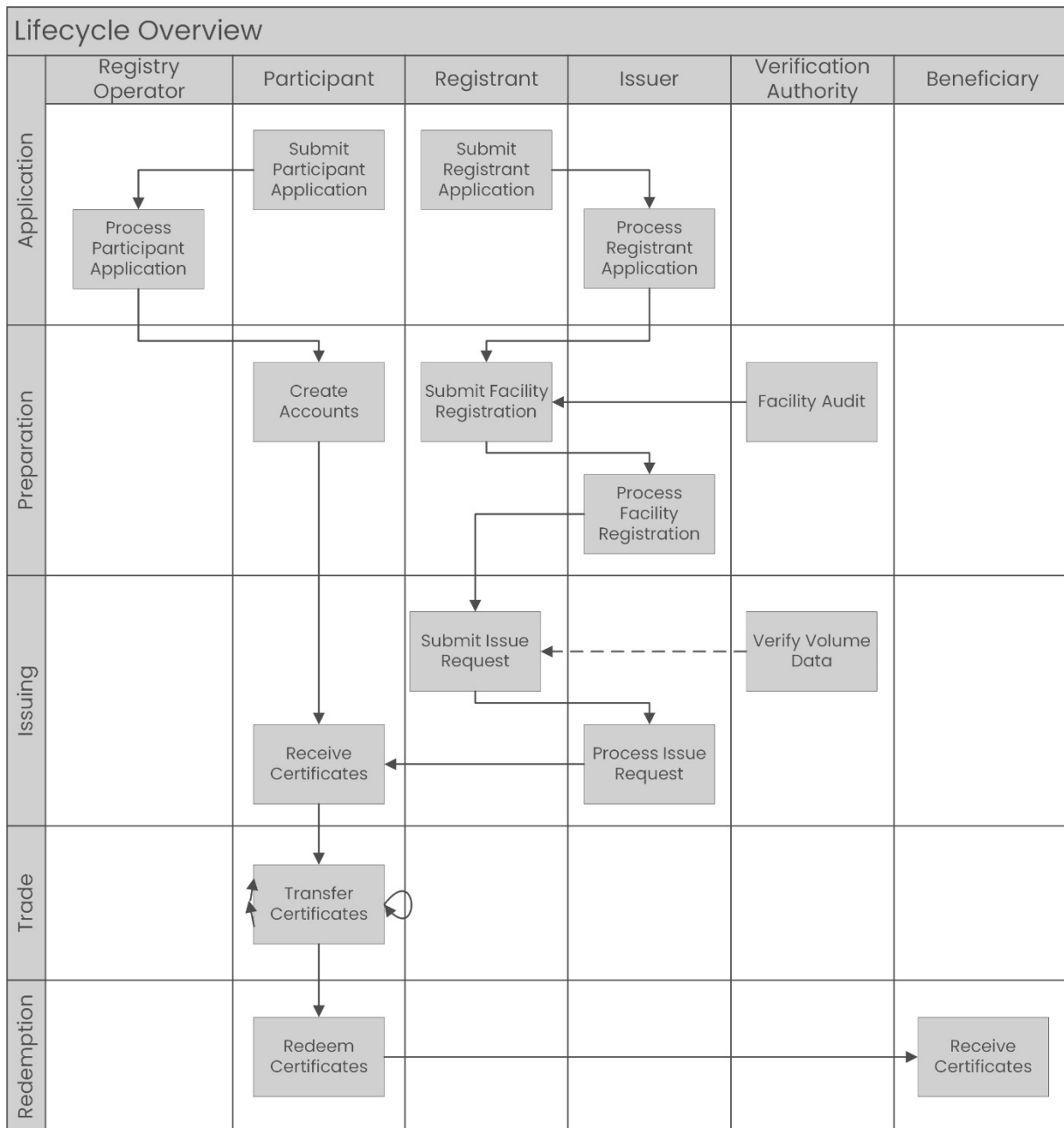


Figure 2. High-level process overview.

6 Market Entry and Exit

6.1 Context and General Provisions

6.1.1 Standard Terms

Entities wishing to act as Participant shall agree to Standard Terms as outlined in *ST-01: Participant-Registry Operator*.

Entities wishing to act as Registrant shall agree to Standard Terms as outlined in *ST-02: Registrant-Issuer*.

An Applicant that wishes to become both a Registrant and a Participant must enter into one agreement with the Registry Operator and one with the Issuer to cover both roles.

6.1.2 Equitable Treatment

Standard Terms are applied to all Market Entities to ensure that no one Entity benefits from a preferential position compared with another. Any deviation from these standard terms is not permitted without explicit approval of the Code Manager who may seek guidance from the Foundation.

The Service is provided on a non-discriminatory basis. This means the Standard Terms are generally non-negotiable. Amended terms may be accepted where required by local law or best practice, but these shall not give rise to any direct or indirect benefit to the Applicant.

6.1.3 Compliance

Compliance checks shall be performed for all Applicants. The Code Manager and Issuers shall always have the right to either refuse to join or terminate agreements with Entities that have not satisfied their reasonable requirements for compliance with international best practice in commercial agreements, local regulations, or anti-money laundering regulations, with immediate effect.

6.2 Process Overview

The process for market entry is shown in Figure 3, with the process for market exit illustrated in Figure 4.

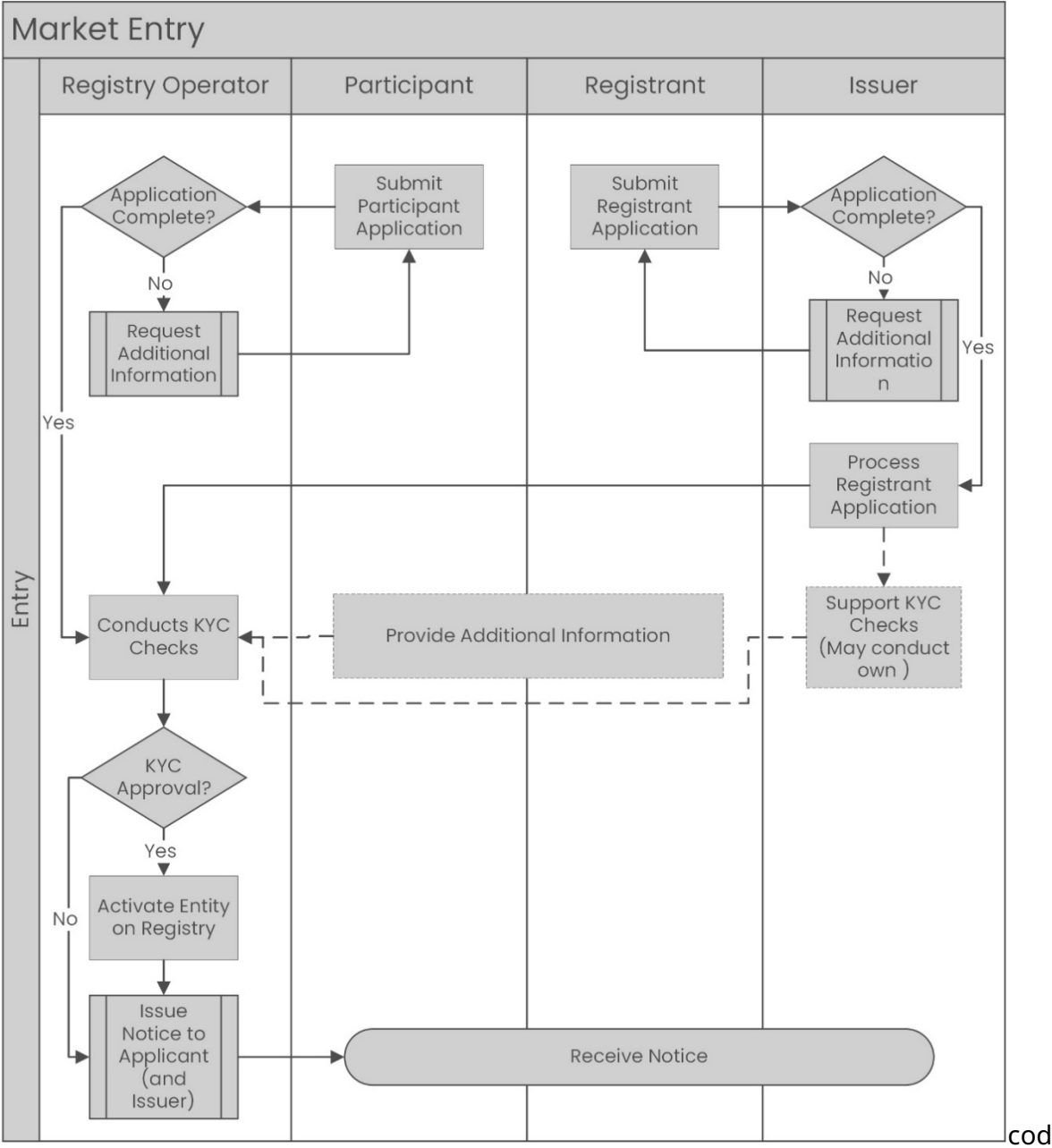


Figure 3. Market Entry Overview

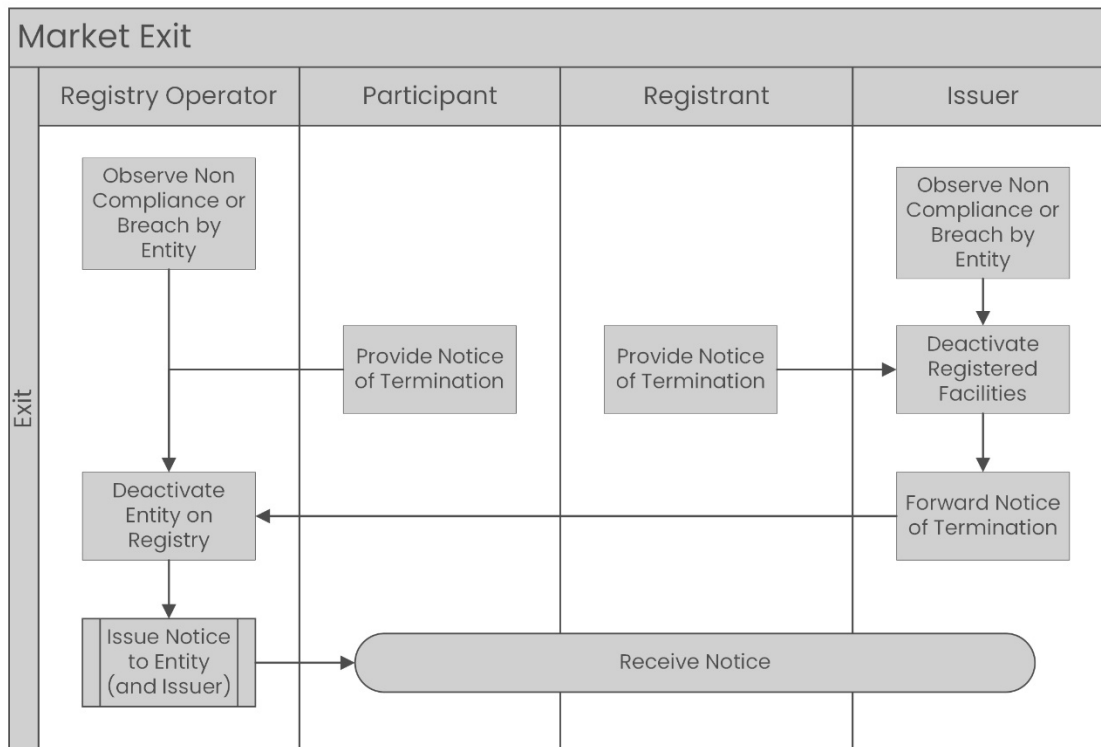


Figure 4. Market Exit Overview

6.3 Application

6.3.1 The Applicant

The Applicant must be a legal Entity.

6.3.2 The Application

The applicant must complete the application form(s) as specified on the C-Capsule website.

All information must be submitted in English, unless otherwise approved by the Code Manager, and appropriate supporting evidence provided where requested. Documents or other submissions in languages other than English shall be accompanied by an official English translation.

Applications as a Registrant shall be submitted to the relevant Issuer for processing.

Applications as a Participant shall be submitted to Evident for processing.

The Registry Operator or Issuer may request additional information to support an application and may reject an application if they are not satisfied that the Applicant has passed their Know Your Customer (KYC) and Anti-Money Laundering (AML) verification.

6.4 Application

6.4.1 Identity Check

The application will be reviewed by the relevant Issuer and/or Registry Operator who will carry out Know Your Customer (KYC) and Anti-Money Laundering (AML) checks on the Applicant. The relevant Market Facilitator must satisfy itself of the legal identity and good standing of the Applicant.

Accredited Entities are required to follow international good practice in the application of KYC and AML due diligence checks, where applicable.

In the interests of an orderly and transparent market, Accredited Entities may consult national and international anti-fraud and money laundering authorities and other relevant providers as part of the review.

6.5 Application

6.5.1 Identity Check

Where an application has been approved, the Registry Operator will enable relevant access to the Registry.

Confirmation that registration has been completed will be sent to the Applicant. The Registry Operator will also advise the lead user of their User ID and initial credentials for gaining access to the Registry.

6.5.2 Creation of Accounts

Once Registry access has been provided, Participants may create and manage Accounts on the Registry.

6.5.3 Credit Terms

Where the Registry Operator and/or Issuer is unable to establish an acceptable credit rating for the Applicant, they may at their sole discretion require a deposit or pre-payment for Services to be provided in accordance with any provisions that may exist within their respective Standard Terms.

6.5.4 Refusal

Where the Registry Operator and/or Issuer is unable to verify the identity of the Applicant or has reasonable reason to doubt the good conduct of the Applicant, or the authenticity of the evidence provided, they can refuse the application. This is in accordance with the requirements of the Standard, and the refusal decision with provided information will be shared with other Accredited Entities.

6.6 Suspension and Termination of Service

6.6.1 Termination by Registrants and Participants

Registrants and Participants may terminate agreements with the Registry Operator and/or Issuer without notice, and they will be eligible for a rebate for Services paid for but that have not been received, only if explicitly provided within the relevant Standard Terms. In the case of termination by a Registrant, clauses relating to monitoring shall endure after any such termination to ensure Durability of CDR activity.

6.6.2 Termination by Accredited Entities

Where an Accredited Entity terminates an agreement for reasons of default or non-compliance by a Market Entity, it shall have no obligation to re-contract with that Market Entity and no other Accredited Entity shall be obligated to contract with that Market Entity.

6.6.3 Termination by Code Manager

In the event that the Code Manager is prevented from providing Services through either a legal requirement or through contractual default, the Foundation, in coordination with all Issuers shall make all reasonable effort to ensure that a replacement Code Manager is appointed, and terms offered to all impacted Market Entities within a period of 3 months.

6.7 Authorised Entity Entry and Exit

6.7.1 Context and General Provisions

This section sets out the requirements that must be met for a Registry Operator, Issuers, Platform Operators, Verification Authorities, Labelling Authorities, Redemption Authorities, and Insurance Bodies to provide Services within the scope of this Product Code.

All Issuers, Platform Operators, Registry Operator, and any Infrastructure they operate shall be Accredited to the Standard. See *The International Attribute Tracking Standard* for further details of the Accreditation requirements and process.

Verification Authorities, Insurance Bodies, Labelling Authorities, and Redemption Authorities shall receive approval by the Foundation. See *The International Attribute Tracking Standard* for further details of the approval.

All Accredited or approved Entities must be Authorised by the Code Manager to provide Services under this Product Code. Such authorisation shall only be by an executed agreement between the parties.

Where an Issuer is also a Platform Operator, it shall not be permitted to take title of CRUs in its capacity as Platform Operator unless for the purpose of contractually near-instantaneous settlement or unless designated as Issuer and Platform Operator under relevant national legislation.

6.7.2 Process Overview

The basic process for entry is common for all Authorised Entities, as shown in Figure 5. Exit processes depend upon the nature of the Authorised Entity and the circumstances giving rise to the exit. Whilst standard processes for exit have been included in this Product Code, it is recognised that circumstance may require alternative action.

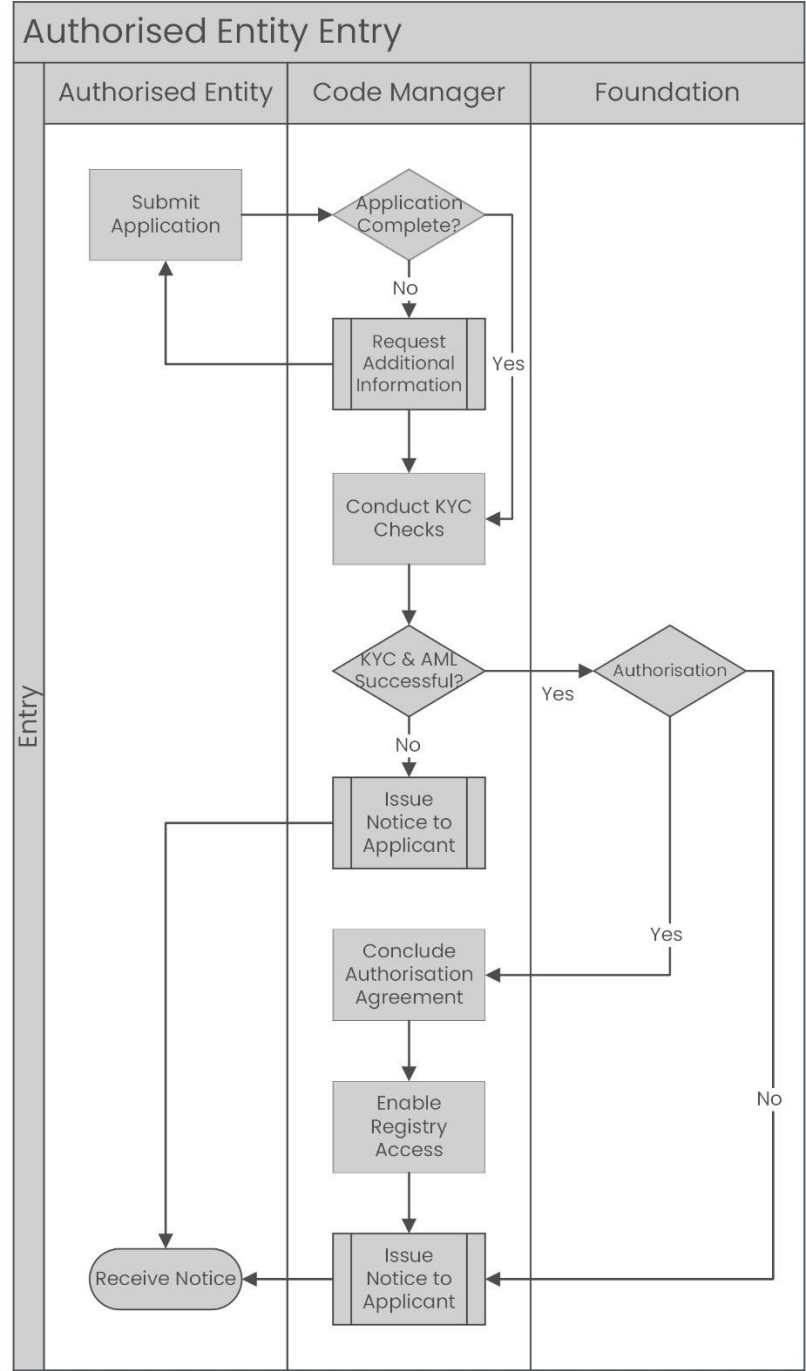


Figure 5. Authorised Entity Entry Process

6.7.3 Application

An organisation seeking to become an Authorised Entity under this Product Code must apply to the

Code Manager, including information required in *SF-08: Authorised Entity Application*.

The Code Manager will review the application and will consult with the Foundation should the Applicant not be Authorised to provide the Services proposed within the application.

All Applicants will be subject to KYC and AML checks as defined in section 6.4.

6.7.4 Assessment

The Code Manager shall assess the application. The duration of assessment will, provided all required information is available at the commencement of assessment, not normally exceed six weeks and will include preparation of an assessment report which shall be submitted to the Foundation.

The terms of reference for the assessment shall include, but not be limited to:

- The conformity of the Applicant's Infrastructure and internal procedures with the requirements, objectives, and principles of this Product Code,
- The ability of the Applicant to deliver a compliant, high-quality service, and
- The likely impact of any regions excluded within the nominated country.

6.7.4.1 Test Environments

The Applicant will be given access to one or more Registry test environments.

Where appropriate, the Code Manager, in coordination with the Registry Operator, will create a schedule of test scenarios in which the Applicant must successfully demonstrate competence. The results of the scenario testing may be used to inform the assessment.

6.7.4.2 Local Working Instructions

Issuers shall provide the Code Manager copies of all relevant Local Working Instructions for the provision of their intended Service. The Local Working Instructions must show how the Applicant will manage the full scope of intended Services to ensure compliance with this Product Code and where applicable, be compliant with the Standard.

6.7.5 Determination

An organisation seeking to become an Authorised Entity under this Product Code must apply to the Code Manager, including information required in *SF-08: Authorised Entity Application*.

The Code Manager will review the application and will consult with the Foundation should the Applicant not be Authorised to provide the Services proposed within the application.

All Applicants will be subject to KYC and AML checks as defined in section 6.4.

6.7.6 Authorisation

An Authorised Entity is considered authorised once it has entered into an Accredited or Approval Agreement with the Code Manager and, where relevant, the Foundation.

Accreditation or Approval Agreements shall not be entered into until an Authorised Entity has been deemed by the Code Manager and Foundation to have successfully met the required assessment criteria.

6.7.7 Access to Registry

Access to the Registry for Authorised Entities is granted through the respective Accredited or Approval Agreement. The Accredited or Approval Agreement may also provide rights to Authorised Entities to enable access to the Registry to Registrants and Participants subject to agreed terms.

Once Authorised, an Authorised Entity will be provided with the necessary access to the Registry so that it may provide Services.

6.8 Registry Operator Exit

If the Registry Operator is prevented from providing Services through either a legal requirement or through contractual default, the Code Manager shall make all reasonable effort to ensure that a replacement Registry Operator is appointed, and terms offered to all impacted Market Entities within a period of 3 months.

6.9 Platform Operator Exit

Where a Platform Operator intends to cease provision of Services, it shall notify the Code Manager providing no less than ninety days' notice. The Code Manager and the Platform Operator shall discuss any necessary arrangements for the management of the exit process with the aim of minimising disruption to Market Entities and customers of the Platform Operator.

Where a Platform Operator is unable or unwilling to provide Services, including non-exclusively for reason of business failure or contractual breach, the Code Manager may take any actions it deems necessary to minimise the impact of such an event on the Service.

6.10 Issuer Exit

Provisions for Issuer Exit are detailed in *section 16.4*.

6.11 Insurance Body Exit

Provisions for Insurance Body Exit are detailed in *section 17.3*.

6.12 Removal of Access

The Code Manager may suspend or terminate an Authorised Entity's access to the Registry without notice where the Accredited Entity is in breach of agreed terms or where, in the reasonable opinion of the Code Manager, it is necessary to remove access to preserve the integrity of the overall Service.

The Code Manager may at any time and without notice suspend or cease provision of Services through an Authorised Entity suspected of fraudulent activity or breach of this Product Code or any laws, including sanctions between countries.

In the event that the Code Manager disables the connection between a Platform and the Registry, all certificates held within a Marketplace Account shall be held in suspension pending either restoration of the connection or other resolution approved by the Foundation.

7 Facility Registration

7.1 Context and General Provisions

In order to have CRUs Issued, a Facility must first be registered in the Registry. Registration is initiated by a submission from a Registrant and administered by an Issuer duly authorised to act in the country in which the Facility is located.

Facility Registration shall include submission of a Facility Registration form and Project Design Document (PDD). The Facility and documentation audit shall be conducted by an approved Verification Authority in accordance with the nominated Methodology. The Issuer may act in the capacity of a Verification Authority at the sole discretion of the Foundation.

The Issuer shall satisfy itself that the information available in the Facility Registration form, PDD and any other associated documents are in line with what is expected from the relevant Methodology before approving the Facility Registration.

QP-01: Methodology Process describes the procedure by which new Methodologies and Methodology revisions are approved under this Code. Any Methodologies submitted to C-Capsule undergo a multi-stage approval process before they can be adopted.

The list of eligible CDR technologies and processes are set out in *SD-02: Eligible Removal Types*.

The registration process may be commenced at any time but cannot be completed before the Facility is substantially complete in engineering terms and capable of conducting CDR activity.

It is possible for a Facility to be registered under other tracking systems or registries, but it shall not receive more than one Attribute tracking certificate for the same metric tonne of CDR. Any changes to registrations for other tracking systems must be notified by the Registrant to the Issuer.

The Registrant shall first sign Standard Terms with the Issuer for any Facility to be registered.

Registrants remain responsible for updating registration details for Facilities where any provided data changes during the period of registration.

7.2 Process Overview

The Facility registration process is illustrated in Figure 6.

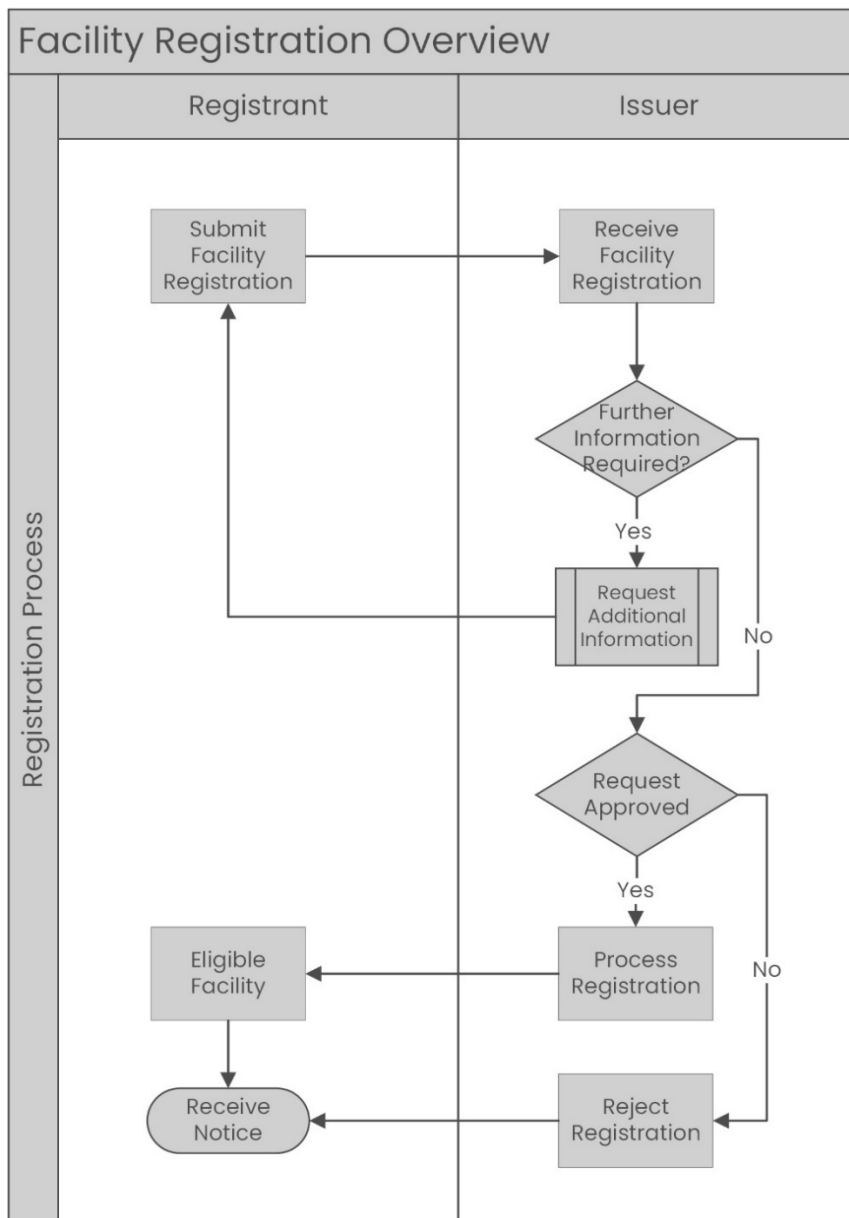


Figure 6. Facility Registration Process.

7.3 Required Information

The supporting evidence must, as a minimum include:

- Facility registration form,
- PDD
- Sample measurement evidence,
- Proof that the Registrant is the owner of the Attributes.

A Registrant must be the Facility owner or duly appointed by the Facility owner(s). Proof of this status shall be required (see Section 7.7). Such proof may be a copy of the legal ownership or an Owner's Declaration. See SF-02B: Owner's Declaration for details of the accepted wording for an Owner's Declaration.

It is the Registrant's responsibility to satisfy the Issuer that the proposed Facility registration is valid. The Issuer can request any additional information it deems necessary to verify the eligibility of a submitted Facility registration.

7.4 Validation

7.4.1 Initial Review

The Issuer will review the application to ensure:

- The Registrant is legally able to register a Facility on behalf of the Facility owner,
- The Registrant is not suspected to have engaged in fraudulent activity in relation to Attribute certificates or financial transactions,
- The Facility exists and is, in principle, eligible for C-Capsule, and
- There is not an existing registration for the Facility.

7.4.2 Project Design Document (PDD)

Facility Registration must include submission of a PDD, detailing the findings of a Facility and documentation audit by an approved Verification Authority.

The PDD shall include as a minimum:

- Emission Inventory,
- Expected Effect,
- The measurement point(s) relating to the Facility's Removal Output,
- Installed yearly CDR capacity, expressed in tonnes of CO_{2eq} of GHG,
- Unedited project photos (ideally with physical location embedded),
- Environmental and social risk register,
- Additionality Test
- The start date of the Audit Period over which the Facility Audit applies, and
- The end date of the Audit Period over which the Facility Audit applies.

7.4.2.1 Emissions Inventory

A detailed Emissions Inventory of the Facility and associated CDR process shall be included in the PDD. In order for the Verification Authority to assess the emissions inventory, the Facility boundary must be clearly defined in accordance with the relevant Methodology.

The type of emissions that a Facility shall include within the Emissions Inventory are enumerated in *SD-01: Methodology Guidelines*.

Lifecycle Emissions identified in the Emissions Inventory and included in the calculation of Eligible Quantity are defined as Calculated Emissions.

Where Calculated Emissions have been reported elsewhere, they are not required in the calculation of Eligible Quantity to avoid double counting. Evidence of external reporting shall be provided under these circumstances.

Scope 2 emissions should be evidenced through a Product Certificate Accredited under the International Attribute Tracking Standard, or another tracking scheme approved by the Code Manager and Foundation.

7.4.2.2 Eligible Quantity

The PDD shall include the Facility-specific Eligible Quantity, which is the formula used to calculate the eligible volume of CRUs that can be Issued per CDR event or activity. The Eligible Quantity accounts for the net CDR activity, subtracting the Facility's Calculated Emissions and Leakage buffer as described in the associated Methodology.

7.4.2.3 Expected Effect and Insurance Buffer

The Audit Report shall include a risk register that identifies any potential risks for one or more EOCDs to occur over a 100-year time horizon. Accounting for the risk of EOCDs, the Audit Report shall include a value for the Facility's Expected Effect that defines a percentage-based (%) likelihood for no EOCD to occur over a 100-year time horizon.

The quantification method for the Expected Effect shall be defined as part of a Methodology.

The Expected Effect will automatically determine the Insurance Buffer applied at each Issue Request. The Expected Effect reflects the percentage of CRUs allocated to the Insurance Account per Issue Request (i.e. 96% Expected Effect = 4% of CRUs deposited to the Insurance Account).

A Registrant may opt out of the Insurance Buffer at Facility Audit if they contract with an Insurance Body to manage the risk of an EOCD. Proof of contract between the Registrant and Insurance Body must be submitted to and accepted by the Issuer before any exit from the Insurance Buffer shall be permitted.

7.4.2.4 Installed Capacity

The PDD shall include the installed net CDR capacity of the Facility. A Facility shall not request Issuance of CRUs that exceed the yearly installed capacity provided at Facility Registration, unless the Issuer receives written consent and evidence signed by the Verification Authority that the Facility's capacity has increased since the last Facility Audit.

7.4.2.5 Environmental and Social Risk Register

The PDD shall demonstrate clear 'no harm' protections at a Facility that prevent or mitigate against the potential for negative externalities on the surrounding ecosystem and community.

The PDD shall include a risk register for any potential environmental and social impacts including the risks, likelihood, impact, and mitigation actions. The quantification method for identifying environmental and social risks shall be defined as part of a Methodology or evidenced through an Environmental Impact Assessment (EIA) which allows for the identification, evaluation, and

mitigation of any potential biophysical, social, and other relevant negative impact of the associated CDR activity.

The PDD should also include reference to one or more publicly documented standards of social and environmental safeguards.

Facilities with one or more high-level risks with little mitigation shall adopt an appropriate grievance or safeguard mechanism to address all stakeholders that could be impacted by the Facility.

7.4.2.6 *Audit Period*

An Audit Period is a period during which CDR activity at a Facility is eligible for CRUs. A valid Audit Period of a Facility must:

- Be of a length of time in line with what is defined by the Methodology,
- Not start earlier than the effective date of the associated Facility registration, and
- Have a start date approved by the Verification Authority during the Facility Audit.

To ensure minimal disruption to Issuance, it is recommended that Facility Audits for renewal are commenced before the end of the Audit Period. However, the start of a new Facility Audit's Period should not start before the end of the previous one.

7.4.3 *Site Inspection*

A site inspection will normally be required if:

- The Verification Authority is unable to conduct the Facility Audit remotely, or
- The relevant Methodology specifies the need for an on-site audit.

7.4.4 *Additionality*

The PDD shall include demonstration of Additionality, meaning the CDR activity generated at the Facility would not have taken place in the absence of revenue generated from CRUs. The nominated Methodology at Facility Registration shall define the eligible method(s) for evidencing Additionality for the Verification Authority to assess the eligibility.

Where significant non-carbon finance support exists within the project financials, Facilities may be able to prove Additionality where technological, financial, and regulatory barriers persist, as specified in the Methodology.

A Facility cannot be considered Additional where that CDR activity is mandated and enforced by law. The Issuer shall validate there are no legal requirements enforcing the CDR activity.

7.4.5 *Sample Measurement Evidence*

Facility Registration shall include sample evidence of the CDR event of activity that the Registrant intends to submit per Issue Request. The sample evidence shall state the name of the Facility, the Removal Period and measured quantity of Removal Output.

7.4.6 Sustainable Development Impacts

Registrants may elect to report how CRUs issued from their Facility serve to fulfil UN Sustainable Development Goals (SDGs) or other sustainable development criteria schemes within the PDD. The SDGs are a set of 17 global and interconnected goals established by the United Nations in 2015 to address a wide range of social, economic, and environmental issues. All claims made regarding SDGs must be evidenced during the submission of the Project Design Document, including how a project activity is consistent with the SDG objectives of the host country.

It is not the role of C-Capsule, nor the Issuer to attest to the degree of an SDG being achieved. In order for a CRU to receive a label denoting its SDG contributions, this must be verified by a Labelling Authority under an approved Labelling Scheme.

7.5 Final Review

The Issuer shall review the Facility Registration to ensure:

- The Verification Authority is duly approved to perform such a role for the relevant Methodology,
- The Facility meets the Additionality requirements set by the nominated Methodology, and;
- The Verification Authority approved the Audit Report submitted by the Registrant.

The Issuer will check other known registries to ensure the Facility is not like to be receiving Attribute certificates from any other sources.

7.6 Registration

Once the review is complete and satisfactory, the Issuer will approve and activate the Facility in the Registry.

7.6.1 Effective Registration Date

The Effective Registration Date shall be supported by verifiable evidence of the Facility characteristics on that date or earlier.

The Effective Registration Date of a Facility's registration shall normally be no earlier than its Commissioning Date. Exception to this may be agreed at the Issuer's discretion.

The Issuer will confirm to the Registrant that registration has been completed and will notify them of

any publicly visible identifiers assigned to that Facility. They will also confirm the first date of for which CRUs can be Issued.

Whilst no restriction is placed on the Effective Registration Date, Issuing is restricted in accordance with the provisions of section 9.

7.6.2 Expiry and Renewal of Registration

Registration of a Facility shall expire five years from the Effective Registration Date unless an earlier date is specified by the responsible Issuer. A Registrant may apply for renewal of registration in accordance with the general requirements for registration. Any renewal of registration shall be assessed based on the requirements in place at the time of renewal.

In accordance with the *SD-01: Methodology Guidelines*, Facilities shall commit to monitoring of a Facility beyond expiry of Registration, in adherence with this Product Code's Durability requirements.

7.7 Registrant's Declaration

SF-02A: Registrant's Declaration details the approved text to be signed by all Registrants in support of applications for Facility registration. If not submitted as part of *SF-02: Facility Registration*, for example if all registration data is submitted via an online form, it should be copied onto the Registrant's headed paper, completed and signed by an authorised representative of the Registrant. It can be scanned and submitted electronically to the Issuer. An Issuer may accept a company stamp as an alternative to an authorised representative's signature. Text within [square brackets] should be replaced with the appropriate content.

Issuers may accept Registrant's Declarations in languages other than English provided they are satisfied that the effect remains as specified in *SF-02A: Registrant's Declaration*. A legally certified translation into English of that document may be required.

If supported by the responsible Issuer, the Registrant's Declaration may be completed as a PDR with electronic signature.

7.8 Owner's Declaration

Where a Registrant is not the Facility owner, the Facility owner shall be required to submit a declaration confirming that the Registrant has been assigned the rights to register the Facility. *SF-02B: Owner's Declaration* details the approved text to be used in such case. It should be copied onto the Facility owner's headed paper, completed, and signed by an officer of the Facility owner. It can be scanned and sent electronically to the Issuer. An Issuer may accept a company stamp as an alternative to an officer's signature. Text within [square brackets] should be replaced with the appropriate content.

Issuers may accept Owner's Declarations in languages other than English provided they are satisfied that the effect remains as specified in *SF-02B: Owner's Declaration*. A legally certified translation into English of that document may be required.

If supported by the responsible Issuer, the Owner's declaration may be completed as a PDF with electronic signature.

8 Certificate Issuing

8.1 Context and General Provisions

A CRU can only be Issued against independently verified evidence of a historical CDR event or activity (ex-post). That evidence can be of direct form, through measurement data relating to a registered Facility, or it can be indirect through the transfer of information from an alternative tracking scheme approved by the Code Manager. The type of evidence submitted at Issue Request will vary between the Methodology nominated at Facility Registration.

An Issue Request shall only be approved where the Issuer is satisfied that requested CRUs in respect of the evidence provided will be a unique representation of the environmental Attributes of the measured quantity.

The Issuer will store all documentation related to the Issued CRUs in the Registry.

Evidence for the quantity of Removal Output of a Facility shall follow the same format as the sample evidence provided at Facility Registration (section 7.4.5) for the Issuer to approve the Issue Request.

A Methodology may require a Verification Authority to gather and validate the measurement evidence of Removal Output for each Issue Request.

8.2 Process Overview

The Issuing process is illustrated in Figure 7.

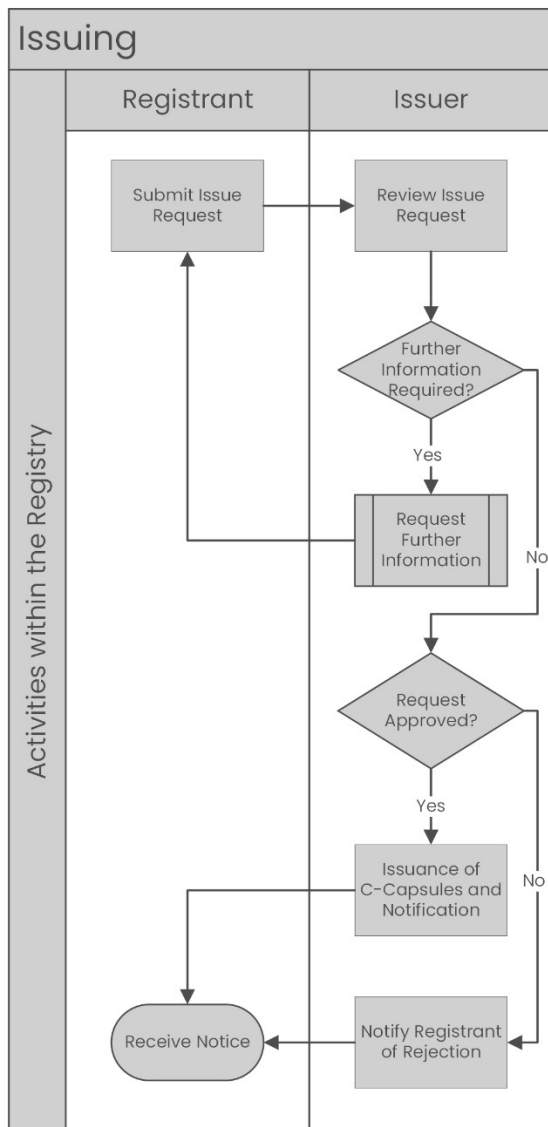


Figure 7. Carbon Removal Unit Issuing Overview

8.3 Eligible Quantity

The volume of CRUs eligible per CDR activity refers to the Eligible Quantity formula defined at Facility Registration and quantity of Removal Output defined at Issue Request. The Eligible Quantity shall account for the Calculated Emissions and Leakage Buffer.

8.3.1 Insurance Buffer

Insurance Buffer represents a percentage-based allocation of CRUs and will be deposited into an Insurance Account per Issuance event (see 7.4.2.3). An Insurance Buffer is not applied where the Expected Effect is 100% or the Registrant has contracted with an Insurance Body to manage the risk

of an EOCD.

In the event of the dissolution of C-Capsule or the inability of C-Capsule to manage the insurance buffer pool, the pool will be managed by Evident, C-Capsule's co-founder, or a comparable qualified organisation of Evident's election.

8.4 Eligible Quantity

For a Removal Period to be eligible for Issuing it shall:

- Be any duration equal to or less than one year,
- Be wholly within a single calendar year,
- Not end later than the day of the Issue Request submission,
- Not start earlier than the start date of an active Facility Audit Period,
- Not end later than the end date of an active Facility Audit Period,
- Not overlap with the Removal Period of another existing Issue Request or of any CRUs that have been previously Issued from another Issue Request for the same Facility unless such Issue Request or Issued C-Capsule has been withdrawn or deleted, and
- Not include any period not specified within a valid owner's declaration for the associated Facility.

8.5 Required Information

It is the Registrant's responsibility to satisfy the Issuer that the Issue Request is valid, and the CDR activity is eligible for Issuing of CRUs. The required information shall be defined at as per the Methodology chosen at Facility Registration. The Issuer shall check that the evidence submitted adheres with the list of acceptable evidence against the relevant Methodology. The Issuer may request additional information it deems necessary to verify the admissibility of an Issue Request.

It is the Registrant's responsibility to satisfy the requirement of this Product Code and to the satisfaction of the Issuer.

The quantity of Removal Output shall be provided to the nearest whole kg of CO_{2eq}.

8.5.1 Self-Mitigation Carbon Removal Units

A Registrant requesting the Issue of a CRU for claim within their own business should identify a Self-Mitigation Redemption Account (section 9.1.3) as the receiving Account on the Issue Request. This Self-Mitigation Redemption Account may be registered to the Registrant or responsible Issuer.

The Issuer must be satisfied that the following criteria have been met:

- The organisation and the Facility must each be at least 51% equity owned by a common holding company.
- The mitigation site and the location of the Facility must be in the same country.
- The measurement evidence for the organisation has been independently verified to at least the standard of the removal quantity data.

- The volume of CRUs requested does not exceed the volume of mitigation.

8.5.2 Indirect Evidence

Indirect evidence may be provided by a tracking scheme approved by the Code Manager. The precise detail of the transfer will depend on the tracking scheme and its exit procedures. However, there are general principles which must be followed.

The Issuer may request additional information such as the original proof of the CDR activity to verify the admissibility of an Issue Request.

8.5.2.3 Issuing Carbon Removal Units

Once the Issuer is satisfied that CRUs Issued in respect of the evidence provided will be a unique representation of the Attributes of the CDR activity, they shall create a record in the Registry. This will use data from the tracking scheme to convey that the appropriate number of CRUs have been Issued.

8.6 Issue Request Submission

The Registrant must submit a completed Issue Request and all other information which may be required by the Issuer for an Issue Request to be processed. It is the Registrant's responsibility to provide evidence to the Issuer in a timely manner.

8.7 Issuer Review

On receipt of an Issue Request that is complete and duly authorised, the Issuer will check whether the measured quantity has not been presented to any other system for the purpose of Attribute tracking. Any identified inconsistency with the declaration given by the Registrant or other queries will be raised with the Registrant.

Any residual GHG quantity remaining after Issuing for previously approved Issue Requests may be added to the eligible volume of CRUs. The number of CRUs to be Issued will be the number of whole metric tonnes of GHG in this summation.

CRUs will not be Issued where the Registrant is in default of payment terms with the Issuer in relation to the Service.

8.8 Confirmation of Issuing

Where the Issuer is satisfied that all requirements for Issuing have been met, it will proceed with the Issuing of CRUs into the Account nominated by the Registrant.

8.8.1 Service Timing

If no further information is required, the Issuer will normally Issue CRUs within ten business days of receiving a complete Issue Request with supporting evidence. If notified by the Registrant, the Code Manager will raise any failure to meet this service level with the responsible Issuer. Unless explicitly stated in the relevant Standard Terms, the service level stated in this section 8.8.1 is indicative and non-binding.

9 Certificate Ownership and Transfer

9.1 Account Types

The Registry supports multiple classifications of Accounts with the flow of C-Capsule between account types shown in Figure 8.

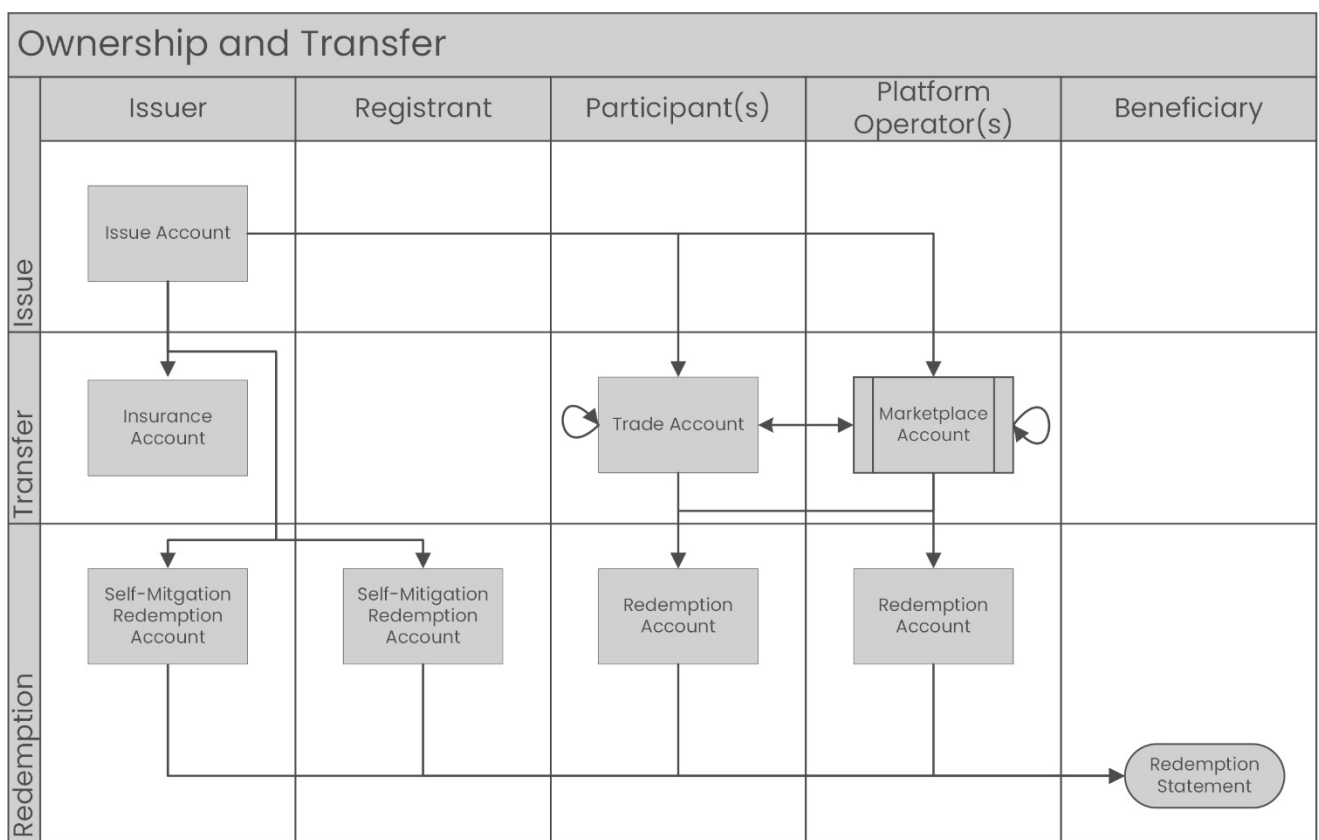


Figure 8. Ownership and Transfer Overview.

Available Account types are:

9.1.1 Issue Account

An Account operated by an Issuer and capable only of sending CRUs to another Account.

9.1.2 Insurance Account

An Account that can only hold CRUs from which it cannot be transferred. An Insurance Account is operated by an Insurance Body to manage the risk of an EOCD.

9.1.3 Self-Mitigation Redemption Account

An Account operated by a Registrant, Issuer (on behalf of a Registrant) and capable only of receiving C-Capsule from another Account.

9.1.4 Trade Account

An Account that can only hold CRUs that have not been Redeemed. A Trade Account is operated by a Participant and can receive and send C-Capsules from, or to another Account.

9.1.5 Marketplace Account

An Account operated by a Platform Operator and capable of receiving and sending C-Capsules from, or to another Account.

9.1.6 Redemption Accounts

An Account that can only hold CRUs that have been Redeemed. A Redemption Account is operated by a Participant or Platform Operator and is capable only of receiving CRUs from another Account.

9.2 Ownership of Attribute Rights

Custodianship of CRUs and the associated Attribute rights are recorded in the Registry.

Where a CRU is held within a Trade Account, it is deemed owned by the Participant owning that Trade Account.

Where a CRU is held within a Marketplace Account, the record of ownership shall be maintained by the relevant Platform Operator.

Where a CRU is held within a Redemption Account, it is deemed owned by the Beneficiary recorded on the Redemption transaction.

9.3 Transfer of Ownership

Transfer of CRUs between Accounts within the Registry is initiated and completed by the Account holder of the source Account. No confirmation is required by the Account holder of the Destination Account.

10 Redemption

10.1 Context and General Provisions

Before any claim can be made, the CRU must be removed from a Trade Account and placed in a Redemption Account or Self-Mitigation Redemption Account, from which it cannot be transferred. This process is known as Redemption.

Once a CRU has been Redeemed, only one claim to the underlying Attributes of that CRU can be made. Participants can generate a Redemption Statement from the Registry which can be used as a disclosure statement.

Redemption of CRUs is initiated and completed by the Account holder of the source Account. No confirmation is required by another party.

The use of a CRU can only be verifiably assigned to an End-user (described as Beneficiary) upon Redemption.

All Redemptions shall be recorded within the Registry. The detailed process and requirements for producing and using Redemption Statements are set out in section 10.6.

The act of Redemption is irreversible and error correction is only permissible upon demonstration to the Registry Operator that the Redemption details have not been used for any purpose.

Error correction of Redemptions is at the sole discretion of the Registry Operator and may be subject to payment of a fee, to be agreed in advance, to cover any work involved.

10.2 Self-Mitigation Redemption

Where a Registrant wishes to report the Assignment of CRU for self-mitigation, it shall notify the responsible Issuer as part of the Issuing process set out in *section 8*.

10.3 Required Information

At Redemption, the responsible Participant shall record the Beneficiary, volume of Redemption, purpose of Redemption, location of related mitigation, and Reporting Period relating to the Redemption. Once a Redemption has been processed these details may not be amended.

10.4 Assignment

Where the Beneficiary is not the responsible Participant, the act of Redeeming CRUs on behalf of that Beneficiary is known as Assignment, and the rights to any associated claim shall vest solely and irrevocably to the Beneficiary. Beneficiary details will be listed on the Redemption Statement.

10.5 Eligibility of Carbon Removal Units for Redemption Purposes

10.5.1 General Provisions

As a statement of verified historical fact, a CRU is enduring and does not have an expiration date. The eligibility of a CRU to be Redeemed for a purpose may expire in accordance with the requirements of the Entity to which the Redemption is reported or any applicable law. As a general rule, there are no restrictions on Redemption where the Issuing Country and Redemption Country are the same.

10.5.2 Consistency with Article 6

A CRU may be used as an Internationally Transferred Mitigation Outcome (ITMO) under Article 6 of the Paris Agreement where Corresponding Adjustments (CA) have been officially declared between the Export and Import Country as required. CRUs compliant with Article 6 will be eligible for a 'Article 6 Corresponding Adjustment (CA) Label' to be conveyed on the Redemption statement. Redemption information will be made available on the public Registry.

The type of evidence used to convey that a CA has been made must be formalised between the Code Manager and government agency acting on behalf of the Export and Import Country, prior to the issuance of the associated CRU.

An annual report will be created and published by the Code Manager that summarises transactions within each country CRUs were issued. The report will use the location of Redemption when reporting custodianship of CRUs, with CRUs in circulation seen as being 'held' by the Issuing Country until assignment of such Attributes (Redemption) have been made. This report will include all CRUs Issued and Redeemed in that year, regardless of whether a Corresponding Adjustment was made.

Recognising that the UNFCCC and related bodies (e.g. the Article 6.4 Supervisory Body and Secretariat) may continue to develop guidance related to the implementation of Article 6, C-Capsule will incorporate into its procedures relevant decisions and guidance on emissions accounting and ITMO market rules, according to the procedures outlined in Section 20.9 of this Code.

10.5.3 Compliance with International Frameworks

Recognising the global nature of carbon accounting and its potential implications on international climate targets, the C-Capsule Code incorporates provisions to align with international frameworks and agreements, notably the Paris Agreement. This includes measures to prevent double counting in the context of Nationally Determined Contributions (NDCs) and other international carbon accounting mechanisms, ensuring that CRUs contribute to genuine reductions in atmospheric carbon levels.

10.5.4 Compliance with ICAO and CORSIA

All CRUs meeting the eligibility criteria for Redemption within the Carbon Offsetting and Reduction Scheme for International Aviation, known as CORSIA, must be labelled 'CORSIA Eligible'. Registrants must submit identifying details of CRUs they are issued to the associated National Focal Point of the Facility's host government, as identified by the UNFCCC table of National Focal Points. 'CORSIA

Eligible' CRUs will require a letter of attestation from the relevant National Focal Point to assure no CRUs are double claimed by aircraft operators under CORSIA and in NDC reporting. Letters of attestation from the host country of the CDR activity will be listed on the public Registry. These letters must be acquired and provided by the Registrant and explicitly:

- identify the specific Facility and acknowledge that the project may contribute to an emissions reduction in the country;
- authorise the use of the Facility's CRUs by aircraft operators to meet offsetting obligations under the CORSIA;
- attest to the intention to properly report for and/or account (if applicable) for the export of CRUs towards the offsetting obligations under the CORSIA;
- attest that the country will not claim the emissions reductions generated by the Facility toward its NDC or will apply a Corresponding Adjustment, as detailed in guidance by the UNFCCC on Article 6 of the Paris Agreement, to its inventory and report it in its Biennial Transparency Report;
- detail a process – supported by a reputable third-party guarantee, enforceable by law and acceptable to C-Capsule – for the host country or Registrant to compensate any CRUs found to have been double claimed in the host country's NDC with CORSIA-eligible CRUs, if possible, of the same vintage, methodology, and sequestration type.

Within the annual report completed by the Code Manager detailing annual imports and exports by country, Redemption of all CRUs will be accounted. This report will be provided to the relevant National Focal Point and the Code Manager will reconcile these reports against the host country's Biennial Transparency Report and annual transaction reporting submitted to the Article 6 database. In the event of a discrepancy (e.g. emissions represented in a CRU authorised for export being claimed toward an NDC and not modified by a Corresponding Adjustment), the Code Manager will notify the National Focal Point, Registrant, and any relevant Participant. The Registrant and National Focal Point shall compensate the affected CRU claimant according to the procedure detailed in the Letter of Attestation.

If CORSIA-eligible CRUs are found to have been claimed towards a country's NDC, or other compliance scheme, the Code Manager, Registry Operator, and Foundation shall not be held liable in any capacity.

10.6 Redemption Statements

A Redemption Statement is a uniquely verifiable report confirming the Redemption and Assignment of CRUs.

Only Redemption Statements produced within the Registry are valid for disclosure purposes. Transaction copies and extracts do not constitute evidence of a Redemption.

Participants shall not create or use alternative forms of Redemption Statements.

Redemption Statements shall include a QR code and verification key that can be used to confirm their validity.

10.6.1 Display of Labels

CRUs may be used to convey additional criteria beyond the scope of the core Product specification detailed in this Product Code. Where Labels have been applied, these may be displayed on the Redemption Statement.

11 Event of Carbon Default

11.1 Context and General Provisions

The Code Manager recognises the impact of potential non-permanence from CDR activity and has adopted a robust mechanism to compensate for an Event of Carbon Default (EOCD).

A Reversal of GHG is considered an EOCD where the quantity of GHG released exceeds the associated Leakage of a Facility.

Registrants shall either have an Insurance Buffer applied at Issue Request (see section 9.3.2), or contract with an Insurance Body to manage the risk of an EOCD and potential remediation of CRUs (see section 16).

It is the Registrant's responsibility to ensure robust and reliable monitoring of Facilities, so that if an EOCD occurs, it can be promptly reported to the Issuer.

Any C-Capsule in circulation defaulted through the occurrence of an EOCD will be flagged on the Registry for the purpose of transparency. Any Redeemed C-Capsule that has been subject to an EOCD will be notified to the associated Beneficiary Account holder.

11.2 Investigation and Audits

Any Entity who suspects an EOCD has occurred at a Facility and not reported in a timely manner may request the Code Manager to start an investigation. For any potential investigation into a potential EOCD to be considered, sufficient evidence must be submitted and any decision into the validity of the request and need for an investigation is at the sole discretion of the Code Manager or Foundation.

During any investigation period, the Issuer and Code Manager reserves the right to suspend any active Facility registrations or Issue Requests with the associated Registrant, until the investigation has been resolved.

The Code Manager, Issuer, or Verification Authority may, at any time, conduct an unannounced audit visit to a Facility to investigate a possible EOCD.

Any Entity may request an investigation to the Code Manager providing reasonable justification and supporting evidence. To avoid unreasonable market disturbance, the Code Manager or the Foundation are the only Entities who can initiate such an investigation should they consider the request justifiable.

11.3 Reporting

The Registrant shall immediately notify the Issuer of an EOCD at a Facility. Where an EOCD has been identified, the Registrant shall appoint, at its expense, an approved Verification Authority listed in their associated Methodology to verify the characteristics of an EOCD using the *SF-07: EOCD Report Template*. This shall include details relating to the number of CRUs affected (i.e., magnitude of the EOCD), the causal factor(s), and degree to which the EOCD was the result of failing to follow the associated Methodology or inadequate Methodology.

The *EOCD Report* must be submitted to the Issuer/Insurance Body no later than sixth months after the EOCD has occurred. The Registrant may appeal for an extension to the Issuer/Insurance Body with reasonable justification. An extension may be granted where the Registrant can evidence a lack of accessibility to the site where the EOCD has occurred (i.e. in the event of a natural disaster). Where an EOCD report has not been submitted within the allocated timeframe and no extension has been permitted, the Registrant's account will be suspended and will not be eligible to submit further Facility registrations, Audits or Issue Requests.

11.4 Cancellation of Carbon Removal Units

After the EOCD Report has been submitted to the Issuer/Insurance Body, affected CRUs shall be remediated by cancelling a volume equivalent to the magnitude of EOCD in an Insurance Account.

Under this Product Code, each EOCD shall be remediated by the Insurance mechanism chosen by the Registrant. Each defaulted CRU must be matched by CRUs cancelled from an Insurance Account owned and managed by the Issuer/Insurance Body.

If a Registrant has contributed to an Insurance Account through an Insurance Buffer, an amount of CRUs equivalent to the magnitude of EOCD shall be cancelled by the Issuer or Insurance Body associated with the Facility. The cancellation shall occur from an Insurance Account owned by the Issuer or Insurance Body within thirty business days of receiving an EOCD Report.

Registrants may choose to appoint an Insurance Body to manage the risk of an EOCD and avoid an Insurance Buffer at Issue Request. Where a Registrant has contracted an Insurance Body, the Insurance Body shall cancel a volume of CRUs equivalent to the magnitude of the EOCD from their Insurance Account within thirty business days of notification of an EOCD Report.

The Issuer/Insurance Body shall provide the Code Manager with evidence that the amount of C-Capsule defined in the EOCD Report have been cancelled from their Insurance Account.

This Product Code observes a hierarchy of criteria to determine which C-Capsule(s) held within an Insurance Account shall be cancelled by the respective Issuer/Insurance Body after an EOCD has been confirmed. In the first instance, CRUs should be cancelled from the direct contributions relating to the Facility responsible for the EOCD. If the respective Facility's contributions to the Insurance Account are less than the magnitude of EOCD, CRUs shall be cancelled from the Insurance Account in the following preferential order:

1. Labelling Scheme or Compliance Program

2. Expected Effect
3. Vintage
4. Methodology
5. Sequestration Type
6. Country

No further Issue Requests by the associated Registrant shall be approved by the Issuer until CRUs equivalent to the magnitude of EOCD have been cancelled from the Registry.

It is the Code Manager's responsibility to declare an EOCD to the Beneficiary Account holder(s) within thirty business days of receiving an EOCD Report. The associated Account holder(s) shall be informed by the Issuer which replacement CRUs were cancelled from an Insurance Account within thirty business days following the cancellation.

11.5 Revaluation of Expected Effect

Following an EOCD Report, the Issuer may consult with the Code Manager to determine whether the Expected Effect defined at Facility Registration provides a true representation of the risk of EOCD and if not, requires adjustment. The Issuer may request the Registrant initiates a new Facility Audit to reassess the Expected Effect of the respective Facility.

11.6 Revaluation of Methodology

If, following the results of an EOCD investigation, the Foundation has reason to believe that the process described in a Methodology does not reach the requirements set up in the *SD-01: Methodology Guidelines*, it reserves the right to withdraw the Methodology's approval and/or request a change. In the event of the withdrawal of a Methodology's approval by the Foundation, all Issuing of CRUs to any Facility registered against the respective Methodology may be suspended until further notice. Facilities registered against a Methodology which have lost approval status may be required to register against an alternative Methodology.

12 Error Management

12.1 Context and General Provisions

A CRU shall not be deleted or altered except for the correction of an error. Where it becomes clear that a CRU has been Issued in error, it may be subject to withdrawal. If this is not practicable, other remedial action may be taken to preserve the integrity of the Service.

Where the Code Manager or Registry Operator becomes aware that the provenance of a CRU is suspect, it may suspend the C-Capsule from Transfer or Redemption until any required investigation has concluded. The Registry Operator may amend the details of a CRU or take other appropriate remedial action when it has been confirmed that such an error exists.

CRUs may not be subject to amendment or withdrawal after Redemption other than by agreement with the respective Participant.

An EOCD and subsequent cancellation of CRUs in an Insurance Account is not considered as an error defined in this section of the Product Code.

12.2 Process Overview

Errors are unplanned occurrences, and the handling of errors is therefore bespoke to the encountered circumstance.

Where an Entity identifies an error, it shall immediately notify the Registry Operator by mail to the helpdesk email.

The Registry Operator will respond promptly to all notified errors, seeking to remedy the situation with minimal impact.

In the event of an error being identified after the Issue of a CRU, but before it has been Redeemed, the Registry Operator will withdraw or amend the C-Capsule concerned and notify the Participant in whose Account the C-Capsule exists. Following withdrawal, replacement CRUs may be issued by the originating Issuer.

12.3 Record Keeping

The Registry Operator shall keep a record of all notified errors, investigations conducted, and remedial actions taken.

12.4 Prevention of Recurrent Errors

The Registry Operator shall seek to minimise the recurrence of errors where practicable, identifying and implementing process or system improvements to prevent the recurrence of all notified errors.

13 Complaint Management

13.1 Context and General Provisions

Any Entity or group of Entities may submit a complaint to the Code Manager. The Code Manager will review all received complaints and determine, acting reasonably, the most appropriate process for resolution. To be considered, they shall relate only to the subject matters covered by this Product Code, including but not limited to:

- Accredited Entities, their service performance, or their Standard Terms,
- Market Entities or their actions, or
- Regulations of this Product Code or their interpretation.

On submission of a complaint, the notifying Entity should indicate if it believes the situation requires an urgent investigation to minimise potential impact. The reason for the urgency of the investigation as well as the identified potential impact(s) must also be clearly stated upon submissions of such a complaint.

13.2 Process Overview

The process by which complaints are managed is illustrated in Figure 9.

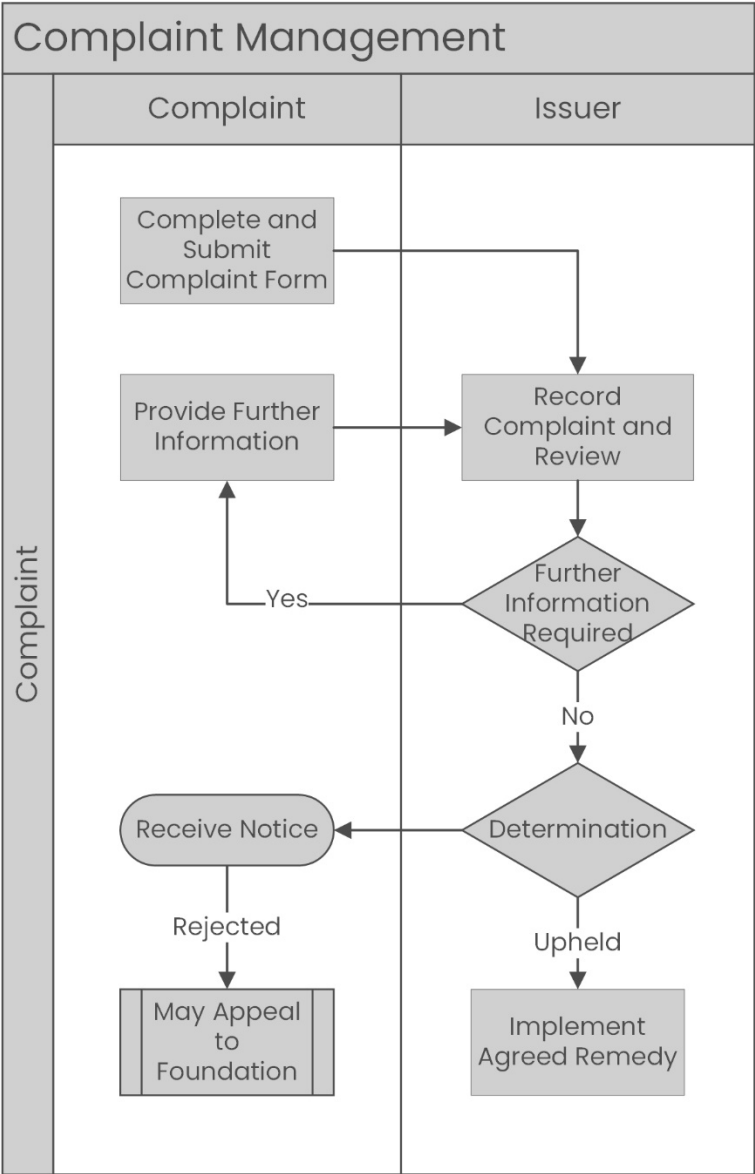


Figure 9. Complaint Management Overview

13.3 Reporting a Complaint

An Entity notifying a complaint shall document the complaint via a complaint form, *SF-04: Complaint*.

13.4 Complaint Handling

Following receipt of a complaint, the Code Manager must record the basis of the complaint and

details of any associated Entities.

Based on the Code Manager's opinion of the urgency of the complaint, the Code Manager shall establish an appropriate process through which the complaint can be further evaluated, informing affected Entities if deemed necessary.

The Code Manager may request the Entity notifying the complaint and/or other Entities, respond to questions in relation to the complaint to enable effective resolution of the matter. The Code Manager may at its discretion implement further investigatory procedures, including in relation to any Entity materially affected by the complaint.

The Code Manager may elect to constitute formal or informal discussions with any affected Entity with the goal of resolution.

13.5 Determination

Once the complaint has been evaluated and the Code Manager has determined a resolution or response, it shall notify affected Entities.

The Code Manager shall not be required to provide a resolution in relation to the complaint. At the request of any affected Entity, an unresolved complaint may be submitted to the Foundation for consideration.

14 Support for Platforms

14.1 Context and General Provisions

The Registry Operator's Service is designed to be open and inclusive, with both technical and commercial services intended to facilitate cooperation with other Entities. The Registry is designed to enable other Entities to provide services to customers both outside the scope or in place of existing Registry functionality.

All Infrastructure connected with the Registry must be approved by the Code Manager and any connection is subject to agreement with the Code Manager.

All Platforms connected with the Registry shall be Accredited to the Standard.

14.2 Marketplaces

Where a Platform provides a system to transfer or Redeem CRUs (such platform being known as a "Marketplace"), any C-Capsule placed onto that Marketplace shall be transferred into a Marketplace Account held by the Platform Operator in the Registry.

The Platform Operator shall maintain an auditable record of all transactions on its Marketplace including details of any Entity that takes ownership or title of CRUs placed onto that Marketplace. All such records shall be made available to the Code Manager on demand.

Where CRUs are Redeemed on a Marketplace for an Entity not being a Market Entity, they shall be Redeemed into a Redemption Account held by the Platform Operator in the Registry.

14.3 Data Collection Infrastructure

For the avoidance of doubt, Infrastructure that provides functionality, which is not present within the Registry, with the exclusive purpose of collecting data from Facilities is not classified as a Platform and there is no requirement for such Infrastructure to be Accredited.

Such Infrastructure may be subject to technical review at the discretion of the Registry Operator prior to Authorisation for connection to the Registry.

14.4 Market Entity Infrastructure

Market Entities may implement their own Infrastructure as extensions to the Registry.

For the avoidance of doubt, Market Entity Infrastructure that is not capable of being used to provide any functionality to third parties other than the viewing of Redemptions or reports relating to Redemptions is not classified as a Platform and there is no requirement for such Infrastructure to be

Accredited.

15 Issuers

15.1 Issuer Service Provision

The Code Manager Service involves several Issuers authorised to make certificate entries in the Registry. Issuers operate under a contract with the Code Manager that contains geographic restrictions on where they may provide Services defined in collaboration with the Foundation.

In addition, the Code Manager has designated a Central Issuer that is allowed to provide Services in any country, with the exception of those where another Issuer has been exclusively designated under relevant national legislation or otherwise defined by the Foundation.

The Central Issuer may not be a Participant, Registrant, or Facility owner.

In addition to its activities as Issuer, the Central Issuer provides support to other Issuers and acts as a centre of excellence.

15.1.1 Local Issuers

The Code Manager recognises that local delivery of Services provides benefits for many Market Entities. The Code Manager shall, where required by legislation or in response to market demand, seek to work with suitably qualified Entities to support their Accreditation with the intention of engaging with them as Issuers for C-Capsule.

In exceptional cases where an Issuer is also a Registrant, or Facility owner in its country of Accreditation (which shall only be permitted if legislation specifies the Issuer and agreed by the Foundation), the Central Issuer shall act as Issuer for all the Facilities operated by the Issuer in that country.

15.1.2 Extra-territorial Services: Allowance of External Issuer Service

An External Issuer can perform the role of a Registrant without a formal Registrant agreement if they have been expressly instructed to do so on behalf of a Registrant for whom they have signed a Registrant agreement. The Issuer is obliged to support the External Issuer unless otherwise forbidden by national regulation and following notification to the Code Manager and Foundation.

The Issuer is obligated to perform the normal checks associated with Facility registration and C-Capsule Issuance but must also check the existence of a signed Registrant agreement between the External Issuer and requesting Registrant.

All liabilities for the delivery of information to the External Issuer must be borne by the Registrant.

Fees for External Issuer Services are in line with the Code Manager Issuer Agreement.

15.1.3 Authorisation of Issuers

Except where legislation prohibits, the Code Manager may at its sole discretion authorise more than one Issuer to provide Services within a single country following approval of the Foundation.

All Issuers operate under the requirements of the Standard and within their geographic scope of Accreditation. Except where legislation prohibits, the Central Issuer is authorised to provide Services in all countries.

Where an Issuer is unable to provide Services or loses its Accreditation status, the Code Manager shall seek to authorise a replacement Issuer in a timely manner to minimise impact on Market Entities.

15.2 Tariffs

Issuers may operate with a standard tariff priced in an appropriate local currency, Euro, or US Dollars except that the Central Issuer will operate with a standard tariff priced in Euro for Services regardless of the country in which they are provided. Registrants are responsible for payment of all exchange charges and withholding or similar taxes which may be applied.

All tariffs are subject to annual review by the Code Manager.

Reductions to tariffs may be affected without notice.

Increases to tariffs shall be notified at least 28 business days in advance of effect or such earlier date as may be specified within the relevant Standard Terms.

15.3 Transferring Registrations

All Issuers shall provide support to Registrants wishing to transfer a registered Facility to another Issuer. The transfer process shall be facilitated without unreasonable delay and no re-registration shall be required except where either the new Issuer has additional requirements for registration compared with the old Issuer or the registration has reached the expiry date.

15.4 Withdrawal of an Issuer

An Issuer can withdraw provisions of Services as a whole or for a geographic region of its Service.

The Code Manager may terminate or modify its agreement with an Issuer, withdrawing its authorisation to provide Services under this Product Code either as a whole or for a geographic region of its Service.

15.4.1 Notice of Withdrawal

Where an Issuer wishes to cease providing Services, it shall notify the Code Manager and all contracted Registrants providing no less than six calendar months' notice. Where local laws permit, the Code Manager shall ensure that a replacement Issuer is authorised in the relevant country and

terms offered to all impacted Registrants. An Issuer may not register new Facilities during the notice period without the explicit authority of the Code Manager.

In the event that an Issuer is prevented from providing Services through either a legal requirement or through contractual default, the Code Manager shall make all reasonable effort to ensure that a replacement Issuer is authorised in the relevant country and terms offered to all impacted Registrants within a period of three calendar months.

15.4.2 Issuer Business Failure

In the event of a business failure such that an Issuer has ceased trading operations, the Code Manager will publish that information on its website as soon as it becomes aware of the situation and shall make all reasonable effort to ensure that a replacement Issuer is authorised in the relevant jurisdiction and terms offered to all impacted Registrants within a period of three calendar months.

15.4.3 Contract Breach

Where the Code Manager determines that there has been a breach of contract by an Issuer, it may withdraw authorisation for that Issuer to act under this Product Code and notify those Registrants contracted to the Issuer invoking the business failure provisions under section 15.4.2.

16 Insurance Bodies

16.1 Insurance Body Service Provision

Registrants may seek to contract with Insurance Bodies to provide independent risk management Services against the occurrence of an EOCD where they do not wish to have an Insurance Buffer applied at Issue Request.

Insurance Bodies can manage one or more Insurance Accounts on the Registry.

16.2 Requirements

Insurance Bodies shall always ensure that the volume and nature of CRUs in an Insurance Account reflects the risk of EOCD associated with associated Facilities. An Insurance Account managed by an Insurance Body will be regularly monitored by the Code Manager to ensure effective risk management.

The Code Manager may request an Insurance Body to procure additional CRUs of a defined nature to transfer into the Insurance Account managed by the Insurance Body. The Insurance Body shall comply with any such request within thirty business days.

16.3 Insurance Body Exit

Where an Insurance Body intends to cease provision of Services, it shall notify the Code Manager providing no less than ninety calendar days' notice. The Code Manager and Insurance Body shall discuss necessary arrangements for managing the exit process with aim of minimising disruption to Registrants and Insurance Accounts.

17 Change Management

17.1 Context and General Provisions

All changes to this Product Code shall be subject to approval by the Code Manager.

A register of change requests will be published on the Code Manager's website.

Proposed changes are considered in the first instance by the Code Manager and may be referred to the Foundation for their opinion.

17.2 Categories of Change Requests

17.2.1 Housekeeping Change Request

A change request which has no material impact on the rights and obligations of Authorised Entities, Market Entities, or their contracted parties, may be classified as a 'housekeeping change' by the Code Manager. Such changes may arise from clear errors, or they may represent minor administrative changes.

Consultation shall not normally be conducted for such changes.

17.2.2 Emergency Change Request

These changes are exceptional and are essential to remain in legal compliance, very short timescales may be necessary to ensure that a reliable service is maintained.

Emergency change requests may be implemented without advance referral to the Foundation but must be notified to the Foundation immediately.

Consultation in advance shall not normally be conducted for such changes but may be undertaken post-implementation.

17.2.3 Ordinary Change Request

An ordinary change request which is not classified under either of the two previous classifications.

Consultation shall normally be conducted for such changes.

17.3 Process Overview

The process by which an ordinary change request to this Product Code is managed is illustrated in Figure 10.

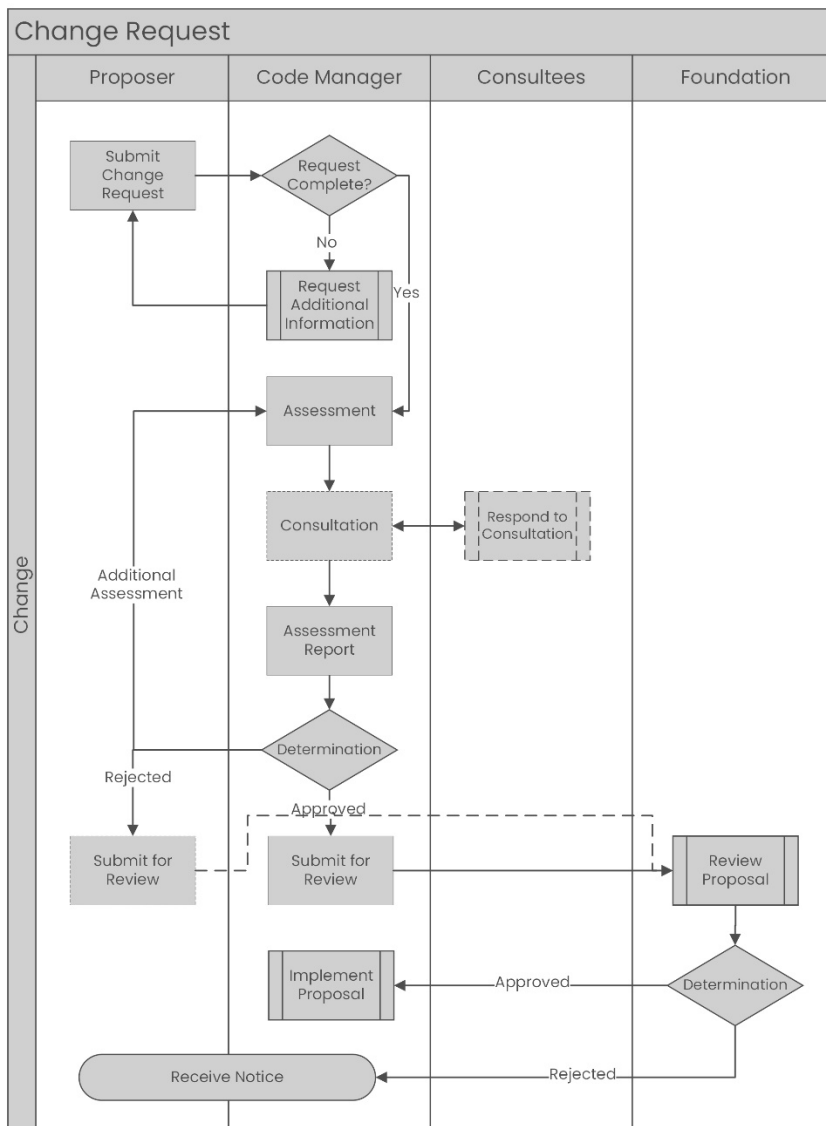


Figure 10. Ordinary change request process.

17.4 Raising a Change Request

A change request can be raised by any Authorised Entity or Market Entity associated with this Product Code by filling and submitting the *SF-03: Change Request form*.

The form must be submitted in English to the Code Manager for assessment.

17.5 Assessment

The Code Manager will check the proposal for completeness. Incomplete change requests may be referred to the proposer without further review.

The Code Manager will conduct an impact assessment of the change as proposed and, if deemed appropriate, consider alternative solutions. A cost-benefit analysis of the proposed change may also be carried out.

The Code Manager may initiate a consultation on the proposed change (depending on the change request category described section 17.2). The consultation process shall be determined by the Code Manager to be appropriate. Details of any consultation process shall be included within the assessment report.

The Code Manager will draft proposed changes to the C-Capsule Code or other documentation where appropriate.

The Code Manager will produce an assessment report, including any cost-benefit analysis and the draft documentation changes, and a copy may be sent to the proposer.

The assessment stage should normally be completed within two calendar months from receipt of the completed change request but may take longer.

17.6 Conduct of Consultation

Where the Code Manager elects to conduct a consultation on a change request, it shall ensure that the criteria for selection of invited consultees is non-discriminatory. Notwithstanding that, the Code Manager may invite individual organisations to respond to a consultation, notice shall be given on their website of all consultations no less than fourteen days prior to the closing date for responses.

17.7 Determination

The Code Manager shall have absolute discretion to decide whether and how to progress a change request. Progression may include further assessment, consultation, modification, or implementation as proposed.

Change requests approved by the Code Manager shall be submitted to the Foundation for review and confirmation. Where the Foundation confirms a submitted change request, it will be implemented.

Where the Code Manager is minded to reject or modify a change request, the proposer shall be notified and provided no less than five business days to make supporting submissions, which may be in writing or through attendance at a physical or online meeting, the Code Manager shall not reject or modify a change request before expiry of this period.

Rejected change requests may be referred by the proposer to the Foundation for review of the Code Manager's decision to reject and the Foundation may recommend adoption by the Code Manager.

17.8 Implementation

Following a determination to implement a change request, the draft documentation may be referred for minor refinement prior to inclusion in the next scheduled change release.

Approved changes shall be no more frequent than every three months, effective on the first day of each quarter. Urgent changes may be released with immediate effect.

Approved changes will normally be implemented within the next scheduled release.

Changes will become live on the date of release unless otherwise specified.

Notice of approved changes shall be given on the Code Manager website.

18 Quality Assurance

18.1 Context and General Provisions

Assurance of quality is fundamental to the Product and Service and forms a part of every process.

18.2 Procedural Standards

All Accredited Entities operating under this Product Code shall document, follow, and maintain Local Working Instructions which shall be provided to the Code Manager for review.

In addition to the above, Local Working Instructions implemented by Issuers shall be made available for review by the Foundation.

18.3 Audit Reviews

The C-Capsule Service is predicated on trust in provision of a reliable and robust traceability and reporting system. In order to maintain a quality service, all Accredited Entities operating under this Product Code will be subject to process audits on a periodic and ad-hoc basis.

The below subsections are provided for descriptive guidance only and the Code Manager's internal quality assurance protocols shall take precedence in case of any inconsistency. Similar reviews to those outlined below will be undertaken for the activities of, and Services provided by, the Code Manager with such review being conducted by an independent party.

18.3.1 Initial Review

An Accredited Entity will be subject to an initial audit review by the Code Manager, normally no later than thirteen months from commencing provision of Services under this Product Code. This is a short review by the Code Manager to ensure the Accredited Entity has implemented its procedures appropriately. It will normally involve a review of documentation and evidence.

An initial review may involve a visit by the Code Manager to the offices of the Accredited Entity.

18.3.2 Periodic Review

Periodic reviews will be carried out by the Code Manager on an approximately two-year frequency following the initial review.

A periodic review may involve a visit by the Code Manager to the offices of the Accredited Entity.

18.3.3 Ad-hoc Review

The Code Manager may request a review of an Accredited Entity at any time. Such a review does not necessarily require or imply poor performance by the Accredited Entity involved. The ad-hoc review will follow the same requirements as the periodic review and may be specifically targeted if required.

by the Code Manager.

An ad-hoc review may involve a visit by the Code Manager to the offices of the Accredited Entity.

18.3.4 Review Report

The Code Manager shall submit a report of its findings to the Accredited Entity within two weeks of the completion of any audit review.

The Code Manager shall review the audit report and, where issues are identified, shall provide a copy of the complete report to the Foundation. Where the report indicates poor performance, remedial action and a timeframe for correction may be given. The Accredited Entity's access to the Registry may be suspended if it is determined that there is a risk to the integrity of the Service. The registration of a Facility may also be suspended pending further investigation.

18.4 External Review

The quality of the Service is monitored through independent verification by the Foundation and other parties appointed by the Code Manager. This includes but is not limited to:

- Assessment of Issuers as part of their Accreditation process,
- Periodic control audits of Issuers,
- Initial and periodic review of Production Facility registration,
- Independent validation of production data,
- Registry monitoring,
- Independent assessment of change requests,
- Liaison with other tracking systems, and
- Liaison with national and international anti-fraud and money laundering authorities.

18.5 On-site Inspections

In addition to any inspection carried out during the Facility registration, Facility Audit, or Issuing processes, the Issuer, a Verification Authority, or Code Manager may conduct an unannounced control and auditing visit to the premises of the Registrant, Facility owner, or Facility.

The scope of such visits will be confined to verification of the data submitted in support of Facility registration and associated Issuing. Unreasonable withholding of access to the relevant premises or documentation will result in the immediate suspension of Issuing in relation to that Facility.

Where, for reasons of safety or security, a Registrant reasonably requires additional notice of a requirement for access to the relevant premises or documentation a notice period of not more than five Business Days may, at the sole discretion of the Entity requesting the inspection be accepted.

19 General Regulations

19.1 Context and General Provisions

19.1.1 Completeness and Accuracy of Information

The submission of any required information for any requirement of this Product Code shall be complete, accurate, and legible. Partial, inaccurate, or illegible submissions may delay processing or invalidate a submission.

19.1.2 Additional Information

Authorised Entities may require additional information beyond that specified in this Product Code before completing assessment of a complete submission. Any additional information shall be limited to what is considered necessary for the validation of Required Information or completion of the related request.

19.1.3 Registration of Market Entities

Registration of Market Entities and activation of their status shall be completed before the creation of any associated Account or the processing of any Required Information relating to registration of a Facility, Audit or Issuing of CRUs.

Required information relating to registration of a Facility, Audit, or Issuing of CRUs provided before the activation of a Market Entity's status shall be considered received on the date of the Market Entity's activation.

19.2 General Data Protection Regulation

The General Data Protection Regulation (GDPR) established under European Union law applies to the Code Manager. Other countries have adopted similar data protection laws, and the requirements are accepted as general best practices that Entities will follow as a minimum.

The nature of the Service requires that data potentially be transmitted between countries and all Entities to such transfer without limitation.

19.3 Access to Data

Authorised Entities may publish detailed data relating to Registrants, Facilities, Participants, Issuing, and Redemption and any other data held within the Registry but shall not publish details of individual transactions or Beneficiaries unless authorised by the responsible Participant.

20 Associated Documents

Except where stated otherwise, all documents' details in this section shall be published on the Code Manager's website.

The content of sections 20.1, 20.2, 20.3, 20.4 and 20.5 documents or forms referenced therein extend this Product Code and shall:

- Take precedence over the constraints and requirements of this Product Code where any statement within the relevant document imposes a further constraint or requirement on any constraint or requirement within this Product Code, and
- Be restricted by the constraints and requirements of this Product Code where any statement within the relevant document may be interpreted to relax or lift a constraint or requirement within this Product Code.

For the avoidance of doubt, documents referenced in sections 23.7, 23.8, 23.9 and 23.10 do not form part of this Product Code and are intended solely for guidance or reference.

20.1 User Guides

User guides are documents that relate primarily to the operation of the Registry. They may be published or updated at any time and do not require approval by the Foundation.

As a minimum, the following user guides will be published:

- 20.1.1 *UG-01: Registrant*
- 20.1.2 *UG-02: Participant*

20.2 Standard Forms

Standard forms are documents that are to be completed as part of processes defined within this Product Code. These forms may be replaced or supplemented by functionality within the Registry or a Platform or other digital document system approved and accepted by the Code Manager.

All Standard Forms are published on the Code Manager website.

- 20.2.1 *SF-01: Market Entity Application*
Information required for the processing of a Market Entity application.

- 20.2.2 *SF-02: Facility Registration*

Information required for the processing of a Facility registration.

20.2.2.1 SF-02A: Registrant's Declaration

20.2.2.2 SF-02B: Owner's Declaration

20.2.3 SF-03: Change Request

Information required for the processing of a change request.

20.2.4 SF-04: Complaint

Information required for the submission of a complaint.

20.2.5 SF-05: Methodology Concept Note Template

20.2.6 SF-06: Issue Request Form

20.2.7 SF-07: Event of Carbon Default (EOCD) Report

20.3 Subsidiary Documents

Subsidiary Documents are documents that relate primarily to the operation of the Service, standing data, and access to and use of related services. They may be published, updated, or withdrawn at any time and do not require approval by the Foundation.

20.3.1 SD-01: Methodology Guidelines

Provides guidance on the eligibility criteria for Methodologies to be approved.

20.3.2 SD-02: Eligible Removal Types

Provides guidance on the recognised CDR technologies and processes eligible for C-Capsule.

20.3.3 QP-01: Methodology Approval Procedure

Describes the approval procedure by which new Methodologies and Methodology revisions are approved under this Code.

20.4 Contracts: Standard Terms

All agreements with Registrants, Participants, and Platform Operators shall be subject to Standard Terms which are universally applied to all similar Entities. They may be published, updated, or withdrawn at any time and are subject to prior approval by the Foundation.

20.4.1 ST-01: Participant-Registry Operator

A prerequisite to becoming a Participant, this agreement sets out the terms of access and performance obligations between Evident and a Participant.

20.4.2 ST-02: Registrant-Issuer

A prerequisite to becoming a Registrant, this agreement sets out the terms of access and performance obligations between the Issuer and a Registrant. It also includes pass-through provisions relating to access to the Registry.

20.5 Fees

20.5.1 FN-01: C-Capsule Fees

The schedule of fees covers all activities within the Service. This schedule may have country-specific variations and encompass multiple Issuers. Also covered within this document are billing protocols and default processes.

20.6 Code Guidance Notes

Code Guidance Notes are documents that relate primarily to the interpretation and application of this Product Code. They may be published, updated, or withdrawn at any time and do not require approval by the Foundation.

20.7 Technical Guidance Notes

Technical Guidance Notes are documents that relate primarily to the operation of the Registry and access to, and use of information held within the Registry. They may be published, updated, or withdrawn at any time and do not require approval by the Foundation.

20.8 The International Attribute Tracking Standard

This document sets out requirements for the implementation and Accreditation of this Product Code. Terms, obligations, requirements, and guidance contained within the Standard shall be deemed a part of this Product Code unless there is a conflict in which case this Product Code shall take precedence.

20.9 Periodic Reviews

20.9.1 The Code

The C-Capsule Code shall be subject to periodic review by both internal and external stakeholders. This review will occur regardless of submissions of change requests and seeks to keep the Code at the highest quality standard in-line with industry best practice. The review will occur every two years. Any time changes to the Code are proposed, because of such review or a change request, a public consultation must occur. The public consultation will last no less than 30 days. At the end of the consultation period, changes will be submitted to the Advisory Council and the Foundation for final approval.

20.9.2 Methodologies

All Methodologies will be required to undergo a periodic review for the purposes of maintaining adherence to the latest relevant science. These reviews will be conducted by both the Code Manager and the methodology developer. Depending on current scientific consensus, an ad-hoc scientific review board may be convened. As with changes made to the Code, any changes made to a Methodology will require public consultation. This public consultation will last no less than 14 days. At the end of the consultation period, changes will be submitted to the Advisory Council and the Foundation Board for final approval.

20.9.3 Subsidiary Documents

Any other document referred to in the Code may also be subject to change. Whether as the result of a scheduled review, or due to the submission of a change request, all changes to ancillary documents will be publicly disclosed. Any such alteration will not require public consultation but will require approval from the Advisory Council and the Foundation.