

Guidance on converting Units to SCUs.

SOCIALCARBON allows for GHG emission reductions and removals issued by both an approved and non-approved GHG program to be cancelled and issued as SCUs in the SOCIALCARBON registry. This is applicable to any project proponent or Unit holder that wishes to transition their project and units from another GHG program to SOCIALCARBON. All conversions must be accompanied by the transition of the underlying project from another GHG program to SOCIALCARBON. Please view the SOCIALCARBON Registration and Issuance Process document for more details.

This document provides further guidance on the procedure for cancelling the following units and converting them to SCUs:

- Certified Emission Reductions (CERs) issued by the UNFCCC's Clean Development Mechanism (CDM) held in CDM or European Union (EU) registries.
- Verified Emission Reduction (VERs) and any other environmental units issued by Gold Standard held in the Gold Standard Registry.
- Verified Carbon Units (VCUs) issued by Verra / VCS held in the VCS Registry.

Note: For all units to be converted, the project proponent or Unit holder must register their project with SOCIALCARBON. **Only projects utilising eligible methodologies under SOCIALCARBON can convert their units to SCUs.**

From here onwards, CERs, VERs and VCUs will be called 'Units'. Units may be converted to SCUs using the following steps:

- 1) The project proponent or Unit holder completes voluntary cancellation of Units with the corresponding registry administrator. When providing rationale for the cancellation the project proponent should provide a statement that the Units are being voluntarily cancelled to transfer to the SOCIALCARBON Program and have

not been used for any offsetting purposes, or mandatory or voluntary compliance purposes.

- 2) Once cancelled, the project proponent or Unit holder contacts a SOCIALCARBON registry administrator and requests a Unit conversion by submitting the following documentation:
 - a) A statement of the quantity of Units for which conversion is being requested
 - b) A completed and signed SCU conversion representation
 - c) Evidence of cancellation
 - i) For cancellations transacted by the CDM registry, the attestation letter of cancellation serves as evidence
 - ii) For cancellations transacted by an EU registry, the transaction receipt of the cancellation serves as evidence
 - d) Monitoring and verification reports corresponding to the cancelled units
- 3) The SOCIALCARBON registry administrator and SOCIALCARBON staff will ensure the authenticity and accuracy of the evidence of cancellation documents and quantity of units cancelled.
- 4) Once SOCIALCARBON is assured of the authenticity of the evidence of cancellation, the SOCIALCARBON registry administrator will enable the project proponent or Unit holder to issue the cancelled units as SCUs and post the conversion documentation to the SOCIALCARBON Registry. Please note that SOCIALCARBON does not allow incremental issuance of SCUs from converted Units and all converted Units must be issued in one SCU transaction.