

BeZero Carbon ex ante rating report

Project Nimbus

ICR304v2

April 2026



BeZero

Project description

Project Nimbus is a USA-based Improved Forest Management (IFM) project developed by Sky Harvest Resources LLC under the ICR grouped project methodology. Launched in 2022, it spans approximately 6,340 hectares of privately owned forestland across Virginia, North Carolina, Mississippi, and Louisiana, with the majority in Virginia. The project incentivises non-industrial private landowners to defer harvests through renewable 5-year contracts, restricting clear-cutting and limiting thinning. It credits increased carbon sequestration only and is forecast to generate approximately 24,428 tCO₂e over the rated vintage (1 June 2024 – 31 May 2025). The project has a 45-year project life.

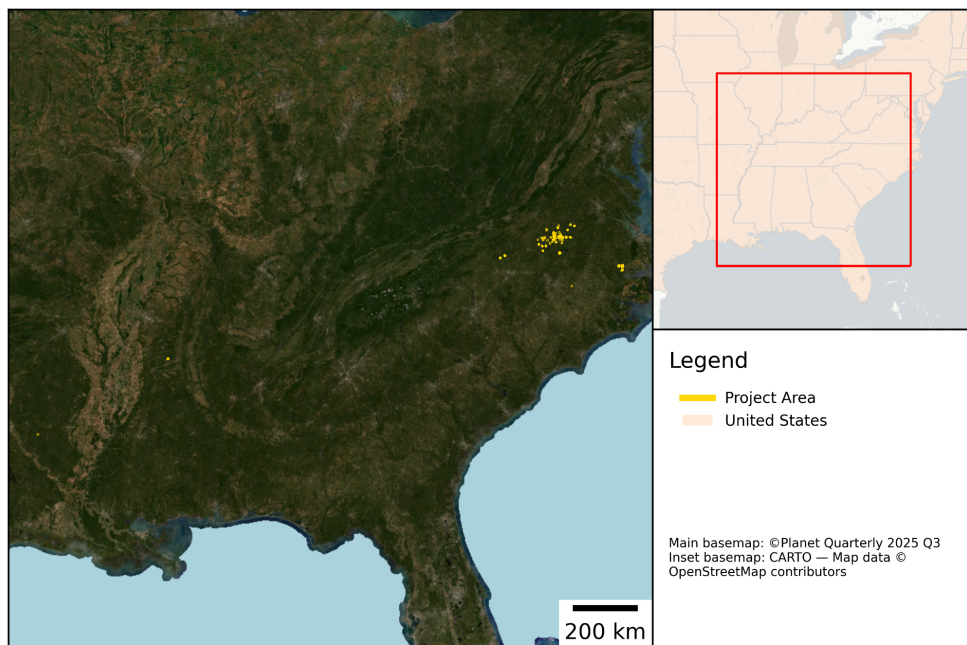


Figure 1. Map of the project area of ICR304 in USA. Background imagery from Planet Labs, showing a high-resolution satellite view obtained in July–September 2025.

Table 1. Project details.

Particulars	Details
Project name	Project Nimbus
Sector classification	Nature-Based Solutions ▾ → Forestry ▾ → Improved Forest Management ▾
Methodology	ICR: ISO 14064-2
Project proponent	Sky Harvest
Location	USA
Project crediting period	01/06/2022 → 31/05/2067
Vintages assessed	01/06/2024 → 31/05/2025
Issuance forecast (in rated vintages)	24,428 tCO ₂ e
Project commitment period	28 years
Year of first issuance	2024

Executive summary

BeZero Carbon has assigned ICR304 a ‘ A.pre ’ ex ante rating, with ‘ Low ’ execution risk. This is based on the opinions and reasons expressed below, following our analysis of information made available by the customer, our interactions with the various stakeholders, and related publicly available information. Credits rated ‘A.pre’ provide a high likelihood of achieving 1 tonne of CO₂e avoidance or removal.

The ex ante rating of ‘ A.pre ’ is driven by the project’s high additionality, high likelihood of accurate carbon accounting and very high permanence.

Table 2. BeZero Carbon ex ante rating summary for ICR304, as of April 2026.

COMPONENT	ASSESSMENT
Additionality	a
Carbon accounting	a
Permanence	aa
Ex ante rating	A.pre
Project execution risk	Low

Benchmarking

A ‘ A.pre ’ ex ante rating is comparable to the **highest quartile** of equivalently rated ex post IFM projects as of April 2026.

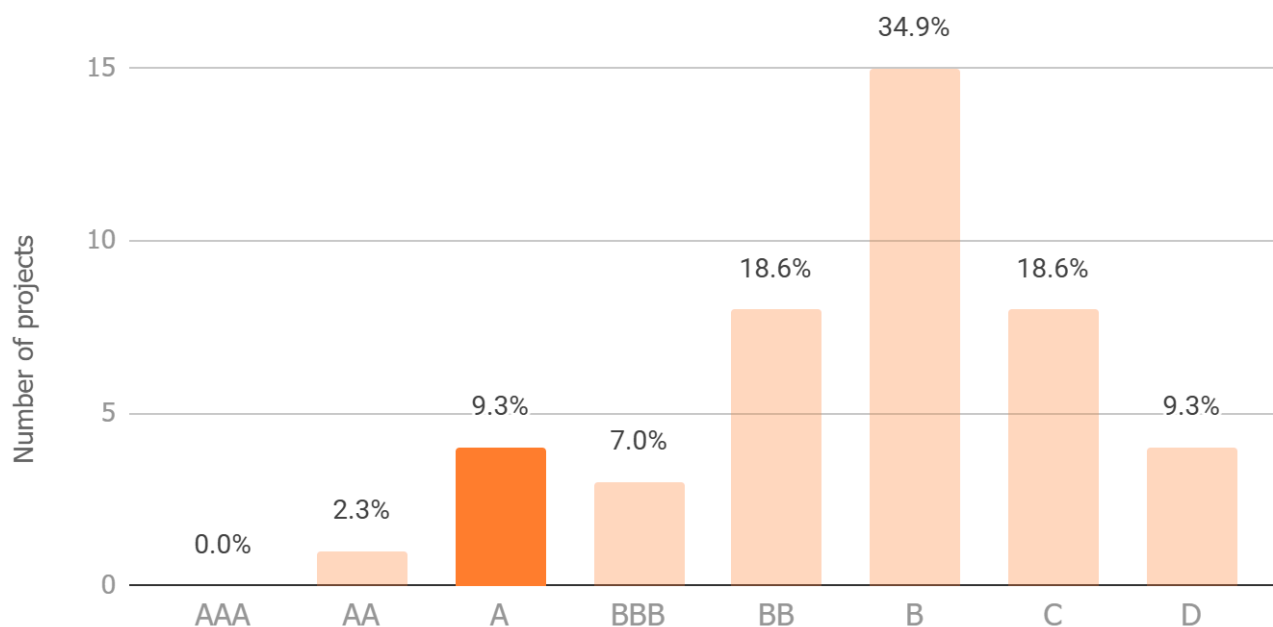


Figure 2. Distribution of ex post ratings for global IFM projects. (% = proportion of projects assigned to each rating within the analysed cohort).

Risk factor summaries

Table 3. BeZero Carbon ex ante risk factor summary for ICR304, as of *April 2026*.

RISK FACTOR ¹	
Additionality: a ▾	
++ ▾	Project activities deviate from the common practices of the southeastern USA.
++ ▾	Market trends support the project's additionality.
+ ▾	No risk from policy or financial analysis.
- ▾	Some risk from adverse selection.
- ▾	Some risk from evidence of clear-cut harvests during the project period.
Carbon accounting: a ▾	
++ ▾	Stands below commercially viable tree diameter were excluded from the crediting calculation.
+ ▾	A true up will correct potential growth variations from ex ante projections.
- ▾	Project accounts for harvesting delay, though uncertainty around landowners' intention remains.
- ▾	Market leakage is not fully mitigated.
- ▾	Including unmeasured carbon pools introduces some small uncertainty.
Permanence: aa ▾	
+ ▾	Tonne-year approach ensures low reversal risk.
+ ▾	Retrospective issuance.
= ▾	The absence of a buffer pool is acceptable under tonne-year accounting.
Project execution risk: Low ▾	
++ ▾	Project is through the majority of the deferral period.
+ ▾	Low operational and technical risk.
= ▾	Low risk from natural hazards.
= ▾	Low risk from pests and disease.
= ▾	Early-stage company with limited experience in delivering carbon projects.

¹ ++ ▾ = Major positive, + ▾ = Minor positive, = ▾ = Neutral, - ▾ = Minor negative, -- ▾ = Major negative

Structured risk feedback

The table below outlines steps the project could take to mitigate risks identified in our analysis. It includes the feasibility of executing these strategies and their potential impact – if successful – on the project’s credit issuance and our rating of the project.

Table 4. Structured risk feedback.

RATING IMPACT ²	COMPONENT	MITIGATION STRATEGY	FEASIBILITY ³	ISSUANCE REDUCTION
Ex ante rating: Current: A.pre → Potential: AA.pre				
Additionality: Current: a → Potential: aa				
+	<u>Common practice</u> <i>Voluntary landowner enrolment creates exposure to adverse selection risk</i>	Restrict enrolment to lands with demonstrable harvest intent, regardless of past activity, ideally with support from harvest activity schedules in forest management plans	Low	0%
Carbon accounting: Current: a → Potential: aa				
+	<u>Market Leakage</u> <i>Regional market conditions and literature suggest higher market leakage risk</i>	Apply a more conservative market leakage deduction given uncertain evidence	Moderate	5-20%
+	<u>Baseline scenario</u> <i>Small landowners’ harvest decisions are inherently unpredictable</i>	Provide evidence of counterfactual harvest schedules, such as pre-project forest management plans	Low	0%
+	<u>GHG conversion</u> <i>Inclusion of unmeasured carbon pools introduces additional accounting uncertainty</i>	Credit only above- and belowground live and dead biomass, or measure additional pools such as wood debris, forest floor carbon, shrubs, and herbs	High	0-5%
Permanence: Current: aa → Potential: aa				
=	<u>No amendable risks</u>			0%

² Mitigation strategies are ranked in order of their potential impact on the risk factor and therefore rating. +++ = Potential to boost risk factor score by three or more notches, ++ = Potential to boost risk factor score by up to two notches, + = Potential to boost risk factor score by one notch, = = Minor impact.

³ **Feasibility:** The ease of implementing the respective mitigation strategy considering: time, cost, complexity and effort required. High = Very feasible

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