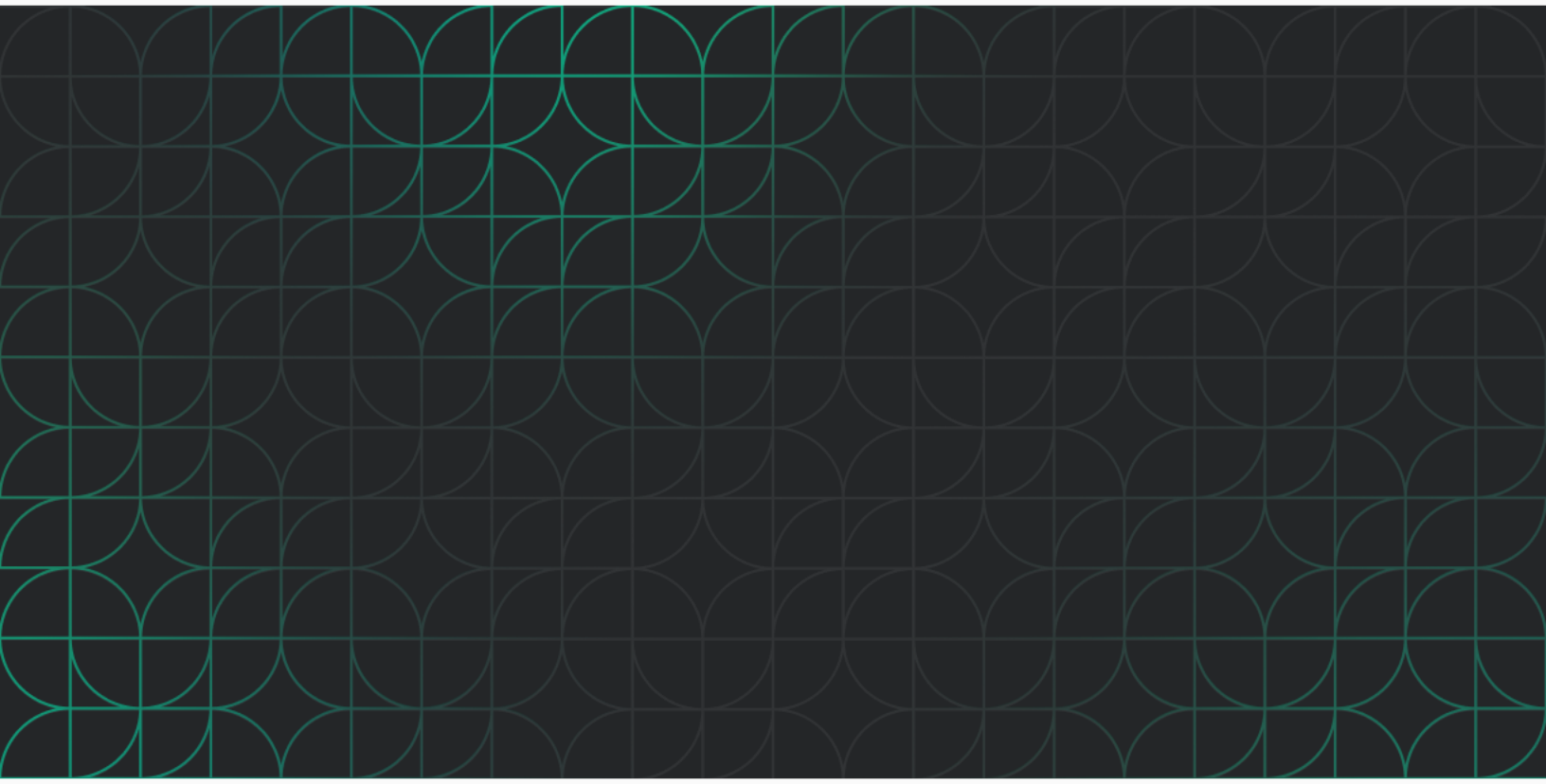
Athian

# Athian Governance Framework

2026 | Version 1.2



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## About Athian

At Athian, we are technology experts with farming in our genes. We believe in being good stewards of the economic and environmental health of farms and the communities surrounding them.  We use software to aggregate, certify, and fund greenhouse gas reduction plans throughout the entire livestock value-chain, to enable environmental sustainability for animal agriculture.

## Athian's Focus on Insetting

Consumer packaged goods (CPG) companies and retailers are focusing more on reducing emissions within their supply chains to achieve their net zero goals. Supply chain emissions (Scope 3 or insetting will be used interchangeably throughout this document to represent supply chain emissions) often account for 90-95% of a food manufacturer's emission footprint. Carbon insetting can have a significant impact on a company's overall sustainability performance by reducing emissions within its value chain and fostering more sustainable practices among its suppliers and partners (Smith, 2021).  An inset crediting program can offer food manufacturers a financially viable and scalable option to achieve their goals while reducing overall emissions throughout the entire supply chain.

The goal of an offset program is to compensate for Greenhouse Gas (GHG) emissions that cannot or have not been eliminated within a company's Scope 1, 2 or 3 (supply chain) emissions.  They "offset" the pollutants that a company generates either directly (Scope 1) or indirectly (Scope 2 & 3). Offsets are external to a company's value chain.

The goal of Athian's insetting program is to incentivize producers, processors, packagers, retailers, etc. to systematically change operations with the goal of reducing GHG emissions within their value chain. Athian will primarily address the Scope 3 emissions category of purchased goods and services.

# 1 Athian Governance Framework for High-Integrity Value Chain Interventions

This Governance Framework establishes the principles, requirements, and procedures for Athian to generate, certify, and transact credible GHG emission reductions within livestock value chains. It is designed to ensure transparency, accountability, and scientific rigor in alignment with internationally recognized standards, including the GHG Protocol suite of standards (Corporate Standard, Scope 3 Standard, Product Standard, and the forthcoming Land Sector and Removals Guidance), latest editions of applicable ISO standards (14064-3, 14065, 14067, 17029), and the Science Based Targets initiative (SBTi) Corporate Net-Zero Standard (V2.0 Consultation Draft). This framework's primary goal is to provide a standardized, scalable approach to help companies understand their value chain emissions, focus efforts on the greatest reduction opportunities, and make sustainable decisions.

## 1.1 Foundational Principles

Athian's governance shall be guided by the five core GHG accounting and reporting principles, adapted from ISO 14064-2 and the GHG Protocol:

A. **Relevance:** The GHG inventory shall appropriately reflect the GHG emissions of the company and serve the decision-making needs of internal and external users.

B. **Completeness:** All relevant GHG emission sources and activities within the defined inventory boundary shall be accounted for and reported. Any exclusions must be disclosed and justified.

C. **Consistency:** Methodologies, data, and assumptions shall be consistent to allow for meaningful performance tracking over time.

D. **Transparency:** All relevant issues shall be addressed factually and coherently, based on a clear audit trail. Assumptions, methodologies, and data sources must be disclosed.

E. **Accuracy:** Quantification of GHG fluxes shall be systematically neither over nor under actual emissions, as far as can be judged, with uncertainties reduced as far as practicable.

## 1.2 Governance and Oversight

Effective governance is essential to ensure the overall quality and integrity of GHG claims.

A. **Scientific Advisory Board (SAB):** Athian shall maintain an SAB to vet all quantification protocols before they are approved for use on the platform. The SAB will also review SAB approved protocols annually to ensure the supporting science remains sound.

B. **Independent Validation/Verification Body (VVB) Management:**

   i. **Validators**: All contracted Validators must have at least one accreditation under ISO 14065:2020 and ISO/IEC 17029:2019 from a nationally recognized accredited body in the geographical area applicable to the protocol being validated. *(Validators are not required to be accredited by ANAB)*

   ii. **Verifiers**: All contracted Verifiers must be accredited or actively working towards accreditation under ISO 14065:2020 and ISO/IEC 17029:2019 for GHG activities, as offered by the ANSI National Accreditation Board (ANAB) or an equivalent body. Verifiers will be required to be assessed annually and undergo reaccreditation every five years in conformance with the requirements of the latest edition of ISO/IEC 17029 and ISO 14065 through the ANAB's accreditation program.

   iii. **Competence**: Validators and Verifiers and their personnel must demonstrate subject matter expertise in the specific on-farm operations related to an approved protocol (e.g., dairy operations, beef operations) and the relevant geography. This aligns with ISO 14065:2020 requirements for personnel competence.

   iv. **Independence and Impartiality:** Verifiers must perform a conflict-of-interest (COI) evaluation before any engagement. Verifier assignments for any single intervention partner are limited to five consecutive years to maintain impartiality. These principles of impartiality and evidence-based decision-making are core to ISO/IEC 17029 and ISO 14065.

C. **Data Management and Quality:** Athian shall implement a robust data management plan to document the data collection process, data sources, calculation methodologies, and QA/QC procedures, facilitating transparency and assurance readiness. Data quality shall be assessed for its technological, temporal, and geographical representativeness, as well as its completeness and reliability.

## 1.3 Protocol and Methodology Requirements

All interventions on the Athian platform must be verified against Athian's approved protocols to provide a consistent, standardized approach.

### 1.3.1 Eligible Sectors

Athian supports intervention based GHG reduction efforts specific to the animal agricultural sector within the food value chain as well as on farm carbon footprinting methodologies. Athian will accept into its platform protocols that mitigate the environmental footprint of animal protein production in North America (US, CA, Mexico), Brazil, Europe, Australia, and New Zealand as long as there are no regulatory prohibitions for such activities.

### 1.3.2 Protocol Approval Process

Before a protocol is cataloged on the Athian Platform, it must undergo a rigorous approval process:

A. **Scientific Review:** The SAB reviews the proposal for scientific credibility, including eligibility, causality, emissions boundaries, and quantification methodology.

B. **Validation:** An accredited third-party Validator reviews the draft protocol for compliance with ISO 14064-2 or GHGP Corporate Value Chain Accounting and/or GHGP Product Lifecycle.

C. **Piloting:** The protocol is piloted under real-world conditions with producers and Verifiers to refine implementation and verification procedures.

D. **Annual Review:** The SAB reviews each protocol annually to ensure the supporting science remains sound

*Figure 1.1* *Athian Protocol Approval Process*


### 1.3.3 Quantification Standards

A. **Methodology Hierarchy:** Quantification shall use the highest possible tier method available (Tier 3 preferred, Tier 2 minimum) to improve accuracy and representativeness, aligning with IPCC guidelines. The IDF recommends this approach for dairy CF, and the SBTI emphasizes the need for high-quality data.

B. **GWP Values:** Calculations shall use the most recent IPCC 100-year Global Warming Potential (GWP100) values, including climate-carbon feedbacks, as recommended by ISO 14067 and the IDF Global Carbon Footprint standard. The current standard is IPCC AR6, which provides distinct GWP values for fossil vs. non-fossil methane.

C. **Biogenic Carbon & Removals:** In alignment with the GHG Protocol Land Sector Draft Guidance, biogenic $CO_2$ emissions and removals must be reported separately from the scopes and not netted within totals.

D. **Permanence:** Permanence refers to GHG emission reductions that must be backed by guarantees in the event that they are reversed (e.g., re-emitted into the atmosphere). The protocols in the Athian platform are focused on the mitigation of enteric methane and manure methane which do not pose the same risk of reversal as do carbon capture and sequestration projects. Permanence will be addressed in each protocol and assessed by the Scientific Advisory Board to ensure permanence is not a consequential factor in the design of each protocol

## 1.4 Verification and Assurance

Robust, independent third-party verification is a core principle of Athian's framework.

### 1.4.1 Verification Process

The verification process must be risk-based and conform to ISO 14064-3. The process for each intervention shall include:

1. A conflict-of-interest evaluation
2. A verification plan that includes, at a minimum:
    a. The lead verifier and independent reviewer
    b. A list of the location and dates of any on-site visits that will be conducted
    c. The types of data and documents that will be reviewed by the verifier
    d. A list of the people who are expected to be interviewed as a part of the verification
3. A kick-off meeting with all parties to lay out the timeline and process of the verification
4. At minimum, one annual on-site visit to confirm practice implementation and operational activities relevant to the applicable protocol(s)
    a. Required onsite procedures:
        i. Confirm any biosecurity or safety procedures in place prior to arrival
        ii. Determine with the producer an acceptable date and time for the visit. Reference the applicable Monitoring Plan for onsite timing requirements.
        iii. Share with the producer an agenda for the meeting
        iv. Share with the producer required and optional participants for both parties
    b. Exceptions to the one annual onsite requirement:
        i. If the assigned VVB has previously conducted an onsite with the assigned farm in the last 12 months for the same intervention
        ii. If the assigned VVB has previously conducted an onsite for an intervention whose SSRs are materially similar to the new intervention and if the VVB has determined that the risk of a material issue is low
        iii. If the assigned VVB determines that the intervention circumstances do not necessitate a site or facility visit based upon the results of a risk assessment, evidence gathering plan, prior verification results at the same site/facility, and/or the circumstances defined in ISO 14064 Part 3 Site Visit Requirements & Risk Variables (listed below)

1. An initial verification
2. A subsequent verification for which the verifier does not have knowledge of the prior verification activities and results
3. A verification where there has been a change of ownership of a site or facility and where the emissions, removals, and storage on the site or facility is material to the GHG Statement
4. When misstatements are identified during the verification and indicate a need for a site visit
5. There are unexplained material changes in emissions, removals, and/or storage since the previous verified GHG statement
    a. The addition of a site or facility that is material to the GHG Statement
    b. Material change in the scope or boundary of reporting
    c. Significant change in the data management involving a specific site

5. A desk review of the data from the project
6. A verification report that includes:
    a. A verification statement documenting the outcome of the assessment (reduction results) and if there was any material discrepancy noted
    b. Key details about the project including: producer and farm operation identification, verifying body and lead verifier contact information, protocol information, and intervention information
    c. A description of the protocol, the objectives and criteria used to arrive at the final result, the scope of the project, the level of assurance associated with the project, and any details about the implementation of the practices observed
    d. Detail about the verification process used to complete the assessment including approach and methods and also noting any conflict of interest
    e. Verification findings including confirmation of producer eligibility, adherence to the criteria established in the protocol, the verified emissions quantification values, and the final written opinion of the verifier(s)
    f. An issue log capturing any issues identified during the verification and their classification as either material (significant) or immaterial (insignificant)
    g. A representation of all data & documents used in the process of verification

### 1.4.2 Materiality

The quantitative threshold for materiality shall be set at a >95% level of accuracy, meaning the project's calculated reductions must be less than 5% different from those calculated by the verifier.

### 1.4.3 Data and Systems:

A. **Data Collection Methods**: Data will be provided by the farm directly based on various on farm systems.

B. **Consistency Checks**: Input forms will check for data type and range preventing grossly invalid data from being entered.

C. **Method Validation**: Based on type, input may be limited to certain ranges or values. Additionally, producers must attest to and confirm accuracy.

D. **Data Collection Frequency**: As defined by the protocol

E. **Data Reporting Schedule**: Specific schedules are defined by the protocol monitoring plan.

F. **Response Procedures for Data Variations**: Significant data issues should be prevented at entry. Additionally identified issues can be corrected by Athian staff as needed.

G. **Standardized Methods Used**: Form input is used to collect quantitative data from on farm systems.

H. **Benchmarking**: Per the Athian Data Retention Policy, all GHG related data is kept for a minimum of 7 years. Data, in aggregated and anonymized form, can be used for benchmarking if/when applicable.

I. **Documentation of Data Processes**: All data processes are ultimately governed by the Athian Data Protection, Data Retention, and SDLC policies. These policies are maintained as controlled documents in the Athian compliance system (Drata) and are reviewed and updated at least annually.

J. **Transparency Measures**: Data transparency is critical to credibility and integral to the data collection process. Data input directly in the platform from producers requires an attestation from the producer as to the accuracy before being submitted for verification. Data collected via an integration to a 3rd party data collection software also requires the producer to attest to the accuracy. In addition, producers have visibility as to the data provided to 3rd party verifiers and can see the status of the verification of each element of data submitted. All verification reports include each data element collected and reviewed as part of the verification process for complete transparency in the reporting of the emissions results.

## 1.5 Registry, Claim Generation, and Double Counting Prevention

A central function of the governance framework is to prevent all forms of double counting (issuance, claiming, use) while enabling credible co-claiming.

### 1.5.1 Athian as a Registry

Athian shall operate as a registry to uniquely identify, record, and track mitigation activities and GHG claims.

A. **Athian Verified Sustainability Asset (AVSA)**: Each certified claim is recorded as an AVSA in Athian's system of record (i.e., accounting ledger). Each AVSA is given a unique serial number corresponding to its month of generation, enabling tracking through to retirement.

B. **Prohibition of Double Issuance**: The Athian prohibits a claim from being issued on any other registry or as part of any other program.

### 1.5.2 Preventing Unacceptable Double Counting:

A. **Offsets vs. Insets**: An emission reduction sold as a carbon credit (offset) to an entity outside the value chain cannot also be counted in the seller's corporate inventory or by its supply chain partners. Athian's model focuses on insetting, creating incentives for climate action to remain within the value chain.

B. **Allocation to Multiple Customers**: A supplier cannot allocate the GHG reduction from a specific "low-emission" product to more than one customer. Athian's framework and operational processes will ensure this through a robust contracting and documentation process and clear allocation rules. Athian will allocate a reduction to customers after an intervention activity has been verified. The allocation will follow robust and transparent attribution rules.

### 1.5.3 Enabling Credible Co-Claiming:

A. **Definition:** Co-claiming (or "shared accountability") is the acceptable practice where multiple companies in the same value chain count the same emission reduction in their Scope 3 inventories. This is inherent to Scope 3 accounting and is not prohibited by the Athian platform. *(Athian Verification does not include verification Inventory Accounting as reported by companies and ANAB accreditation is limited to only verification of the inset projects)*

B. **Requirements for Co-Claiming**: To co-claim an AVSA, each claimant within the value chain must contribute financially to its purchase or provide a documented in-kind contribution.

C. **Allocation of Co-Claims**: For shared supply chains (e.g., dairy), co-claims can be allocated across retailers and CPGs based on the amount of physical product each purchased from the relevant supply shed using the following two scenarios.

   i. Attribute reductions to a single customer to the maximum extent of its purchasing agreement, meaning companies can only claim reductions for the quantity of products they've actually purchased and that was produced in connection to the intervention. For example, a company that purchased 100 pounds of milk can only claim the emissions reductions for a maximum of 100 pounds of milk, as long as at least 100 pounds of milk production is associated with the intervention and there is a proper evidential documentation process in place.

   ii. Split the benefits across many or all customers, in which case the proportion of reductions allocated can be further transferred along the value chain.

## 1.6 Traceability and Allocation

Traceability is essential to connect sustainability results to physical goods, ensuring claims are credible and auditable.

A. **Supply Shed Model:** For industries where direct physical tracing is difficult (e.g., milk and beef), Athian shall apply the "Supply Shed" concept. This allocates emission reduction claims based on the amount of emissions-reduced product available within a defined sourcing region. Traceability to the first point of aggregation is required.

B. **Chain of Custody (CoC):** Athian's processes shall align with GHG Protocol traceability requirements and recognized attribution methods (e.g., mass balance) to prevent double counting. This is a core function of the Athian platform.

C. **Contractual Agreements:** Co-claiming arrangements shall be formalized through contractual agreements, such as a Master Services Agreement (MSA) and a Statement of Work (SOW). The SOW will define the project scope, volume of reductions, costs, and list all co-claimants, which can be added retroactively.

D. **Differentiated Emission Factors:** To support accurate accounting for all customers of a producer, Athian should assist raw material producers in reporting separate emission factors for "improved" (post-intervention) and "unimproved" materials. This allows customers not authorized to claim the reduction to use the correct emissions factor, preventing misrepresentation.

### 1.7 Reporting and Transparency

Transparent reporting builds confidence and enables public scrutiny.

A. **Public Information:** Athian shall provide public access to all validated protocols included in the Athian platform. All protocols are open to public comment upon their addition to the protocol library. Please submit any feedback using this dedicated form.

B. **Audit-Ready Reporting for Buyers:** Athian will provide buyers and co-claimants with detailed, audit-ready reports, including:

   i. **Athian Monthly Aggregated Verification Report:** Details claim composition, breaking down reductions by protocol, emission source, and supply shed.

   ii. **Athian Contract Closure Reports:** Summarizes a buyer's program performance as compared to contractual requirements, including total volumes of reductions generated aggregate at the supply shed level.

C. **Public Policy on Double Counting:** Athian will support partners in developing and communicating a clear policy on shared accountability and double counting. This policy should outline which types of double counting are and are not acceptable and why, building confidence among stakeholders.

By implementing this comprehensive framework, Athian can provide a credible, transparent, and scalable system that aligns with the highest standards of GHG accounting, drives meaningful value chain decarbonization, and builds trust across the agricultural industry.

## 2 Roles & Responsibilities

### 2.1 Standard Authority and Administrative Bodies

Direct oversight is provided by Athian's Board of Directors and Executive Team. The Board is responsible for advising Athian's strategic direction; they oversee business operations and assist with the funding process.

## 2.2 Athian Scientific Advisory Board Charter

### 2.2.1 Role of the Athian Scientific Advisory Board

The decisions around the validity of scientific methodologies of the protocols within the Athian GHG Claim Platform are made by Athian's Scientific Advisory Board (SAB). The Athian SAB is comprised of a diverse group of qualified members with significant expertise in GHG emissions related to the livestock industry. They provide science-based recommendations to Athian, spanning all aspects of the dairy and beef industry. All approved protocols in the Athian GHG Claim Platform must be science based and approved by Athian's Scientific Advisory Board (SAB).

### 2.2.2 Scope of the Athian Scientific Advisory Board

The decisions around the validity of scientific methodology for acceptable protocols within the Athian GHG Claim Platform are made by Athian's SAB, who suggest new interventions and review proposals for protocols. The SAB is responsible for reviewing and approving the scientific basis of any intervention Athian accepts into its platform.

### 2.2.3 Relevance and Acceptability of Supporting Studies

The SAB will assess the validity of a scientific methodology submitted to them for review by determining if an adequate number of scientific studies and peer-reviewed articles have been conducted to ensure the validity of the greenhouse gas (GHG) reduction methodology. The threshold of required scientific studies and peer reviewed articles can vary depending on several factors, including the complexity of the methodology and the level of consensus within the scientific community.

Athian's minimum requirement is 3 peer-reviewed publications in reputable journals, however, exceptions are made at the discretion of the SAB under the following key considerations:

A. **Consensus and Repeatability:** A single study, no matter how rigorous, may not be sufficient to establish the validity of a GHG reduction methodology. It is important to look for consensus among multiple studies conducted by different researchers or research groups. Additionally, the methodology should be repeatable and yield consistent results across different experiments.

B. **Quality of Studies:** The quality of the studies is crucial. Look for studies published in reputable peer-reviewed scientific journals known for their rigorous review processes. High-quality studies typically include detailed methodologies, transparent data, statistical analyses, and robust conclusions supported by evidence.

C. **Replication:** Independent replication of results strengthens the validity of a GHG reduction methodology. If multiple research groups or institutions have successfully replicated the findings, it adds credibility to the methodology.

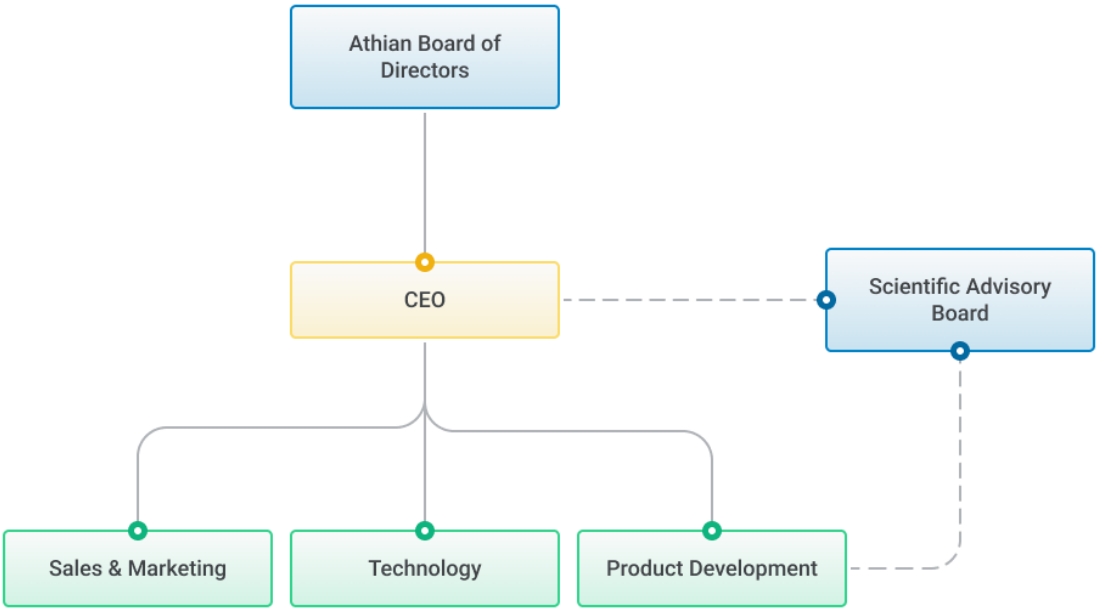
D. **Holistic Assessment:** Consider a range of evidence beyond individual studies. Look for systematic reviews, meta-analyses, or comprehensive assessments that analyze and synthesize multiple studies on the same methodology. These types of studies provide a broader perspective and can help identify consistent trends or patterns.

E. **Expert Consensus:** Expert opinions and consensus statements from professional scientific organizations or panels can also carry weight. These consensus statements are often based on a comprehensive review of the available evidence and can provide valuable guidance on the validity of a GHG reduction methodology.

Ultimately, the adequate number of studies and articles required to establish the validity of a GHG reduction methodology will be determined by the SAB and depends on the specific context and the weight of the evidence available.

## 2.3 Organizational Chart

***Figure 2.1*** *Athian Organizational Chart*



## 2.4 Additional Roles & Responsibilities

*Figure 2.2* Roles & Responsibilities

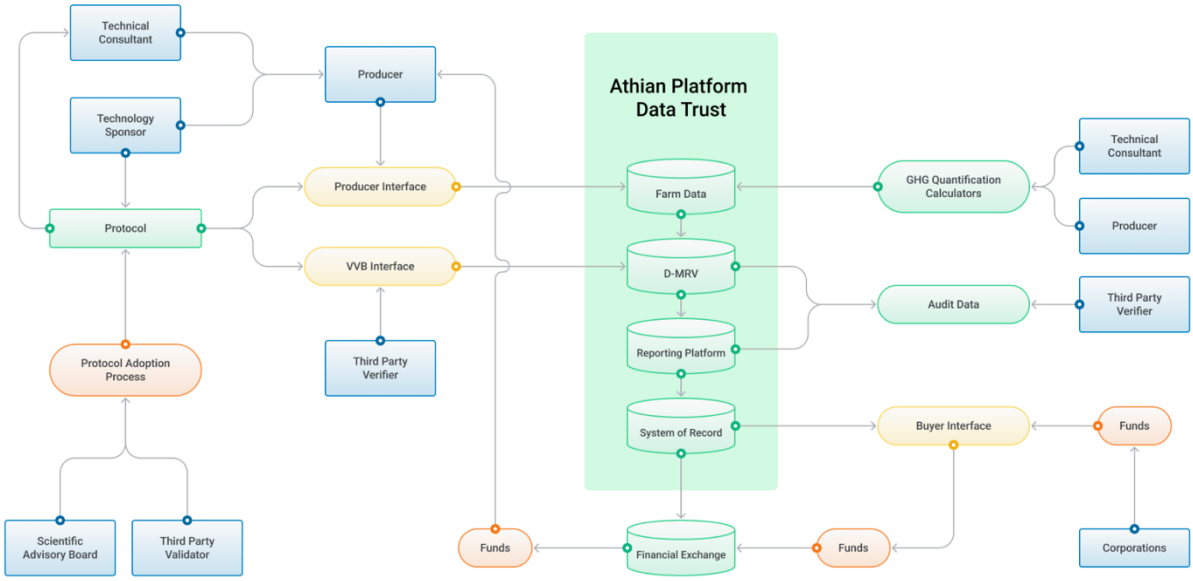



*Table 2.1* Description of Roles & Responsibilities

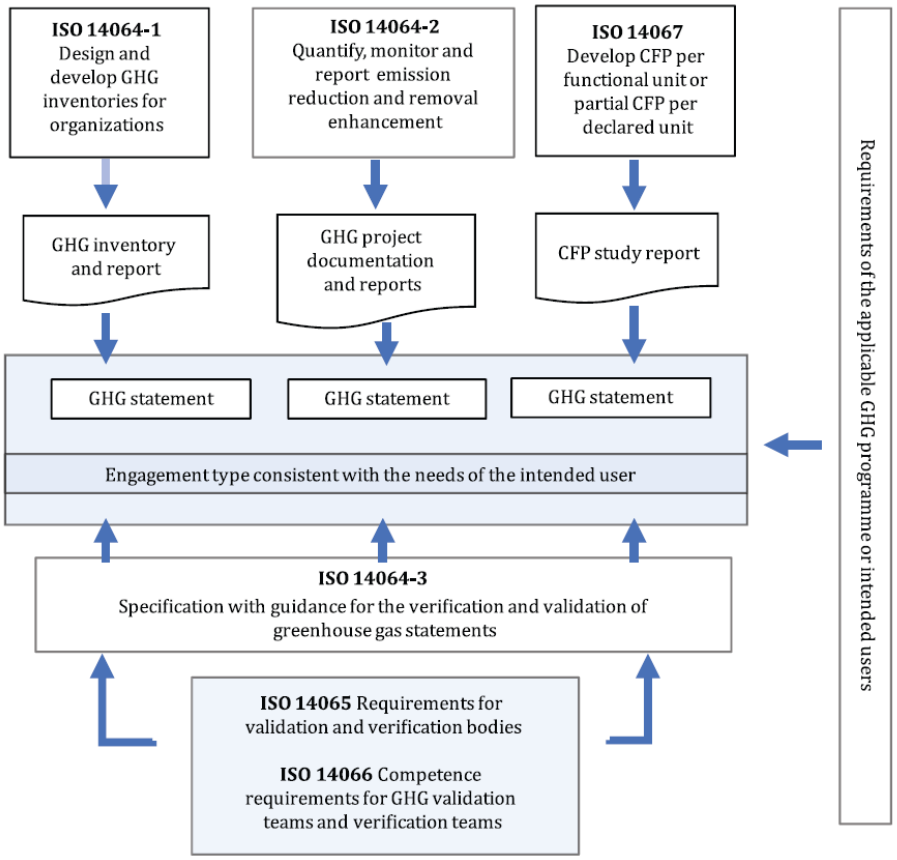
| Role | Responsibility |
|---|---|
| Producers | Entities or individuals responsible for implementing sustainable practices and demonstrating on-farm emissions reductions. They utilize the Producer Interface to launch, track, and provide data for such interventions. Once a certified reduction is claimed and purchased on the platform, Producers are paid for their efforts. |
| Technology Providers | Entities or organizations offering technological solutions and services to support carbon projects and reduce emissions at the Producer level. |
| Producer Interface | Online portal, owned by Athian, that serves as the information center and data aggregator for Producers that wish to engage in a Scope 3 program in the livestock sector. Additionally, the Producer Interface holds all approved protocols and contact information for Technology Providers and Project Consultants. |
| Technical Consultants | Experts offering advisory and technical services to producers, aiding in project implementation, compliance with protocol guidelines, data collection, practice implementation, and monitoring. They are retained and paid by Producers. |
| Data Trust | A trusted entity securely managing project data, ensuring integrity, proper distribution of the Digital MRV software, and accessibility for stakeholders. |

| Role | Responsibility |
|---|---|
| GHG Quantification Calculators | GHG quantification tool that leverages on-farm data to measure and quantify baseline and project outcomes in accordance with approved protocols |
| Digital MRV | Use of digital technology for greenhouse gas measurement, reporting, and verification, enhancing accuracy and transparency. Utilizes data within the Data Trust and accessible by VVBs through the VVB Interface for use during verification. |
| Reporting Platform | Centralized repository for comprehensive records of carbon inset activities and claims, promoting transparency and accountability. Reports are generated for all verified assets and claims, then stored in the System of Records. |
| System of Records | Centralized repository that stores comprehensive records of carbon inset ownership and associated reports. |
| Off-Take Partners | Businesses or organizations purchasing carbon claims to reduce their carbon inventory, meet sustainability goals, and support emission reduction projects within their supply shed. |
| Public Interface | Publicly available database, owned by Athian, that promotes transparency and accountability by publishing certain information from the Data Trust, such as approved protocols. |
| AVSA | Athian Verified Sustainability Asset. The GHG reduction claim generated through the Athian Platform. |

## 2.5 Validation & Verification Bodies

All VVBs must meet Athian's credentialing requirements in order to perform the verification and validation functions in the Athian GHG Claim Platform. Athian approved VVBs must meet the competency requirements laid out in ISO 14065:2020 and be accredited or working towards accreditation by the ANSI National Accreditation Board (ANAB).

*Figure 2.3 Relationships between the ISO 14060 family of GHG standards*




### 2.5.1 Verifier Requirements

Athian will verify the Verifiers meet the following requirements:

**A.** Has obtained or is working towards ISO/IEC 17029:2019 and ISO 14065:2020 for Greenhouse Gas activities accreditation offered under the ANAB Accreditation Program.

**B.** Verifiers will be required to be assessed annually and undergo reaccreditation every five years certified annually in compliance with the requirements of latest editions of ISO/IEC 17029 and ISO 14065 through the ANAB's accreditation program.

**C.** Subject matter expertise in the on-farm operations related to an approved protocol (ex: Dairy Operations; Feedlot Operations)

**D.** Experience in a particular geography where the verification will occur

**E.** Complete onboarding in the Athian Platform

**F.** Conduct monitoring in accordance with the requirements of the relevant protocol

**G.** Compliance with Athian's VVB standards & procedures

### 2.5.2 List of Approved VVBs

Athian will maintain a current list of Athian approved Verifiers in the Athian GHG Claim Platform and will assign verifiers to verify on-farm interventions. Assignments will be based on the Verifier's level of expertise as it relates to a particular protocol or regional expertise as it relates to the farm's location.

# 3 Protocol Submission & Maintenance

## 3.1 SAB Submission Requirements

A. **Outline Submission:** Intervention Proponents will submit an overview of a possible protocol to Athian.

B. **Outline Review:** Athian will review to determine if the suggested protocol meets the requirements for the Athian program. If the suggested protocol meets Athian eligibility criteria, the Intervention Proponent will draft a "Proposal for Protocol" to be submitted to the SAB. The "Proposal for Protocol" requirements are outlined below.

C. **Scientific Review:** The SAB will review a "Proposal for Protocol" to determine if the science supporting the proposed protocol is credible. The SAB will evaluate for:

   i. **Executive Summary:** Overview of why this intervention will have a positive impact on GHG emissions within the supply chain.

   ii. **Eligibility:** Description of what livestock operations are eligible to participate in this protocol, what regions are applicable, and any other qualifying criteria.

   iii. **Causality:** Demonstration that an investment (or other equivalent action) of a company or group of companies acting collectively is what caused the Intervention to happen. Define how causality will be determined for this protocol.

   iv. **Implementation Barriers:** Define how the intervention will remove barriers to reducing emissions within the value chain.

   v. **Permanence & Leakage:** Address permanence & leakage, and supporting science, if applicable. Describe if there is a risk of reversals and if so, how would it be mitigated.

   vi. **Emissions Boundaries:** Clearly defined boundaries used in the quantification.

vii. **Brief Methodology:**

a. Describe if the calculations are absolute or intensity based.

b. Ensure the research is current and relevant to supply chain conditions.

c. Provide the actual calculations to be used to quantify the impact of this intervention on GHG emissions and ensure the methodology supports the expected results and is based on the references cited.

d. Describe any uncertainty in the data and how to mitigate risks.

viii. **References:** Any studies, articles, publications, or other supporting literature.

D. **Draft Protocol:** Intervention proponents will draft a protocol in accordance with Athian's governance program standards.

E. **Protocol Review:** Athian reviews the protocol to ensure it is in compliance with Athian's protocol requirements.

F. **Validation Review:** Protocol is reviewed for compliance with ISO 14064-2 by an accredited third-party validator.

G. **Piloting:** The protocol is piloted in the Athian platform by an Athian selected group of producers and VVBs. Piloting allows Athian to pressure test new protocols before scaling them out to a large number of producers.

H. **Verification Review:** The third-party verifier reviews the results to verify that protocol requirements were met and the reduction was quantified accurately.

I. **Cataloging:** The protocol is added to the catalog of fully piloted protocols and made available for public review.

J. **Protocol Rollout:** The protocol is made available to all applicable producers in the Athian platform.

K. **Annual Review:** The protocol is reviewed by the SAB on an annual basis to determine if the science supporting the methodologies is still sound.

L. **Continue, Revise or Retire Protocol:** The protocol is either continued, revised and re-validated, or retired. Protocol version numbers are updated in the Athian platform, if applicable.

## 3.2 GHG Assessment Boundary

Each protocol must identify the GHG sources and sinks and reservoirs (SSRs) that will be considered in quantifying GHG reductions. Protocols are required to identify the primary effects which are specific changes in GHG emissions that an intervention is designed to achieve and secondary effects which are the result of unintended changes in GHG emissions elsewhere. The GHG assessment boundary must encompass all these effects. SSRs are only included in the GHG Assessment Boundary if the intervention will have a significant effect on their associated GHG emissions or removals (GHG Protocol for Project Accounting, 2005).

## 3.3 Baseline Requirements

Baseline emissions are an estimate of GHG emissions or removals that would have occurred in the absence of an intervention. Athian requires a standardized baseline methodology which is used consistently to determine the baseline for each producer implementing a specific protocol.

## 3.4 Quantifying Protocol Emissions

Quantification of protocol GHG emissions should leverage as much actual, on-farm data as possible. For SSRs where direct or indirect measurements are too costly or infeasible, protocol GHG emissions may be estimated using defined assumptions or models. Protocols must use conservative assumptions and/or parameter values that will tend to underestimate, rather than overestimate, total GHG reductions and removals.

Athian's quantification of emissions are aligned with ISO 14067/8 for Carbon footprint of products, ISO 14064 for GHG emissions and removals, and ISO 14040 for Life Cycle Assessment (pre-farm to farm gate)

Athian protocols are required to meet a limited level of assurance by Athian Verifiers.

Athian Verified Sustainability Assets (AVSAs) are calculated as the difference between baseline emissions and post-protocol implementation emissions month-over-month and are expressed as $mtCO_2e$.

The formula for calculating reductions is:

*GHG Reductions = Post Protocol Implementation Emissions – Baseline Emissions*

## 3.5 Protocol Monitoring

Each protocol must have a monitoring plan established for all monitoring and reporting activities associated with a specific intervention. Athian will work with protocol developers and applicable verifiers to design a monitoring plan. The monitoring plan is the basis for verification bodies to confirm that the monitoring and reporting requirements in each protocol have been met and that consistent, rigorous monitoring and record-keeping is ongoing for each implemented intervention.

Athian's monitoring plans must include the requirements for monitoring and reporting for each protocol and must detail how all data elements will be collected and recorded. Each protocol is required to outline in a table the data elements that must be monitored and how data for each element is obtained (e.g., measurement, calculation, approved references or operating records).

At a minimum, Athian's monitoring plans will detail the frequency of data acquisition and a record keeping plan. Athian monitoring plans will include QA/QC provisions to ensure data quality.

## 3.6 Summary of Protocol Requirements

**A.** Protocols must be evaluated for compliance with ISO 14064-2 (Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements)

- **i.** Must identify sources, sinks and reservoirs (SSRs)
- **ii.** Must determine a GHG baseline.
- **iii.** Must identify SSR to the baseline.
- **iv.** Must select relevant SSR for monitoring or estimation.
- **v.** Must quantify GHG emissions.
- **vi.** Must quantify emissions reductions or removals in terms of mtCO2e or convertible unit of measurement.

**B.** Protocols must have defined boundaries for applicability of a specific intervention.

**C.** Protocols must include baseline emission estimates.

**D.** Protocols must include monitoring requirements.

**E.** Protocols must include methods on how to conduct measurements, what kinds of estimates are acceptable, and what calculation formulas must be used.

F. Protocol monitoring data must be provided to Athian in accordance with intervention protocol requirements.

G. Protocols must address causality and define how an investment (or other equivalent action) of a company or group of companies acting collectively is what caused the Intervention to happen for each specific intervention.

## 3.7 Quantification Tools and Methodologies

The Athian GHG Claim Platform will leverage quantification tools provided to quantify on farm emissions, in accordance with the quantification methodology outlined in the applicable protocol. All quantification tools must be evaluated for compliance with the quantification methodologies for the protocols the tool supports.

## 3.8 Maintenance and Periodic Review of Approved Protocols

All approved protocols will be cataloged in the Athian GHG Claim Platform with an SAB approval date and version number. On an annual basis, protocols will be reassessed by the SAB to determine if the quantification methodology or the underlying science is still sound, reasonable, and credible. If the science is deemed to no longer be credible by the SAB, the protocol will either be updated or revised with methodologies and given a new version number or retired completely.

# 4 Athian Complaints Policy

This policy covers complaints related to:

A. Compliance with Athian Governance Framework

B. The conduct of Athian personnel or third-party auditors (Validation/Verification Bodies)

C. Allegations of misrepresentation, fraud, or other violations of program rules

This policy is guided by the following principles:

A. Accessibility: The mechanism is accessible to all stakeholders, including marginalized groups, and provides assistance for those who may face barriers.

B. Transparency: Stakeholders are informed about the process, timelines, and outcomes of complaints, with confidential information protected.

C. Impartiality: Complaints are investigated and resolved without bias or conflicts of interest.

D. Non-retaliation: The program protects complainants from any form of retaliation for submitting a grievance in good faith.

E. Effectiveness: The process is designed to result in fair and appropriate resolutions and to drive continuous improvement.

## 4.1 How to Submit a Complaint

Any stakeholder may submit a complaint in writing at any time by email to info@athian.ag. The subject line must be "Complaint Submission to Athian"

The complaint must include:

A. **Contact Information:** Name, organization (if applicable), and contact details of the complainant.

B. **Confidentiality Request:** State if you wish to remain anonymous or have your identity kept confidential. Anonymity may limit the program's ability to resolve the issue effectively.

C. **Project Identification:** The name and ID number of the project in question, if applicable.

D. **Description of Grievance:** A detailed explanation of the complaint, including the incident, timing, and any parties involved.

E. **Supporting Evidence:** Any relevant documents, correspondence, photographs, or other evidence.

F. **Desired Outcome:** A description of the resolution being sought.

G. **Statement of Good Faith:** A declaration that the information provided is true and accurate to the best of your knowledge.

## 4.2 Complaint Handling Process

A. Acknowledgement and Initial Screening (Within 30 business days)

   i. The program will acknowledge receipt of the complaint via email.

   ii. The complaint will be screened for eligibility, ensuring it falls within the scope of the policy.

   iii. If the complaint is deemed ineligible, the complainant will receive an explanation.

B. Investigation (Indicative timeframe: 90 days)

i. The program will appoint an impartial team to investigate the grievance.

ii. All affected parties will be notified of the investigation, protecting confidentiality where requested.

iii. The investigation team will review the evidence, gather additional information, and interview relevant parties.

C. Decision and Resolution (After investigation)

i. A written decision detailing the investigation's findings and the proposed resolution will be issued.

ii. This may include corrective actions, a modification of project activities, or other appropriate remedies.

iii. The complainant will be notified of the outcome.

D. Appeal (Within 30 days of decision)

i. If dissatisfied with the decision, the complainant may appeal by submitting a written request with new, relevant evidence.

ii. An Appeals Committee will review the original decision and any new evidence.

iii. The decision of the Appeals Committee is final and conclusive.

## 4.3 Monitoring and Review

All complaints and appeals will be logged and tracked to ensure accountability and to identify patterns that could indicate systemic issues. This data will inform regular policy and program reviews to improve the effectiveness of the grievance mechanism.

## 4.4 Legal Rights

This policy does not substitute, circumvent, or override the legal rights of any party to use judicial or other legal mechanisms.

# Addendum I. Procedures for Offset Generation and Management

## 1 Asset Classification and Definitions

To support diverse market needs, the Athian Registry shall distinguish between assets generated for value chain interventions (Insets) and those generated for external compensation (Offsets).

### 1.1 Asset Designation

Upon verification, an Athian Verified Sustainability Asset (AVSA) must be designated in the Registry as either an Inset or an Offset.

A. **Inset (Scope 3):** An emission reduction or removal claimed by entities within the producer's value chain (e.g., processors, CPGs) to lower their Scope 3 emissions inventory.

B. **Offset:** An emission reduction or removal sold to an entity outside the producer's value chain to compensate for that entity's own emissions.

### 1.2 Mutual Exclusivity

An AVSA designated as an Offset cannot be simultaneously designated as an Inset. A reduction cannot be allocated to a supply shed if it is sold as a carbon credit to an external buyer.

### 1.3 Unclaimed Assets

If an AVSA has been previously designated as an Inset, but there is no assigned claimant for the AVSA, the AVSA can be converted to an offset as long as Mutual Exclusivity is not violated.

## 2 Accounting Principles for Offsets

Athian strictly adheres to the principle of "No Double Counting" regarding double issuance, double claiming, and double use. While co-claiming is permitted for Scope 3 insets within a shared value chain, offsets require exclusive ownership and specific inventory adjustments.

### 2.1 Exclusion from Scope 3 Ledger

When an AVSA is transacted as an Offset to a buyer outside the value chain, the associated GHG reduction must be excluded from the GHG Claim Scope 3 Accounting Ledger.

### 2.2 Inventory Adjustment Requirement

To prevent unacceptable double counting, the producer and associated downstream supply chain partners must adjust their corporate inventories to reflect credits sold as Offsets.

A. **Mechanism:** The specific volume of emissions reductions sold as Offsets shall be deducted from the total reductions allocated to the "Supply Shed" or specific customer allocation. This ensures the reduction is not claimed by the dairy processor or CPG partner while simultaneously being claimed by the external offset buyer.

B. **Reporting:** The specific volume of emissions reductions sold shall be reported by Athian to the applicable processor to ensure it has not been double counted in the supplier's emissions factor and inventory reporting.

## 3 Registry and Transactional Verification

The Athian Platform shall function as the system of record to track the lifecycle of the Offset to ensure it is not double-claimed.

### 3.1 Retirement of Assets

Once an AVSA designated as an Offset is sold and claimed by the external buyer, it is permanently assigned to that buyer to prevent further trading or claiming. External buyers will have the option of when to retire the claims.

## 4 Transparency and Disclosure

### 4.1 Producer Disclosure

Producers participating in the Athian platform must disclose if they are generating and selling carbon credits (Offsets) to external markets from the same intervention activities.

### 4.2 Clear Reporting

Athian Aggregated Verification Reports shall explicitly distinguish between reductions achieved for Scope 3 insetting (shared value chain benefit) and reductions sold as Offsets (exclusive external benefit) to ensure accurate reporting for all stakeholders.

### 4.3 Publicly Available Registry

Athian will make publicly available on its website the AVSAs that have been claimed and sold as Offsets.