

ERF Reasonable Assurance Report

Vivek Dugar, Director
WeAct Pty Ltd
663 Victoria Street Abbotsford
VIC 3057

20 November 2023

Dear Vivek

Independent assurance report for reasonable assurance over WeAct's Forest Aggregation project 1 (ERF 158071) project for the reporting period 27 July 2020 to 31 July 2023

This report details our reasonable assurance opinion and findings in respect of WeAct Pty Ltd's ('WeAct') Forest Aggregation project 1 (ERF 158071) for the reporting period 27 July 2020 to 31 July 2023 pursuant to sections 13 and 76 of the *Carbon Credits (Carbon Farming Initiative) Act 2011* ('CFI Act') in accordance with the:

- National Greenhouse and Energy Reporting (Audit) Determination 2009 ('NGER Audit Determination').
- Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* ('ASAE 3000').
- Australian Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* ('ASAE 3100').

Audited body

Name of proponent	WeAct Pty Ltd
ABN/ACN	28 140 558 818
Name of contact person for proponent	Vivek Dugar
Contact person phone number	+61 (0) 402 841 310
Contact person email address	vivek@weact.com.au

Registered project

Name of registered project	Forest Aggregation project 1
Unique registered project identifier	ERF 158071
Total reporting period(s) covered by engagement	27 July 2020 to 31 July 2023

Net abatement/sequestration during reporting period(s) (in tCO₂-e)	18,943 tCO ₂ -e
Location of registered project	Green Triangle, Victoria
Method under which the registered project operates	<i>Carbon Credits (Carbon Farming Initiative—Plantation Forestry) Methodology Determination 2017 (the ‘Method’)</i>
Audit description	
Type of audit	Initial
Kind of audit	Reasonable assurance
Objective of the assurance engagement	Assurance on WeAct’s Forest Aggregation project 1 carbon farming project under the Method and CFI Act.
Audit fee (inclusive of GST and disbursements)	\$27,200
Total hours spent on the audit by audit team	109 hours
Non-audit fees paid to the audit team leader and audit firm for services and activities excluding this audit over the past 12 months	\$0
Why did the provision of non-Part 6 services or activities not result in a conflict of interest situation? (write not applicable if no non-audit fees were paid to the audit firm)	Not applicable
Date terms of engagement signed	12 August 2022
Date audit report signed	20 November 2023
Auditor details	
Name of audit team leader	Phil Williams
Greenhouse and energy auditor registration number	0248/2019
Organisation	ERM Australia Pty Ltd

Phone number	+61 (0) 401 757 888	
Address	Level 14, 207 Kent Street Sydney, NSW 2000	
Names and contact details of other audit team members	Angel Sanz	+61 (0) 2 8584 8812
Details of exemptions under 6.71 of the NGER Regulations for the audit team leader or professional member of the audit team. These may include:	Nil.	
<ul style="list-style-type: none"> ■ conflict of interest and details of the procedures for managing conflict of interest ■ relevant relationships ■ exemptions for an audit team leader to carry out more than five consecutive greenhouse and energy audits for the proponent. 		
Peer reviewer details		
Name of peer reviewer	Chris Bray	
Organisation	ERM Australia Pty Ltd	
Phone number	+61 (0) 2 8584 8825	
Address	Level 14, 207 Kent Street Sydney, NSW 2000	

PART A—AUDITOR'S INITIAL AUDIT REPORT

To the Directors of WeAct

We have conducted a reasonable assurance engagement for an Emissions Reduction Fund ('ERF') project, being an initial audit pursuant to sections 13 and 76 of the CFI Act, for the reporting period 27 July 2020 to 31 July 2023, to report on whether, in all material respects:

- The proponent met the requirements of the *Carbon Credits (Carbon Farming Initiative—Plantation Forestry) Methodology Determination 2017* (the 'Method').
- The offsets report for the Forest Aggregation project 1 (ERF 158071) ERF registered project (the 'Project') has been prepared in accordance with section 76 of the CFI Act.
- The Project has been operated and implemented in accordance with:
 - the section 27 declaration that is in operation for the Project.
 - the Method.
 - the requirements of the CFI Act.

The Offsets Report consists of the total net abatement/sequestration during the reporting period of 18,943 tCO₂-e.

Details of proponent

Name	WeAct Pty Ltd
Address	663 Victoria Street, Abbotsford, VIC 3057
ABN/ACN	28 140 558 818

Responsibility of WeAct's management

The management of WeAct is responsible for:

- WeAct's compliance with the Method.
- The preparation and presentation of the Offsets Report in accordance with section 76 of the CFI Act.
- The Project's compliance with the section 27 declaration in operation for the Project and the requirements of the Method, the CFI Act, the *Carbon Credits (Carbon Farming Initiative) Regulations 2011* ('CFI Regulations') and the *Carbon Credits (Carbon Farming Initiative) Rule 2015* ('CFI Rule').

This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation, and presentation of the Offsets Report that is free from material misstatement, whether due to fraud or error, the project's compliance with the CFI legislation and WeAct's compliance with the Method.

Our independence and quality control

We have complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour. This includes all of the requirements specified in the *National Greenhouse and Energy Reporting Regulations 2008* ('NGER Regulations') regarding the Code of Conduct, independence and quality control.

In accordance with the NGER Regulations, ERM maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express an opinion on the Offsets Report, whether the Project was undertaken in accordance with the relevant legislation, and whether WeAct meets the requirements in the Method, based on the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with the NGER Audit Determination, ASAE 3000 and ASAE 3100. The NGER Audit Determination and these standards require that we plan and perform this engagement to obtain reasonable assurance about whether the Offsets Report is free from material misstatement, and whether the Project and WeAct meet the requirements of the relevant legislation, in all material respects.

A reasonable assurance engagement, in accordance with the NGER Audit Determination, ASAE 3000 and ASAE 3100, involved performing procedures to obtain evidence about the quantification of abatement/sequestration and related information in the Offsets Report, and about whether the Project and WeAct met the requirements in the relevant legislation. The nature, timing and extent of procedures selected depended on the audit team leader's judgment, including the assessment of the risks of material misstatement or material non-compliance of the matter being audited, whether due to fraud or error.

In making those risk assessments, we considered internal controls relevant to WeAct's Offsets Report and Project in order to design assurance procedures that are appropriate in the circumstances; but not for the purpose of expressing an opinion on the effectiveness of WeAct's internal control.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of procedures undertaken

The procedures conducted in our reasonable assurance engagement included:

- Assessing the compliance of the Project in accordance with the CFI Legislation and the Method through interviews and reviewing Project documents.
- Assessing WeAct's controls in place over documentation and submission of the Offset Reports in accordance with CFI legislation and the Method.
- Assessing whether the Project meets the Method requirements and is being carried out in accordance with the section 27 declaration.
- Undertaking an assessment of legal right to carry out the project.
- Recalculation of mathematical calculations used in the matter being audited.
- Identifying and testing assumptions supporting the calculations.
- Inspection of records or documents relating to the audited body and the Project.
- Inquiry by seeking information from persons within or outside the audited body, including conducting an interview with a landholder to assess additionality and project implementation.
- Undertaking a site visit to conduct a walkthrough of the project activities.

More detailed procedures are included in Part B of the audit report.

Use of our reasonable assurance engagement report

Our report has been prepared for the use of WeAct for the purpose of assisting management meet its reporting obligations to the Clean Energy Regulator ('CER') in compliance with the CFI Act. Accordingly, we expressly disclaim and do not accept any responsibility or liability to any party other than WeAct for any consequences of reliance on this report for any purpose other than for which it is prepared.

However, we understand that the CER may request a copy of our assurance engagement report for the purpose of assessing WeAct's compliance with the CFI Act, the CFI Regulations and the Method for the

reporting period. We agree that WeAct management may provide the CER a copy of our assurance statement for this purpose, but only on the basis that we accept no liability or responsibility to the CER.

Inherent limitations

There are inherent limitations in performing reasonable assurance engagements. For example, reasonable assurance engagements are based on selective testing of the information being examined, and it is possible that fraud, error, omission or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of misstatement in abatement/sequestration included in the offsets report or non-compliance with the legislation, because such an engagement is not performed continuously throughout the reporting period being examined, and because the procedures performed in respect of abatement/sequestration or compliance with the legislation are undertaken on a test basis. The conclusion expressed in this report has been formed on the above basis.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data. We specifically note that WeAct has used estimates or extrapolated underlying information to calculate certain amounts included within the offsets report.

Our conclusion

In our opinion, in all material respects, for the reporting period 27 July 2020 to 31 July 2023:

- The proponent met the requirements of the Method.
- The Offsets Report for the Project has been prepared in accordance with section 76 of the CFI Act.
- The Project has been operated and implemented in accordance with:
 - the section 27 declaration that is in operation for the Project.
 - the Method.
 - the requirements of the CFI Act.

Yours Sincerely



Phil Williams
Partner in Charge, ERM and Audit Team Leader
Sydney
20 November 2023

Part B—Detailed findings

As required under section 3.23 of the NGER Audit Determination, we outline our findings from our reasonable assurance engagement over WeAct's ERF Project.

Issues requiring particular attention

The landholders for the Project had only recently acquired the two properties before the Project commencement date and do not have access to historical records relating to the plantation. Given the duration of the prior rotation is required to model the baseline carbon stock in FullCAM, WeAct utilised historical satellite imagery to determine the start and end date of the rotation for each plantation in lieu of records. ERM assessed WeAct's approach and is satisfied it is a reasonable method for determining rotation duration as the satellite imagery clearly enables the identification of approximate planting and clearfell dates.

Aspects impacting on assurance engagement

There were no aspects noted that impacted the assurance engagement.

Contraventions of ERF legislation

No contraventions of the ERF legislation were noted during the assurance engagement.

Matters corrected during the course of the audit

The following table presents matters identified during the course of the audit that were corrected by WeAct prior to finalising its Forest Aggregation project 1 Offsets Report for the reporting period 27 July 2020 to 31 July 2023:

Issue A	<p>Our testing identified that WeAct initially started the long rotation FullCAM modelling for several CEAs from a planting date that was inconsistent with the signed management reports provided by landholders, as follows:</p> <ul style="list-style-type: none"> ■ For the Tullich 21 CEA, WeAct started the FullCAM modelling from an August 2022 planting date rather than August 2021 per the management schedules. ■ For the Tullich 11, Tullich 12 and Tullich 31 CEAs, WeAct started the FullCAM modelling from an August 2021 planting date rather than July 2021 per the management schedules. <p>As a result of these issues it was identified that WeAct had understated its emissions abatement in its draft Offsets Report by 58 tCO₂-e (0.3%).</p>
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Other matters

Our testing identified that there were inconsistencies in the land parcels listed in the s27 declaration, the CER's public ERF Register, the signed Eligible Interest Holder ('EIH') forms and the land titles obtained by ERM during the audit. ERM identified two key findings from the discrepancies identified:

1. The ERF Register contains references to two land parcels (9921/624 and 9784/44) that are not listed in the s27 declaration, and omits two others (9966/074 and 09934/044) that are listed. ERM does not consider this of audit significance, rather it is a housekeeping issue for the CER.
2. One of the Project land parcels (9768/428) was omitted from being listed in the EIH declaration for Tullich; however ERM has sighted the relevant land title and notes the landholder is the same as the approver for the other land parcels for Tullich in the EIH form. Accordingly, ERM is comfortable the landholder has approved the overall project appropriately and the omission is a housekeeping issue.

Submission of WeAct's offset report was delayed after issuance of ERM's initial assurance statement for this

scope of work due to delays in obtaining final unconditional approval for the project. Accordingly, WeAct needed to extend the reporting period for its first offsets report and obtain further third-party assurance over the updated scope.

Audit findings and conclusions table

The findings presented in the table below are provided in the context of documenting evidence to support our assurance conclusion. They are designed to inform WeAct and the CER of any identified compliance issues to assist WeAct in meeting its compliance obligations moving forward and to better inform regulatory decisions for the CER.

Risk area investigated	Testing conducted	Findings	Conclusion
Declaration of an Eligible Offsets Project The Project is not undertaken, in all material respects, in accordance with section 27 of the CFI Act.	Our assurance procedures included interviews with key stakeholders and inspection of supporting documentation and public records to: <ol style="list-style-type: none"> 1. Verify the Project details are in accordance with the section 27 Declaration document. 2. Verify that the section 27 Declaration conditions have been undertaken accurately. 3. Verify the proponent's Legal Right to undertake the Project. 4. Assess existence of Native Title and Land Title rights and whether appropriate consent has been obtained. 	No material issues were identified.	Risk area has been appropriately addressed as part of our assurance engagement.
Offsets Report Preparation The Offsets Report is not prepared, in all material respects, in accordance with the requirements of the CFI	Our assurance procedures included interviews with key stakeholders, inspection of the Offsets Report and comparison to supporting documentation and public records to: <ol style="list-style-type: none"> 1. Verify the Offsets Report is prepared in accordance with section 76 of the CFI 	No material issues were identified.	Risk area has been appropriately addressed as part of our assurance engagement.

Risk area investigated	Testing conducted	Findings	Conclusion
Act, CFI Rule and the Method.	Act. 2. Verify the Offsets Report is prepared in accordance with section 70 of CFI Rule. 3. Verify the Offsets Report is prepared in accordance with section 53 of the Method.		
Project Eligibility under the Method The Project does not meet, in all material respects, the eligibility requirements specified by Part 2 & Divisions 3 & 4 of Part 3 of the Method.	Our assurance procedures included interviews with key stakeholders and inspection of the Offsets Report and supporting documentation to: 1. Verify the Project meets the requirements relating to plantation forest projects in accordance with section 7 of the Method. 2. Verify the Project meets the requirements relating to plantation types and regions that are excluded in accordance with section 10 of the Method. 3. Verify the Project meets the requirements relating to forestry managed investment schemes that are excluded in accordance with section 11 of the Method. 4. Verify the Project meets the requirements relating to project	No material issues were identified.	Risk area has been appropriately addressed as part of our assurance engagement.

Risk area investigated	Testing conducted	Findings	Conclusion
	<p>activities and types of eligible land in accordance with Division 4 of Part 3 of the Method.</p> <p>These procedures were supplemented by a site visit to the Tullich CEAs to meet with the landholder and conduct a visual inspection to corroborate the eligibility requirements have been met.</p>		
<p>Project Stratification</p> <p>The Project does not meet, in all material respects, the stratification requirements of the Method.</p>	<p>Our assurance procedures included interviews with key stakeholders, inspection of the Offsets Report and supporting documentation and stratification reperformance procedures in a Geographical Information System ('GIS') to:</p> <ol style="list-style-type: none"> 1. Verify the Project Carbon Estimation Areas ('CEA') have been defined and mapped in accordance with sections 17-19 of the Method. 2. Verify the Project meets the re-stratification requirements in accordance with sections 20-23 of the Method. <p>These procedures were supplemented by a site visit to the Tullich CEAs to visually inspect:</p> <ul style="list-style-type: none"> - The land within the CEAs had forest potential. - That ineligible areas are not included in 	<p>No material issues were identified.</p>	<p>Risk area has been appropriately addressed as part of our assurance engagement.</p>

Risk area investigated	Testing conducted	Findings	Conclusion
	<p>the CEAs.</p> <ul style="list-style-type: none"> - Physical evidence of progress toward forest cover attainment. 		
<p>Management Regimes</p> <p>The Project does not meet, in all material respects, the Management Regime requirements of the Method.</p>	<p>Our assurance procedures included interviews with key stakeholders and inspection of the Offsets Report and supporting documentation to:</p> <ol style="list-style-type: none"> 1. Verify the Project proponent has identified and reported management actions and disturbance events in accordance with sections 24 and 25 of the Method. 2. Verify the Project proponent meets the management schedule and regime requirements in accordance with sections 26-31 of the Method. <p>These procedures were supplemented by a site visit to the Tullich CEAs to meet with the landholder and conduct a visual inspection to verify:</p> <ul style="list-style-type: none"> - The choice of species for the plantation is acceptable and aligns to the management regime set out for the CEAs. - That management actions occurring onsite align to the management regimes 	<p>No material issues were identified.</p>	<p>Risk area has been appropriately addressed as part of our assurance engagement.</p>

Risk area investigated	Testing conducted	Findings	Conclusion
	<p>set out for the CEAs.</p> <ul style="list-style-type: none"> - No disturbance events have occurred during the reporting period. 		
<p>FullCAM Modelling</p> <p>The Project does not meet, in all material respects, the FullCAM requirements of the Method.</p>	<p>Our assurance procedures included interviews with key stakeholders and inspection of the Offsets Report and supporting documentation to:</p> <ol style="list-style-type: none"> 1. Verify WeAct has followed the general FullCAM requirements in accordance with sections 35 and 36 of the Methodology. 2. Verify WeAct has followed the scenario requirements in accordance with sections 37-39 of the Method. 	<p>No material issues were identified.</p>	<p>Risk area has been appropriately addressed as part of our assurance engagement.</p>
<p>Net Abatement Calculations</p> <p>The Project net abatement calculations are not completed, in all material respects, in accordance with Division 3 of Part 4 of the Method.</p>	<p>Our assurance procedures included:</p> <ol style="list-style-type: none"> 1. Interviewing key stakeholders to understand WeAct's overall approach to performing the net abatement calculations. 2. Testing key inputs to WeAct's FullCAM simulations back to signed management schedules and the FullCAM Guidelines. 3. Reperforming simulations for each CEA in FullCAM to validate the accuracy of 	<p>No unadjusted material issues were identified.</p> <p>However one issue was identified and subsequently corrected prior to the completion of our audit. Refer to Issue A in the 'matters corrected during the course of the audit' section above for more details.</p>	<p>Risk area has been appropriately addressed as part of our assurance engagement. However, we recommend that WeAct ensures all inputs used in its future FullCAM simulations align to the signed management schedules provided by landholders.</p>

Risk area investigated	Testing conducted	Findings	Conclusion
	<p>WeAct's Project simulations.</p> <p>4. Utilising WeAct's validated FullCAM simulations to reperform WeAct's net abatement calculations for the Project in accordance with Division 3 of Part 4 of the Method.</p>		
<p>Record Keeping and Monitoring</p> <p>The Project does not meet, in all material respects, the record-keeping and monitoring requirements of the Method.</p>	<p>Our assurance procedures included interviews with key stakeholders and inspection of the Offsets Report and supporting documentation to:</p> <ol style="list-style-type: none"> 1. Verify WeAct has followed the record-keeping requirements in accordance with sections 55 and 56 of the Method. 2. Verify WeAct has followed the monitoring requirements in accordance with sections 58-60 of the Method. 	<p>No material issues were identified.</p>	<p>Risk area has been appropriately addressed as part of our assurance engagement.</p>

Peer reviewer conclusion

Name of the peer reviewer	Chris Bray
Peer reviewer's credentials	Registered Greenhouse and Energy Auditor (0242/2017)
Peer reviewer contact details	ERM Australia Pty Ltd +61 (0) 2 8584 8825 Level 14, 207 Kent Street Sydney, NSW 2000
Outcome of the evaluation undertaken by the peer reviewer	As peer reviewer, I support the auditing approach, findings and conclusions of the audit team, and the audit opinion of the Audit Team Leader.

Yours Sincerely



Phil Williams
Partner in Charge, ERM and Audit Team Leader
Sydney
20 November 2023

ERM has over 160 offices across the following countries and territories worldwide

Argentina	The Netherlands
Australia	New Zealand
Belgium	Norway
Brazil	Panama
Canada	Peru
Chile	Poland
China	Portugal
Colombia	Puerto Rico
France	Romania
Germany	Senegal
Ghana	Singapore
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