

ACRE LEADS THE WAY IN BRAZIL WITH THE FIRST LEAF COALITION TERM SHEET

Acre is the first Brazilian State to sign a LEAF Term Sheet

Agreement for up to 10 million high integrity forest carbon credits

Term Sheet paves the way for binding agreement in 2024

COP28 | Dubai 5th December: Acre became the first Brazilian state to sign a Term Sheet with Emergent yesterday, at COP28 in Dubai.

The Term Sheet paves the way for a binding Emissions Reduction Purchase Agreement (ERPA) to supply up to 10 million high-integrity forest carbon credits to the LEAF Coalition for years 2023 - 2026. Both parties are committed to signing a final ERPA in 2024.

The Term Sheet, while non-binding, demonstrates the significant and rapid progress that Emergent and the state government of Acre have made towards unlocking finance at scale to protect Acre's forests. It outlines some of the key terms of the proposed ERPA, including vintages and indicative volumes; key milestones to meet before finalizing the agreement; and payment terms. The Term Sheet also outlines a process that may enable the funding of advance payments for credits to Acre.

All credits sold under the final ERPA will meet the highest levels of environmental integrity and social safeguards, in line with the Architecture for REDD+ Transaction's (ART) The REDD+ Environmental Excellence Standard (TREES).

Leonardo Carvalho, President of Acre's Institute of Climate Change (IMC) said, 'Our state has always been a pioneer in forest protection and is widely recognized as having the first jurisdictional REDD+ program in the world. We are very pleased to be, once again, pioneers in our work with the LEAF Coalition and look forward to moving quickly towards a final agreement to generate funding that recognizes and rewards the efforts of our people, supporting future programs to protect our forests and nature.'

Francisca Arara, Secretary of State for Indigenous Peoples for Acre. 'In Acre and across the whole of the Brazilian Amazon, Indigenous Peoples, with their traditional knowledge, play a vital role as guardians of the forests. Agreements like this with the LEAF Coalition have the potential to ensure that our Indigenous Peoples and forest communities are properly reward for these efforts. We will

work with LEAF to ensure the fair distribution of funds according to an agreed benefit sharing plan, based on open and informed consultation.’

Jose Luiz Gondim, CEO of CDSA, the public-private company established by the State of Acre to manage REDD+ agreements said, ‘This agreement represents a significant step forward. Although there is still much progress to be made, we have agreed many of the key terms of the final agreement and look forward to making progress towards a final LEAF Coalition deal.’

Eron Bloomgarden, CEO of Emergent said. ‘We congratulate Acre on becoming the first Brazilian state to sign a Term Sheet with Emergent. This shows the commitment of the whole Acre team to making progress and the potential of the LEAF Coalition to raise finance at scale to support Acre and other Brazilian states in their efforts to protect their forests. We look forward to concluding a binding agreement with Acre and progressing with other states in 2024.’

The signing of the Term Sheet with Acre follows the announcement of binding agreements with two forest governments, Costa Rica and Ghana potentially worth over \$60 million combined, to supply high integrity jurisdictional REDD+ credits to LEAF Coalition buyers, including ten private sector buyers.

Emergent also continues to progress discussions with other Brazilian states with the aim of signing further agreements to purchase high-quality carbon credits that will deliver for people, climate and nature in Brazil.

- Ends -

Notes to Editors

The LEAF Coalition

Launched during President Biden’s Leaders’ Summit on Climate in April 2021, the LEAF Coalition aims to build a market for high-integrity REDD+ emissions reductions credits from large-scale schemes operated by national or subnational governments (known as the jurisdictional approach). LEAF ensures the highest environmental and social integrity of REDD+ results by only purchasing credits issued by ART as verified to meet requirements of its TREES standard for jurisdictional REDD+ emissions reductions and removals. This builds buyer confidence and trust by ensuring the highest levels of environmental integrity and social safeguards, particularly for Indigenous peoples and local communities.

Emergent

Emergent is a U.S. non-profit that serves as a transactions platform engaging between tropical forest countries and the private sector to mobilize finance to support emissions reductions in deforestation. It does this by developing and bringing practical, credible and large-scale forest protection solutions to market. Emergent serves as the coordinator of the LEAF Coalition.

ART TREES

ART is a standalone, independent program that develops and administers standardized procedures for crediting emissions reductions and removals from national and large subnational REDD+ programs. ART's standard for the measurement, monitoring, reporting and verification of emissions reductions and removals from the forest sector — The REDD+ Environmental Excellence Standard, known as TREES — represents the next step in the evolution of global efforts to protect and restore tropical forests. TREES supports transformational climate action at scale, while upholding rigorous social and environmental integrity.