

Silvera Carbon Credit **Ratings** Explained

Sylvera Carbon Credit Ratings Explained

What is Sylvera?

Sylvera is a carbon intelligence platform providing independent and in-depth carbon credit ratings and assessments. Companies with net zero targets rely on Sylvera's carbon credit ratings to ensure that the carbon credits they invest in are legitimate and impactful.

Sylvera's team of experts leverages proprietary data and machine learning technology to produce comprehensive and accessible ratings and assessments for carbon credits. Sylvera's aim is to bring much-needed trust and transparency to carbon offsetting.

Taking a bottom-up approach, Sylvera meticulously builds carbon, strength of baseline and financial additionality models from the ground up with independent and proprietary data. Sylvera takes the same fundamental approach across all frameworks (REDD+, ARR, IFM, and renewables, among others) so that buyers can reliably compare credits and make investment decisions with greater confidence.

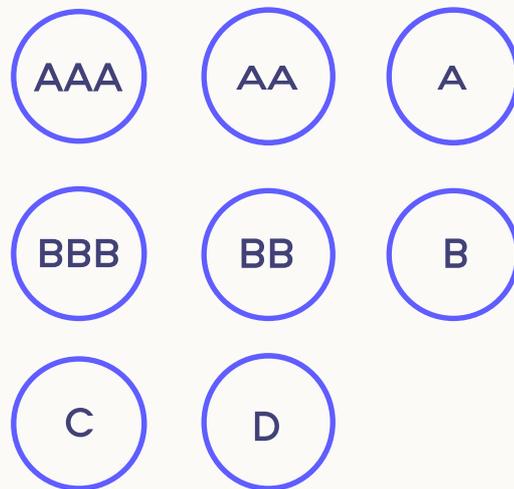


Ratings System

Sylvera assesses the likelihood that the credits issued by a carbon project have delivered on their claims of avoiding or removing one metric ton of carbon dioxide (tCO₂) or other greenhouse gases (GHGs).

Sylvera ratings are derived from the holistic analysis of a project's carbon performance, additionality and permanence. A separate score is provided based on analysis of the co-benefits the project brings to local communities and the environment.

Each project we rate receives a discrete letter rating (AAA-D) and an in-depth report, which is accessible via subscription to the Sylvera app.



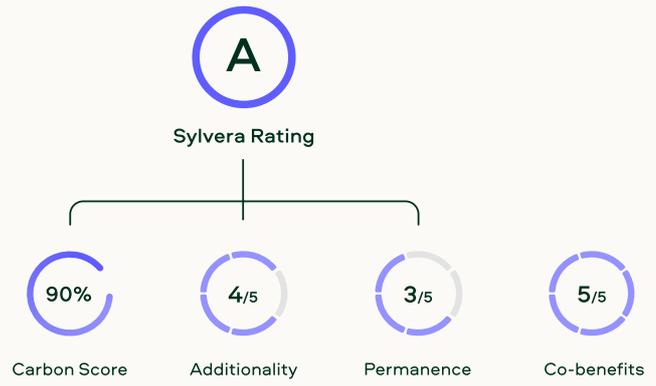
Each pillar is designed to answer fundamental questions about the project.

Carbon performance: Is the project accurately reporting on its activities, which directly translate to its overall avoidance or removal of CO2e?

Additionality: Would the emission reductions have occurred without the revenue derived from the offset project? Is there an over-crediting risk?

Permanence: Are the avoided or removed GHGs likely to be maintained for an atmospherically significant period of time?

Co-benefits: Are there additional benefits the project brings to local communities and biodiversity?



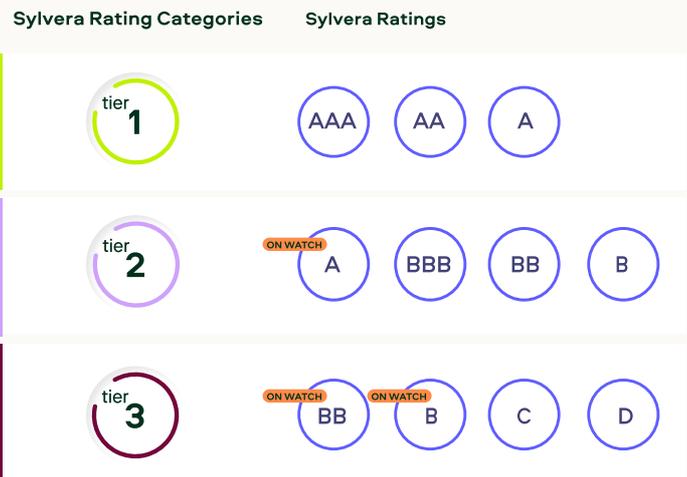
Sylvera Rating Categories

Sylvera Rating Categories are a top-level view of a carbon project's claims.

Tier 1 indicates that there is little risk that the claims of a project are overstated.

Tier 2 indicates that the claims may be overstated and that the buyers should analyze the project and carbon credit costs in detail when considering investment.

Tier 3 indicates that there is very high risk that the claims of a project are inaccurate.



What does "On Watch" mean?

If we become aware of any circumstances that could lead to a material change to a project rating and/or assessment, including its withdrawal, the project will be placed "On Watch" until the review process has completed. The status gives market participants an indication that new information means it is more likely than not that a project's rating will change (either positively or negatively).



Co-benefits

Sylvera measures community Co-benefits using the UN's Sustainable Development Goals. When assessing biodiversity impacts, Sylvera evaluates species richness, regional threats to biodiversity, and project actions to reduce pressure on biodiversity. Co-benefits are scored separately, because the primary objective of Sylvera's overall rating is to evaluate the project claims of GHGs being avoided or removed. For example, a high co-benefits score could inflate a rating, which would be an issue particularly if a project is underperforming in other key areas like carbon, additionality, and permanence. Sylvera's Co-benefits scores are on a scale of 1-5.



Indicates exceptional progression of targeted SDGs, as well as extraordinary species richness and high quality activities to reduce pressure on biodiversity.

Example: The project implements a broad range of SDG activities with extensive reach in the community, operates in a biodiversity hotspot and successfully reduces pressures on the ecosystem.



Indicates strong progression of targeted SDGs, as well as high species richness and quality activities to reduce pressure on biodiversity.



Indicates average progression of targeted SDGs, as well as average species richness and adequate activities to reduce pressure on biodiversity.

Example: The project implements SDG activities with moderate reach in the community, has average species richness, and takes acceptable action to reduce pressures on biodiversity.



Indicates narrow progression of targeted SDGs, or low species richness and limited activities to reduce pressure on biodiversity.



Indicates very limited progression of targeted SDGs, as well as very low species richness and deficient activities to reduce pressure on biodiversity.

Example: The project implements limited SDG activities with limited reach in the community, while not taking meaningful action to reduce pressures on biodiversity or its species diversity is low and possibly under low threat.

Learn More about Sylvera

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