Framework Review Committee:

Regenerative Agriculture

Registered Attendees: Cool Effect, Indigo Agriculture, ENGIE, Climate Impact Partners, Cultivo, Agreena, Chevron, Shell, Involtor, Native, McKinsey, Gunvor Group, Groundwork BioAg.

General

1. Will there be a separate framework for projects focused on sustainable grasslands management through livestock grazing (e.g. cattle ranching)? Or will they be grouped under the regenerative agriculture framework with crop farming?

   - The same framework is used to assess all regenerative agriculture projects, including sustainable grassland management and regenerative crop farming projects. However, within the Framework, there are distinctions in what tests and how the tests are applied. For example, under the Co-Benefits pillar, the diversity and nativeness of planted crops is only assessed for cropland projects,

2. Can you share a bit more about this Framework Review Committee'? Who is on it? How were people chosen? Etc

   - A Framework Review Committee (FRC) is organized each time Sylvera publishes a new Assessments Framework, or makes significant changes to the existing Framework. The need for the FRC comes from our wish to constantly improve the quality of our

assessments and make sure we are aligned with the latest market developments. The FRC is most often conducted in the form of an online session where Sylvera's team presents the framework, i.e., the set of tests and parameters used in our models, the scientific background for it, and any internal and external datasets used. This is an opportunity for the market stakeholders to scrutinize the approach and provide feedback to the framework logic. The Committee usually consists of a group of experts coming from developer and client organisations, registries, or scientific institutions. Relevant stakeholders are chosen based on their experience in the field, in particular, connected to the project type in question.

3. Will already rated projects be reassesed under these updates? What is the difference between the literature used previously versus now for soil carbon change from regen ag practices?

-   Yes, already rated projects will be updated under the new version of the framework. Once this update is complete, we will follow the normal developer engagement cycle before releasing the updated Rating, including obtaining any new documentaiton from the developers, and a feedback cycle once the draft Rating is shared. Where data is available, the Carbon Score will now draw on a wider range of literature that is matched to the project by practices and region. In many cases, the data points used previously in the Rating will still be referred to as part of the wider pool, provided they are deemed applicable in the matching process.

4. Do you assess small-scale projects differently from large, aggregated projects?

-   The framework does not distinguish between small-scale projects and large, aggregated projects in terms of the tests that are applied to assess quality, and in particular, the carbon accounting method. However, we do consider the spatial distribution of a project in our assessment of permanence, as larger, more dispersed projects are less likely to experience significant carbon stock loss from natural hazards, but more likely to face management challenges. Differences are likely to also be reflected in the Co-Benefits score, considering that small-scale projects often

target subsistence farmers in developing countries with high poverty rates.

5. For grouped projects, do you assess the project developer's actual ability to enroll the number of farmers they are projecting will be needed?

- Under permanence, we assess the strength of the project's design for retaining farmers/ranchers and maintaining regenerative practices in the project area; however, we do not assess the project's ability to enroll these farmers. This framework looks to assess the quality of credits issued by a project, which we don't see as being affected by the number of farmers/ranchers enrolled in the project. In our Pre-Issuance Solution assessment, where we are looking at Delivery Risk, we will consider a project's ability to achieve recruitment goals; however, this is separate from this framework, which looks at ex-post credits.

6. Are you assessing how the projects manage crop rotations? How about sub-field management practices?

- This is currently beyond the scope of the framework, and often detailed information on sub-field management practices is not made available in project documentation and/or differs between farmers/ranchers, as these are given flexibility in how to apply the project activities. We may consider, where relevant, the difference between sub-field management practices in the project area compared to the wider region when looking at common practice.

7. How are the 4 elements weighted to derive the rating? See later points on how we see over-crediting as the highest risk facing regen ag projects, especially until remeasurement.

- We also think that OCR is a component that is highly impacting the letter Rating. Whenever we publish a new framework or update it, we also provide a User Guide on the platform, which contains a set of matrices. We will ensure that this is forwarded after the FRC, once the feedback is finalized.

Please note that Carbon and Additionality pillars have a separate matrix to derive the Impact Score, which is then plotted with the Permanence Score to arrive at the letter Rating; Co-Benefits Score does not impact the letter rating, as this is looking at the integrity of carbon credits.
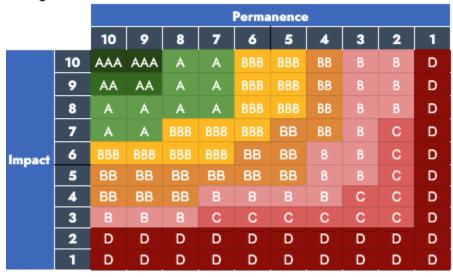
The current matrices are as follows:

Additionality

		Activities				
		1	2	3	4	5
OCR	1	1	1	1	2	2
	2	1	2	3	4	5
	3	2	3	5	6	7
	4	2	4	6	7	8
	5	2	4	6	8	10

Impact

		Additionality									
		10	9	8	7	6	5	4	3	2	1
Carbon Score	1	10	9	8	7	6	5	4	3	2	2
	0	9	9	8	7	6	5	4	3	2	1
	-1	7	7	6	6	5	4	3	2	1	1

Rating

		Permanence									
		10	9	8	7	6	5	4	3	2	1
Impact	10	AAA	AAA	A	A	BBB	BBB	BB	B	B	D
	9	AA	AA	A	A	BBB	BBB	BB	B	B	D
	8	A	A	A	A	BBB	BBB	BB	B	B	D
	7	A	A	BBB	BBB	BBB	BB	BB	B	C	D
	6	BBB	BBB	BBB	BBB	BB	BB	B	B	C	D
	5	BB	BB	BB	BB	BB	BB	B	B	C	D
	4	BB	BB	BB	B	B	B	B	C	C	D
	3	B	B	B	C	C	C	C	C	C	D
	2	D	D	D	D	D	D	D	D	D	D
	1	D	D	D	D	D	D	D	D	D	D

8. One area where we see risk is the determination of time to reach SOC equilibrium, which can be a subjective number assigned by the project (as not always provided by the model). IPCC indicates 20 years, which can be used by projects to determine annual sequestration rate (by dividing the delta between equilibrium SOC and baseline SOC by time to reach equilibrium).

- We agree that the time taken to reach SOC equilibrium needs to be considered by regenerative agriculture projects. While the IPCC default is 20 years as stated, a wide range of possible periods to reach equilibrium can be found in literature, with anything from 20 to 70 years (West & Six, 2006; Garnett *et al.*, 2017; Godde *et al.*, 2020; Franzluebbers, 2024). This highlights the wide range of possible outcomes, depending on factors such as climate, soil type, and prior management. We see a distinction here between process-based models such as RothC and DayCent, vs, for example, SNAPGRAZE. The latter determines equilibrium SOC without simulating future time-steps, thus increasing the risk that the time taken to reach equilibrium SOC has not been properly considered. Whatever the model used, it is important that projects consider the effect of SOC sequestration plateauing during the crediting as equilibrium is approached; as this will lower revenue-sharing-based incentives for participating farmers/ranchers. Consequently, the updated framework places a greater emphasis on a project's strategy for incentivizing farmers/ranchers long-term.

9. General point - With significant growth in the number of ALM projects, particularly those following VM0042, there is increasing reliance on measure/model quantification approaches. Evaluating the sampling design, stratification, and modelling components of these projects is essential for accurately rating their carbon quantification, given that these estimates depend heavily on model accuracy and conservatism. Differentiating between higher- and lower-quality projects therefore requires specialised expertise. This is especially important because we have observed significant variation in soil sampling strategies and model calibration methods across grazing and ALM projects, yet little corresponding differentiation in ratings. Notably, some projects have received and publicised 'A' ex-ante ratings without transparent disclosure of soil sample numbers or density, or details on model

calibration and validation—information missing from PDDs and not available in non-public ex-ante rating reports. We find the combination of a lack of transparency on these critical factors, but projects still receiving 'A' ratings, concerning. This understand of sampling, stratification and model calibration risk is particularly relevant between baseline sampling and the remeasurement point, as between these points, crediting is very reliant on the model performance.

- We see soil sampling strategies and model calibration/validation methods as crucial for project integrity. Consequently, the soil sampling and modelling risk components are the most heavily weighted under over-crediting risk (after project ineligibility), and significantly impact the overall Rating. To date, no regenerative agriculture project has received an A Rating or higher on the Sylvera platform.

Carbon Score

1. For the carbon quantification red flag assessment, what happens to projects where there is limited literature on sequestration rates in that geography (which could indicate they are inherently more additional)? Are these projects penalised? Or is it a 'neutral' assessment, as Sylvera cannot determine whether the projects removal rates are above/below literature values, as these values do not exist.
2. There is generally less literature on soil carbon impact of NBS activities on grasslands. How will this impact ratings?
3. What happens with projects where there is limited data from location/for practice? I.e. very novel, very low common practice projects. The framework says 'A negative Carbon Score is assigned when the project's sequestration rate falls above the 75th percentile for a strong match'. Will projects where there is not enough data for a 'strong match' therefore not be given a 'negative' carbon score?

- The matching criteria have been designed such that it is very unlikely that a project won't have sufficient literature data available for a comparison. However, if only a 'weak match' is available (as defined on page 11 of the FRC Deck) then a Neutral Carbon Score is automatically assigned, due to the low-level of confidence in the comparison. Due to the uncertainties involved, the Carbon Score assessment carries relatively little weight in the overall Rating, and a Neutral Carbon Score is not punished

severely in comparison to a Positive Carbon Score.

4. Does this mean the carbon score for all ALM/grazing projects will be provisional until remeasurement? With projects using a measure-model approach, the highest risk period is between baseline sampling and remeasurement, as prior to this models are generally calibrated against either ability of model to predict baseline stocks (and therefore not change over time) or calibrated using third-party datasets which may not be from within the project area.

-   The Carbon Score is provisional due to a current lack of the date required to quantitatively analyze project removal claims. This is not linked to the measurement cycles of individual projects.

5. 'Country and practices matched (>4 data points)' – is this a strong and weak match?

-   The weak match for country and practices is with < 4 data points, while the strong match is with ≥4 data points.

6. The framework says 'The current Carbon Score serves as a red flag check, to ensure that the sequestration rates reported by projects are plausible'. A 'red flag check' seems to indicate a pass/fail assessment, however the scoring seems to give a spread of options, which seems a bit confusing. We are unsure how the 'red flag check' integrates into the overall project rating/over-crediting risk/carbon accounting section of the rating?

-   Thank you for the feedback on the wording. We agree that a 'red flag check' is slightly misleading, as there are three possible scoring outcomes: positive, neutral, or negative. The Carbon Score is a stand alone test that looks to ascertain whether soil carbon sequestration values reported by the project are plausible. The matrices that describe how this combines with other components to establish the overall Rating are included above in this document.

7. We are supportive of analysis of project yields compared with literature, where enough relevant literature exists, but we are unsure on the integration to the rating point described above. For example, could there be a scenario where a project achieves a high rating because of its stratification, sampling density, model calibration approach, buffer etc etc, but receives a 'red flag' because of high yields compared to literature OR will the red flag prevent a high rating in the first place?

- A negative Carbon Score caps the overall Rating at a BBB, which can only be achieved in this scenario with very low additionality AND permanence risk. Please see the matrices included above in this document to see how different pillar scores combine.

Over-crediting Risk

1. For baseline, it says best practice is 'A conservative baseline is validated with samples from reference site,' - We are unclear on this, especially the term 'reference site' – does these mean projects are required sample, on an on-going basis, off-project sample sites to demonstrate the justification of the baseline?

- We consider the ideal approach to baseline calculation to be one that is based on ground-truth data. Consequently, periodically measuring SOC stocks in reference sites that are representative of the conditions in the project area represents the strongest approach to baseline calculation. Such measurements could either inform the baseline SOC stock directly or be used to validate modelled baseline stocks. However, we recognize that this presents logistical challenges for projects, and do not require the use of reference sites for a project to receive a low risk score for this component.

2. Thorough/appropriate soil sampling and stratification seems overlooked, in comparison with model cal/val, which can be crude. Views on this within rating.

- The Soil Sampling component within Over-crediting Risk assesses a project's sampling design, with significant weight on whether or not a project has stratified its sampling area appropriately. In Over-crediting Risk, the highest weighted components

in order are project ineligibility (this risk is rarely present and therefore rarely affects the score; however, of cours,e when ineligibility risk is present, then this has a drastic effect on project quality), modelling, and then soil sampling. In our framework, modelling is the highest-weighted over-crediting risk component because for projects that rely on models, the model largely determines the soil organic carbon (SOC) change that gets credited, and it can be a major source of uncertainty if it's not well designed and validated. That said, we also place strong emphasis on soil sampling and stratification. It's the third highest-weighted component, and a weak sampling design can materially increase a project's overall over-crediting risk score.

3. How deeply are you assessing the actual management data collection occurring within projects so that you can separate those who have on-farm data from those that are simply making broad assumptions?
4. How is MRV data quality assessed in the rating (e.g. in-situ data collected by an independent third party, via direct measurement, vs proxy data)?

- Across the over-crediting risk components, the use of direct measurement rather than proxy or generic data is considered lower risk. For example, we assess the source of data used to determine on-farm/ranch activities, where farm/ranch surveys combined with local reports are considered the best approach, and the use of regional averages is considered a high risk. Additionally, we assess whether the project has used data collected in the project area to calibrate and validate its model, rather than using default parameters or validating against proxy data. We also consider the project's stratification method, and reward projects that use direct measurement (e.g., remote sensing or in situ data) for soil texture stratification.

5. Some methodologies require a static baseline. How would it be considered if a project voluntarily demonstrates a declining baseline, but applies a static baseline to comply with the methodology (which is an inherently conservative approach)?

- We have shifted the emphasis in our framework away from inherently punishing static baselines. We still prefer there to be a consideration of the possibility of changing SOC stocks in the baseline scenario, but recognise that a conservative static baseline

is less likely to lead to over-crediting than an optimistic modeled baseline. The scenario described in the question, i.e., one where a project demonstrates that SOC stocks are likely to decline in the project area, but applies a static baseline set at a conservative estimate of pre-project SOC stocks, would be considered a good approach.

6. Soil sampling is inherently destructive and can vary significantly over short distances. Therefore, we do not necessarily see a pro or a con with locations being static over time. (For example, it could be argued that static locations could cause bias in the location of activity implementation)

-   Using static sample sites allows for consistent tracking of soil carbon changes at the same locations over time, improving the reliability of detected trends. If sample sites shift between measurement events, it becomes difficult to distinguish real changes in SOC from variability due to spatial heterogeneity. Static sites reduce noise and improve comparability, lowering the risk of false signals and over-crediting (Rollett & Williams, 2020).

7. What is adequate sample number? How will this be determined? Will it be a static density across all Sylverra ratings, or assessed per project? If per project, how will it be assessed? To be clear, we are supportive of enhanced assessment of soil sample number and stratification – we have felt there is not enough differentiation of ratings between projects on this factor (and model calibration and validation).
8. How is adequate sample number assessed by Sylvera? Is this a consistent hectares/sample assessment by Sylvera (i.e. same for all projects)? Or will Sylverra create project specific numbers to test adequacy?

-   As detailed sampling design data is not consistently available for all projects we assess, the updated framework applies a single sampling-density threshold: 0.1 permanent sampling locations per hectare. Projects sampling at or above this density receive a reduction in soil sampling risk, while projects sampling below it do not. This threshold is aligned with a practical guideline in the FAO SOC MRV Protocol (FAO, 2020); it is a pragmatic benchmark that does not by itself guarantee adequacy in all

settings, as required sampling intensity depends on SOC variability and project heterogeneity. The overall approach recognises that very high sampling densities are often impractical for large-scale projects, and therefore places greater emphasis on representative sampling through appropriate stratification, while still rewarding projects that adopt higher sampling densities that can improve the ability to detect SOC change over time.

9. In the proposed framework, there seems little assessment on the approach a project takes to monitoring project activities. Accuracy of carbon quantification can vary significantly across monitoring approaches e.g. farmer self-reporting of cattle location vs use of GPS technology. The differentiation of the monitoring approaches considered (and invested) by projects should be assessed in the context of likely over-crediting risk.

- Thank you for the suggestion. The framework currently touches monitoring approaches in a few places: it considers the likely accuracy of data used to establish baseline management activities, it checks the frequency of monitoring for factors that drive leakage outside the project area, and it assesses MRV rigor mainly on the quantification side via detailed tests for soil sampling, lab protocols, uncertainty deductions, and soil modelling calibration/validation. We acknowledge that this iteration does not explicitly assess the monitoring methods used to verify project management activities, and while incorporating this is out of scope for the current update, we plan to consider adding a dedicated assessment in a future framework revision.

10. Use of remote sensing and dMRV should be considered within over-crediting risk assessment. These tools provide an opportunity for objective verification of model inputs and other parameters. However, the calibration of remote sensing models should be assessed with care. Remote sensing models have inaccuracy risk, and we have seen inappropriate use of remote sensing to support quantification claims.

- We agree that remote sensing and other dMRV approaches are increasingly used and can offer real benefits by strengthening objective monitoring and verification, but

they also introduce specific risks if applied or validated poorly. While the current framework is intended to capture the overall credibility of projects using these approaches, we will look to add more explicit tests for dMRV in future updates.

Additionality of Activities

1. How do you consider the fact that farmers are not going to share financial data with projects?

- We recognize that farm/ranch financial data may be difficult to obtain for projects, and the financial additionality risk assessment can be conducted without this information. However, this lack of data introduces uncertainty into the assessment, which translates to a degree of risk.

2. Does the "proponent common practice" aspect indicate that if a proponent continues to expand their participation, you would continuously reduce their rating?
3. When assessing common practice, are the project activities excluded from the analysis? In other words if the project is successful and responsible for wide distribution of the activity, and it has become common in the area is that treated negatively? How big an area is examined for common practice?

- Proponent common practice focuses on the activities of project proponents outside of the Voluntary Carbon Market (VCM), thus, the expansion of participation in a carbon project would not reduce the Rating. Similarly, common practice as a whole is looking to ascertain how widespread activities are outside of the VCM, so a successful project does not undermine common practice. If project activities become widespread with farmers/ranchers who are not enrolled in a carbon project, then this would impact the common practice assessment.

Sylvera's common practice assessment looks to find data on the most granular scale available, i.e. the municipality level. Where this data is not available, or for projects that are very large and spread over hundreds of municipalities, regional or national

data will be used.

4. ==If a project area is also relying on alternate sources of funding in addition to carbon finance to implement project activities, would that negatively affect the additionality rating/common practice assessment? Thinking about cases where they need to pool several sources of funding to implement regenerative practices==

- This is somewhat context-dependent. Generally, if a participating farmer/rancher is receiving non-VCM revenue for implementing the project's regenerative practices, then this would reduce the project's additionality. This can, in some cases, be mitigated if projects are able to demonstrate that VCM revenue is necessary to make the implementation of the regenerative practices economically viable. We will also consider the scale of other sources of funding compared to VCM revenue.

5. ==How are you thinking about additionality, considering that traditional financial additionality tests are not suited for the context of actively-managed agricultural lands?==

- The financial additionality component aims to assess the likelihood of project activities being adopted without carbon finance, given the presence of other financial incentives. In the context of regenerative agriculture projects, there are long-term financial benefits to implementing regenerative practices that can provide an incentive for adoption regardless of carbon finance. In our updated framework, we look to assess the scale of this incentive for participating farmers/ranchers compared to carbon credit income. If there is clear evidence to suggest that inherent financial benefits from the regenerative practices significantly outweigh the carbon credit benefits, then this reduces the project's additionality. Further, where data is available, we assess the economic viability of implementing project activities without carbon credit revenue, and the evidence for financial barriers to the implementation of regenerative practices.

Permanence

1. <mark>How is permanence assessed? Against a standardised benchmark (e.g. 100 years, like Caylx), or basis the requirement of the project's specific monitoring period (eg. CAR being 100 years, VCS being 40 years, like BeZero)</mark>

- We consider a project's permanence on a 100-year scale.

2. <mark>Are you fully accounting for reversal risk when assessing some of these very large projects happening in or near active war zones in Eastern Europe?</mark>

- Within the framework for assessing anthropogenic permanence risk, we evaluate whether recent policy shifts or other significant human-related events have occurred in the project region that could implicate the permanence of the project. So it is within this context that we would consider the extent to which the proximity of a project to an active war zone presents a risk to the permanence of the carbon project.

3. <mark>Does the size of the buffer contribution/presence of insurance impact the permanence rating?</mark>

- Thank you for the suggestion. Although we take it into consideration as a mitigation if a particularly conservative buffer deduction is applied, it is not currently a component of the framework.

4. <mark>Does the permanence rating framework proposed consider how vulnerable a specific pool is to a specific permanence risk? For example, a project may be prone to fire, whereby SOC is not especially vulnerable to fire, but above ground woody biomass stocks are?</mark>

- Yes. When the majority of credits come from the woody biomass, we would be using the ARR framework, where fire and drought impact are weighted more than in the Regenerative Agriculture framework, particularly for the reasons you highlighted, that the SOC pool is less vulnerable. In general, many agroforestry projects will be

evaluated under the ARR framework when the majority of their credits come from the AGB and BGB pools, and we would combine the approaches if the pools' contribution is more equal.

Co-Benefits

1. Grazing projects can occur in areas of the world with complicated land tenure arrangements (e.g., community owned lands, non-private lands, protected area etc). These present risks in relation to right to claim carbon and FPIC. Are these safeguards weighted appropriately in comparison to SDG claims.

- The Community Score is equally weighted between the Safeguarding Score, which takes into account land tenure, and the SDG Score. However, to your point, in order to acknowledge the fact that the projects have an inherent positive benefit on the soil microbiome and further ecosystem health, and therefore the communities, we always add the impact on SDGs 2, 6, and 12, awarding all projects, unless there is evidence of harm. Furthermore, if there are issues with the FPIC or any community mistreatment, there are mechanisms in the framework to lower the positive scores.

2. Do other certifications e.g. CCB (or equivalent third party certifications) support the co-benefit rating assessment?

- Yes, we account for the CCB verification and equivalents. Furthermore, we have removed the check for GMO use from the previous framework iteration to acknowledge the need for food security. However, the CCB verification takes into account GMO use ("Native species are used unless otherwise justified, and invasive species and genetically modified organisms (GMOs) are not used"). Therefore, this is considered a higher standard in terms of the project's impact on biodiversity.