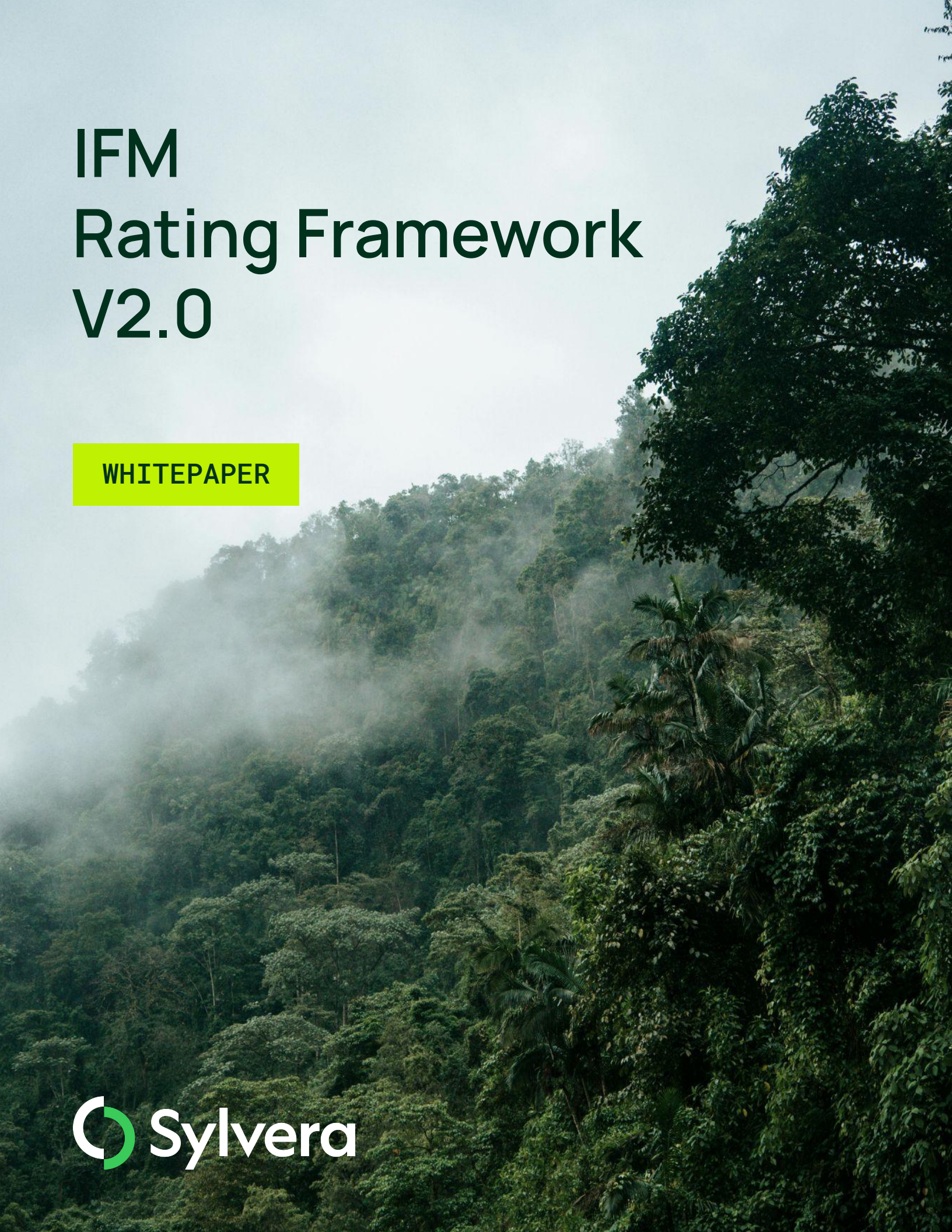
IFM Rating Framework V2.0

WHITEPAPER



Sylvera

Executive Summary

This document details the V1.0 Rating framework logic for the Improved Forest Management (IFM) project type.

Improved Forest Management (IFM) projects increase the carbon stored in existing forests relative to a business-as-usual baseline, which may reflect a counterfactual harvesting scenario or, in some methodologies, an initial carbon stock level. Project activities are diverse and can include extending harvest rotation periods, reducing harvest intensity, adopting reduced-impact logging, and converting production forest to protected forest, as well as non-harvesting activities such as increased planting, improved stocking density, and enhanced soil management. Because these activities avoid emissions and conserve standing biomass, IFM credits combine avoided emissions with continued removals. This white paper explains how Sylvera derives a Rating for an IFM project from material data points provided by the project and benchmarked against independent, Sylvera-derived satellite data.

This contains a **description** of each component used in the assessment, **scoring logic** which breaks down the rules used to derive a quality score for each component, and the **data inputs** used in specific tests.

Rating Grade

Pt.1

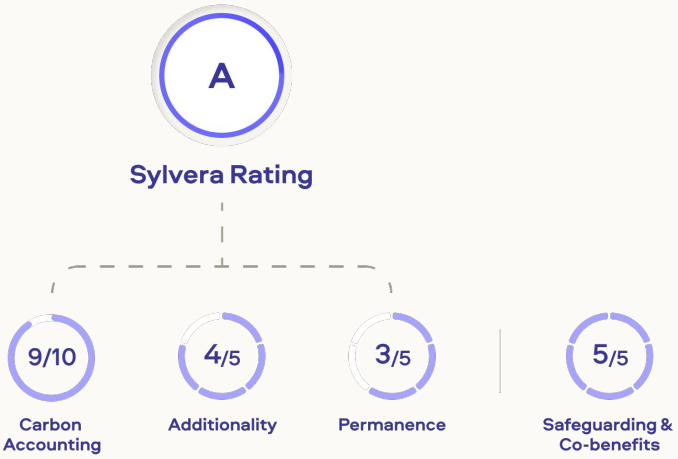
Rating Grade

AAA — D

Description

The eight point **Rating Grade** spans **AAA–D**, reflecting carbon credit integrity — the likelihood that each credit represents 1 tCO_2e reduced or removed. The **Rating Grade** combines each scoring pillar, **Carbon Accounting**, **Additionality** and **Permanence**, mapping these against Ratings matrices to ensure that fundamental flaws or underperformance in key areas drives integrity insights.

A **Safeguarding and Co-Benefits** scoring pillar is also calculated to assess beyond-carbon aspects but is not factored into the **Rating Grade.**



Carbon Accounting	Additionality	Permanence	Safeguarding & Co-Benefits
Verifies sequestration claims against Sylvera's proprietary biomass data and assesses the risk of non-conservative carbon accounting choices.	Assesses whether the project's improved forest management is a genuine departure from business-as-usual forest management, driven by carbon revenue.	Evaluates risk of reversals to assess the likelihood that carbon removals will persist for an atmospherically significant period of time.	Assesses biodiversity and community impact, considering safeguards against negative outcomes, and beyond-carbon benefits.

Notes:

High scores indicate low risk. Carbon Accounting scored on 1-10 scale; all other pillars scored on 1-5 scale.
(10 = very low risk; 1 = very high risk).
(5 = very low risk; 1 = very high risk).

Rating Grade

Pt.2

Scoring Logic - Ratings matrices

Step 1: The unrounded (1-10) **Additionality** and **Carbon Accounting** scores are combined to create a **"Carbon Impact"** score. This score represents the maximum impact of a project, or the likelihood that each claimed credit represents an accurately quantified, and additional tCO_2e sequestered, assuming there is no risk of reversal.

Carbon Impact

Carbon Accounting \ Additionality	1	2	3	4	5	6	7	8	9	10
1	1	1	1	1	1	1	1	1	1	1
2	1	2	2	2	2	2	2	2	2	2
3	1	2	3	3	3	3	3	3	4	4
4	1	2	3	4	4	4	4	4	5	5
5	1	2	3	4	5	5	5	5	5	5
6	1	2	3	4	5	5	6	6	6	6
7	1	2	3	4	5	6	7	7	7	7
8	1	2	4	5	5	6	7	8	8	8
9	1	2	4	5	5	7	8	9	9	9
10	1	2	4	5	5	7	8	9	9	10

Step 2: The **Carbon Impact** and unrounded **Permanence** scores are combined to produce the **Rating Grade,** representing the likelihood that one credit represents one tCO_2e sequestered for an atmospherically significant amount of time.

Rating

Carbon Impact (Carbon Accounting x Additionality) \ Permanence	1	2	3	4	5	6	7	8	9	10
1	D	D	D	D	D	D	D	D	D	D
2	D	D	D	D	D	D	D	D	D	D
3	D	D	C	C	C	C	C	C	C	C
4	D	C	C	B	B	B	B	B	B	B
5	D	B	B	B	BB	BB	BB	BB	BB	BB
6	D	B	B	BB	BB	BBB	BBB	BBB	BBB	BBB
7	D	B	B	BB	BBB	BBB	BBB	BBB	BBB	BBB
8	D	B	B	BB	BBB	A	A	A	A	A
9	D	B	B	BB	BBB	A	A	A	AA	AA
10	D	B	B	BB	BBB	AA	AA	AA	AA	AAA

Carbon Accounting

Description

Carbon Accounting assesses the risk that each emission reduction or removal unit a project claims does not represent one tonne of CO_2e. For Improved Forest Management (IFM) projects, this means evaluating whether the carbon stock changes and harvest volumes a project reports can be independently verified, and whether the project's claimed baseline is consistent with independently derived satellite benchmarks. Accurate carbon accounting is essential to minimising over-crediting risk.

Scoring Logic

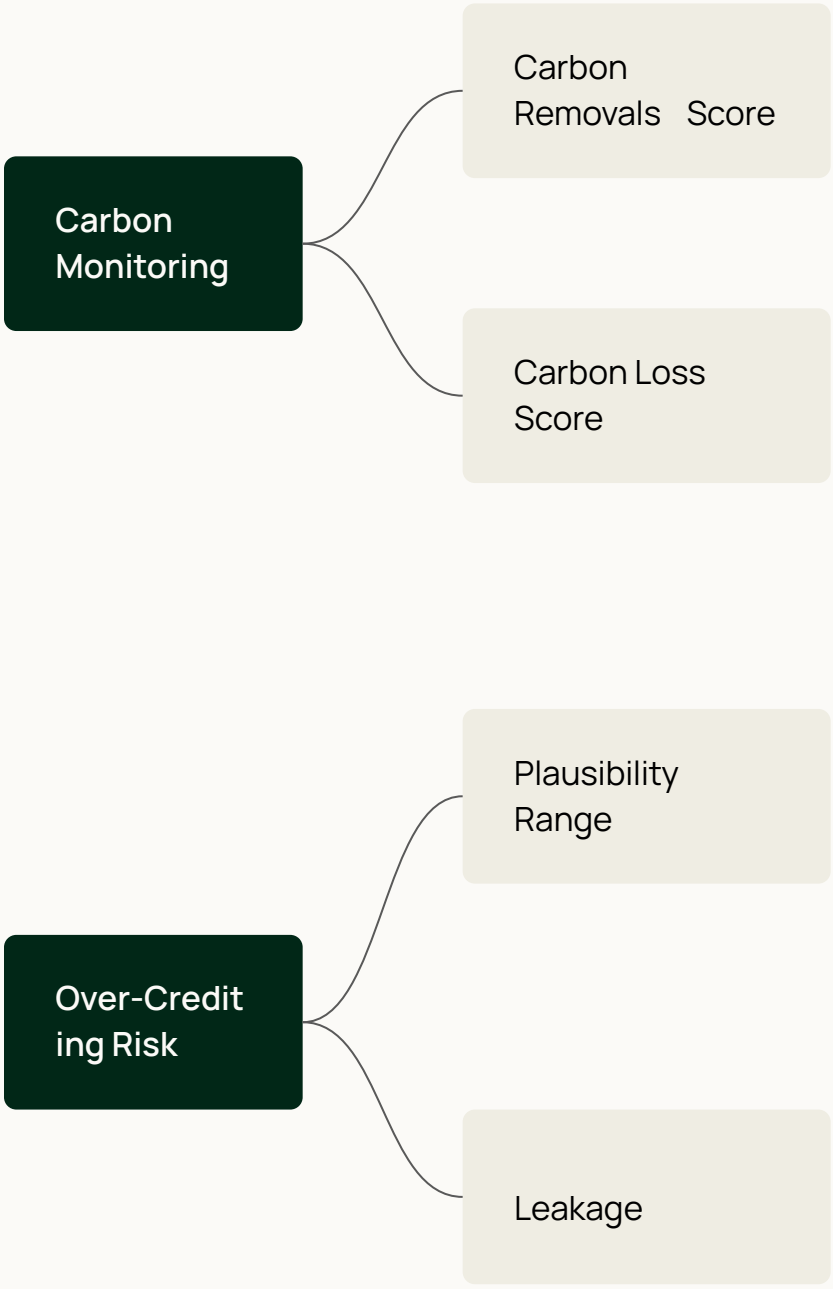
The **Carbon Accounting** score is the average of two components: **Carbon Monitoring** and the **Over-Crediting Risk (OCR)** score.

Carbon Monitoring tests whether a project's reported carbon stock changes and harvest volumes are independently verifiable. It is the average of two sub-scores: the **Carbon Removals Score**, which tests whether reported ex-post removals fall within Sylvera's independently derived biomass growth estimate for the project area, and the **Carbon Loss Score**, which cross-checks reported harvest volumes against Sylvera's independently derived biomass loss estimate..

Over-Crediting Risk (OCR) assesses whether the project's claimed baseline carbon loss rate is plausible relative to independently derived satellite benchmarks. It combines two sub-scores:

- Plausibility Range: whether the project's claimed baseline loss rate fall within the range supported by satellite benchmarks for the project and reference areas.
- Leakage: the risk that avoided harvesting inside the project area displaces emissions to forests outside it.

Carbon Accounting



***Note:**
This chart provides a high-level overview of tests; detailed tests are provided in the following pages.

Carbon Monitoring

CARBON ACCOUNTING

Description

Carbon Monitoring tests whether the carbon fluxes an IFM project reports can be independently verified against Sylvera's satellite-derived observations. Rather than re-deriving a project's numbers, Sylvera asks a simpler question: are the project's reported gains and losses consistent with what independent remote sensing actually observed on the ground? It is the average of two sub-scores:

- **Carbon Removals Score:** whether reported sequestration from forest growth is consistent with independently observed biomass gains in the project area.
- **Carbon Loss Score:** whether reported harvest and disturbance volumes are consistent with independently observed biomass losses.

Scoring Logic

The **Carbon Monitoring** score is the average of the **Carbon Removals Score** and the **Carbon Loss Score**. Both rely on Sylvera's **Biomass Atlas** dataset, which provides spatially explicit, independently derived estimates of above-ground carbon stock and its change over time.

A high score indicates strong agreement between reported and observed fluxes - low risk that credited volumes are unverifiable. A low score flags material divergence that Sylvera cannot independently corroborate.

Carbon Removals Score

CARBON ACCOUNTING – CARBON MONITORING

Description

The Carbon Removals Score tests whether the removal credits a project claims are consistent with the carbon stock growth Sylvera independently observes in the project area. It is one of the two sub-scores of **Carbon Monitoring**, comparing reported removals against Biomass Atlas observations through a magnitude test and a directional test, detailed below. A higher score means lower inflation risk.

Scoring Logic

Sylvera selects between two test pathways based on monitoring history. Where at least three years of Biomass Atlas data are available for the project area, the Magnitude Test applies: reported cumulative ex-post removals are compared against the upper bound of Sylvera's 95% confidence interval for observed biomass gain. If reported removals fall within this bound, the project scores high; where they exceed it, the score decreases proportionally.

Where insufficient monitoring history exists, the Directional Test applies: Sylvera checks whether the 5-year pre-project biomass trend is directionally consistent with the project's claimed growth. A consistent trend passes; a negative pre-project trend paired with positive claimed removals fails.

Data Inputs

Input name	Description
Total ex-post-gross removals	Project-reported gross CO_2e removals over the ex-post period
Ex-post period (start / end)	Monitoring window over which removals are claimed
Biomass Atlas	Sylvera's independently derived woody biomass stock estimates

Carbon Loss Score

CARBON ACCOUNTING – CARBON MONITORING

Description

The Carbon Loss Score tests whether the harvest volumes an IFM project reports are consistent with the biomass losses Sylvera independently observes in the project area. In IFM, much of the credited benefit comes from avoided emissions — reducing timber harvest so that carbon remains stored in standing forest. This score asks whether those harvest reductions are real and independently verifiable. It is the counterpart to the Carbon Removals Score, which addresses growth.

Scoring Logic

Sylvera derives a weighted estimate of biomass loss in the project area over the monitoring period from the Biomass Atlas, constructing a 95% confidence interval around this estimate. The project's reported harvest volumes are converted to tCO_2e and compared against this range.

Where reported harvest falls within or above the lower bound of Sylvera's estimate, the project scores high, reported extraction is consistent with independently observed losses. Where reported harvest falls below the lower bound, a shortfall is calculated and the score decreases proportionally relative to total reported removals: the larger the unexplained gap between reported harvest and observed biomass loss, the lower the score.

Data Inputs

Input name	Description
Reported harvest volumes	Project-reported harvest over the monitoring period, converted to tCO_2e
Ex-post period (start / end)	Start and end date of the monitoring period
Biomass Atlas	Sylvera's independently derived weighted biomass loss estimates
Ex-post gross removals	Project reported gross tCO_2e removals over the ex-post period

Over-Crediting Risk

CARBON ACCOUNTING

Description

Over-Crediting Risk (OCR) assesses whether an IFM project's claimed **baseline**—the carbon loss that would have occurred without the project—is realistic. Because IFM credits are generated by reducing harvesting relative to a counterfactual, an inflated baseline directly inflates credit volumes. Sylvera tests the baseline against independent, satellite-derived observations rather than relying on the project's own projections.

Scoring Logic

The **Over-Crediting Risk** score is derived from the Plausibility Range score, with a possible Leakage deduction.

- **Plausibility Range:** whether the project's stated baseline carbon loss rate ($tCO_2e/ha/yr$) falls within the range supported by Sylvera's Biomass Atlas observations across a range of relevant areas, forming a plausible proxy for baseline carbon stock loss.
- **Leakage adjustment:** a deduction of up to 5 points where implied market leakage from harvest reductions exceeds the project's own leakage accounting

A higher score indicates a lower risk of over-crediting. The highest scores require the baseline to fall within the plausibility range.

Plausibility Range

Pt.1

CARBON ACCOUNTING – OVER-CREDITING RISK

Description

The Plausibility Range is the band of baseline carbon loss rates Sylvera considers credible for a project, derived independently from Biomass Atlas satellite observations across the project area and comparable reference regions. A project whose claimed baseline loss rate falls inside this range is making a defensible counterfactual; a project well above it is likely overstating the emissions it avoids.

Scoring Logic

Sylvera constructs the plausibility range from satellite-observed loss rates across several distinct area types, each representing a different reference point for the baseline loss a project could credibly claim:

- **Project Area (PA) and Project Reference Area (PRA)** - the credited boundary and its matched counterfactual
- **Surrounding Area (SA) and Regional** - the leakage belt and broader ecoregion baselines

Because satellite-derived loss estimates carry measurement uncertainty, each area's loss rate is expressed with a 95% confidence interval. The plausibility range is therefore a band, not a single line - a project whose stated baseline falls within the interval is treated as consistent with observation; only baselines exceeding the upper bound attract an over-crediting penalty.

Which area types enter the plausibility range depends on the project's baseline sub-methodology pathway - IFM projects set baselines in different ways, and the pathway determines which reference areas are valid and how conservative the test should be.

Where the baseline falls outside the plausibility range, the score penalty is modulated by two factors: how far outside the range the baseline sits (the over-claim ratio), and how inherently verifiable the baseline methodology is (observability tier). Projects using higher-observability methodologies receive a less severe penalty at a given level of over-claiming.

Plausibility Range

Pt.2

CARBON ACCOUNTING - OVER-CREDITING RISK

Data Inputs

Input name	Description
Baseline carbon loss rate (tCO2e/ha/yr)	Project-stated average annual baseline loss rate
Baseline sub-methodology pathway	The methodology pathway the project uses to set its baseline
Biomass Atlas	Sylvera's independently derived biomass loss rates
Hansen forest loss data	Independent satellite-derived forest loss observations
Observability tier	Classification of the baseline methodology by how inherently verifiable it is

Leakage

CARBON ACCOUNTING – OVER-CREDITING RISK

Description

In IFM, leakage is principally market leakage: when a project reduces timber harvesting inside the project area, unmet demand can displace harvesting to forests elsewhere, transferring rather than avoiding emissions. Sylvera assesses whether a project's claimed leakage deduction is proportionate to the scale of its harvest reduction. Under-accounting for leakage is a key over-crediting risk.

Scoring Logic

Sylvera compares the project's actual leakage deduction against the implied market leakage from its harvest reduction. Where the harvest reduction is material, Sylvera estimates the share of displaced emissions the project should be accounting for, drawing on empirical transfer rates from the literature. The gap between this implied rate and the project's own deduction forms the basis for a score adjustment of up to 5 points applied to the Plausibility Range base score.

Where harvest reduction is minimal, no leakage penalty is applied. For projects where the primary degradation threat is illegal logging rather than commercial harvest, the standard market leakage framework does not apply and is assessed separately.

Data Inputs

Input name	Description
Historic harvest volumes	Project-reported average annual harvest prior to the project
Project harvest volumes	Reported harvest during the project period
Leakage deduction (%)	The leakage adjustment the project's methodology applies to credited volumes
Degradation avoidance activity	The nature of the primary degradation threat

Additionality

Description

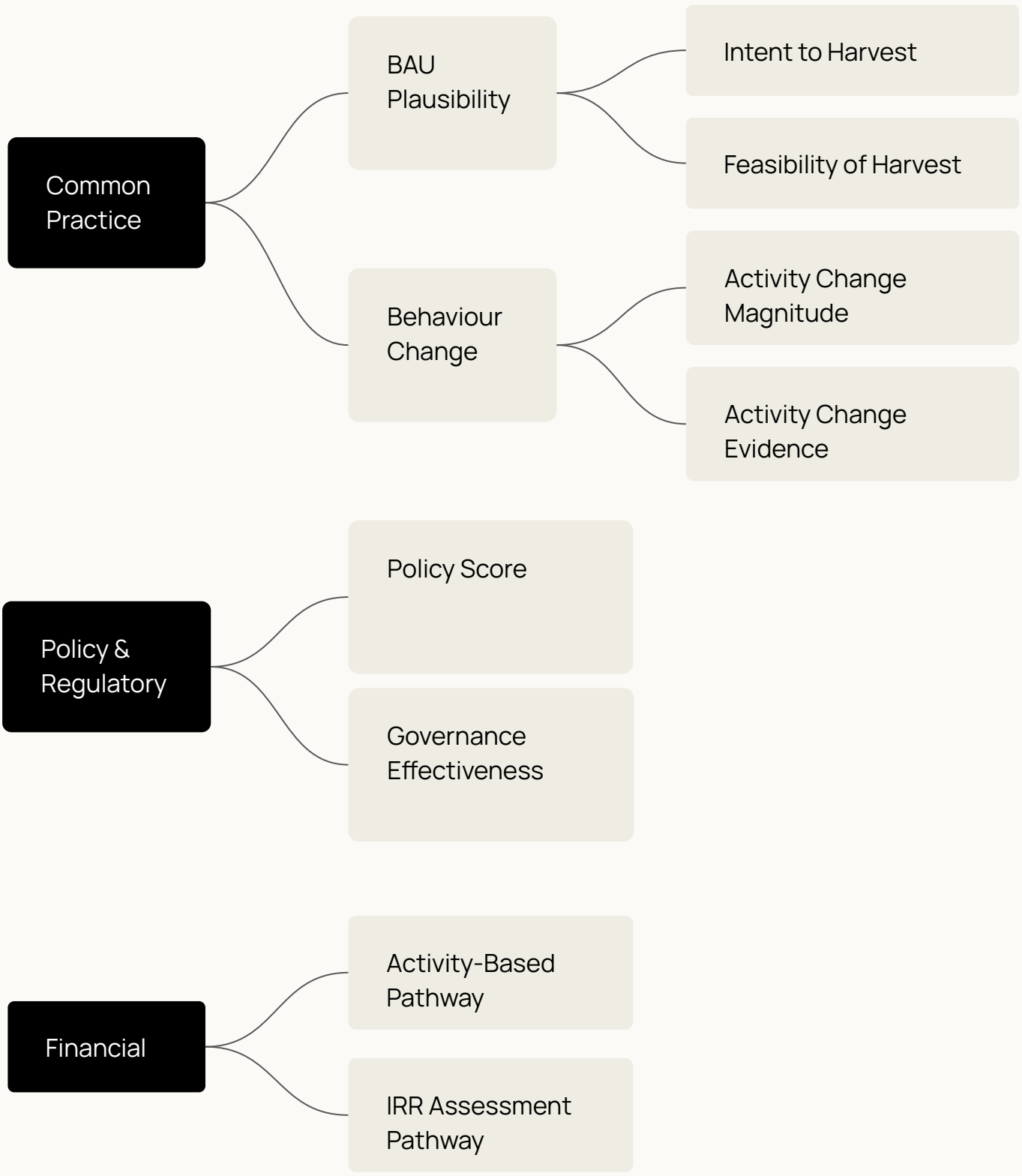
Additionality assesses whether an IFM project represents a genuine departure from business-as-usual (BAU) forest management, that is, whether the carbon benefits it claims would not have happened anyway. For improved forest management, the central question is whether the forest was credibly under threat of more intensive harvesting at BAU levels, and whether the project has actually changed management in response. A project that simply continues pre-existing low-impact practices, or protects a forest that faced no realistic harvesting pressure, has low additionality.

Scoring Logic

The **Additionality** score is driven primarily by the **Common Practice** score, which combines the plausibility of a counterfactual harvesting threat (**BAU Plausibility**) with evidence that the project changed management (**Behaviour Change**). **Financial Additionality** and **Policy & Regulatory** assessments act as downward caps: where either indicates a high additionality risk, they are averaged into the overall score, pulling it down, but they never raise it above what Common Practice supports.

Scores range from 5 (very low additionality risk) to 1 (very high risk).

Additionality



Common Practice

ADDITIONALITY

Description

Common Practice is the core of the IFM Additionality assessment. It asks two linked questions: was the project area under a credible BAU management threat, and has the project genuinely changed management away from that baseline? A credible additionality claim requires both a real counterfactual threat and evidence of actual behaviour change. For most IFM projects, the counterfactual threat is assessed through BAU Plausibility; for projects registered under the Climate Action Reserve in Mexico, the baseline is determined by the methodology itself, so BAU Plausibility is not assessed and Common Practice is determined by Behaviour Change alone.

Scoring Logic

The **Common Practice** score is a geometric mean of BAU Plausibility and Behaviour Change, meaning both sub-scores must be strong for the overall score to be high — a weak counterfactual threat or weak evidence of management change will each pull the result down, even if the other is strong.

- **BAU Plausibility:** how credible it is that the project area would have been harvested absent the project, assessed through Intent to Harvest and Feasibility of Harvest.
- **Behaviour Change:** how substantially, and how verifiably, the project changed forest management, assessed through Activity Change Magnitude and Activity Change Evidence.

BAU Plausibility

ADDITIONALITY – COMMON PRACTICE

Description

BAU Plausibility assesses whether the project area faced a credible threat of harvesting under business-as-usual management. If the forest was unlikely to be harvested anyway, the carbon benefits claimed may have occurred regardless of the project. Sylvera evaluates both whether an actor intended to harvest and whether harvesting was actually feasible.

Scoring Logic

BAU Plausibility combines two sub-scores, Intent to Harvest and Feasibility of Harvest, using a bounded combination: the result cannot exceed the lower of the two sub-scores by more than 2 points. This means both dimensions must be credible for BAU Plausibility to score well; a strong feasibility case cannot compensate for weak intent, and vice versa.

- **Intent to Harvest:** assesses whether there is evidence that a capable agent intended to harvest the project area at BAU levels, drawing on baseline management documentation, historical harvesting activity, and evidence of intent.
- **Feasibility of Harvest:** assesses whether harvesting was practically achievable, considering constraints on the baseline scenario and the nature of the baseline management approach.

Data Inputs

Input name	Description
Biomass Atlas	Satellite-observed forest loss
Baseline management agent	Evidence of a forest management plan or equivalent
Historical harvest/ management activities	Characterisation of BAU activity type (e.g. full commercial harvesting, reduced harvesting)
Baseline constraints	Nature and strength of any constraints on harvesting
Baseline approach	The methodology used to establish the BAU scenario

Intent to Harvest

ADDITIONALITY – COMMON PRACTICE – BAU PLAUSIBILITY

Description

Intent to Harvest gauges how credibly a defined actor would have harvested the project area under business-as-usual. A landowner with timber sale contracts presents a far stronger counterfactual than a generic regional argument with no project-specific evidence.

Scoring Logic

The Intent to Harvest score is built from two core inputs, **baseline management agent evidence** and **activity evidence of intent**, averaged where both are available. **Historical harvesting** and **timber management activity** then apply adjustments to this core score. Where scenario modelling data is available, it can override the evidence-based score entirely.

Data Inputs

Input name	Description
Activity evidence of intent	Documentary evidence of intent to harvest
Baseline management agent	Characterisation of the agent responsible for BAU harvesting
Historical timber harvesting	Whether the project area has a documented history of commercial timber harvesting
Historical timber management	Whether active timber management was conducted historically

Feasibility of Harvest

ADDITIONALITY – COMMON PRACTICE – BAU PLAUSIBILITY

Description

Feasibility of Harvest asks whether a business-as-usual harvest would actually have been possible, even where intent exists. Constraints that would have blocked or deterred harvesting weaken the counterfactual threat — and therefore the additionality claim. Sylvera categorises constraints by how strongly they would have prevented a BAU harvest.

Scoring Logic

The **Feasibility of Harvest** score combines two inputs: a **baseline constraints** score, reflecting the nature and strength of any factors that would have prevented or deterred harvesting, and a **baseline approach** score, reflecting the methodology used to establish the BAU scenario. Constraints are categorised as strong, moderate, or weak, with stronger constraints reducing the feasibility score.

Data Inputs

Input name	Description
Baseline constraints	Constraints on BAU harvesting
Baseline approach	The methodology used to establish the BAU scenario

Behavior Change

ADDITIONALITY – COMMON PRACTICE

Description

Even where a BAU harvest was plausible and feasible, a project is only additional if it actually changed forest management. Behaviour Change assesses both how large the shift in management is, and how well that shift is evidenced - guarding against projects that claim credit for activities they would have undertaken anyway.

Scoring Logic

The **Behaviour Change** score combines two sub-scores — **Activity Change Magnitude** and **Activity Change Evidence,** in a way that requires both to be strong for the overall score to be high. Neither sub-score can compensate fully for a weak result in the other.

- **Activity Change Magnitude:** how substantial the change in forest management is relative to the BAU baseline.
- **Activity Change Evidence:** how well-documented and verifiable the management change is, including binding commitments and operational implementation.

Where scenario modelling data is available, it can override the evidence-based score entirely.

Activity Change Magnitude

ADDITIONALITY – COMMON PRACTICE – BEHAVIOR CHANGE

Description

Activity Change Magnitude measures how big the shift in forest management is between the historical baseline regime and the project activity. A large, genuine departure from prior practice supports additionality; little or no change suggests the project is crediting business-as-usual management.

Scoring Logic

The **Activity Change Magnitude** score is built from several inputs: the degree of **harvest shift** relative to the baseline, a **qualitative assessment of the activity type change**, a quantitative **harvest change** assessment, and the **alignment** between the project's baseline claim and observed activity. A penalty is applied where no new or improved IFM activities can be linked directly to carbon stock growth. For projects claiming harvest managed within permitted allowable cut, a simplified pathway is used.

Data Inputs

Input name	Description
Harvest shift	The direction and degree of change in harvesting activity relative to the BAU baseline
Qualitative activity change	Assessment of the type of management change introduced
Quantitative harvest change	A quantitative assessment of the reduction in harvest volume relative to the baseline
Baseline claim alignment	How well the project's baseline scenario aligns with observed pre-project activity
Project claim	The nature of the harvest management claim
Activity modifier	Whether new or improved IFM activities can be linked direct to carbon stock growth

Activity Change Evidence

ADDITIONALITY – COMMON PRACTICE – BEHAVIOR CHANGE

Description

Activity Change Evidence asks how verifiable the claimed change in forest management is. A large change on paper carries little weight without credible evidence that it actually occurred and was driven by the project rather than by external circumstances. Sylvera grades the strength and independence of that evidence.

Scoring Logic

The **Activity Change Evidence** score is built from two core inputs - **harvesting change evidence** and **project activity implementation** - averaged where both are available. Two adjustments are then applied: a modification reflecting whether a formal forest management plan has been updated to reflect the project activities, and an assessment of whether the management changes are backed by binding commitments.

Data Inputs

Input name	Description
Harvest change evidence	The strength and independence of evidence that harvesting activity has changed relative to the baseline
Project activity implementation	Evidence that project activities have been operationally implemented on the ground
FMP modification	Whether the forest management plan has been formally updated to reflect the project's management changes
Binding project management changes	Whether the management changes are backed by legally or contractually binding commitments

Policy and Regulatory

ADDITIONALITY

Description

Policy & Regulatory assesses the extent to which existing laws, regulations, and public policy incentives support or mandate the implementation of the project's ARR activities. This component evaluates whether the policy environment reduces the need for carbon market incentives by making similar activities economically attractive or legally required. Strong policy and regulatory support can weaken the case for additionality, while limited or unclear policy support strengthens it.

Scoring Logic

The Policy & Regulatory score is determined using the **Policy Country Score** and the **Gov Country Score**. Where the policy country score indicates fully supportive conditions, it is used on its own. If the gov country score is not applicable, the final score is equal to the policy country score. In all other cases, the final score is calculated as the sum of the policy country score and the gov country score.

Policy Country Score

ADDITIONALITY – POLICY AND REGULATORY

Description

All relevant policies that could apply to the project or baseline activities in the project's country are taken into account, as their extensiveness and effectiveness (or lack thereof) can undermine/support the project's additionality.

Scoring Logic

This components filters a database of policies that we have assessed while rating IFM projects. The test filters policies on applicability, based on whether they are in the same jurisdiction and are relevant to the project activities, taking the maximum (highest risk) applicable policy.

Data Inputs

Input name	Description
Policies	List of all policies extracted, marked as incentive or regulation (same database as Estimated Ratings)

Gov Country Score

ADDITIONALITY – POLICY AND REGULATORY

Description

Gov Country assesses the quality of governance in the project's host country and its potential influence on the likelihood that project activities would occur without carbon market support. This component draws on an external governance effectiveness indicator and is applied only where governance conditions materially affect project additionality, taking into account the strength of the country's policy environment. Where governance is strong and policy conditions already support implementation, this component is not applied.

Scoring Logic

The Gov Country score is applied where **Governance Effectiveness** is sufficiently strong to influence project implementation and where the **Policy Country Indicator** does not already reflect supportive policy conditions; in all other cases, this component is not scored.

Data Inputs

Input name	Description
Governance Effectiveness	An external indicator reflecting the quality of public institutions, regulatory effectiveness, and government capacity in the project's host country.
Policy Country Indicator	An assessment of the strength of country-level policies relevant to the project's activities, used to determine whether governance conditions are already reflected elsewhere in the additionality assessment.

Financial Additionality

ADDITIONALITY

Description

Financial Additionality asks whether the project's activities make economic sense only because of carbon revenue. If a project would forgo profitable timber harvesting, the income lost is a real opportunity cost that carbon finance must offset — strong evidence of additionality. If the project is economic regardless of carbon revenue, the activities would likely have happened anyway. Where a financial model is available, Sylvera assesses this directly through an IRR comparison; where one is not, the assessment falls back to an activity-based evaluation of the financial profile.

Scoring Logic

Two pathways are used depending on data availability:

- **IRR Assessment:** where project IRR, BAU IRR, and a hurdle rate are available, Sylvera compares these directly to assess whether carbon revenue is necessary to make the project economic. This is the primary pathway where financial modelling has been provided.
- **Activity-Based:** where IRR data is unavailable, the score is based on a qualitative assessment of the project's financial profile, with an adjustment for significant secondary revenues. If no activity data is available at all, a default score is applied.

The IRR pathway takes precedence where data is available.

Activity-based Financial Additionality

Description

Where reliable IRR figures are not available, Sylvera estimates financial additionality from the project's activities themselves. The logic is that constraining or foregoing commercial harvesting carries an opportunity cost - the timber revenue given up relative to the historical baseline - and the larger and more binding that foregone revenue, the stronger the case that carbon finance is what enables it.

Scoring Logic

The **Activity-Based** score is built from a qualitative assessment of the project's financial profile, derived from the type of **activity change introduced** and the h**istorical activity baseline**. A **secondary revenue** adjustment is then applied where the project generates significant non-carbon revenues, reducing the score to reflect lower reliance on carbon finance.

Data Inputs

Input name	Description
Project activity types	The nature of the management activities introduced by the project
Historical activity types	The nature of the BAU management activities prior to the project
Secondary revenues	Whether the project generates significant non-carbon revenues

IRR Financial Additionality Assessment

Description

The IRR Financial Additionality Assessment evaluates whether the project's expected financial returns indicate a reliance on carbon credit revenues to proceed. This assessment compares projected returns under a business-as-usual scenario and the project scenario against an appropriate hurdle rate, and evaluates the extent to which carbon revenues improve project viability. Projects that remain financially unattractive without carbon revenues demonstrate stronger financial additionality, while projects that are financially viable regardless of carbon revenues demonstrate weaker additionality.

Scoring Logic

The IRR Financial Additionality Assessment takes the lower of the **IRR Score** and the **Uplift Score**, with the result constrained where **Secondary Revenue** is significant to account for reduced reliance on carbon revenues.

Data Inputs

Input name	Description
IRR Score	Assesses the relative financial attractiveness of the project by comparing the internal rate of return of the business-as-usual scenario, the project scenario, and an applicable hurdle rate. This input evaluates whether the project is financially viable without carbon revenues, marginally viable, or only viable once carbon revenues are considered.
Uplift Score	Assesses the extent to which carbon credit revenues improve the project's financial returns relative to the business-as-usual scenario. Larger improvements in returns indicate a greater reliance on carbon revenues to enable the project and therefore stronger financial additionality.
Secondary Revenue	Assesses the extent to which the project generates material non-carbon revenues that reduce reliance on carbon finance.

Permanence

Description

The project's permanence reflects the likelihood of carbon being successfully sequestered for an atmospherically significant time (i.e. 100 years) as a result of the project activities. Assessing permanence involves examining potential risks that could prevent long-term sequestration of carbon. Sylvera's Permanence score takes an additive risk approach, where we assess multiple causes of carbon stock loss individually and let each risk speak for itself. The approach considered metrics for each potential cause of carbon stock loss that assess both the likelihood of a risk factor occurring, and the potential scale of loss such an event to give an overall risk of carbon reversal across all risk factors. Likelihood is assessed through variables that (1) demonstrate that the physical destruction of trees by this phenomenon is historically common and/or increasing, (2) are from third party models which demonstrate short return intervals for significant events, and (3) are known to be triggers of the physical phenomenon. The scale of potential risks considers variables that (1) demonstrate the extent of the impact of past events, (1) are known to be determinants of the effect of the physical phenomenon, (3) actions that can have a mitigative effect.

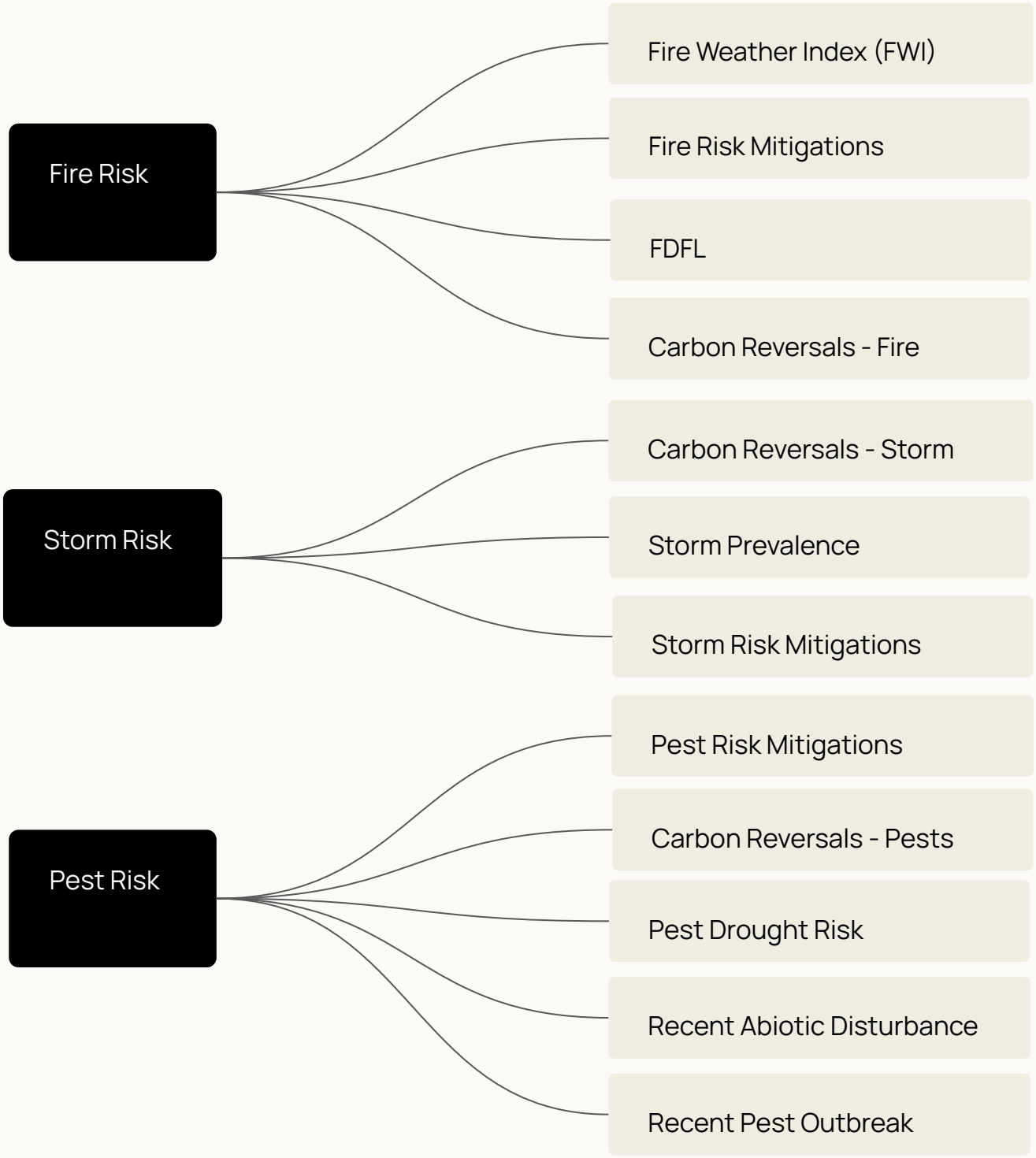
Scoring Logic

Using a combination of project-specific info on design and mitigations, pre-computed geospatial statistics and country risk profile data we are able to approximate the permanence risk for each project.

The **Permanence** score reflects the project's exposure to non-permanence risks such as **Pests**, **Drought**, **Fire, Storm, Flood**, or **Anthropogenic** threats. The score is calculated by taking the minimum score of these risks (the highest risk score).

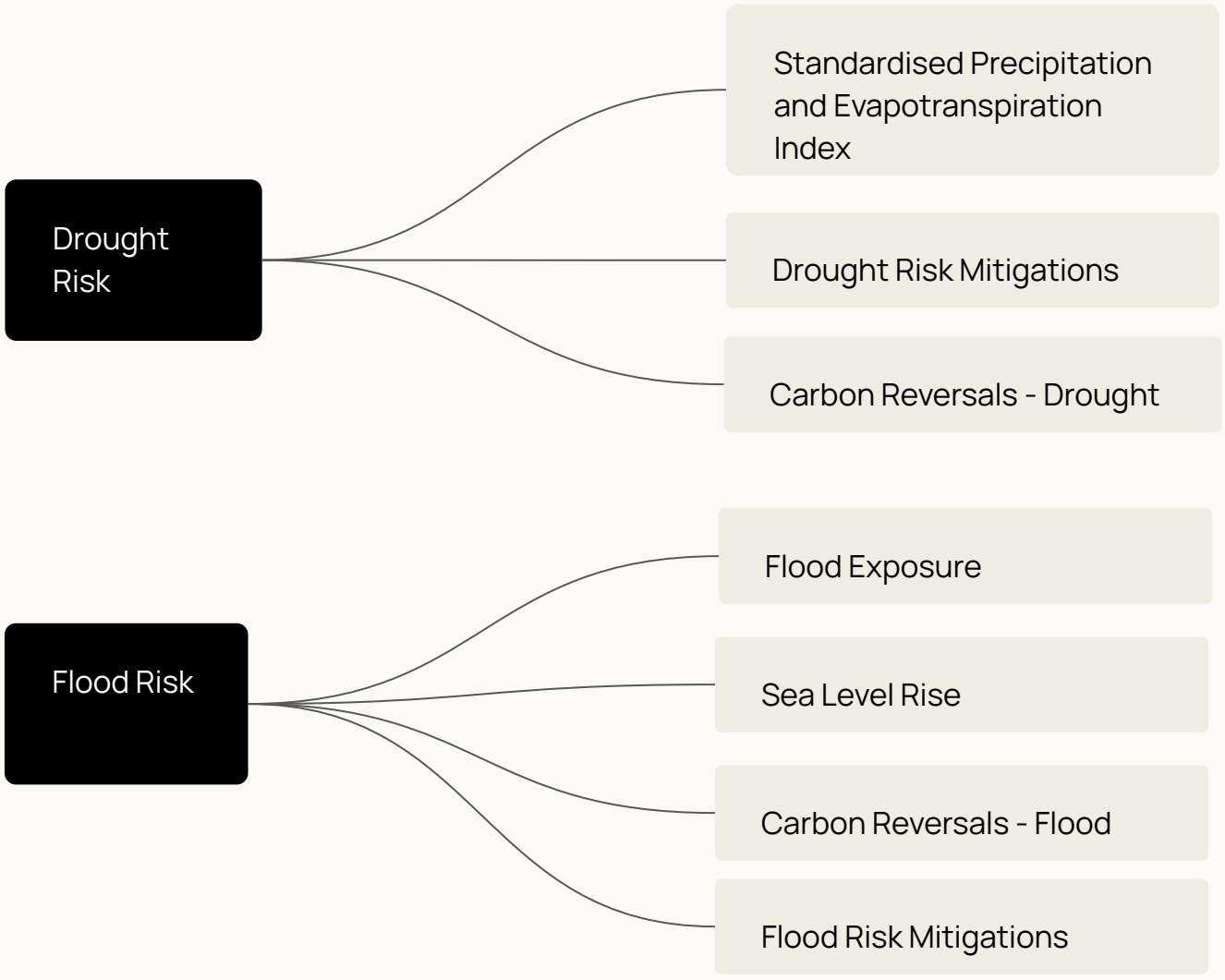
Permanence

Pt.1



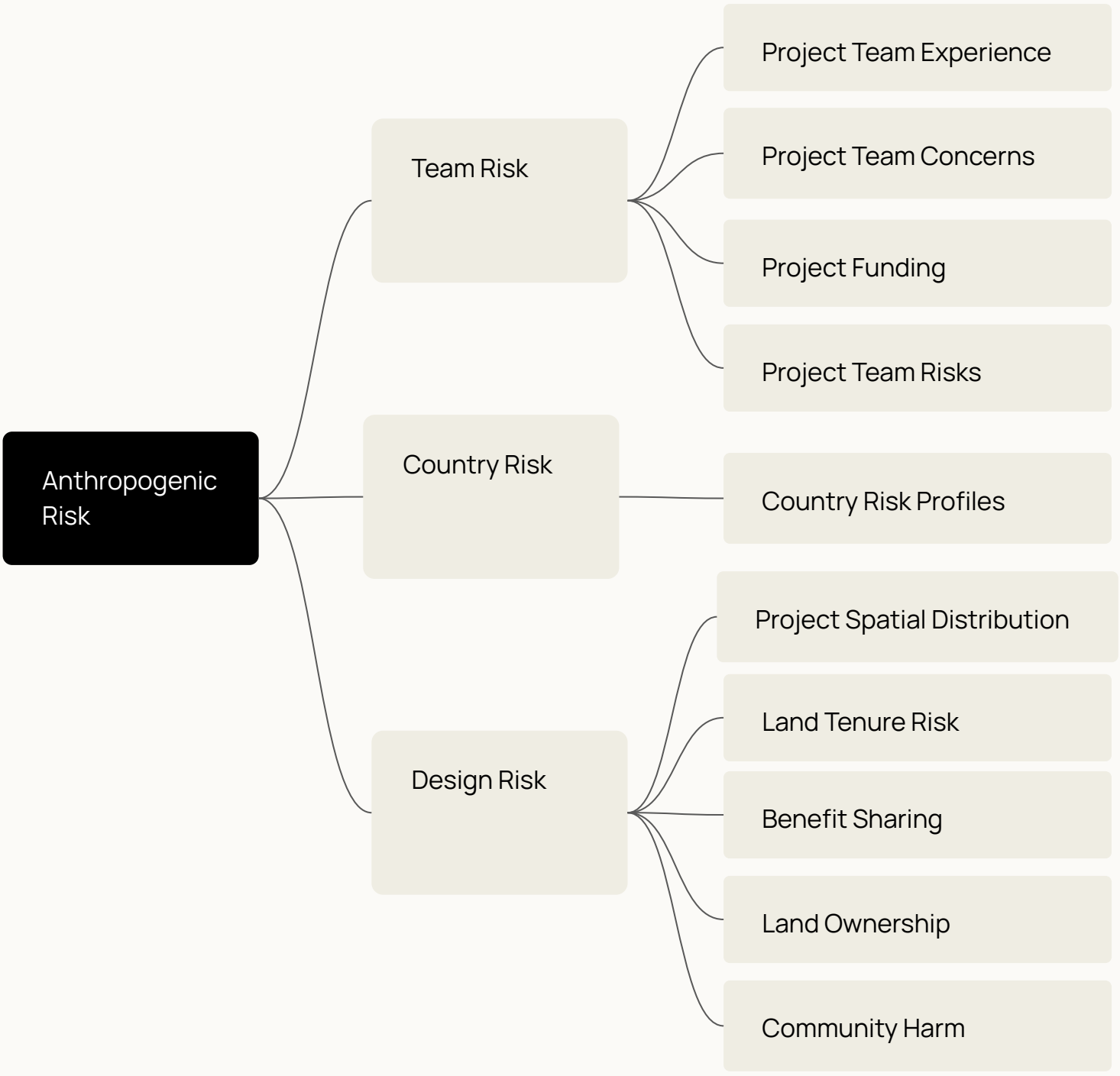
Permanence

Pt.2



Permanence

Pt.3



Fire Risk

PERMANENCE

Description

Fire is one of the main physical drivers of carbon stock losses in projects that involve biological storage, which can ultimately lead to credit reversal events. Assessing fire risk is essential for understanding the likelihood of the project's impact being reversed by a natural hazard.

Scoring Logic

The Fire Risk score is first assigned using predefined rules where specific combinations of **FDFL**, **Carbon Reversals - Fire**, **Fire Weather Index (FWI)**, and **Project Fire Mitigations** apply. These rules directly assign scores for clearly defined low and high risk combinations. Where a project does not meet any of these predefined conditions, the Fire Risk score is calculated using a weighted formula that combines **Fire Weather Index (FWI)**, **FDFL**, and **Carbon Reversals - Fire**, with an adjustment applied where **Project Fire Mitigations** are present.

For pre-issuance projects, **Carbon Reversals - Fire** and **FDFL** are not considered. In these cases, the Fire Risk score is based solely on the **Fire Weather Index (FWI)** and **Project Fire Mitigations**. For mangrove projects, the Fire Risk score is subject to a minimum threshold, such that the score can never be 1 or 2.

Fire Weather Index (FWI)

PERMANENCE – FIRE RISK

Description

The (FWI) is a numerical scale indicating wildfire risk based on weather conditions. It ranges from 0 to 100 with higher values signifying a greater likelihood and intensity of potential fires. The FWI is calculated using temperature, relative humidity, wind speed, and rainfall data to assess and quantify fire risk conditions.

Scoring Logic

The Fire Weather Index (FWI) score assesses long-term wildfire risk by evaluating how frequently fire danger exceeds moderate levels, using both historical observations and future climate projections. FWI captures meteorological conditions that influence fire ignition and spread, drawing on weather variables such as temperature, precipitation, relative humidity, and wind speed.

The assessment considers two time horizons:

- **FWI Historic Score**, based on observed conditions over the period 2001–2024; and
- **FWI Future Score**, based on projected conditions from 2025–2100 under a high-emissions climate scenario.

The final FWI score is calculated as the minimum of **FWI Historic Score** and **FWI Future Score**.

Data Inputs

Input name	Description
FWI Historic Score	How often fire danger exceeded moderate during the historical period (2001-2024)
FWI Future Score	How often future climate projections (2025-2100, SSP5 - 8.5) predict fire danger levels above moderate.

Fire Risk Mitigations

Description

The project developers could implement various activities to mitigate potential natural hazards. This could reduce the potential permanence risks to the project.

Scoring Logic

The Fire Risk Mitigations score is determined by whether the project undertakes activities that directly reduce fire risk. These activities include:

- Fire Patrols
- Satellite Monitoring
- Fire breaks (setup, expansion, or maintenance)
- Thinning
- Fire brigade
- Other fire monitoring systems
- Dispersed project area
- Fire-fighting equipment
- Fire resistant species
- Deadwood and litter management

If at least one fire risk mitigation measure is implemented, the project's fire risk score is adjusted to reflect reduced fire risk. If no mitigation measures are present, no adjustment is applied.

Data Inputs

Input name	Description
Natural risks mitigations	The present or planned (claimed) project natural risk mitigations.

Fire-Driven Forest Loss（FDFL）

PERMANENCE – FIRE RISK

Description

Fire-Driven Forest Loss (FDFL) assesses the extent to which the project area has historically experienced forest loss caused by fire. This component evaluates both the absolute area and the proportion of the project boundary affected by fire-induced forest loss over a long historical period, providing an indication of the project's underlying exposure to fire disturbance.

Scoring Logic

The FDFL score is based on the proportion of the project area that experienced fire-driven forest loss during the issuance period. Projects with a smaller share of area affected by historical fire receive higher scores, reflecting lower inherent fire exposure, while projects with larger proportions of fire-driven loss receive lower scores, reflecting higher underlying fire risk.

Carbon Reversals - Fire

PERMANENCE – FIRE RISK

Description

Carbon Reversals - Fire assesses whether the project has experienced reported carbon reversals or losses attributable to fire events. This component captures evidence of realised fire-related impacts on credited carbon stocks, providing an indicator of demonstrated vulnerability to fire beyond modeled or historical exposure.

Scoring Logic

The score is determined based on whether fire-related carbon reversals have been reported for the project. Projects with no known fire-related losses receive higher scores, while projects with documented losses receive lower scores, with more substantial or material losses resulting in a greater reduction in the score.

Storm Risk

PERMANENCE

Description

Storm Risk assesses the project's exposure and vulnerability to storm-related reversal events, such as extreme weather damage. This component combines evidence of past storm-related reversals with an assessment of how prevalent storm impacts are in the project area, adjusted for the presence of mitigation measures. It reflects both realised storm impacts and underlying exposure.

Scoring Logic

The Storm Risk score is calculated by first defining a constrained score range based on the severity of **Carbon Reversals – Storm**. A normalised risk level is then derived from **Storm Prevalence**, with adjustments applied where **Storm Risk Mitigations** are present. The final storm risk score is calculated by interpolating within the constrained range using this normalised risk level.

Carbon Reversals - Storm

PERMANENCE – STORM RISK

Description

Carbon Reversals - Storm assesses whether the project has experienced reported carbon reversals or losses attributable to storm-related events. This component captures evidence of realised storm impacts on credited carbon stocks, providing an indicator of demonstrated vulnerability beyond modeled or prevalence-based risk.

Scoring Logic

The score is determined based on whether storm-related carbon reversals have been reported for the project. Projects with no known storm-related losses receive higher scores, while projects with documented losses receive lower scores, with more substantial or material losses resulting in a greater reduction in the score.

Storm Prevalence

PERMANENCE – STORM RISK

Description

Storm Prevalence assesses how frequently the project region has been exposed to severe storm events, with a focus on high-speed wind storms that pose a risk to forest permanence. This component evaluates historical storm activity affecting the broader project area, capturing exposure to extreme wind events capable of causing significant damage to carbon stocks.

Scoring Logic

Storm Prevalence is informed by geospatial storm data derived from the **EDH Storm Event Analytics Dataset**. The score is based on the frequency of years in which severe storms affected the project region, including storms reaching high wind-speed thresholds. The assessment incorporates both the number of years with severe storm exposure between 2001 and 2024 and the occurrence of very high-speed storms detected in the region since 1995. Projects with less frequent exposure receive higher scores, while projects with more frequent or extreme storm exposure receive lower scores.

Data Inputs

Input name	Description
EDH Storm Event Analytics Dataset	This dataset provides state-level, annual storm observations, including the average maximum wind speed (in knots) of storms affecting each region within a defined buffer around the project area. The data has global spatial coverage and temporal coverage from 1995 onwards, enabling assessment of long-term storm exposure and associated permanence risk from high-speed wind events.

Storm Risk Mitigations

Description

The project developers could implement various activities to mitigate potential natural hazards. This could reduce the potential permanence risks to the project.

Scoring Logic

The Storm Risk Mitigations score is determined by whether the project undertakes activities that directly reduce storm risk. These activities include:

- Polyculture and/or diverse species planting
- Thinning
- Dispersed project area

If at least one storm risk mitigation measure is implemented, the project's storm risk score is adjusted to reflect reduced storm risk. If no mitigation measures are present, no adjustment is applied.

Data Inputs

Input name	Description
Natural risks mitigations	The present or planned (claimed) project natural risk mitigations.

Pest Risk

PERMANENCE

Description

Pests are one of the main physical drivers of carbon stock losses in projects that involve biological storage, which can ultimately lead to credit reversal events. Assessing pest risk is essential for understanding the likelihood of the project's impact being reversed by a natural hazard.

Scoring Logic

The Pest Risk score is calculated by first converting **Recent Pest Outbreak**, **Native Pest Resistance, Mixed Species Resistance, Drought Risk**, and **Recent Abiotic Disturbance** into risk values, which are then weighted and combined into a composite risk measure. This composite risk is adjusted where **Pest Risk Mitigations** are present and normalised to a 0–1 risk level. A constrained score range is then selected based on **Carbon Reversals - Pest**, and the final score is derived by interpolating within this range according to the normalised risk level, with higher risk levels resulting in lower scores. For mangrove projects, a minimum score threshold is applied such that the Pest Risk score cannot be 1-2. This score does not consider reversals or abiotic disturbance for pre-issuance projects.

Pest Risk Mitigations

Description

The project developers could implement various activities to mitigate potential natural hazards. This could reduce the potential permanence risks to the project.

Scoring Logic

The Pest Risk Mitigations score is determined by whether the project undertakes activities that directly reduce pest risk. These activities include:

- Drought-resistant species
- Polyculture and/or diverse species planting
- Dispersed project area
- Irrigation
- Natural pest control training
- Pesticides
- Disease-infected tree extraction
- Pest monitoring via site visits

If at least one pest risk mitigation measure is implemented, the project's pest risk score is adjusted to reflect reduced pest risk. If no mitigation measures are present, no adjustment is applied.

Data Inputs

Input name	Description
Natural risks mitigations	The present or planned (claimed) project natural risk mitigations.

Carbon Reversals - Pest

PERMANENCE – PEST RISK

Description

Carbon Reversals - Pest assesses whether the project has experienced reported carbon losses or reversals attributable to pest or disease outbreaks. This component captures evidence of realised impacts on credited carbon stocks caused by biotic disturbances, providing an indicator of demonstrated vulnerability beyond modeled or prevalence-based pest risk.

Scoring Logic

The score is determined based on whether pest-related carbon reversals have been reported for the project. Projects with no known pest-related losses receive higher scores, while projects with documented losses receive lower scores, with more substantial or material losses resulting in a greater reduction in the score.

Pest Drought Risk

Description

Drought Risk assesses the extent to which the project area is exposed to drought conditions that may increase vulnerability to pest and disease impacts. This component evaluates historical patterns of water stress using a standardised drought indicator, recognising that prolonged or frequent drought can weaken vegetation resilience and increase susceptibility to pest-related carbon losses.

Scoring Logic

The Drought Risk score is derived from a historical drought severity indicator that reflects how often drought conditions exceeded normal levels during the assessment period. Higher drought severity corresponds to higher pest-related drought risk, while lower drought severity corresponds to lower pest-related drought risk. The assessment is based on categorised drought risk levels derived from the **Standardised Precipitation and Evapotranspiration Index.**

Data Inputs

Input name	Description
Standardised Precipitation and Evapotranspiration Index	The Standardised Precipitation and Evapotranspiration Index (SPEI) measures relative water surplus or deficit over time by comparing precipitation and evaporative demand against long-term climatic conditions, enabling identification of drought severity and duration.

Recent Abiotic Disturbance

Description

Recent Abiotic Disturbance assesses whether the project has experienced recent carbon reversal events attributable to non-biological natural hazards. This component captures evidence of realised disturbances that may weaken ecosystem resilience and increase susceptibility to future risks, including pest-related impacts.

Scoring Logic

The score is determined based on the presence of any reported carbon reversal events associated with **Carbon Reversals – Drought**, **Carbon Reversals – Fire**, **Carbon Reversals – Flood**, **Carbon Reversals – Pest**, or **Carbon Reversals – Storm**. Where one or more such events are recorded, the disturbance indicator is applied; where no such events are recorded, no disturbance is assumed.

Recent Pest Outbreak

PERMANENCE – PEST RISK

Description

Recent Pest Outbreak assesses whether the project region has experienced pest outbreak events in the recent past that could increase the risk of vegetation damage and carbon loss. This component captures evidence of regional biotic disturbances that may indicate elevated vulnerability to future pest-related impacts.

Scoring Logic

The score is determined based on the presence and recency of recorded pest outbreak events affecting the project region. Projects with no recorded outbreaks receive higher scores, while projects with more recent outbreak events receive lower scores, with outbreaks occurring closer to the present resulting in a greater reduction in the score.

Drought Risk

PERMANENCE

Description

Drought is one of the main physical drivers of carbon stock losses in projects that involve biological storage, which can ultimately lead to credit reversal events. Assessing drought risk is essential for understanding the likelihood of the project's impact being reversed by a natural hazard.

Scoring Logic

The Drought Risk score is determined using a combination of climate exposure and project resilience indicators. Exposure is assessed using the **Standardised Precipitation and Evapotranspiration Index**, which captures the severity of drought conditions affecting the project area. This exposure is evaluated alongside **Stand Age** and **Species Drought Resistance** to reflect biological resilience, with adjustments applied where **Drought Risk Mitigations** are present. The assessment also accounts for realised drought impacts through **Carbon Reversals – Drought**, which constrain the range of possible scores. Specific combinations of these inputs are used to directly assign scores where drought risk is clearly characterised, while all other cases are evaluated using a composite risk formulation that maps overall drought risk to a final score.

Standardised Precipitation and Evapotranspiration Index

PERMANENCE – DROUGHT RISK

Description

The Standardised Precipitation and Evapotranspiration Index (SPEI) metric is a relative measure of surface water surplus (for positive values) or deficit (negative SPEI values) with respect to the climate of the reference period, and it is based on a global initiative of standardised simulations of climate change.

Scoring Logic

Within the Drought Risk assessment, **Standardised Precipitation and Evapotranspiration Index** (SPEI) values are converted into a drought risk indicator by reflecting how frequently drought conditions exceed normal levels. This indicator is incorporated into the broader drought risk calculation alongside project-specific resilience factors and adjusted where drought mitigation measures are present. Higher drought severity contributes to higher drought risk, while lower severity contributes to lower risk, following the same normalisation and aggregation approach used for pest-related drought risk.

Data Inputs

Input name	Description
Standardised Precipitation and Evapotranspiration Index	The Standardised Precipitation and Evapotranspiration Index (SPEI) measures relative water surplus or deficit over time by comparing precipitation and evaporative demand against long-term climatic conditions, enabling identification of drought severity and duration.

Drought Risk Mitigations

Description

The project developers could implement various activities to mitigate potential natural hazards. This could reduce the potential permanence risks to the project.

Scoring Logic

The Drought Risk Mitigations score is determined by whether the project undertakes activities that directly reduce drought risk. These activities include:

- Satellite monitoring
- Polyculture and/or diverse species planting
- Thinning
- Dispersed project area
- Irrigation

If at least one drought risk mitigation measure is implemented, the project's drought risk score is adjusted to reflect reduced drought risk. If no mitigation measures are present, no adjustment is applied.

Data Inputs

Input name	Description
Natural risks mitigations	The present or planned (claimed) project natural risk mitigations.

Carbon Reversals - Drought

PERMANENCE – DROUGHT RISK

Description

Carbon Reversals - Drought assesses whether the project has experienced reported carbon losses or reversals attributable to drought-related events. This component captures evidence of realised impacts on credited carbon stocks resulting from prolonged or severe water stress, providing an indicator of demonstrated vulnerability beyond modeled drought exposure.

Scoring Logic

The score is determined based on whether drought-related carbon reversals have been reported for the project. Projects with no known drought-related losses receive higher scores, while projects with documented losses receive lower scores, with more substantial or material losses resulting in a greater reduction in the score.

Flood Risk

PERMANENCE

Description

Flood Risk assesses the project's vulnerability to flood-related disturbances that may result in carbon losses. This component evaluates exposure to flooding or sea-level rise alongside project-specific resilience factors, recognising that flood risk is influenced by environmental conditions, vegetation characteristics, management practices, and any history of realised flood-related impacts.

Scoring Logic

The Flood Risk score is calculated using a combination of environmental exposure and project resilience indicators, with different treatments applied depending on project type and issuance status. For post-issuance terrestrial projects, the assessment combines **Flood Exposure**, **Stand Age**, **Species Flood Resistance**, and **Carbon Reversals - Flood**, with predefined combinations used to directly assign scores where flood risk is clearly characterised. In all other cases, these inputs are converted into a composite risk measure, adjusted for **Flood Risk Mitigations**, and mapped to a constrained score range.

For mangrove projects, the same approach is applied using **Sea Level Rise** in place of flood exposure, with specific combinations used where applicable and a default composite calculation otherwise.

For pre-issuance projects, the scoring logic follows the same structure but excludes **Carbon Reversals - Flood**, reflecting the absence of post-issuance reversal data. The final Flood Risk score reflects the combined influence of exposure, resilience, mitigation measures, and, where applicable, realised flood-related impacts.

Flood Exposure

PERMANENCE – FLOOD RISK

Description

Flood Exposure assesses the extent to which the project area is physically exposed to flooding risk. This component evaluates both the severity and likelihood of flooding affecting the project region, capturing how deep floodwaters may be, how frequently floods may occur, and how much of the project area could be impacted. Higher exposure indicates a greater risk of flood-related damage to vegetation and carbon stocks.

Scoring Logic

Flood Exposure is calculated using the **Flood Exposure Dataset**, which combines information on flood depth, flood frequency, and the proportion of the project area exposed to flooding. Risk is assessed across multiple flood-depth categories and weighted by the likelihood of occurrence, with the aggregated result reflecting the total percentage of the project area exposed to a severe flood event. Higher values indicate greater overall flood exposure.

Data Inputs

Input name	Description
Flood Exposure Dataset	The Flood Exposure Dataset is a geospatial product derived from predictive flood models that estimate the proportion of land area exposed to flooding under a 1-in-100-year flood scenario, incorporating flood depth and frequency with global spatial coverage.

Sea Level Rise

PERMANENCE – FLOOD RISK

Description

Sea Level Rise assesses the exposure of coastal and wetland areas to inundation risk driven by rising sea levels. This component is only included for mangrove projects, where permanent or recurrent inundation can affect vegetation survival and carbon permanence.

Scoring Logic

The Sea Level Rise score is calculated using the **Sea Level Rise Dataset**, which estimates the proportion of wetland area projected to be inundated under a one-metre sea level rise scenario. Higher projected inundation corresponds to higher exposure and lower scores, while lower projected inundation corresponds to lower exposure and higher scores.

Data Inputs

Input name	Description
Sea Level Rise Dataset	Sea level rise exposure is derived from the World Bank Sea-Level Rise Dataset, which provides country-level projections of wetland inundation under future climate scenarios.

Carbon Reversals - Flood

PERMANENCE – FLOOD RISK

Description

Carbon Reversals - Flood assesses whether the project has experienced reported carbon losses or reversals attributable to flood-related events. This component captures evidence of realised impacts on credited carbon stocks caused by flooding, providing an indicator of demonstrated vulnerability beyond modeled flood exposure.

Scoring Logic

The score is determined based on whether flood-related carbon reversals have been reported for the project. Projects with no known flood-related losses receive higher scores, while projects with documented losses receive lower scores, with more substantial or material losses resulting in a greater reduction in the score.

Flood Risk Mitigations

Description

The project developers could implement various activities to mitigate potential natural hazards. This could reduce the potential permanence risks to the project.

Scoring Logic

The Flood Risk Mitigations score is determined by whether the project undertakes activities that directly reduce Flood risk. These activities include:

- Dispersed project area
- Irrigation

If at least one flood risk mitigation measure is implemented, the project's flood risk score is adjusted to reflect reduced flood risk. If no mitigation measures are present, no adjustment is applied.

Data Inputs

Input name	Description
Natural risks mitigations	The present or planned (claimed) project natural risk mitigations.

Anthropogenic Risk

PERMANENCE

Description

The project's impact could be reversed or hindered due to human-driven factors. Assessing potential internal and external anthropogenic risks is crucial for understanding the likelihood of the project being interrupted and/or its impact reversed due to human interference.

Scoring Logic

The Anthropogenic Risk score is first determined by **Anthropogenic Loss**, where documented human-driven losses directly set the score. If no anthropogenic loss is recorded, the score takes the minimum of **Country Risk, Team Risk,** and **Design Risk**. Where **Country Risk** is below a defined threshold, the minimum is taken between **Team Risk** and **Design Risk**, with the result capped accordingly; where **Country Risk** exceeds this threshold, the minimum is taken across **Country Risk**, **Team Risk**, and **Design Risk.**

Team Risk

PERMANENCE – ANTHROPOGENIC RISK

Description

Team Risk assesses the likelihood of anthropogenic carbon losses arising from the capacity, experience, and reliability of the project team. This component evaluates whether the project team has the expertise, organisational strength, and financial backing required to implement and sustain project activities over time.

Scoring Logic

The Team Risk score is first determined using specific conditions where **Project Team Risks** or uniformly moderate assessments across **Project Team Experience, Project Team Risks**, and **Project Team Concerns** directly assign the score. In all other cases, the score is calculated by converting **Project Team Experience, Project Team Concerns, Funding,** and **Project Team Risks** into risk-oriented values, averaging these inputs, and mapping the result to a higher-risk score range. Lower experience, greater concerns, weaker funding, and higher identified risks result in higher Team Risk scores.

Project Team Experience

Description

The project's team experience (or lack thereof) could affect the way in which the project activities are implemented. This could potentially limit or ensure the long-term effectiveness of the activities, affecting the project's permanence.

Scoring Logic

Projects are scored on the basis of the proponents track record in developing carbon projects.

Data Inputs

Input name	Description
Entities	The entities involved with the project.

Project Team Concerns

Description

The project's team reputation could point to potential mismanagement risks, which could limit the long-term effectiveness of the project activities or interrupt their implementation.

Scoring Logic

The Project Team Concerns score evaluates potential risks associated with the project team using compliance checks (e.g., ComplyAdvantage). It assumes that links with nefarious activities could undermine the effectiveness of project operations.

- If there are no ComplyAdvantage results of concern → very low risk.
- If there is one ComplyAdvantage result of concern → moderate risk.
- If there are multiple ComplyAdvantage results of concern → very high risk.

Data Inputs

Input name	Description
Known proponent legal flags	Whether there any ComplyAdvantage hits of concern related to the project proponents.

Project Funding

PERMANENCE – ANTHROPOGENIC RISK – TEAM RISK

Description

Assessing the availability of funding to conduct the project activities is crucial for understanding potential implementation risks, as the lack of necessary funding could lead to reversing the project's impact.

Scoring Logic

The Project Funding score assesses the level of financial security available to support the project.

- If the project has secured some funding and/or offtake agreements → very low risk.
- If the project has not disclosed whether funding or offtake agreements have been secured → moderate risk.
- If the project has disclosed that neither funding nor offtake agreements have been secured → very high risk.

Data Inputs

Input name	Description
Funding	The extent of the funding secured by the project.

Project Team Risks

PERMANENCE – ANTHROPOGENIC RISK – TEAM RISK

Description

Project Team Risks assesses potential risks associated with the project team based on findings from adverse media reviews. This component captures reputational, legal, or operational concerns that may affect the team's ability to successfully deliver and sustain the project.

Scoring Logic

The score is determined based on the presence and severity of adverse media findings related to the project team. Teams with no identified adverse media receive higher scores, while teams with minor or significant adverse findings receive progressively lower scores, reflecting increased risk.

Country Risk

PERMANENCE – ANTHROPOGENIC RISK

Description

External factors associated with the geopolitical context of the project's country could interrupt or reverse the impact of the project's activities. Assessing potential geopolitical risks is crucial for understanding the likelihood of the project's impact being reversed.

Scoring Logic

The **Country Risk** score is based on the **Country Risk Profiles** component.

Country Risk Profiles

Description

Country risk score reflects the risk levels associated with a variety of factors that could hinder the project's implementation, including the country's political stability, government effectiveness and reputation, corruption levels etc.

Scoring Logic

Countries are scored on:

- Government reputation
- Political stability and
- Track record with human rights

to infer the inherent risk to operations in that country.

See more with Country Profiles.

Data Inputs

Input name	Description
Sylvera Country Profiles Product	Risk profiles for carbon credit projects across key countries.

Design Risk

PERMANENCE – ANTHROPOGENIC RISK

Description

Community buy-in is necessary for successful project operations. The presence of benefit-sharing mechanisms, or public evidence of community harm, are used as proxies for community buy-in to evaluate project design risk to longer term operations.

Scoring Logic

Design Risk is first assigned using specific rule-based combinations where particular patterns of **Land Tenure Risk**, **Community Harm**, and **Benefit Sharing** apply. If these conditions are not met, the score is derived by converting **Project Spatial Distribution**, **Land Tenure Risk, Benefit Sharing**, **Land Ownership**, and **Community Harm** into risk-oriented values and averaging them to produce an overall design risk assessment. Lower underlying input scores indicate higher design risk.

Project Spatial Distribution

Description

Project Spatial Distribution assesses how the spatial arrangement of project areas influences implementation complexity and risk. The distribution of plots can affect monitoring, management effectiveness, and exposure to localised disturbances.

Scoring Logic

The score is determined based on whether the project is implemented as individual large plots, distributed small plots, or a combination of plot sizes. Projects concentrated in individual large plots receive higher scores, while projects implemented across more distributed small plots receive lower scores, reflecting increased complexity and potential risk.

Land Tenure Risk

PERMANENCE – ANTHROPOGENIC RISK – TEAM RISK

Description

Land Tenure Risk assesses the security and clarity of land tenure and carbon rights associated with the project area. This component evaluates whether legal arrangements governing land access, use, and carbon ownership are sufficiently defined and robust to support long-term project implementation. Weak, unclear, or incomplete tenure and carbon rights increase the risk of disputes, revocation, or interruption to project activities.

Scoring Logic

Land Tenure Risk is determined by assessing **Land Tenure** and **Carbon Rights**, with the final score taking the minimum of the two to reflect the more limiting risk factor.

Data Inputs

Input name	Description
Land Tenure	Land Tenure assesses the existence, clarity, and strength of legal agreements governing access to and use of the project land, including evidence of ownership or authorised use.
Carbon Rights	Carbon Rights assess whether the legal right to generate and claim carbon credits is clearly defined, documented, and secured for the duration of the project's crediting period.

Benefit Sharing

PERMANENCE – ANTHROPOGENIC RISK – DESIGN RISK

Description

Mechanisms ensuring that the benefits (e.g., revenue, resources, capacity-building) derived from the project are equitably distributed among stakeholders, including local communities and project partners. Benefit-sharing is one of the key ways in which a community can ultimately benefit from a project, and therefore positive implementation can be used as a proxy for engagement and long-term success operating the project.

Scoring Logic

The score is determined based on the significance of benefit-sharing arrangements and the quality of evidence supporting their implementation. Projects with clearly documented, material benefit-sharing arrangements receive more favourable scores, while projects with limited, unclear, or poorly evidenced benefit-sharing receive less favourable scores. Where local communities are the project proponent and directly receive carbon revenues, this is reflected positively in the assessment. If community stakeholders are not involved in the project, benefit sharing is not considered in the scoring.

Land Ownership

PERMANENCE – ANTHROPOGENIC RISK – TEAM RISK

Description

Land Ownership assesses the clarity and security of land ownership arrangements associated with the project. This component evaluates both the underlying ownership structure of the land and the nature of the legal relationship between the project proponent and the landowner, recognising that unclear or weak arrangements can increase the risk of disputes or project disruption.

Scoring Logic

The Land Ownership score is calculated by averaging the assessments of **Ownership Type** and **Ownership Agreement**, reflecting both who owns the land and how the project proponent is legally entitled to use it.

Data Inputs

Input name	Description
Ownership Type	Ownership Type describes whether the project land is privately owned, community-owned, publicly owned, or unclear, reflecting the baseline ownership structure of the land.
Ownership Agreement	Ownership Agreement assesses the legal basis under which the project proponent has access to and rights over the project land, such as ownership, lease, concession, or other formal agreements.

Community Harm

PERMANENCE – ANTHROPOGENIC RISK – DESIGN RISK

Description

Potential negative impacts on local communities - such as land conflicts or reduced access to resources - arising from project activities. Evidence of community harm suggests a lack of successful and/or positive engagement locally, which could threaten the long-term success operating the project.

Scoring Logic

The score reflects a gradient of risk based on available evidence of community harm. Projects with no evidence of harm, or where harm is unlikely, receive more favourable assessments, while projects with substantiated and significant harm receive less favourable assessments. Where harm has occurred, active and effective measures to address it reduce risk, whereas the absence of remediation efforts increases risk.

Safeguarding & Co-Benefits

Description

This pillar assesses whether an IFM project protects the people and ecosystems it affects, and whether it delivers genuine additional benefits beyond carbon. It captures both **safeguards** against harm and positive **co-benefits** aligned to the UN Sustainable Development Goals (SDGs).

Assessment spans two domains: **Community** — rights, equity, engagement and benefit sharing — and **Biodiversity** — habitat conservation and avoidance of environmental damage.

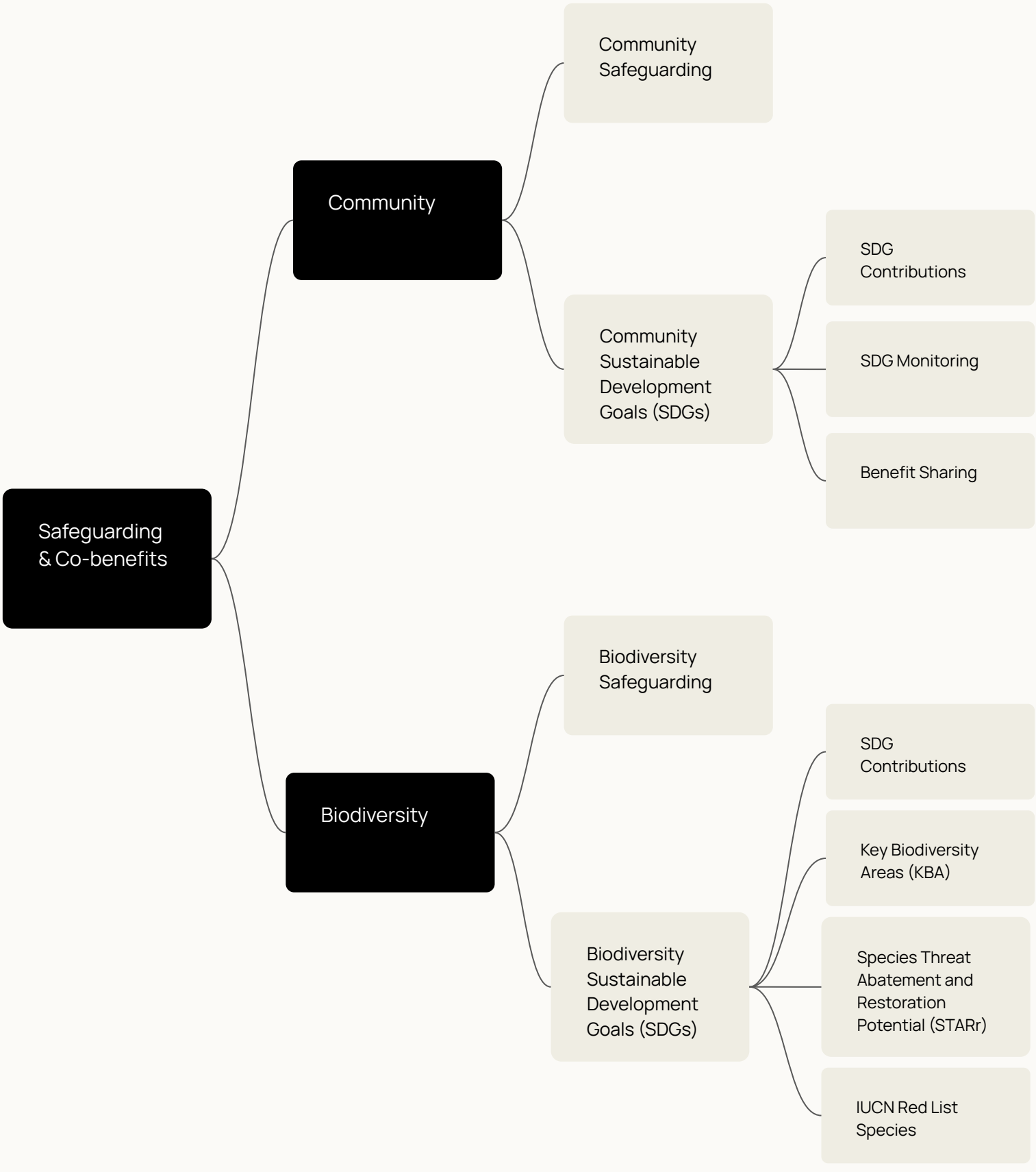
Scoring Logic

The **Safeguarding & Co-Benefits** score combines a **Community Score** and a **Biodiversity Score**, each the average of a safeguarding sub-score and an SDG (co-benefit) sub-score:

- **Community**: engagement, equitable benefit sharing, gender equality, grievance redress, human, labour and land rights.
- **Biodiversity**: high-conservation-value protection and avoidance of environmental damage.

Safeguarding is treated as a floor: if either safeguarding sub-score is 1 (severe), the whole pillar is capped at 1. Where community harm is flagged the pillar takes the minimum of the two domain scores; otherwise their average. Scores run 5 (very low risk) to 1 (very high risk).

Safeguarding & Co-Benefits



Community

SAFEGUARDING AND CO-BENEFITS

Description

A holistic view of the likelihood that project activities produce a net benefit to local communities. Considering whether the project meets the principle of *Not Net harm*, and the scale of positive impacts above this minimum requirement. The potential impact of project activities on relevant community stakeholders, both positive and negative, is assessed to evaluate whether safeguards are in place to mitigate any potential harm, and if project activities deliver additional community focussed co-benefits aligned with SDGs.

Scoring Logic

The **Community** score combines the **Community Safeguarding** and **Community Sustainable Development Goals (SDGs)** components. Where **Community Safeguarding** indicates severe risk of net harm, this acts as a score cap to indicate the overall impact is negative. Otherwise, the two component scores are averaged.

Community Safeguarding

Description

A gated assessment of the of potential impact of project activities on local communities. Community stakeholders (e.g., land-ownership, employment, livelihoods, etc) are first identified, and the project's activities.are assessed for their potential to cause harm to community stakeholders within the local context. Where stakeholders may be impacted, disclosures of relevant procedures within the documentation assessed to ensure community rights protection to ensure appropriate safeguards are in place to mitigate any negative impact to meet the principle of No Net Harm.

Scoring Logic

The **Community Safeguarding** score considers **seven** safeguarding themes:

1. **Community Engagement, Participation and Transparency**
   Assesses the level of evidence of appropriate prior community engagement and that stakeholders are informed of project activities, where relevant.

2. **Access to Grievance Redress**
   Checks if a transparent, fair, and free-to-access grievance redress mechanism is in place, and the redress process is described.

3. **Human Rights, Indigenous Peoples and Local Communities**
   Checks if IPLCs with land rights have given Free, Prior, and Informed Consent (FPIC), and flags any other reported rights abuses.

4. **Equity and Benefit Sharing**
   Checks if community stakeholders have a right to equity in the project or if there that project activities will displace existing livelihoods or resource access that compensation through benefit-sharing is in place.

Scoring Logic

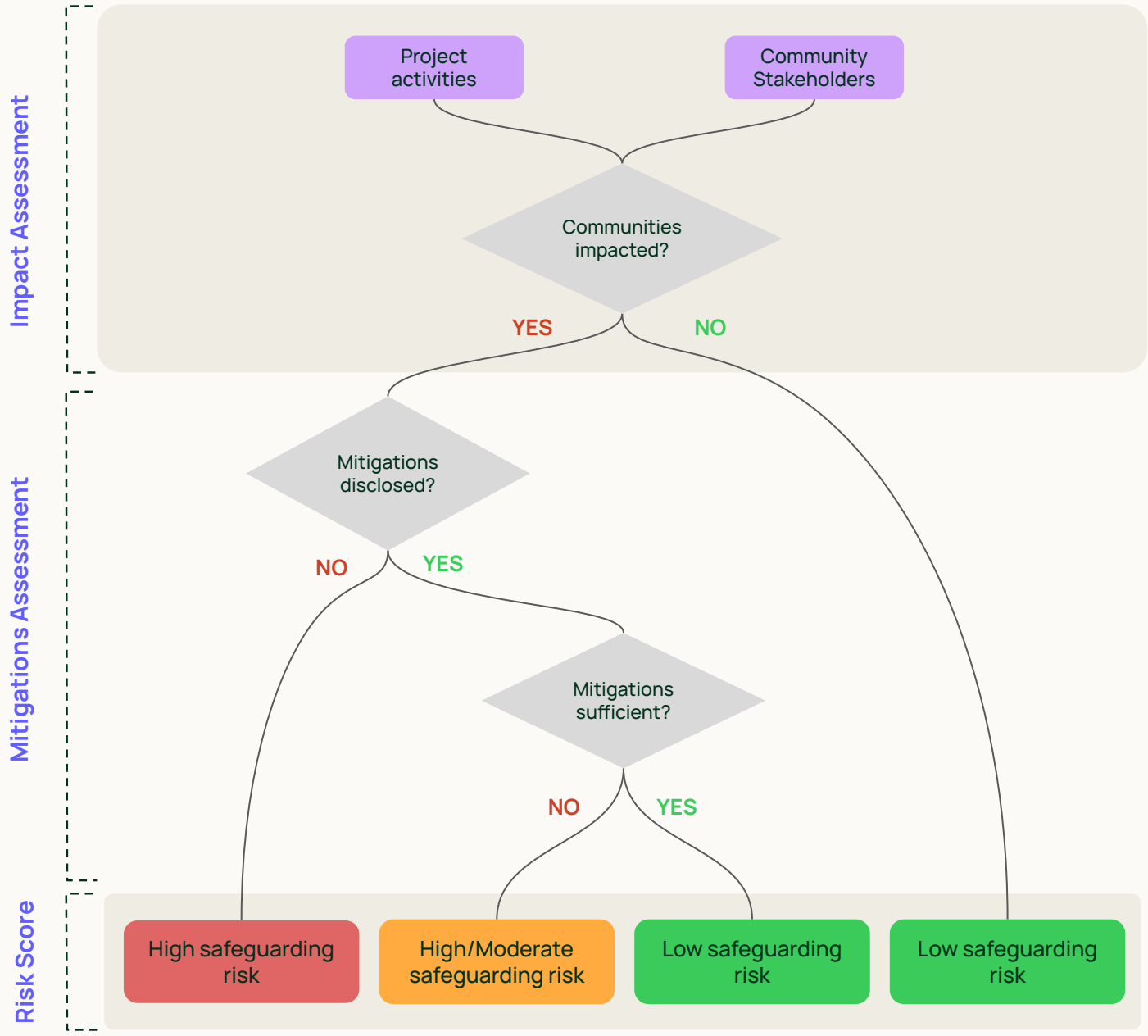
5. **Land Rights, Resource Access and Involuntary Resettlement**
   Assesses the existing land tenure context to check of community stakeholders have land/resource/access rights over the PA, and/or if there was a transfer of land rights/ownership before the project started. In these contexts, the disclosure of relevant land agreements is checked within the project documentation.

6. **Labour Rights and Working Conditions**
   Identifies if the project employs local community members in project planting activities and whether project documentation discloses information on fair wages, alignment with employment law, and fair working policies.

7. **Gender Equality**
   Assesses whether the project has measures in place to avoid gender based discrimination and harassment of employees or other community stakeholders, where relevant.

The final score follows a set of rules-based scenarios, potential for severe harm, or reports of materialized harms in any of the themes can cap the overall score. Otherwise, a combination of scores are taken, with weightings applied depending on the severity of impact across themes.

Scoring Logic - illustrative example



Community Sustainable Development Goals (SDGs)

Description

Considers community co-benefits through the lens of UN SDGs. Project activities or additional community-focussed initiatives implemented by the project that align with SDG targets and indicators are considered to asses the scale of positive community impact.

Scoring Logic

The **Community Sustainable Development Goals (SDGs)** score considers the number of SDGs that the project activities and initiatives target (**SDG Contributions)**, alongside the evidence of tangible impact towards targeted SDGs (**SDG Monitoring**), and whether the project provides additional community benefits through revenue-sharing (**Benefit Sharing**).

SDG Contributions

Description

Considers the project activities and community initiatives alignment with the 17 UN SDG targets and indicators to assess the potential for meaningful and tangible contributions to community-focussed SDGs.

Scoring Logic

The **SDG Contributions** score maps project activities and community initiatives against SDGs aims, providing a count of SDGs targeted. Alignment with a given SDG targets indicate verifiable and tangible impacts towards community sustainable development aims. This approach verifies a project's co-benefits claims, only rewarding contributions clearly aligned with SDG targets.

A weighted score is calculated for each targeted SDG, based on the relevant country's progress in achieving that SDG to identify high-impact co-benefits, aligning with development needs. Projects contributing to a variety of SDGs that align with national development aims receive higher scores.

Data Inputs

Input name	Description
Community contributions	List of community initiates/activities implemented by the project as reported in project documentation.
SDG targets	SDG targets and indicators as described by the United Nations.
Country	Country the project is located in.
SDG country progress	Country progress towards SDGs (SDG Report 2025, United Nations).

SDG Monitoring

Description

Monitoring plans to track contributions towards SDGs ensures a project can evidence and demonstrate that co-benefits activities have been implemented and their impacts can be reliably monitored and quantified to demonstrate tangible community co-benefits.

Scoring Logic

The **SDG Monitoring** score identifies whether project has a mechanism in place to monitor the implementation and impact of co-benefits activities. Monitoring plans with clear, quantitative metrics that are aligned with SDG targets and indicators are considered best-practice to demonstrate tangible and relevant contributions to community sustainable development. The absence of a monitoring plan, vague metrics, or misalignment with SDG targets lowers the confidence that the project delivered verifiable and material co-benefits.

Data Inputs

Input name	Description
SDG monitoring plan	Whether the project documentation contains a monitoring plan to track co-benefits and SDG contributions. The relevance and quality of metrics used is assessed against relevant SDG targets.

Benefit Sharing

Description

Mechanisms ensuring that the benefits (e.g., revenue) derived from the project are equitably distributed among stakeholders, including local communities and project partners. Benefit-sharing is one of the key ways in which a community can ultimately benefit from a project, and therefore positive implementation can be used as a proxy for engagement and long-term success operating the project.

Scoring Logic

The **Benefit Sharing** score identifies whether project has a mechanism in place to share revenues with local communities, the share or revenue distributed to communities, and whether benefit-sharing agreements are transparent with evidence of receipt of benefits. Projects with with transparent benefit-sharing agreements to distribute a significant portion of project revenue to communities score higher.

The presence of a benefit-sharing agreement can increase the overall **Community Sustainable Development Goals (SDGs)** score, identifying projects that provide additional benefits from revenue sharing alongside other SDG contributions.

Data Inputs

Input name	Description
Benefit-sharing disclosure	Whether any benefit-sharing mechanisms have been disclosed, their scale and the level of evidence to back them up.

Biodiversity

SAFEGUARDING AND CO-BENEFITS

Description

A holistic view of the likelihood that project activities produce a net benefit to biodiversity and the environment. Considering whether the project meets the principle of Do No Net Harm, and the scale of positive impacts above this minimum requirement. The potential impact of project activities, both positive and negative, are assessed relative to the baseline situation to evaluate whether safeguards are in place to mitigate any potential ecological harm, and whether project activities deliver additional biodiversity-focused co-benefits aligned with the Sustainable Development Goals (SDGs).

Scoring Logic

The Biodiversity score combines two components: **Biodiversity Safeguarding** and the **Biodiversity SDGs** score. Where Biodiversity Safeguarding indicates a severe risk of net harm, an absolute floor is applied - the overall Biodiversity score is set to the minimum regardless of SDG performance. Otherwise, the two component scores are averaged to produce the final Biodiversity score.

Biodiversity Safeguarding

Description

An evaluation of the risk that the project's forest management activities cause ecological harm. Sylvera assesses two dimensions: the environmental impact of the project's harvesting regime and chemical use, and whether the project identifies and actively manages High Conservation Value (HCV) or High Carbon Stock (HCS) areas. Improved forest management is generally lower-risk for net harm than conventional extraction, but certain harvesting practices and chemical applications may still carry adverse ecological effects that must be safeguarded against.

Scoring Logic

The Biodiversity Safeguarding score combines two components:

- **Environmental Damage** assesses the risk of ecological harm from the project's forest management activities. This considers the harvesting regime employed — from full cessation of harvesting through to clear-cutting — as well as pesticide and herbicide use, including whether any non-selective chemical pesticides are applied. Additional forest management activities, such as soil conservation or invasive species control, are also considered. Where harmful practices are identified, these can significantly pull down the score.
- **Biodiversity Conservation and Sustainable Management** assesses whether the project has identified HCV and HCS areas within its boundary and put active management measures in place to protect them. The strength of protection is evaluated, ranging from basic access restrictions through to explicit no-harvest zones or legal and contractual protection of HCV/HCS areas. Independent certification (such as FSC) is also considered as evidence of environmental management standards.

Where either component indicates severe risk of net harm, an absolute floor is applied to the overall Biodiversity Safeguarding score. Otherwise, the two components are averaged.

Data Inputs

Input name	Description
Project harvesting regime	The primary harvesting activity undertaken within the project area, ranging from full cessation of harvesting through to clear-cutting.
Secondary forest management activities	Additional management practices employed alongside the primary harvesting regime, such as extended rotation age, uneven-aged management, soil conservation, invasive species control and patrolling.
Pesticide and herbicide use	Whether the project applies pesticides or herbicides, and if so, whether these include non-selective chemical pesticides such as glyphosate or fipronil
HCV/HCS identification	Whether High Conservation Value (HCV) or High Carbon Stock (HCS) areas have been formally identified or mapped within the project boundary.
HCV/HCS management	The specific measures in place to protect identified HCV/HCS areas
Sustainable forestry certification	Whether the project holds active FSC or SEMARNAT certification, and whether that certification predates the project start date

Biodiversity Sustainable Development Goals (SDGs)

Description

Considers the scale of biodiversity co-benefits delivered by the project through the lens of the UN Sustainable Development Goals. IFM projects have the potential to contribute to SDG 15 (Life on Land) by protecting and sustainably managing existing forest ecosystems. Sylvera evaluates both the ecological significance of the project area and the degree to which the project's activities align with biodiversity-focused SDGs.

Scoring Logic

The Biodiversity SDGs score combines two components. The first uses geospatial analysis to assess the ecological significance of the project area across three metrics: **Key Biodiversity Areas (KBA)** overlap, **IUCN Red List** species presence, and **Species Threat Abatement and Restoration potential (STARr)**. The best-performing of these three metrics is taken as representative of the project area's biodiversity potential. The second component is the **Biodiversity SDG Matching Model,** which assesses the degree to which the project's documented activities align with biodiversity-focused SDGs. The final Biodiversity SDGs score is the average of these two components.

SDG Contributions

Description

Considers the project's forest management activities alignment with SDG 15 (Life on Land) to assess the potential for meaningful and tangible biodiversity co-benefits. All IFM projects deliver a baseline contribution to SDG 15 through their core forest management activities. Projects that implement additional biodiversity-focused activities beyond the core programme — such as invasive species control, riparian buffer management, or forest restoration — are considered to have stronger SDG 15 alignment.

Scoring Logic

The SDG Contributions score maps the project's documented activities to SDG 15 targets. All IFM projects receive a baseline score reflecting the inherent biodiversity contribution of reduced or improved forest management. Each additional qualifying biodiversity-focused activity identified in the project documentation - such as forest conservation, invasive species control, riparian buffer management, waterbody management, improved forest connectivity, or forest restoration - provides a further uplift to the score. The final score reflects the breadth of the project's biodiversity programme above the baseline.

Data Inputs

Input name	Description
Project activities	The full set of documented forest management and biodiversity activities, which are mapped against qualifying SDG 15 contributions

Key Biodiversity Areas (KBA)

Description

Considers the overlap of the project area with Key Biodiversity Areas (KBAs) — sites of global significance for biodiversity conservation — to assess the potential for IFM activities to deliver meaningful biodiversity gains. Projects with greater overlap with KBAs have higher potential to contribute to the protection of globally important species and ecosystems through improved forest management.

Scoring Logic

The KBA score uses geospatial analysis to calculate the percentage of the project area that overlaps with designated Key Biodiversity Areas, using Integrated Biodiversity Assessment Tool (IBAT) data. A higher percentage overlap corresponds to a higher score, reflecting the greater potential for the project's forest management activities to benefit globally important biodiversity.

Data Inputs

Input name	Description
Project Boundary	KML file of project boundary used for geospatial analysis.
KBA	% overlap of project boundary with KBAs (IBAT)

Species Threat and Restoration Abatement (STARt)

Description

Identifies the potential for IFM activities to contribute to species threat abatement by assessing whether the project area overlaps with sites where improved forest management would deliver the most impactful biodiversity gains. Projects operating in areas with high species threat abatement potential have greater capacity to protect threatened species through their forest management activities.

Scoring Logic

The STARt score applies geospatial analysis using the **Species Threat Abatement and Restoration (STAR)** metric from IBAT. STAR is an aggregated metric measuring the likely contribution of investments to reducing species extinction risk. STAR uses two layers to assess the potential contribution of both threat abatement (STARt) and habitat restoration (STARr). For IFM projects, STARt is considered, as it reflects the potential biodiversity impact of protecting and sustainably managing existing forest habitat rather than restoring it. The dominant threat abatement impact band within the project area is identified, and projects with greater overlap with higher-impact zones are scored higher. This reflects the greater potential for carbon project investment in those areas to meaningfully reduce species extinction risk through improved forest management.

Data Inputs

Input name	Description
Project Boundary	KML file of project boundary used for geospatial analysis.
STARr	Quantification of the potential contribution of protecting and sustainably managing existing forest habitat towards reducing species extinction risk, categorising areas as very low, low, medium low, medium high, high, or very high (IBAT).

IUCN Red List Species

Description

The number of species at risk of extinction present within the project area is used to identify sites where IFM activities have the highest potential to protect globally threatened species. Projects operating in areas with a higher concentration of threatened species have greater capacity to deliver meaningful biodiversity gains through improved forest management.

Scoring Logic

The IUCN Red List Species score applies geospatial analysis using IBAT to count the number of threatened species present within the project area. The count includes species classified as Vulnerable (VU), Endangered (EN), and Critically Endangered (CR) under the IUCN Red List of Threatened Species. Projects in areas with a higher threatened species count are scored higher, reflecting the greater potential for improved forest management to contribute to the protection of species at risk of extinction.

Data Inputs

Input name	Description
Project Boundary	KML file of project boundary used for geospatial analysis.
Red List Species	The total number of Vulnerable, Endangered, and Critically Endangered species present within the project area, derived from geospatial analysis using IBAT data.

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