



Sylvera Code of Conduct

Applicable to: All Sylvera employees

Scope: Global

Version: V3

Effective Date: 1 March 2024

1. Overview

- 1.1. Sylvera plays a critical role in helping carbon market stakeholders determine the quality of carbon credits and, accordingly, make carbon investment decisions.
- 1.2. Sylvera provides services to its customers in the form of Opinions, related research and data products about Projects and their impacts and/or the wider carbon markets and engagement with them.
- 1.3. Sylvera's Ratings are indications of the likelihood that the claimed carbon impact of a Project is a true representation of their real impact. Sylvera's Ratings express risk in relative rank order, which is to say they are ordinal measures of the expected carbon impact and are not predictive of a specific outcome. Sylvera also provides other Opinions, namely Assessments and Screenings, to provide customers with Sylvera's perspective on the potential quality and/or risks relating to a Project at different levels of detail and at different stages of a Project's development.
- 1.4. Central to Sylvera's independence and integrity is its commitment to never sell carbon credits. By choosing to never sell carbon credits, and ensuring that all of its sources of revenue are subject to a robust conflict of interest management process, Sylvera can ensure that its data is free from conflict, delivers clarity and enables action.
- 1.5. Sylvera's Opinions help foster the development and smooth functioning of carbon markets by providing transparent information and insight to market participants, and allowing participants to more easily compare the relative merits of Projects across different standards and frameworks.
- 1.6. In order to enhance market understanding and confidence in Sylvera's Opinions, Sylvera has adopted this Code of Conduct (the "**Code**") as well as other, more topic-specific policies ("**Policies**") to support it. Through this Code and its Policies, Sylvera seeks to protect the quality and integrity of its processes, so that all stakeholders are treated fairly, and that Sylvera's work supports the carbon markets

to operate both fairly and efficiently. To use Sylvera's Opinions effectively, the market should be informed of both their attributes and limitations. It is our responsibility to be as transparent as practicable with respect to our Frameworks, Policies and overall approach. Sylvera has, where appropriate, drawn on the recommendations of the IOSCO Code and the ICMA Code of Conduct for ESG Ratings and Data Products Providers in developing this Code.

- 1.7. This Code, as well as the Policies, shall be available on Sylvera's public website.¹

2. Quality and Integrity of Opinions and Data Processes

- 2.1. Sylvera will endeavour to provide its Opinions in a manner that helps to reduce the lack of information, and the information asymmetry, that exists within the carbon markets, whilst pursuing a commercial model that is sustainable.

Quality

- 2.2. Sylvera will develop and maintain rigorous and systematic Ratings Frameworks that are aligned with best practice and the latest scientific consensus.
- 2.3. Sylvera will operate a Framework Review Committee which shall represent key carbon market stakeholders. The Framework Review Committee will be responsible for ensuring that each Framework reflects best practice, market norms and the latest scientific consensus. The Framework Approval Committee will be responsible for approving all Frameworks, and determine whether any Framework requires updating materially.
- 2.4. Each Rating will be approved by a Ratings Committee and not by an individual Analyst. The Ratings Committee shall make Rating Decisions based upon an analysis of relevant information made available to Sylvera during the Project review, following a determination that there is sufficient, reliable information on which to base that Rating. Where there is insufficient information, Sylvera will seek to publish a Provisional Rating.
- 2.5. Each member of a Ratings Committee shall be responsible for ensuring that:
 - 2.5.1. The Ratings Committee is properly constituted;
 - 2.5.2. The relevant Framework has been correctly applied to the relevant Project; and
 - 2.5.3. All relevant information has been assessed in arriving at the proposed Rating.
- 2.6. Sylvera will invest resources sufficient to carry out high-quality assessments of Projects. When deciding whether to assess or continue assessing a Project, Sylvera will consider whether it is able to devote sufficient personnel with appropriate skills to make a proper assessment, and whether its Ratings Personnel will have access to sufficient information needed in order to make such an assessment.

¹ Although, in the interest of transparency, we have posted this Code and other related policies on Sylvera's public website, Sylvera does not assume, as a result of such public disclosure, any responsibility or liability to any third party arising out of or relating to this Code or those policies. The Code is not part of any contract with any third party, and no third party shall have any right to enforce any of its provisions. Sylvera also retains complete discretion to revise this Code at any time to reflect changes in Sylvera's ratings policies and procedures or to address changes in market, legal, or regulatory circumstances.

- 2.7. Sylvera will organise its Ratings Committees to promote consistency, robust quality oversight and avoid bias in the rating process.
- 2.8. Sylvera will allocate adequate personnel and financial resources, and maintain policies and procedures, to monitor and update its Ratings on a timely basis.
- 2.9. Sylvera will establish, maintain and enforce policies and controls relating to the publication of Ratings Decisions, including as to the withdrawal or amendment of Ratings.
- 2.10. Sylvera will seek to apply equivalent principles to the preparation of its non-Ratings Opinions, whilst ensuring these remain proportionate and appropriate to the maturity of those services and the different approaches necessitated by the availability of information and stakeholders involved at different stages of a Project's development.

Integrity

- 2.11. Sylvera Employees will comply with all applicable laws and regulations governing their activities in the jurisdictions in which they operate. Moreover, Sylvera Employees will deal fairly and honestly with all carbon market stakeholders, as well as members of the public.
- 2.12. Sylvera will hold the Sylvera Employees to high standards of integrity. Sylvera will not knowingly employ any individuals with demonstrably compromised integrity.
- 2.13. Sylvera and the Sylvera Employees will not, either implicitly or explicitly, give any assurance or guarantee of a particular Rating to any third party prior to a Ratings Committee. This does not preclude Sylvera from developing preliminary feedback in connection with its Ratings analysis, especially when discussing with Project Proponents. In addition, Sylvera and the Sylvera Employees will not make a promise or threat about potential Ratings Decisions to influence anyone to pay for its services.
- 2.14. Sylvera will not advise anyone to invest in a particular Project, nor will it sell carbon credits or similar. However, Sylvera is considered an expert in a relatively complex and nascent space, and Sylvera may provide broader information or opinions (for example, project type trends or market information) to prospects and customers to support their climate journeys and Sylvera's mission. Sylvera will monitor all Other Permissible Services for potential conflicts and seek to manage these as necessary and proportionate.
- 2.15. While Sylvera Employees are not expected to be experts in the law, they are expected (and in some cases required by applicable laws and regulations) to report activities of which they are aware that a reasonable person would question as a potential violation of applicable laws and regulations or this Code. All Sylvera Employees are expected and required to report such activities to the Legal Department.
- 2.16. Management prohibits retaliation by any Sylvera Employee or by Sylvera itself against any Sylvera Employee who, in good faith, reports a possible violation of the law, regulation or this Code.

Data Products

- 2.17. Sylvera also develops Data Products to assist its customers to navigate and engage with the carbon markets. Data Products, alongside Ratings, must be developed with principles of integrity, robustness, transparency, and independence in mind, and are therefore also subject to the ICMA Code of Conduct. Sylvera shall develop policies to establish governance best practices for its Data Products, the extent and granularity of which shall be increased proportionate to the maturity, scale and success of its Data Products.

3. Independence and/or Management of Conflicts of Interest

- 3.1. Sylvera will not forbear or refrain from taking a Rating Decision, or from initiating or concluding a review of an Opinion, based on the potential effect (economic, political, or otherwise) of the action on Sylvera, a Project Proponent, a customer of Sylvera (or anyone paying fees to Sylvera, whether directly or otherwise), an investor or any other market participant.
- 3.2. Sylvera and Sylvera Employees will use care and professional judgement to maintain both the substance and appearance of independence and objectivity.
- 3.3. No Opinion will be affected by the existence of, or potential for, a commercial relationship between Sylvera and a party somehow connected or exposed to the underlying Project, or the non-existence of any such relationship.
- 3.4. Sylvera will take proportionate steps to separate, operationally, and if practicable, physically and/or legally, its Opinion services and Analysts from any other business that may present a conflict of interest.
- 3.5. If Sylvera intends to offer new Other Permissible Services, Sylvera will first consult with the Legal Department. Sylvera will establish, maintain and enforce policies and controls designed to minimise the likelihood that conflicts of interest with Sylvera's Opinion services will arise, or to appropriately manage those conflicts that may arise, in connection with Sylvera's provision of Other Permissible Services.
- 3.6. Sylvera will establish, maintain and enforce policies and controls to identify and eliminate, or manage and disclose, as appropriate, actual or potential conflicts of interest that may influence the determination of Ratings, or the approval of new or revised Ratings. These shall include policies on how Sylvera is remunerated for its work.
- 3.7. Sylvera's internal disclosures of known actual and potential conflicts of interest will be complete, timely, clear, concise and specific. This list shall be maintained and managed by the Legal Department, and a version of it published in the interests of transparency.
- 3.8. Sylvera and Sylvera Parties will not engage in any securities (including derivatives, and whether or not they are regulated) or, to the extent they are not considered securities, carbon credit trading that presents actual or potential conflicts of interest with Sylvera's rating-related activities, or where they are in control of Material Non-Public Information in accordance with the Material Non-Public Information Policy.

- 3.9. Reporting lines for Sylvera Employees and their compensation arrangements will, to the greatest extent practicable, be organised to eliminate or effectively manage actual and potential conflicts of interest. For example, the compensation of Analysts will not be derived from the generation of any particular Opinion.
- 3.10. Sylvera has implemented a separation of its rating and commercial activities. Ratings Personnel will not participate in fee discussions, or sales and marketing activities, or be influenced by sales and marketing considerations. Commercial Personnel will not participate in the determination or monitoring of Ratings or in the development or approval of models or Frameworks used in providing Ratings, except where any conflict has been disclosed and is being effectively managed.
- 3.11. Sylvera Employees will not approve, participate in or otherwise influence the determination of the Rating of any Project if the Employee has a potential or actual conflict of interest that cannot be effectively managed.
- 3.12. Sylvera Employees shall only accept money, gifts, favours, services or entertainment in accordance with the Gifts and Entertainment Policy.
- 3.13. Ratings Personnel who become involved in any personal relationship that may create an actual or potential conflict of interest (including, for example, any personal relationship with a Project Proponent or an employee of a Project Proponent), will be required, subject to applicable law, to disclose such relationship to his or her manager or a member of the Legal Department. Based on the assessment of this information, Sylvera will take appropriate steps to mitigate an actual or potential conflict.

4. Responsibilities to Users

- 4.1. Sylvera will disclose a new or amended Rating as soon as practicable with the intention of disseminating such information to all Users at the same time. Sylvera will publicly disclose its policies for distributing and withdrawing Ratings and will keep such policies current.
- 4.2. Where Sylvera amends a Rating that it has previously issued, Sylvera will provide as much contextual information to Users as practicable.
- 4.3. For each Rating, Sylvera will, as far as is practicable, publish in the Sylvera WebApp:
 - 4.3.1. Sufficient information with which to identify the Project and Project Developer;
 - 4.3.2. The date as at which the Project has been assessed;
 - 4.3.3. The Project type and Framework applied; and
 - 4.3.4. The sources of information upon which Sylvera has relied in producing the Rating.
- 4.4. Sylvera will publicly disclose sufficient information about its Ratings Committee process, procedures, Frameworks and Frameworks Committee to ensure that Users and other stakeholders can understand how a Rating was determined.

- 4.5. Sylvera will maintain policies and procedures to ensure that Project Developers are given opportunity to provide information relevant to the determination of a Rating, and are able to raise concerns or make appeals as to a Ratings Decision.
- 4.6. Sylvera will maintain policies and procedures to ensure the transparency of its Framework development and consultation processes.
- 4.7. Sylvera will maintain policies and controls to preserve the confidentiality of Non-Public Information and any other information deemed confidential.

5. Governance and Training

- 5.1. The Ratings Oversight Committee, which is subject to the oversight of Sylvera's Board of Directors, oversees Sylvera's policies and procedures that relate to ratings-related activities and conflicts of interest, its internal control systems for such policies and procedures, and its compensation and promotion policies and practices. The Ratings Oversight Committee is responsible for the implementation and the enforcement of the Code. The Board shall oversee these responsibilities.
- 5.2. Sylvera will adopt and maintain an appropriate continuing education program for Analysts and will establish, maintain and enforce appropriate policies and controls to verify that Analysts undergo required training. Within this continuing education program, Analysts will receive training on content updates as they emerge and will be required to demonstrate their understanding of this content via periodic testing. Sylvera will designate one or more appropriate Sylvera Employees to implement and oversee the continuing education program.
- 5.3. The Legal Department will be responsible for delivering training on the Code and other Policies. The Legal Department will also establish controls to verify completion of such training.