



Fees and Commercial Activities Policy

Applicable to: All Sylvera employees

Scope: Global

Version: V3

Effective Date: 1 March 2024

POLICY

1. Sylvera is a for-profit business, but driven by a mission to incentivise investment in real climate action. Sylvera does this by building trust in its robust, independent and reliable Opinions, Data and analysis. Therefore whilst Sylvera will pursue revenue growth and profitability, it seeks to do this by putting trust at the front and centre of all products and services that it develops.
2. Sylvera is compensated for the distribution of its Opinions, Data, analysis and connected services. Sylvera acknowledges that receiving such compensation could lead to conflicts of interest or impair the perception of independence of the Sylvera Parties. As set out in the Code of Conduct, Sylvera seeks at all times to maintain its independence and integrity. This Fees and Commercial Activities Policy seeks to provide transparency on how Sylvera may be compensated for its activities, as well as how it will consider and approach new, revenue-generating opportunities.
3. Sylvera currently receives compensation as follows:
 - a. From Sylvera WebApp Users and Sylvera API Users that have paid a subscription fee for access to the Sylvera WebApp or Sylvera API to access Sylvera's Opinions, Data and other services;
 - b. From customers that have paid a licence fee in return for a licence to use or re-distribute some or all of Sylvera's Ratings or Data;
 - c. From customers that have paid for Sylvera to conduct a Pre-Issuance Assessment, Pre-Issuance Screening or Post-Issuance Screening on a Project; and
 - d. From entities or organisations with which Sylvera collaborates in conducting research and data collection.

Typically, the entities that pay such compensation are those interested in buying or selling carbon credits or equivalents, investing in or otherwise facilitating and supporting Projects, scaling the voluntary carbon markets, or operating carbon markets and exchanges.

4. The amount of such compensation in each instance may differ as a result of various factors. Sylvera may also choose to provide its Opinions and/or Data free of charge in certain instances.
5. It should be assumed that Sylvera is receiving and always will receive revenue from Users that have material interests in the Projects that Sylvera has or will provide Ratings for. Such interests are inherent to Sylvera's business and therefore need not be disclosed as conflicts in each instance. However the systems, structures and processes that Sylvera maintains shall be designed to mitigate this inherent conflict of interest in so far as is possible.
6. When negotiating fees or compensation structures, Sylvera shall at all times ensure that:
 - a. No compensation is in any way linked to (i.e., conditional upon or increasing as a result of) the delivery of a certain Opinion;
 - b. Compensation for delivering a specific Opinion is paid at the outset of any relationship, and not upon receipt of the deliverable; and
 - c. No compensation structure incentivises Sylvera to generate more of a certain level of Opinion (e.g., more AAA Ratings or no/low risk Screenings)¹.
7. Sylvera acknowledges that it is a new and growing business, and that its approach to revenue generation may vary over time. Any decision with respect to fees and compensation will, however, be taken in accordance with the Code of Conduct.
8. Specifically, 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 Opinions will arise, or to appropriately manage those conflicts that may arise, in connection with Sylvera's provision of Other Permissible Services. Specifically, Sylvera will maintain and publish a Conflicts of Interest Register and will record any potential, actual or perceived conflicts, as well as any decisions as to whether or not to allow the activity with any mitigations and controls.
9. Sylvera has developed an Independence of Rating Personnel Policy to ensure that its Ratings Personnel are not involved in any fees discussions.

¹ Producing more Opinions that deem Projects high quality is likely to increase the levels of trust and activity in the carbon markets, which is likely to increase interest in and revenue for Sylvera. This is an inherent and standing conflict that Sylvera shall maintain systems, structures and processes to mitigate.