



## Frameworks Policy

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Applicable to: All Sylvera employees

Scope: Global

Version: V3

Effective Date: 1 March 2024

### **POLICY**

1. Using Frameworks to assess Projects is key to developing fair, transparent and consistent Ratings. Sylvera is committed to increasing the number of its Frameworks to ensure it provides full market coverage. It is also committed to maintaining its Frameworks in line with the latest science, as well as more general continuous improvement. Most importantly, Sylvera is committed to maintaining transparency as to its Frameworks and consultation processes.

#### *Developing and Updating Frameworks*

2. A new Framework shall be developed when Sylvera wishes to start producing full Ratings for that Project type.
3. Existing Frameworks shall be updated as follows:
  - a. If, during the course of rating a Project, an Analyst thinks that a Framework needs to be updated to better reflect a scenario encountered, the Analyst shall escalate the matter to a Ratings Committee. The Analyst shall explain the issue encountered and the proposed amendment to the Framework, and the Ratings Committee shall determine whether or not, and how, to adjust the Framework. Any such decision of the Ratings Committee must be unanimous, otherwise it shall be escalated to the VP Ratings for a final decision. If the amendment is deemed "material", the process below shall additionally be followed. "Material" means the amendment is likely to cause a top-level Rating change to at least one other published Rating.
  - b. Otherwise, Frameworks shall be reviewed at least annually to ensure they reflect the latest quantification methods and best-practice approach.
4. Any new Frameworks or material amendments to existing Frameworks must be:
  - a. reviewed and commented upon by a Framework Review Committee; and
  - b. approved by the Framework Approval Committee,

before being implemented.

5. The Framework Committees shall meet as regularly as required to review, comment upon and, if deemed appropriate, approve a new or materially amended Framework.
6. Sylvera will endeavour to invite to each Framework Review Committee a representative of the following stakeholder groups:
  - a. Regulators;
  - b. Industry bodies and multilateral institutions;
  - c. Standards bodies;
  - d. Project Proponents;
  - e. Technical and scientific experts;
  - f. Exchanges and marketplace operators;
  - g. Financial institutions; and
  - h. Buyers / retirees of carbon credits.
7. Members of the public that have not been invited to a Framework Review Committee but wish to contribute to the review of a specific Framework may email [frameworks@sylvera.io](mailto:frameworks@sylvera.io). Sylvera retains the discretion to determine the attendees of a Framework Review Committee as it sees fit, whilst being guided by the principle of (a) representing all stakeholder groups, and (b) seeking optimal technical, scientific and policy input.
8. The Framework Review Committee shall be conducted in accordance with its Terms of Reference. The overarching purpose of the Framework Review Committee is to allow Sylvera to consult, and allow stakeholders to provide feedback, on a new or amended Framework before it is implemented.
9. Once input has been received, the Framework Approval Committee will ensure that the input is adequately reflected (or, if not reflected, its exclusion adequately justified) before determining whether or not to approve the new or revised Framework. The Framework Approval Committee will have sole discretion over whether or not to approve a new or revised Framework.
10. Subject to the determination otherwise of the relevant Framework Review Committee, Sylvera shall publish the anonymised feedback provided by each Framework Review Committee.
11. Once updates to an existing Framework have been approved, to ensure that Sylvera is able to start applying the updated Framework as quickly as possible whilst minimising disruption to Users, Sylvera may start releasing Ratings generated under the new Framework prior to updating all published Ratings generated under the previous Framework. In these instances, Sylvera will always endeavour to:
  - a. highlight where two Ratings have been generated under different versions of the same Framework;
  - b. explain the implications of the Framework updates for the Ratings; and
  - c. update all affected Ratings as quickly as possible.

### *Deviating from a Framework*

12. From time to time, assessing a Project will require a Primary Analyst to consider a situation, data or set of facts that a Framework does not adequately address. In these instances, the Primary Analyst shall escalate the issue to the Ratings Committee as set out above. The Ratings Committee retains ultimate discretion as to how to address the issue, however shall seek to ensure that:
  - a. Any material changes to a Framework are considered by the Framework Review Committee and approved by the Framework Approval Committee;
  - b. A Provisional Rating is used where a full Rating is not possible; and
  - c. The version of the Framework used including any deviation or updates is highlighted within the Rating.

#### *Screenings and Assessments*

13. Where possible, Screenings and Assessments will follow Frameworks. If a Framework does not exist:
  - a. Assessments will apply thresholds of key tests around quality, risk and uncertainty, with consistent, quantitative scoring applied as soon as practicable after starting to assess a Project type that does not have a Framework;
  - b. Screenings will apply thresholds of red flag risks, with consistent, quantitative thresholds applied as soon as practicable after starting to screen a Project type that does not have a Framework.

#### *Publishing Frameworks*

14. Sylvera shall maintain published summary or full Frameworks at all times and ensure that such Frameworks remain publicly accessible at all times.
15. Sylvera's Frameworks take thousands of hours of proprietary research to develop and are some of Sylvera's most important intellectual property. Sylvera shall endeavour to publish a version of each Framework in sufficient detail such that stakeholders can understand how a Project has been or will be assessed, but retains discretion to maintain internal-only versions of a Framework that contain more detail, granularity or guidance.
16. Sylvera shall keep this Policy under constant review to ensure that its processes achieve transparency whilst taking into account proportionality and the legitimate protection of Sylvera's know-how.