

SAM GILL

Co-Founder and President of Sylvera

Lucia Sinapi-Thomas, Executive Director of Capgemini Ventures

Carbon capture, sequestration, you are so-called in the value chain developers, so let us now turn to the third-party assessor with Sylvera. Sam Gill is co-founder and CEO of Sylvera. We heard from Annette Nazareth how important the principles are to establish a basis for proper qualification of projects from a carbon credit emissions standpoint. Sam, how would you define the role of Sylvera in the value chain?

Sam Gill, Co-Founder and President of Sylvera

Thank you very much. Just to introduce to Sylvera, it is a company that provides data to the entire private sector but also the public sector to try to power the transition, so giving data that actually shows the impact and the climate impact of various investments made by the public or private sectors. When we are working in the carbon markets, what we are trying to do is empower participants with data to show the real climate impact of any project they are investing in. What we produce is essentially a ratings product showing the relative quality of each carbon offset project, so the individual projects a corporate or public sector participant might be investing in. The difference there when you compare our work with the ICBCM is that as Annette said, essentially the ICBCM is trying to produce listing standards, so almost a quality floor and it defines those CCPs at the crediting program and the methodology level. What we do is we actually assess at the project level, using very similar pillars of assessment. For example, our ratings actually assess the CCPs that relate to climate integrity but we are doing that at a project level.

The three key pillars of quality we look at are first, the carbon performance of the project, so assessing the carbon accounting the project produces itself. For example, it was a direct air capture project we would be looking at the lifecycle analysis of the project, the displacement effects of the power consumption. Or if, for example, we were looking at a forestry projection project, we would be using our own machine learning and satellite data to assess if the reporting the project has produced is accurate. We would be looking at whether the project has protected the amount of trees it has claimed, how much carbon is stored in those trees and how much in the soil around them. Essentially, we are using an independent technological stack to access the claims of the project.

The second thing we do is we look at the additionality of the project, so looking at the counterfactual of the project and again, assessing at the project level whether the methodology has been assessed and applied in an appropriate way or whether an over-crediting risk has been introduced.

Then the third thing we look at is the durability of these projects. Essentially what we are doing is using a methodology, a technology stack to independently assess the claims of the project at the project level so that we can give an assessment of the quality of each individual project with a high degree of accuracy. It is a very complementary approach to the methodology level assessments that are being applied by the ICBCM.

**Lucia Sinapi-Thomas**

Great and you are definitely bridging corporate demand at the project level. We have heard about the efforts on the ICBCM front, what would you see as the key factors for boosting the voluntary carbon market moving forward given your position in the value chain, Sam?

Sam Gill

That is a really interesting question and in many ways, that is the million dollar question. I spend a lot of time with C-suite executives in the private sector but also policymakers around the globe who are wrestling with this. I think Annette really helpfully split the problem into two sides, the supply side quality problem and then the demand side integrity problem. On the supply side, I think we are very close to getting to an answer, the data approaches that are being applied by folks like us, Sylvera, and others, are allowing us to get to an assessment of the quality of any individual project with quite a high degree and granularity. We are also increasingly strengthening the methodologies used to produce these credits but I think what the world needs to agree on is the paradigm that we are working too. We are not going to be able to get to 100% certainty on the accounting around any of these projects and we also need to come to a clear paradigm around the permanence or durability requirements we are going to ask the markets to meet. For example, if we were all to agree that if a carbon credit needs to be storing carbon for 100 years, for example, to be acceptable, that would allow the market to start engineering horizontal or vertical stacking approaches to allow different types of carbon to be used in portfolios. That would allow us to start regularizing and standardizing the market but at the moment there is no clear consensus there on what the actual quality paradigm we are working towards is. I think there needs to be a clear, accepted consensus around the quality paradigm we are working towards.

On the flip side, Annette referred to the work of the BCMI, which is the demand side integrity body but again, what is needed is a much wider consensus around what we are asking corporates to do in terms of compensation. That means where they are not able to reduce their emissions to absolute zero, that we are asking them to do, what they get to claim if they compensate their emissions with carbon credits and what benefit they will actually receive for that. Are they going to get tax breaks, preferential treatment in the capital markets, are they going to be rewarded in some way because the private sector cannot act as a charity. I think that those consensuses on the supply side integrity and the demand side integrity paradigm are completely necessary to allow the market to now move forward and scale.

Lucia Sinapi-Thomas

Clearly a typical market dynamic between supply and demand, so thank you for that insight, Sam.