



Biochar Rating: Unleashing the Potential of Engineered Carbon Removals

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Why BeZero Carbon





BeZero is the carbon ratings agency

Climate action through carbon ratings

Investing in carbon projects is essential to tackling climate change.

Independent, risk-based, project level carbon ratings are essential to that investment.

The market's #1 risk metric

>25

marketplaces and **exchanges** host the BeZero Carbon Rating

>500

users of our ratings and risk analytics platform

>4,000

subscribers to our publicly available headline ratings



Trusted by leading companies

5 of the top 10
investment banks



5 of the top 10
energy & commodity firms



5 of the top 10
carbon marketplaces



2 of the top 3
VCM exchanges



Ratings carried out by expert analysts

>70

analysts from world class institutions build the models and perform the analysis for every rating

>70%

of our analysts hold PhDs across disciplines from leading universities

>200

papers published in top tier publications, including Science and Nature

>15k

citations in peer-reviewed academic literature





Why ratings?





- **Developers, investors and offtakers need reassurance for the following questions**

How do I increase access to investment opportunities?

How do I get the best possible terms of finance for my projects?

How do I ensure the robustness and delivery of the project?

How do I give my stakeholders confidence in the project?

How do I get a fair price for credits?



• Ratings are the only systematic solution that can answer these questions for the whole market

More confidence

Higher demand

Fairer returns

Fair prices

BeZero Carbon Ratings

#1 risk metric

Independent, not advisory

Hard metric, not consultant report

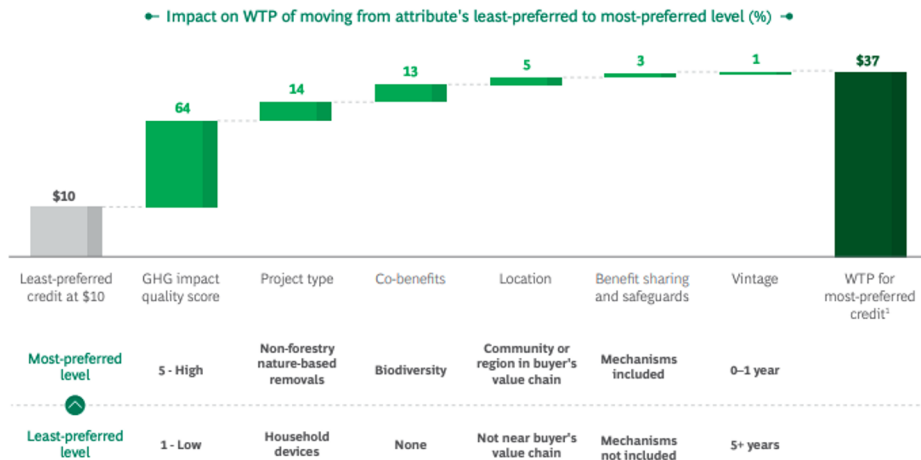
Comparable to any existing project

Correlation with price



Project quality perceptions inform buyer decisions

Exhibit 3 - Respondents Consider the GHG Impact Score to Be the Most Important Attribute of Credit Integrity



Source: BCG VCM buyer survey, November 2022 (N = 478).

Note: WTP = willingness to pay.

“Companies are willing to pay significantly more for carbon credits that have a demonstrable impact on greenhouse gas emissions”



Survey, September 2023



Projects with higher BeZero ratings sell higher and attract buyer interest faster

Average price-rating relationship

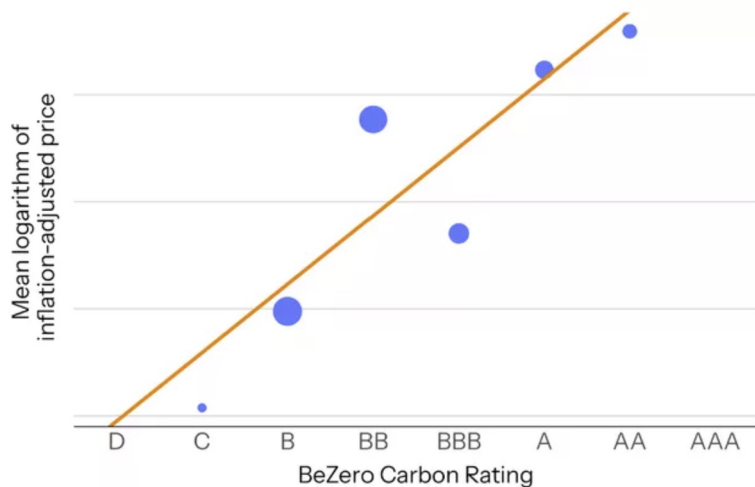


Figure 1. Average price and rating relationship April 2022 - December 2023. The number of transactions for credits of each BeZero Carbon Rating in the period analysed is indicated by the size of the data point. Analysis uses transacted price data from Xpansiv CBL market.

Demand

“This rating not only instilled substantial confidence in the quality of our carbon removal project but also started to unlock exciting avenues for long-term contractual opportunities with high-profile buyers”

Cimberley Groß



Novocarbo





Our ratings are more powerful and scalable than bilateral consultancy based due diligence

	Consultancy based DD	BeZero Ratings
Does it make the project more credible?	✓✓	✓✓
Does it help command price premiums?	✓✓	✓✓
Does it help sell the project more quickly?	✓✓	✓✓
Does it attract more people to the project?	✓✓	✓✓
Does it help compare and benchmark the project to the market?	✓✓	✓✓



What you get for an ex ante rating





We can rate credits that have not been issued

Rating Type	Ex ante (provisional)	Ex ante	Ex ante	Ex post
Phase	Design	Implementation	Pre-issuance	Issued
Example Rating	AAAe*	AAAe	AAAe	AAA

Use cases

Understand quality
Manage risk
Benchmark to market
Due diligence

Developer

Project promotion
Market positioning
Risk management

Investor

Due diligence
Model risk premia
Portfolio management

Offtaker

Due diligence
Secure supply
Price discovery

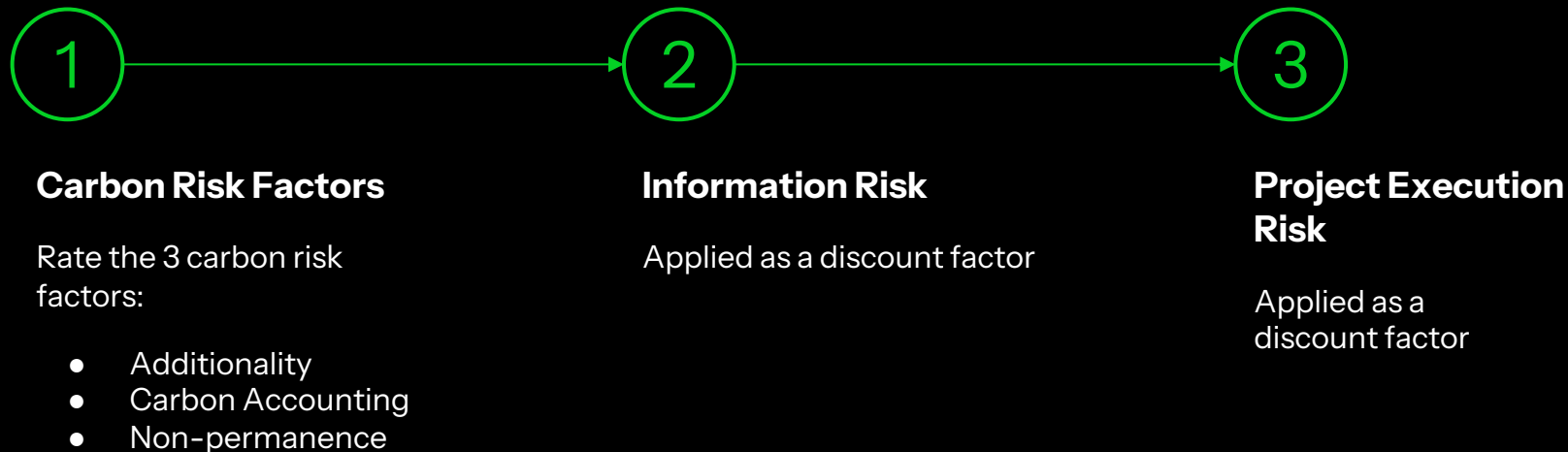


The BeZero Carbon Rating is a total market solution

Our opinion on the likelihood a carbon credit achieves a tonne of CO₂e avoided and/or removed



Ex ante rating comprises 3 elements



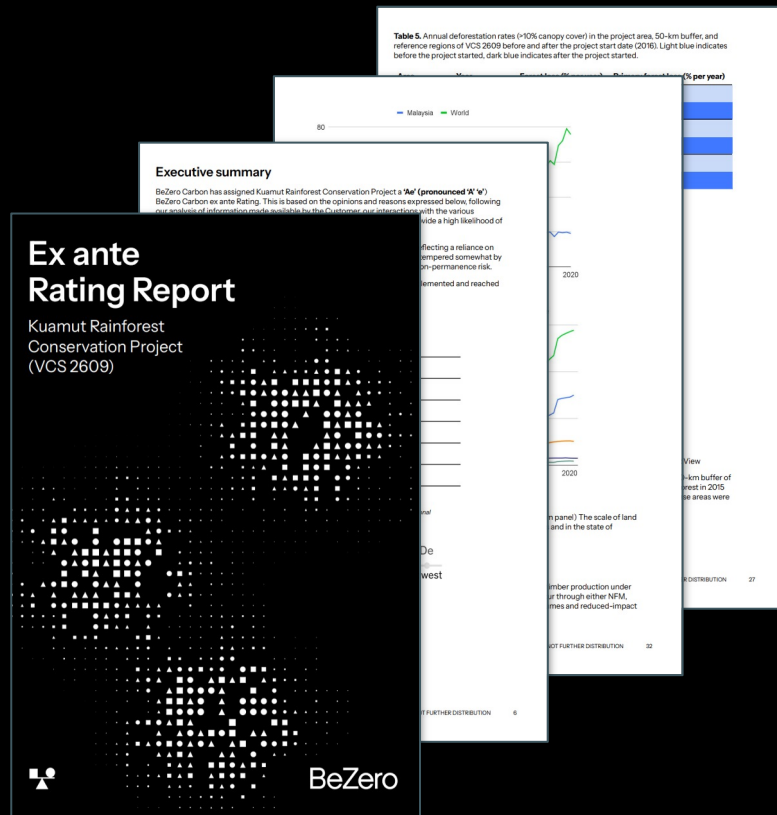
Ex-Ante Rating Report

A BeZero Carbon Ex-Ante Rating represents BeZero Carbon's opinion on the likelihood of a project's future carbon credits to achieve a tonne of CO₂e avoided or removed. The rating can be delivered at **all phases of the project lifecycle** - from design to credit issuance.

- 100+ page peer-reviewed report
- Formal ex-ante carbon rating
- Carbon risk factor scores and analysis
- Execution risk factor scores and analysis
- Information risk factor scores and analysis
- **Report is private** and made public at discretion of the customer
- Complimentary reassessment within 12 months

Subject to distribution agreements, ex-ante rating reports and their contents can be used by market participants developing, investing in and/or buying offtakes from carbon projects.

Delivery Time: 8 to 12 weeks





Ex ante rating reviewed annually, incorporating latest data

Illustrative example of a 30 year project

Stage	Year	2025	2030	2035	2040	2045	2050	2055	Vintage ex ante	Vintage ex post	Project execution risk?
1. Design	2023	Provisional ex ante*							2025-2055	n/a	✓
2. Implementation	2024	Ex ante							2025-2055	n/a	✓
3. Operational, no credits issued	2025	Ex ante							2025-2055	n/a	X
3/4. 1st Crediting period 5 years	2030	Ex post	Ex ante						2030-2055	2025-2030	X
3/4. 2nd crediting period - 10 years	2040	Ex post			Ex ante				2040-2055	2025-2040	X
3/4. 3rd Crediting period 10 years	2050	Ex post					Ex ante		2050-2055	2025-2050	X
4. 4th crediting period - 5 years	2055	Ex post							n/a	2025-2055	X

A rating is reviewed annually until all the carbon credits generated by the project are issued

