

INTRODUCTION

NetZero is a global company specializing in the long-term removal of carbon dioxide from the atmosphere. To do so, we turn crop residues into biochar, a very stable form of carbon then used as a soil amendment in agriculture. NetZero's mission is to **bring biochar at scale in the tropics**, with the **greater purpose of helping build a more sustainable world**.

Generating high-quality carbon dioxide removal certificates (CDRs) is an integral part of NetZero's business model and a key lever in fulfilling NetZero's mission. **As a company whose *raison d'être* is sustainability, we want to ensure the clients of our CDRs are aligned with our purpose.**

Although the high price of NetZero's CDRs could be seen as a sufficient mechanism to prevent non-serious companies from becoming our clients, we want to further ensure that our clients are undoubtably committed to serious climate action.

The objective of this policy is to prevent NetZero's CDRs to be used for greenwashing purposes.

STATEMENTS AND DIRECTIVES

To avoid any risk of greenwashing, NetZero will systematically decline selling CDRs to:

- **Companies operating in the Oil, Gas, or Coal sectors**, including prospection, extraction, transformation, transport, trading, or distribution.
- **Companies operating in the Forestry sector with activities in tropical countries**. Companies deploying reforestation programmes not destined to future exploitation are not subject to this exclusion criterion.
- **Power & Utility companies using coal** in any proportion.
- **Power & Utility companies generating less than 60% of their output from low-carbon sources** (renewable or nuclear).

Notwithstanding the above, NetZero may, on a case-by-case basis, accept to sell CDRs to financial institutions funding excluded companies, provided that this funding is minoritarian and in decline.

Additionally, NetZero will only accept to sell CDRs to:

- **Companies having committed to reaching net-zero emissions on at least scopes 1 and 2 by no later than 2050.**
- **Companies who commit to use the CDRs only to neutralise unavoidable, residual emissions.**
- **Companies who are the final users of the CDRs.** NetZero may however grant its clients the possibility to transfer the CDRs to an affiliate company within the same holding group. NetZero may also, on a case-by-case basis, allow its clients to be intermediaries and to resell the CDRs, provided that these intermediaries (i) commit to selling to final users, (ii) apply the same client-selection criteria defined in this policy, and (iii) provide full traceability on transactions.

DEPLOYMENT AND TRAINING

End buyers willing to become a customer of NetZero's CDRs will need to **fill in a questionnaire to ensure compliance with this policy**. For intermediaries, a specific questionnaire shall also be filled in. Answers will be thoroughly cross-checked by NetZero.

All relevant staff within NetZero will be trained to ensure full understanding and implementation of this policy.