TO TALK ABOUT REGISTRY-ISSUED CARBON CREDITS, THESE FIVE TERMS ARE GOING TO COME IN HANDY

Carbon Project
A carbon project is a body of work that follows a standard approach to monitoring, reporting, and verification of carbon benefits. Carbon by Indigo currently operates one carbon project in the US, and plans to create new projects over time (for example, a European carbon project). A project contains many growers and fields, all following the same rules and methods and listed with one single carbon registry.

Carbon Program
Indigo refers to its carbon business as a carbon program because it encompasses more than just our one current carbon project. The Carbon by Indigo program in the future will include multiple projects, in multiple locations, and with multiple registries. By using the term "program," it also encompasses the carbon-related services that Indigo provides, such as the online platform and agronomic support team.

Carbon Standards
Carbon standards are official documents that contain rules, requirements, guidance, and methods needed to create high-quality carbon credits. Standards are developed by carbon registries and provide guidance on how to quantify, monitor, report, and verify agricultural practices that enhance carbon storage in soils. The Soil Enrichment Protocol is an example of a standard.
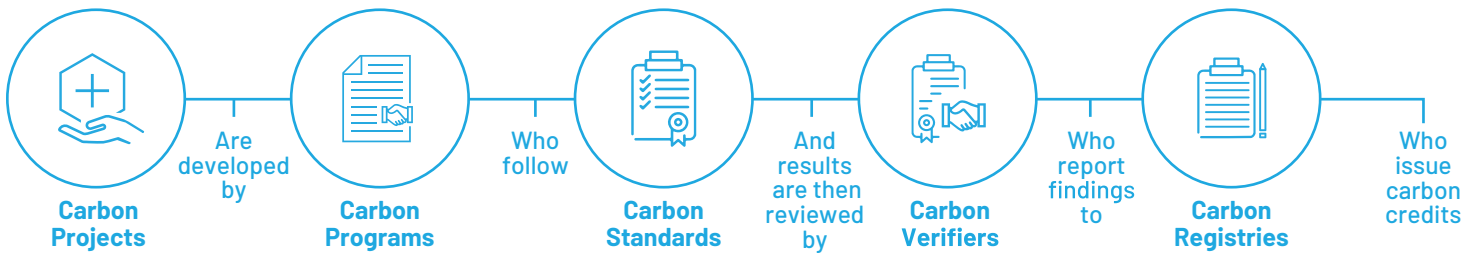
Carbon Verifier
A verifier is an organization independent of both the carbon registries and carbon projects that ensures that the projects are conforming with registry standards, including requirements related to eligibility, data collection, quantification, recordkeeping, and more.
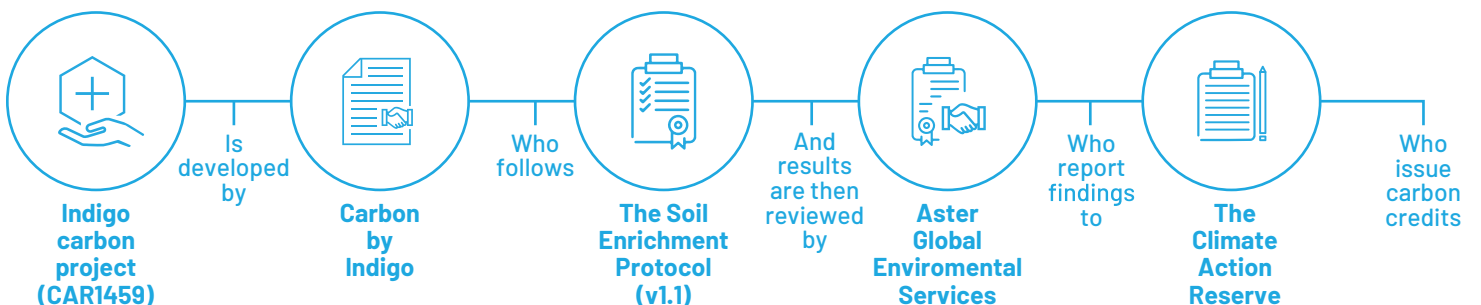
Carbon Registry
A carbon registry is a third-party organization that sets the rigorous rules needed to create carbon credits. Registries ultimately approve and issue the credits that meet their high standards. For example, the Climate Action Reserve is a carbon registry.

SO YOU COULD SAY THAT

Carbon Projects — Are developed by — **Carbon Programs** — Who follow — **Carbon Standards** — And results are then reviewed by — **Carbon Verifiers** — Who report findings to — **Carbon Registries** — Who issue carbon credits

FOR INDIGO, THIS LOOKS LIKE

Indigo carbon project (CAR1459) — Is developed by — **Carbon by Indigo** — Who follows — **The Soil Enrichment Protocol (v1.1)** — And results are then reviewed by — **Aster Global Enviromental Services** — Who report findings to — **The Climate Action Reserve** — Who issue carbon credits
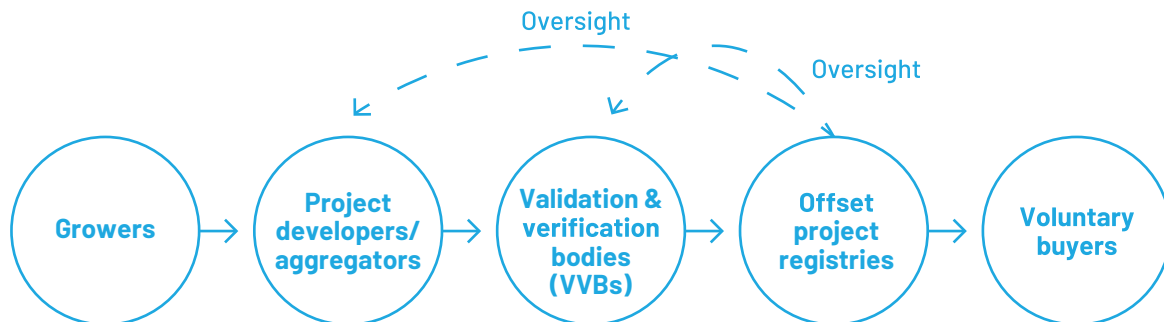
WHAT IT MEANS

VERIFIED VS. REGISTRY-ISSUED
DIFFERENT STAGES IN THE VALUE CHAIN

- **A verifier and a registry play different roles in the carbon value chain.**

    A **carbon registry** sets the rules needed to create high-quality carbon credits and only issues credits to **carbon projects** that meet these high standards.

    An independent **carbon verifier** audits a **carbon project** to ensure conformance with the registry's **carbon standards**, and reports their findings to the registry

    That value chain looks like this:

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                    Oversight                  Oversight

  Growers  →  Project        →  Validation &  →  Offset       →  Voluntary
              developers/        verification      project          buyers
              aggregators        bodies            registries
                                 (VVBs)
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- **Credits that have only been "verified" and not also "registry-issued" have not proven their value throughout the extent o the carbon supply chain.** While it is possible to simply select a **carbon standard** and hire a **carbon verifier** to review credits for compliance before selling them, the additional step of issuing credits through a **carbon registry** provides significant value in terms of transparency, traceability, and risk reduction for both buyers and growers, which in turn makes the credits worth more in the carbon market.

- **For example,** the USDA sets the rules for "Organic" labeled products, and the USDA ultimately decides what gets the Organic stamp and what doesn't — similar to how a **carbon registry** works. However, verification that individual farms are following the practices needed to receive the Organic label on their products can be conducted by third-party, independent entities, who drive to visit the farm and review farming activities — similar to how **carbon verifiers** work. Both the "verifier" and the "registry" in this example are needed to ultimately bring the most value to the market from the "Organic" label. And in turn, that value is passed on to the grower via increased payments for organic products.

WHAT IT TAKES

GETTING REGISTRY-ISSUED IS A MAJOR MILESTONE

- **Before carbon credits can be issued by a carbon registry, they must be proven to meet the rigorous carbon standards that prove that the credit is real –** meaning that the carbon credit resulted in measurable climate impact. Registries set these rules, and to be able to produce high-quality credits, **carbon projects** must meet them.

  Some examples of the rules carbon registries set include:

LEGAL RIGHTS	DEADLINES	EVIDENCE COLLECTION
Establishing that the **carbon project** developer (i.e. Indigo) has the rights to generate carbon credits on the fields in their project.	Strict deadlines on when new fields can be added to the **carbon project** following initial practice changes (i.e. a short eligibility window).	Requirements for collection of historical and current field information and evidence of the practices that occurred on those fields.

| GATHERING RESULTS	TRAINING	LIABILITY
Requirements for how to soil sample and model, quantify, and report results.	Training and accreditation requirements for **carbon verifiers**.	Requirements for long-term monitoring of the sequestered carbon and defining the liability for any future field changes that would result in the loss of carbon stored in the soil.

- **There are currently very few agricultural carbon programs offering registry-issued credits due to the intense requirements set forth by carbon registries.**

- **All carbon programs claiming to offer registry-issued credits should be publicly searchable** on that registry's database. Carbon by Indigo's **carbon project** is listed as CAR1459 in the Climate Action Reserve's online **carbon registry**.

WHY IT MATTERS

WHAT MAKES REGISTRY-ISSUED CREDITS SUPERIOR

- Registry-issued credits have passed *both* the verification and registry issuance gates of the carbon value chain. They have been confirmed to adhere to strict, transparent standards of quality and rigor. **This means that credits are high-quality, and carbon buyers are willing to pay much more for them.**

- **And, by having carbon registries monitor the quality of carbon credits, this makes the credits more trustworthy.** In turn, this allows carbon programs with registry-issued credits to avoid the pitfalls of lower-quality programs, which self-certify the validity of their credits and require buyers to more blindly trust that the credits led to real climate impact.

- **In the long run, registry-issued carbon credits are expected to retain and demand higher value.** And, because farmers in the Carbon by Indigo program take home 75% or more of the carbon credit sale price, that means growers can capture the profitability upside of Carbon by Indigo credits as prices increase.

READY TO TAKE THE NEXT STEP?
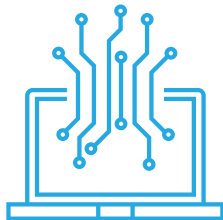
LEARN MORE ABOUT AGRICULTURAL CARBON CREDITS.

Want to learn more about Carbon by Indigo and high-quality, registry-issued credits? Check out Carbon College, a free online education resource with courses about carbon credits, carbon markets, and carbon farming.

carboncollege.indigoag.com

EXPLORE YOUR CARBON ACCOUNT.

Ready to explore Carbon by Indigo for yourself? Get started in minutes by creating a free account. Instantly gain access to hundreds of carbon farming resources, no obligations necessary.

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