

Carbon Removal Price Index FAQ

Q: What is a CORC?

CORC stands for CO₂ Removal Certificate. It is a tradable digital asset issued by Puro.earth and it represents one tonne of carbon that has been sequestered from the atmosphere.

Q: Who is Puro.earth?

Founded in 2019, Puro.earth is the first B2B standard, registry and marketplace focused exclusively on carbon removal. On 1 June 2021, Nasdaq acquired a majority stake in Puro.earth.

Q: How does Puro.earth support the carbon removal ecosystem?

Puro.earth identifies companies with products or processes that remove more CO₂ from the atmosphere than they emit. The net negative CO₂ emissions are verified by an independent third party and issued as CORCs. Climate conscious companies buy CORCs to neutralize their residual emissions by assigning CORCs to these emissions. These CORCs are retired in the Puro Registry where claims are visible to the public.

Q: What is Puro Registry?

Puro Registry is a user-friendly online platform where anyone can view CORCs that have been issued and retired. For more information, please see: www.registry.puro.earth/carbon-sequestration

Q: Can you give an example of some of the net negative activities that fall under the Puro Standard?

CORCs are issued based on the Puro Standard for carbon removal, which currently includes methodologies for biochar, bio-based construction materials (wooden building elements from sustainable forestry), CO₂ fixated in carbonated, concrete-like building elements and geologically stored carbon captured through various means, such as direct air capture. For more information, please see: <https://puro.earth/carbon-removal-methods/>

Q: Which indexes are included in the CORC Carbon Removal Price Index family?

- **CORC Carbon Removal Price Index (CORCX):** CORCX reflects the cost of sequestering one tonne of CO₂ based on an aggregation of all types of CORC transactions.
- **CORC Biochar Price Index (CORCCHAR):** CORCCHAR reflects the price of sequestering one tonne of CO₂ in the form of biochar.
- **CORC Bio-based Construction Materials Price Index (CORCWOOD):** CORCWOOD reflects the price of sequestering one tonne of CO₂ from bio-based construction materials, such as wooden building elements.
- More indexes will be added to the family of indexes as the number of relevant transactions increase.

Q: Why focus on carbon removal?

There is already too much anthropogenic GHG emissions in the atmosphere. To achieve the goal of the Paris Agreement of limiting global heating to well below 2°C above pre-industrial levels (ideally 1.5°C), there is a need to physically remove carbon from the atmosphere.

Q: How do CORCs relate to corporate net zero targets?

Net zero is achieved when a company no longer incrementally adds GHG emissions to the atmosphere. This requires ambitious, science-based targets and strategies to radically reduce its emissions. Afterwards, to be aligned to the Oxford Principles on Net Zero Aligned Carbon Offsetting and the Science Based Targets initiative (SBTi) the company needs to neutralize residual emissions with carbon removals (as opposed to carbon offsets).

Q: How are carbon removals different from carbon offsets?

With carbon removals, such as CORCs, a company neutralizes their residual emissions through projects that remove an equivalent amount of emissions from the atmosphere to achieve a net zero outcome. With carbon offsets, a company compensates for their own emissions through a project that reduces the carbon footprint of another company. In other words, with offsets the total amount of emissions in the atmosphere continues to increase.

Q: CORCs form part of the voluntary carbon market. How is that different from the compliance market?

Compliance markets are based on regulated emissions trading systems that cover specific industries and are restricted to a specific region. Voluntary markets are governed by industry standards and are more flexible in serving companies globally across all sectors of the economy.

Q: How big is the voluntary carbon market?

The voluntary carbon market topped \$1 billion for the first time in 2021. The Taskforce on Scaling Voluntary Carbon Markets estimates the market will grow to between \$5-\$30 billion on the low-end of estimates and \$50 billion on the high end by 2030.

Q: How do the CORC Carbon Removal Price Index family benefit society?

The index family will create a price signal that will make the true cost of removing one tonne of CO₂ from the atmosphere transparent. Carbon removal companies can use this signal to support the business case for new ventures and investors in these projects can use it to make better informed investing decisions. In addition, corporates who wish to go net zero can use this price signal to inform project financing decisions.

Q: Are there any investable products based on the indexes?

Over time as the carbon removal market becomes more liquid, the index family will serve as a platform to create innovative new financial products that give investors the opportunity to gain exposure to society's transition to a net zero economy.

Q: Which CORC transactions are included in the indexes?

The data includes all the transactions resulting from market negotiations, wherein buyers and sellers endeavor to establish the fair market value for the asset in question.

Q: How regularly is the data updated?

Monthly.

Q: Which units are used?

The price indexes are in Euro per tonne.

Q: How can I get access to the market data?

Please visit: www.nasdaq.com/solutions/carbon-removal-marketplace or contact EUdatasales@nasdaq.com. For more information on Puro.earth and the Puro Standard for carbon removal, please visit www.puro.earth.

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