

INTRODUCTION

NetZero is a global company specializing in the long-term removal of carbon dioxide from the atmosphere. We transform agricultural waste into biochar, a very stable form of carbon used as a soil amendment. NetZero's mission is to **bring biochar at scale in the tropics**, with the greater **purpose of helping society build a more sustainable world**.

In the tropics, **farmers owning less than 11 hectares of land are usually the backbone of agricultural systems**. These smallholders are therefore a key stakeholder for NetZero's development. Furthermore, **biochar and NetZero's model can bring major social impact for smallholders**, including higher income through improved yields and lower costs through reduced fertiliser use.

This policy aims at formalising NetZero's commitment to support smallholders and broader social impact.

STATEMENTS AND DIRECTIVES

In general, to maximise social impact, NetZero commits to using the following levers:

- **Agricultural use of the biochar** – NetZero is committed to favouring biochar's use as a soil amendment for agriculture over other potential uses such as fuel, construction material, filtering systems, and more.
- **Reasonable pricing of biochar** – NetZero will make sure biochar always remain affordable for farmers, especially through the subsidy of biochar with carbon dioxide removal certificates (CDRs).
- **Local electricity distribution scheme** – When co-generating electricity, NetZero commits to explore, for each project, how electricity distribution could benefit local communities.
- **Local hiring plan** – Whenever possible, NetZero will favour local staff hiring to support.

In particular, for projects where smallholders are involved, NetZero will ensure:

- **Engagement prior to project implementation** – NetZero will make sure that local smallholders are consulted, well informed, and that a majority is supportive of the project prior to its implementation.
- **Unconstraint commitment for feedstock supply** – NetZero will guarantee that smallholders willing to enter in a contractual agreement with NetZero for biomass supply can do it so freely, with no injunctions on volumes.
- **Priority access to the biochar** – When selling biochar, NetZero will give priority to biomass suppliers vs. non-suppliers.
- **Biomass-to-biochar proportionality** – In case of a circular contract, NetZero commits to accurately track feedstock quantities supplied by smallholders and to give them back proportionally the resulting biochar.
- **Training to use the biochar** – NetZero will make sure smallholders receive appropriate instructions and training on how to use biochar.
- **Grievance mechanism and provision of after-sale support** – NetZero will provide a grievance mechanism and, when needed, an after-sale support service for smallholders having purchased biochar, through which questions can be asked and/or claims raised.

DEPLOYMENT AND TRAINING

This policy, its statements and guidelines must be implemented through specific rules and training in all countries where NetZero operates, with all employees and direct subcontractors, when applicable, and shall be monitored periodically to attest these principles and objectives are met.