



ANNUAL REPORT 2022





LETTER FROM THE PRESIDENT AND INTERIM CEO

The year 2022 brought both growth and transformation to social and environmental markets—and Verra and its diverse stakeholders were at the forefront.

On the market side, the voluntary carbon market (VCM) continued to experience unprecedented growth while delivering tremendous impact. Carbon credit prices were up 40 percent, the number of companies setting net zero targets more than doubled, and the need for nature-based solutions was recognized broadly across sectors. Newer markets—like those for biodiversity and plastic—also continued to gain a strong foothold.

On the Verra side, the Verified Carbon Standard (VCS) Program issued its 1 billionth carbon credit. The

Plastic Waste Reduction Program (Plastic Program) issued its first credits, and Verra also registered the first standalone project in its Sustainable Development Impact Standard (SD VISta) Program.

This annual report details these and many other Verra achievements in 2022.

I joined Verra in February of 2023 to drive our operational excellence efforts by streamlining the project certification process, embracing the integration of technology into our programs, and ensuring a high degree of professionalism across Verra's operations. When Verra's founding CEO, David Antonioli, chose to step down in May of 2023, I took on the Interim CEO role and have continued

Front photo: Keneco-Mindanao for Mindanao Tree Planting Program for our Climate and Communities (MinTrees), Verra Project 2412
Above photo: Nick Hall for Avoiding Planned Deforestation and Degradation in the Valdivian Coastal Reserve, Verra Project 1175
Right photo: Nick Hall for Avoiding Planned Deforestation and Degradation in the Valdivian Coastal Reserve, Verra Project 1175

to lead, elevate, and support the growth of the VCM and other environmental and social markets.

After more than 30 years in the private sector, where shareholders were my stakeholders, it is humbling and inspiring to work for Verra, whose stakeholders are nothing less than the planet and the people on it. For 15 years, Verra has been a leader in setting environmental and social standards, managing programs, and supporting markets for meaningful action. Now, we are also on a journey of transformation to a new era of scaling, engaging, and achieving operational excellence.

Verra remains deeply committed to a high-integrity VCM that helps deliver the Paris Agreement goals and supports other high-quality environmental and social markets. Our mission has always been in service of increasingly ambitious climate and sustainable development goals and an accelerated transition to a

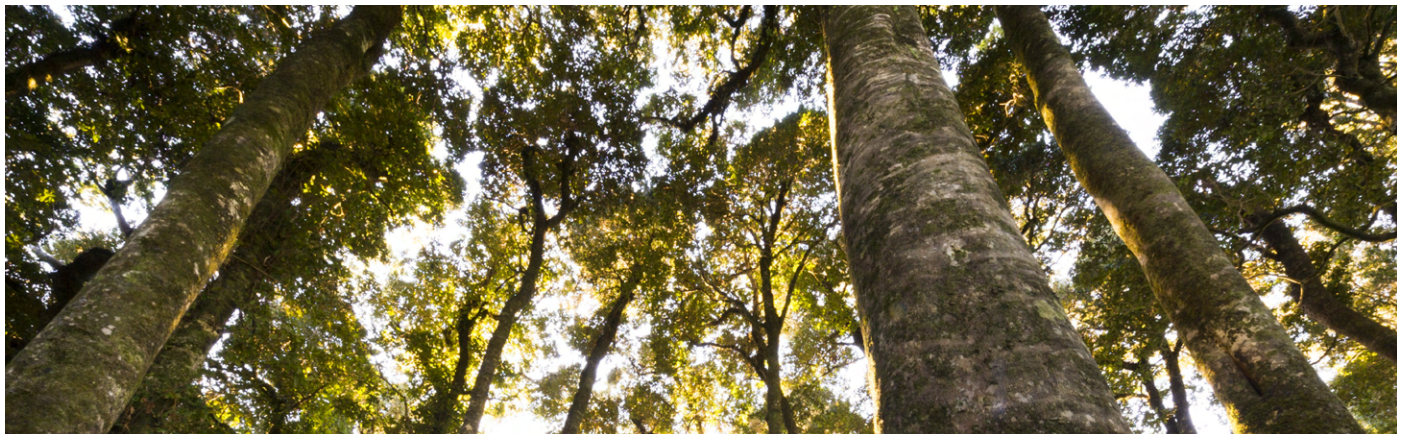
sustainable future. I feel the urgency and importance of all we must do—not just as an organization, but also in support of environmental and social markets.

We have an enormous responsibility, and we take it seriously.

Verra’s 2023 annual report will include more from me about all the initiatives underway to deliver on our mission. I look forward to working with you in this ecosystem of action to achieve a more sustainable future.



Judith Simon
VERRA PRESIDENT
AND INTERIM CEO



“I feel the urgency and importance of all we must do—not just as an organization, but also in support of environmental and social markets. We have an enormous responsibility, and we take it seriously.”

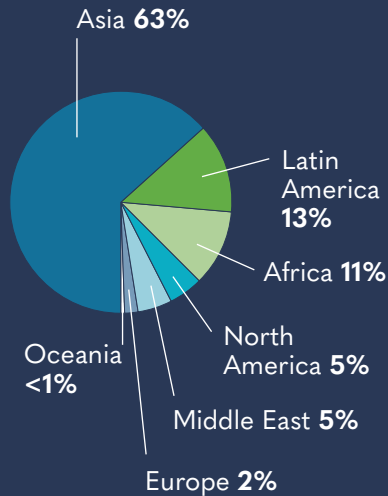
Judith Simon, Verra President and Interim CEO



3,134 projects

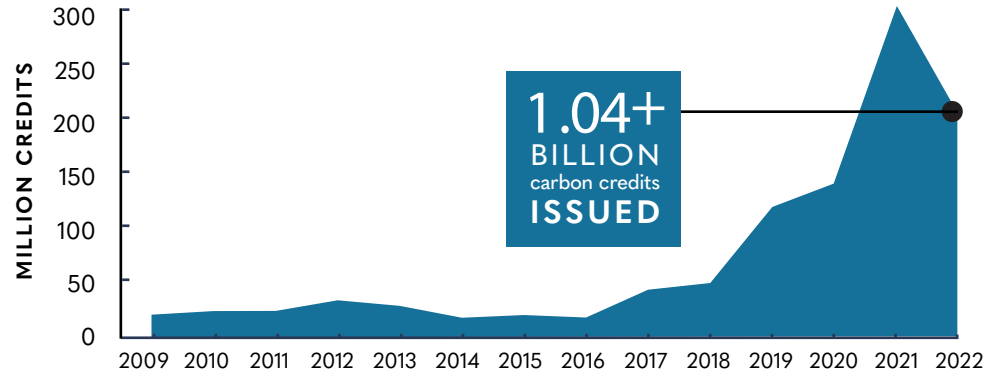
AT THE END OF 2022

PROJECTS BY REGION

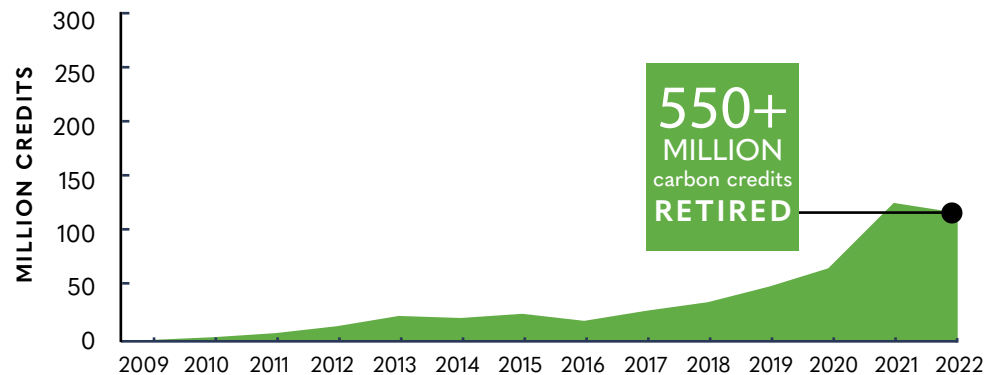


THE VCS PROGRAM IN NUMBERS

CREDIT ISSUANCES



CREDIT RETIREMENTS



The above figures are based on publicly reported data in the Verra Registry (<https://registry.verra.org>). Please visit the Verra Registry for up-to-date information about credit issuances and retirements.



PROGRAM UPDATES

Verra advances critical climate action and sustainable development by developing high-quality standards programs for the projects it certifies. The year 2022 saw a number of significant milestones and important “firsts” as Verra continued to implement rigorous

programs, update rules and requirements, and revise, expand, and develop new robust methodologies to ensure its standards programs incorporate best practices and reflect the latest science and technology.



ONE BILLION CARBON CREDITS

In November 2022, Verra issued the 1 billionth carbon credit under the Verified Carbon Standard (VCS) Program. This represents 1 billion fewer tonnes of CO₂ in the atmosphere—the equivalent of more than 220 million gasoline-powered vehicles driven for

one year—and serves as a powerful reminder of the voluntary carbon market’s impact to date in reducing global emissions. Many carbon projects certified with the VCS Program also provide important beyond-carbon benefits, especially for Indigenous Peoples and local communities.

ADVANCING VCS METHODOLOGIES

The VCS team advanced work on several methodologies, especially in the Agriculture, Forestry, and Other Land Use (AFOLU) sector. Methodologies are an integral component of the VCS Program that enable the credible accounting of emission reductions and removals from an ever-growing set of activities. Key developments in VCS Program methodologies include the following:

- The team made significant progress on our new approach to project-based REDD,¹ putting out five modules for consultation and combining them into a consolidated methodology.
- Verra released a new Improved Forest Management methodology (VM0045) that uses a dynamic performance benchmark approach for setting the baseline and testing for additionality. This will strengthen the precision of calculating projects' greenhouse gas (GHG) emission reductions and removals.

- The team published a new methodology that sets out procedures for quantifying GHG emission removals from producing biochar and using it in approved soil and non-soil applications.
- Verra also initiated the development of a consolidated improved cookstoves methodology. Cookstove projects are an important climate mitigation solution with several non-GHG benefits such as improved indoor air quality, increased household income due to time savings, and support for reforestation and regeneration.

KEY VCS PROGRAM UPDATES

Verra released several updates to the VCS Program to improve its efficiency, enhance its transparency and integrity, and unlock additional climate action, including the following:

- A new requirement for projects to report their quantified contributions to the United Nations Sustainable Development Goals (SDGs)





- Updates to enable dynamic performance benchmarks that take into consideration real-time performance changes in a given sector or activity type
- A new methodology development and review process
- New requirements for geologic carbon storage activities, including associated tools

INVOLVEMENT IN ICVCM PROCESS

Verra continued to engage at various stages in the ongoing work of the Integrity Council for the Voluntary Carbon Market (ICVCM). For example, the team submitted comments in response to the ICVCM's consultation on its proposed Core Carbon Principles, as well as on the Assessment Framework and related documents.

REGIONAL ENGAGEMENT

The Regional Engagement team signed Memoranda of Understanding with government-related organizations, financial institutions, and carbon trading exchanges in several countries to support these entities in their efforts to advance climate action and sustainable development. Specifically, by providing training on Verra's standards programs and the Verra Registry, the team will offer guidance on how these entities can engage in carbon markets and utilize other related financial instruments to progress their work.

NEW AUDITING AND ACCREDITATION TEAM

Verra has established an Auditing and Accreditation Team to strengthen oversight of validation/verification body (VVB) performance across all Verra standards programs. The team's primary objective is to ensure that VVBs reviewing projects in Verra's certification programs do consistent and high-quality work. This reflects Verra's commitment to ensuring the integrity of projects that credibly advance climate action and sustainable development.

INTEGRATION OF DIGITAL TECHNOLOGY

- Verra launched a digital Measurement, Reporting, and Verification (DMRV) working group to develop protocols, guidance, and frameworks for the use of third-party DMRV platforms in Verra's VCS Program. Verra also started piloting DMRV platforms that harness the power of remote sensing to measure forest carbon.
- Verra initiated the development of a long-term monitoring system (LTMS) for loss events and reversals in the post-crediting period of AFOLU projects that are registered in the VCS Program. The LTMS will be critical for managing the non-permanence risk of nature-based credits and for ensuring the transparency and environmental integrity of Verified Carbon Units.

Above photo: Keneco-Mindanao for Mindanao Tree Planting Program for our Climate and Communities (MinTrees), Verra Project 2412

Left photo: Lisa Murray, Bale Mountains Eco-Region REDD+ Project, Verra Project 1340

¹ REDD stands for Reducing Emissions from Deforestation and Forest Degradation.



PLASTIC WASTE REDUCTION PROGRAM



ISSUANCE OF FIRST PLASTIC CREDITS

Verra issued the first credits generated under its Plastic Waste Reduction Program (Plastic Program). Each credit represents one metric tonne of plastic waste either removed from the environment or recycled. The sale of Plastic Credits drives important finance to plastic waste collection and recycling activities and accelerates the removal of plastic waste from the environment.

ADVANCING PLASTIC PROGRAM METHODOLOGIES

The Plastic Team revised both Plastic Program methodologies. Methodologies are an integral component of the Plastic Program and enable the credible accounting of how much plastic waste is collected or recycled by projects certified in the program. Revising methodologies is a critical way of maintaining the integrity of our standards programs and can create new pathways for driving finance to projects implementing plastic waste reduction activities.

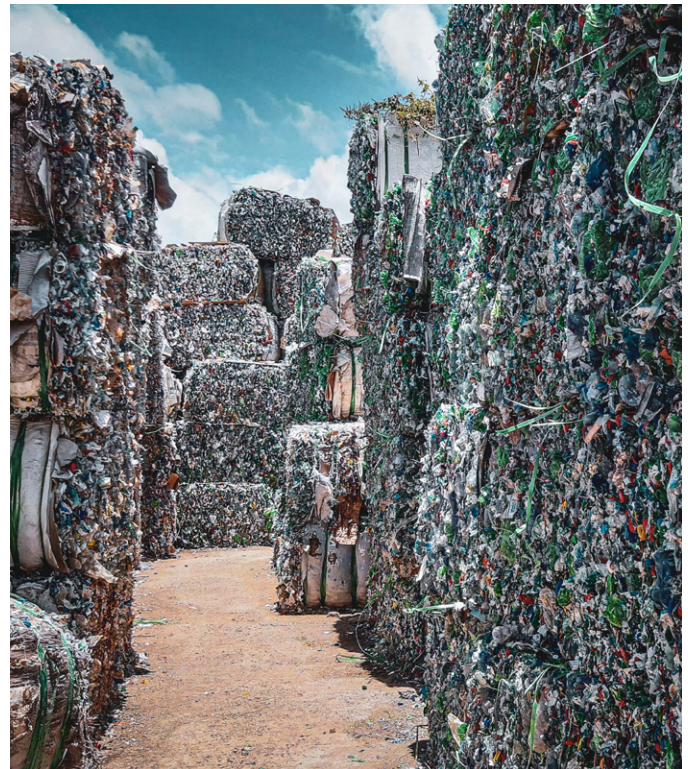
- The revised **Plastic Waste Recycling Methodology** has an expanded scope and includes criteria and procedures applicable to chemical (i.e., advanced, tertiary) recycling processes.
- The revised **Plastic Waste Collection Methodology** with updated applicability conditions will enable more projects to register in the program and access financing to scale activities that keep plastic out of the environment.

PLASTIC PROJECT REGISTRATION

The Plastic Program registered two projects in 2022, including the first plastic projects in both Thailand and Indonesia, with a total of 734 credits issued.

ENGAGEMENT IN GLOBAL PLASTIC TREATY NEGOTIATIONS

Verra's Plastic Team released a position statement to express its support for the development of a Global Plastic Treaty, which kicked off in November 2022. Verra's statement affirms that Plastic Credits and the Plastic Waste Reduction Standard (Plastic Standard) can support many of the treaty's strategic goals related to the downstream management of plastic waste.





SUSTAINABLE DEVELOPMENT VERIFIED IMPACT STANDARD PROGRAM



FIRST STANDALONE SD VISTA PROJECT

Verra registered the first standalone project with its Sustainable Development Impact Standard (SD VISTA) Program. The Human Forest Mobility Project in London enables users to hire free electric bikes for short journeys, reducing carbon-intensive car travel. It contributes to six Sustainable Development Goals: Good Health and Well-Being (SDG 3); Affordable and Clean Energy (SDG 7); Decent Work and Economic Growth (SDG 8); Industry, Innovation, and Infrastructure (SDG 9); Sustainable Cities and Communities (SDG 11); and Climate Action (SDG 13).

FOUNDATIONAL STEPS FOR DEVELOPMENT OF NATURE FRAMEWORK

Verra laid the foundation for the development of the SD VISTA Nature Framework, which will drive finance to high-integrity nature conservation and restoration activities. Verra launched the SD VISTA Nature Framework Advisory Group to guide the development of the Nature Framework and signed a Memorandum of Understanding with leading conservation organizations to develop this framework, which will also contribute to the Global Biodiversity Framework goals and targets.

SCOPE 3 PROGRAM

Verra took the first steps in the development of a Scope 3 Program, which will bring increased integrity and assurance to emission reductions and removals projects operating within company supply chains.

Following an exploratory phase of its Scope 3 initiative, Verra officially gave a green light to a projected two-year development process, which will include the piloting of a new standard and program infrastructure.

Above photo: Lisa Murray, Bale Mountains Eco-Region REDD+ Project, Verra Project 1340

Left photo: OMA Ativos Ambientais S.A for Agents of Change Orchestrating the Recycling Chain, Verra Project 4470

2022 FINANCIAL REPORT

All figures are in US dollars.

STATEMENT OF FINANCIAL POSITION

Total Assets	57,769,889
Total Liabilities	5,102,408
Net Assets	52,667,481

STATEMENT OF ACTIVITIES

Revenue and Support

Issuance Levies	27,655,005
Registration, Verification, and Account Opening Fees	3,684,519
Grants	477,719
Contributions	15,029
Other:	
Validation/Verification Body Annual Fees	75,000
Interest Income	490,364
Other Revenue	26,606
Total	32,424,242

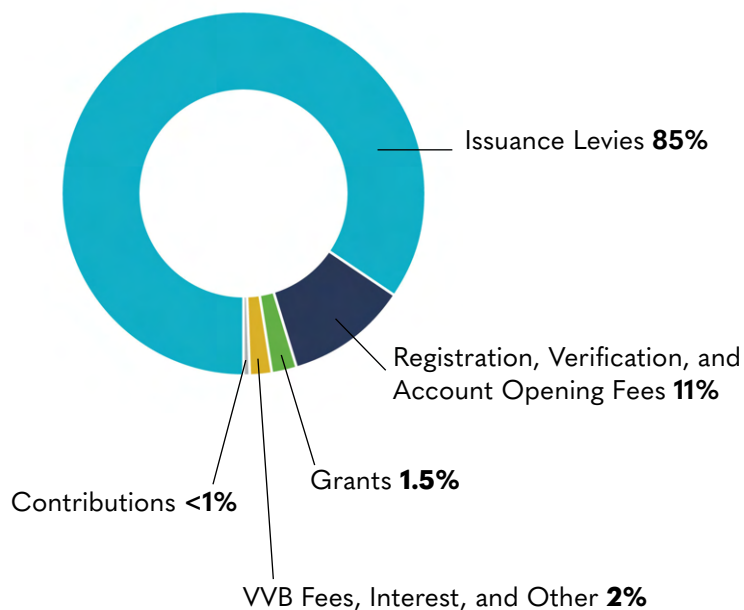
Expenses

Program Services	18,068,528
Management and General	8,188,561
Total	26,257,089

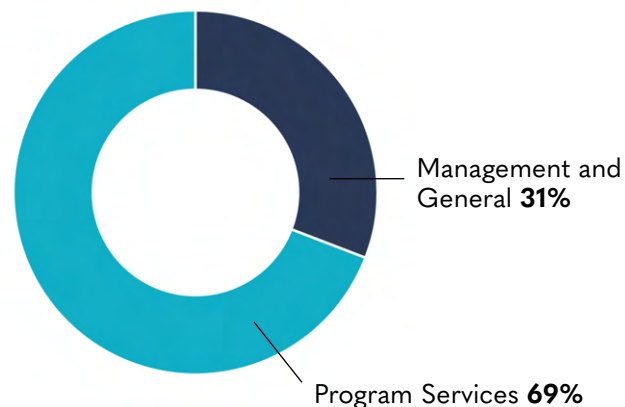
CHANGE IN NET ASSETS

Net Assets, beginning of year	46,500,328
Net Assets, end of year	52,667,481

Revenue and Support*



Expenses



*Numbers may not add up to 100 due to rounding



2022 BOARD OF DIRECTORS

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Above photo: Nick Hall for Avoiding Planned Deforestation and Degradation in the Valdivian Coastal Reserve, Verra Project 1175
Back photo: FUNDAECO for REDD+ Project for Caribbean Guatemala The Conservation Coast, Verra Project 1622

ABOUT VERRA

Verra is a nonprofit corporation under the laws of the District of Columbia (Washington, DC, United States) and a tax-exempt organization under Section 501(c)(3) of the US Internal Revenue Code.



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