

### **Keystone Transparency Principles Compliance Analysis**

The purpose of this document is to outline how the 2025 Bayer Carbon Program and Nitrogen Management Program comply with the Keystone Policy Center's *Principles for Transparency in Agricultural Climate Markets*. The following provides information regarding such programs either through summaries of program features or reference to responses to frequently asked questions provided on the following page within the ForGround by Bayer website.

### **Principle: Eligibility Criteria**

Covered by the following Q&A responses:

- What states are eligible for the 2024 Bayer Carbon Program?
  - Eligible states: Alabama, Arkansas, Arizona, California, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Virginia, and Wisconsin.
- Which regenerative agriculture practices are eligible under the 2025 Bayer Carbon Program?
  - The following regenerative agriculture practices are eligible under the 2025 Bayer Carbon Program:
    - Cover crops: You intentionally plant and grow a crop of grass, small grain, legumes, or brassicas or other broadleaves (or a combination of those crops) on the field after the harvest of the primary cash crop until the time of planting the next primary cash crop for the purpose of seasonal soil protection or soil improvement. The cover crop practice does not permit the removal of cover crop biomass from the field (such as through burning, baling, harvesting, or grazing). For more information, please refer to NRCS CPS Code 340 or other source Bayer may provide.
    - No-till: You directly plant each crop on the field into the untilled seedbed of the prior crop. The no-till practice means that no tillage event (including vertical tillage) may occur on the field. For more information, please refer to NRCS CPS Code 329 or other source Bayer may provide.
    - Strip-till: You only partially till the field ahead of planting through the creation of residue-free strips of soil, which must be approximately six to eight inches wide and four to eight inches deep. The strip-till practice excludes any use of vertical tillage or other full-width tillage practices and means that no full tillage event may occur on the field. For more information, please refer to NRCS CPS Code 329 or other source Bayer may provide.
    - Reduced-till: You only partially till the field ahead of planting through the use of a Secondary Tillage Tool. Secondary Tillage Tools must have an operating depth



of no more than four inches and result in 30% or more soil residue cover at crop planting. The reduced-till practice requires the transition, upon the adoption of the practice, from a multiple-pass tillage system that includes the use of a Primary Tillage Tool, to a single full-width tillage system that includes the use of a Secondary Tillage Tool. The reduced-till practice does not permit the use of disks (including high-speed disks).

- A "Primary Tillage Tool" is a heavy/offset disk, disk-ripper, moldboard plow, chisel-plow, v-ripper, or other applicable tool as designated on myforground.com.
- A "Secondary Tillage Tool" (also known as a "one-pass tool") is a vertical tillage tool, field cultivator, soil finisher, mulch finisher, harrow, or other applicable tool as designated on myforground.com.
- Which cash crops can I have in my rotation under the 2025 Bayer Carbon Program?
  - The accepted cash crops in the 2025 Bayer Carbon Program are corn, soybeans, wheat, barley, sorghum, oats, rye, millet, dry beans, lentils, peas, and chickpeas. These are the only cash crops allowed to be in rotation on fields enrolled in the 2025 Bayer Carbon Program. If you have planted a cash crop other than one of the cash crops listed above on a field since you adopted the practices plus the 4 years prior, the field will not be eligible for this year's program.

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- Fields planted with soybeans as the primary cash crop, may be planted as a double crop provided
  that such additional cash crop must be either wheat, barley, or an oilseed crop, such as canola.
  Unless we grant an exception, sweet corn or other cash crops may not be planted with soybeans
  as a double crop. What is the Nitrogen Management Program?
  - The Nitrogen Management Program "add-on" provides growers with the opportunity to earn \$4/acre, when the field is planted with corn, for applying select nitrification inhibitors and achieving a 5% reduction in the application of synthetic nitrogen. To enroll in the Nitrogen Management Program, growers must select the "add on" option during field enrollment.
  - Key requirements for participation in the Nitrogen Management Program include the following:
    - The field is enrolled in the 2024 or 2025 Bayer Carbon Program for no-till, striptill, reduced-till, and/or cover crops;;
    - The use of nitrification inhibitors on the field must have been consistently adopted on or after August 1, 2019;
    - A nitrification inhibitor is applied on the field and includes one of the following active ingredients: 2-chloro-6 (trichloromethyl)-pyridine (Nitrapyrin), dicycandiamide (DCD), or 3,4-dimethylpyrazole phosphate (DMPP); and



- The field achieves a 5% reduction in the use of synthetic nitrogen compared to the average synthetic nitrogen application for the field. The average application for the field will be calculated by reviewing the field's synthetic nitrogen application data for the 4 years prior to the date in which consistent adoption of nitrification inhibitors on the field began.
- Growers will be required to submit the necessary records or data to help Bayer verify that they met the Nitrogen Management Program requirements (e.g., receipts, application documents, fertilizer application amounts, etc.).

### **Principle: Contract Obligations**

 Bayer will provide a reference copy of the Bayer Carbon-Smart Practices Master Agreement upon submission of a request via the Contact Us link on BayerForGround.com.

### **Principle: Asset Type**

• Bayer offers various programs paying growers to perform practices that reduce or sequester greenhouse gas emissions on enrolled fields. Each program may be for Bayer to generate assets, such as carbon offset credits, that can be sold to companies who want to offset their greenhouse case emissions or to work with growers in a specific company's supply chain to develop interventions that can be applied to greenhouse gas emissions from that company's supply chain.

#### **Principle: Standards & Principle: Models**

Covered by this Q&A:

- What protocols and models does Bayer use to generate carbon assets or to quantify the greenhouse gas emission reductions resulting from the performance of regenerative agriculture practices?
  - The Bayer Carbon Program is both protocol and model agnostic. We may potentially work
    with any of the existing protocols governing agricultural carbon asset generation as well
    as any existing commercial carbon accounting models.

### **Principle: Data Requirements**

Covered by this Q&A:

- As a part of the Bayer Carbon Program, what records do I need to keep and what data will you collect?
  - Each year, a grower enrolled in the Bayer Carbon Program will need to:
    - Fill out and submit to Bayer agronomic information for each field enrolled. Such
      information may include but is not limited to the timing of planting and harvest, total
      yield, cover crop planting dates, cover crop termination method, and cover crop



termination dates (if applicable), tillage style and timing (if applicable), and any applications of fertilizer, manure, and irrigation (if applicable).

- Take a geo-tagged photo on each enrolled field showing the enrolled practice(s).
- Submit qualifying practice evidence annualy for each enrolled practice (i.e., cover crop receipt, custom strip-till planting receipt, etc.)
- For any fields newly enrolled in the Bayer Carbon Program, a minimum of 4 years of historic agronomic data for such field to set the pre-practice change baseline for the carbon model. This is a one-time requirement for a given field and in subsequent years the only agronomic information needed will be for the current year (as detailed above).
- Fill out and submit to Bayer the annual attestation form. This includes attesting to the practices performed and the agronomic data submitted.
- A Bayer Carbon Account Specialist will help growers submit this information to ensure program requirements are met for payment.

### **Principle: Ownership of Credits**

Covered by this Q&A:

- Who benefits from the carbon assets generated by Bayer as a result of the performance of practices, under the Bayer Carbon Program, that reduce or sequester greenhouse gas emissions?
  - Bayer may employ the greenhouse gas emission reductions or removals to generate carbon assets, such as carbon offset credits, that can be sold to companies or individuals to offset greenhouse gas emissions or, if a grower enrolled in the Bayer Carbon Program is located within a specific company's supply chain, these emissions reductions or removals may be accounted for within a company's supply chain greenhouse gas emissions accounting or used to support a carbon neutral certification.

#### Principle: Grower financial obligations and payments

Covered by the following Q&As:

- How much can I get paid under the 2024 Bayer Carbon Program and Nitrogen Management Program?<sup>1</sup>
  - You have the potential to earn up to \$6/acre for the adoption of reduced-till/no-till/strip-till practices and \$6 for the adoption of cover crop practices, with available practices subject to state acre enrollment limits. Fields with practice change on or after August 15, 2019 may be eligible to participate, with the potential to receive up to 4 years of historical practices payments. This means that if you have been continuously performing your selected practices since 2021, you could receive a one-time historical practices payment of up to \$48 per acre.



- If you enroll fields in the Bayer Carbon Program, you may also be able to participate in the Nitrogen Management Program "add-on" and earn \$4/acre, when the field is planted with corn, for applying select nitrification inhibitors and achieving a 5% reduction in the application of synthetic nitrogen.2.<sup>2</sup>
- What happens if the price of carbon assets increases?<sup>3</sup>
  - During the Bayer Carbon Program term, we will periodically evaluate the current market
    price for a carbon assets. If we determine, in our sole discretion, that there has been a
    substantial increase in the current market price for a carbon asset, we will share part of
    the increased value with you by increasing the payment rate for applicable practices if the
    field meets the relevant eligibility criteria.
- When will I be paid?<sup>1</sup>
  - Bayer will pay participating growers the payments due under the Bayer Carbon Program
    and Nitrogen Management Program no more than 30 days after the date of final
    verification that the selected practices have been performed. Payment for the
    performance of historical practices, if applicable, is also subject to confirmation that that
    carbon assets have been generated. See the Bayer Carbon-Smart Practices Master
    Agreement and attached program terms for further details.

#### Principle: Data ownership and privacy provisions

Covered by this Q&A:

- As a part of the Bayer Carbon Program and Nitrogen Management Program, how do you record and share my data?
  - The data you provide or make available as part of the Bayer Carbon Program and Nitrogen Management Program will only be accessed and used for the purposes you permit, such as the purposes you consented to during enrollment and in the Bayer Carbon-Smart Practices Master Agreement, as well as the terms of use or privacy statement you accepted when you created an account with our affiliate, Climate LLC. Principle: Contractual noncompliance and acts of God

### Covered by the following Q&As:

- What if I do not perform the selected practices on a field enrolled in the Bayer Carbon Program during a calendar year?
  - If the selected practices are not performed in a given calendar year, you must promptly notify Bayer. Bayer will not pay you the practices payment for calendar years in which the practices were not performed and Bayer may remove the field(s) from the Bayer Carbon Program, exercise its termination rights, or grant an exception. If you selected the cover crop practice for a field and Bayer determines that you were prevented from planting and growing the cover crop because of factors outside of your control (for example, you



planted the cover crop, but it failed due to a weather event), you may still be eligible for payment, but submission of additional documentation may be required. See the Bayer Carbon-Smart Practices Master Agreement and attached program terms for further details.

- What if I do not perform the Nitrogen Management Practice on a field enrolled in the Nitrogen Management Program during a calendar year?
  - If the Nitrogen Management Practice is not performed and/or you do not plant corn on a field in a given calendar year, Bayer will not pay you the practice payment for such calendar year. See the Bayer Carbon-Smart Practices Master Agreement and attached program terms for further details.

### Principle: Program developer disclosure

Covered by this Q&A:

- Am I required to use Bayer agricultural input products in order to participate in ForGround by Bayer, the Bayer Carbon Program, or the Nitrogen Management Program?
  - We do require you to have a Climate FieldView™ account in order enroll in ForGround, the Bayer Carbon Program, and the Nitrogen Management Program. ForGround by Bayer members who enroll a minimum of 250 eligible acres in a regenerative agriculture program offered through ForGround (requiring implementation of select regenerative agriculture practices) will receive a one-time, \$249 discount code, to be applied to a FieldView™ subscription.³ While Bayer has a broad selection of industry-leading crop protection, seed and seed treatment products, you are not required to purchase crop protection, seed or seed treatment products to participate in ForGround, the Bayer Carbon Program, or the Nitrogen Management Program.

<sup>&</sup>lt;sup>1</sup> Payments subject to: (a) verification by Bayer that the selected practices have been performed and, for historical payments, that carbon assets have been generated; and (b) all other applicable terms of the Bayer Carbon-Smart Master Services Agreement and attached program terms.

<sup>&</sup>lt;sup>2</sup> Applicable field must also be newly enrolled in Qualifying Regenerative Agriculture Programs, offered through ForGround by Bayer, as of 2024 to participate in the Nitrogen Management Program. Must use qualifying nitrification inhibitor and realize a 5% reduction in synthetic nitrogen compared to 4-year baseline average prior to nitrification inhibitor use. Field must be planted with corn to be eligible for per acre payment. See Bayer Carbon-Smart Practices Master Agreement for further details.

<sup>&</sup>lt;sup>3</sup> Bayer will increase the payment rate for applicable practices on eligible fields if there has been a substantial increase in the market price of carbon assets (as periodically evaluated and determined by Bayer).



<sup>4</sup> ForGround by Bayer members who agree to associate their FieldView™ Plus or FieldView™ Premium account with ForGround will receive a \$100 discount off of a FieldView™ Plus or FieldView™ Premium subscription for one year. ForGround members who enroll a minimum of 250 eligible acres in a carbon program offered through ForGround (requiring implementation of select regenerative ag practices) will receive a FieldView™ Plus subscription at no charge for one year, in the form of a \$299 discount code (which may instead be applied to a FieldView™ Premium subscription, if desired). This FieldView™ subscription opportunity is subject to Bayer continuing to offer promotion. Promotion may be discontinued by Bayer at any time in Bayer's sole discretion. Promotion participants must not be in breach of any agreements between Bayer and its affiliates, including Climate LLC, in order to qualify. FieldView™ Drive or FieldView™ Drive Starter Kits are not included in this offer. No commissions will be paid to dealers for subscribers participating in this offer. This offer may not be combined with any other offer for FieldView™ Plus or FieldView™ Premium.

The Bayer Carbon Program described in this material is subject to the current version of the Bayer Carbon-Smart Practices Master Agreement and attached program terms. The information is to aid in the understanding of the Bayer Carbon Program and does not change or modify the Bayer Carbon-Smart Practices Master Agreement and attached program terms in any way.

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