

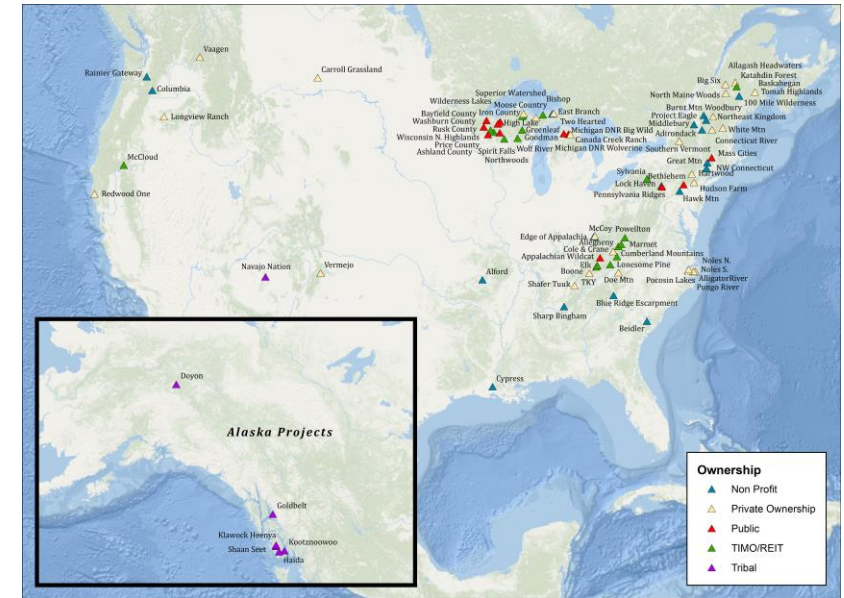


anew

Carbon Markets & Improved Forest Management

About Anew

- Oldest and largest carbon offset provider in North America (20+ years)
- Expansive geographic reach with offices across the U.S., Canada & Europe
- Voted Environmental Finance's Best Project Developer (North America) for eight years running
- Dedicated forestry team: in-house finance, marketing, and legal experts, plus 26 professional foresters with unparalleled forest carbon experience



225+

Projects

20+

Project types

250M+

Tonnes of emission reductions

128

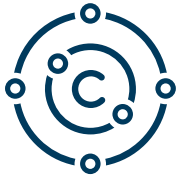
Forest carbon projects under management

2.4M+

Hectares enrolled in carbon projects

Products and Solutions

Diversified business segments supporting an integrated approach



**Carbon
Credits**



**Renewable
Natural Gas**



**Nature Based
Solutions**



**Advisory
Services**



**Emissions
Credits**



**EV & LCFS
Credits**



**Renewable
Energy Credits**



**Project Development
& Capital Formation**

Carbon Offsets Explained

Carbon offsets represent the reduction of one metric ton of carbon dioxide equivalent and has received certification by one of the specified host registries to meet **five criteria**:

1

Real

Reductions can be accurately measured in accordance with scientifically based protocols

2

Additional

Reductions are not required by regulation or any other legal requirements; project activity is not business-as-usual as defined by the applicable registry and protocol

3

Verifiable

Reductions are independently verified by an accredited third party and subject to extensive data collection and review prior to credit generation

4

Enforceable

There is undisputed ownership of the reductions and no double counting of offsets

5

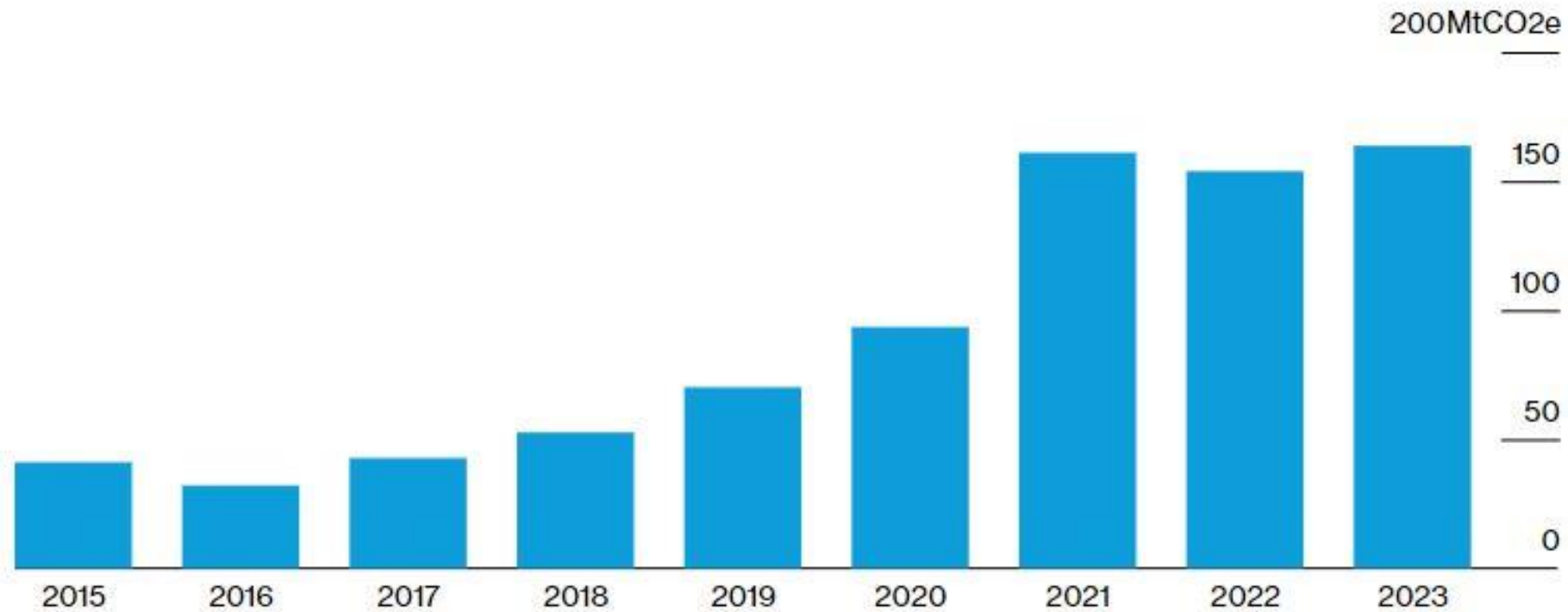
Permanent

Any net reversal in reductions is accounted for and compensated by the applicable registry through buffer credits; buyers do not assume risk

Total Voluntary Retirements

New Offsetting Record

Carbon offset retirements, by year



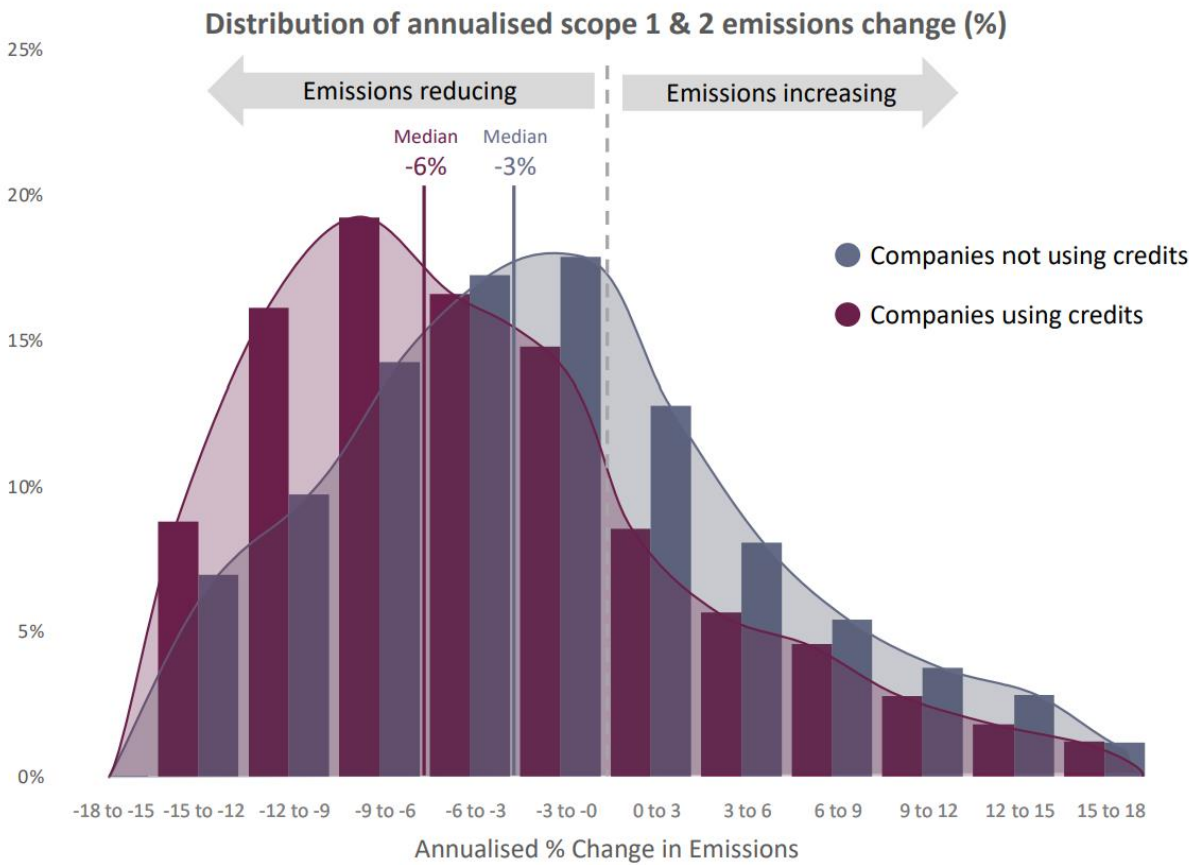
Source: BloombergNEF, Verra, Gold Standard, American Carbon Registry, Climate Action Reserve

Note: Chart is based on public data from the four largest carbon offset registries.

BloombergNEF

Recent Statistics on Carbon Credit Use

The median rate of emissions reductions among firms that voluntarily use ‘material’ quantities of carbon credits is roughly twice that of firms that do not use carbon credits.



Data sample:

Includes largest circa 350 corporate users of credits in the last six years, and a similar sample of circa 10x more companies from similar sectors / regions in the non-users group.

Main scenario:

351 companies who have voluntarily used a ‘material’ number of credits are compared to 3,805 who haven’t.

Compares annualised change in scope 1 & 2 emissions.

Time period 2017 to 2022 (or as many years within that range that company has disclosed its emissions for).

Median annualised change in Scope 1 & 2 emissions:

Companies using credits: **6% p.a.** reduction.

Companies who are not: **3% p.a.** reduction.

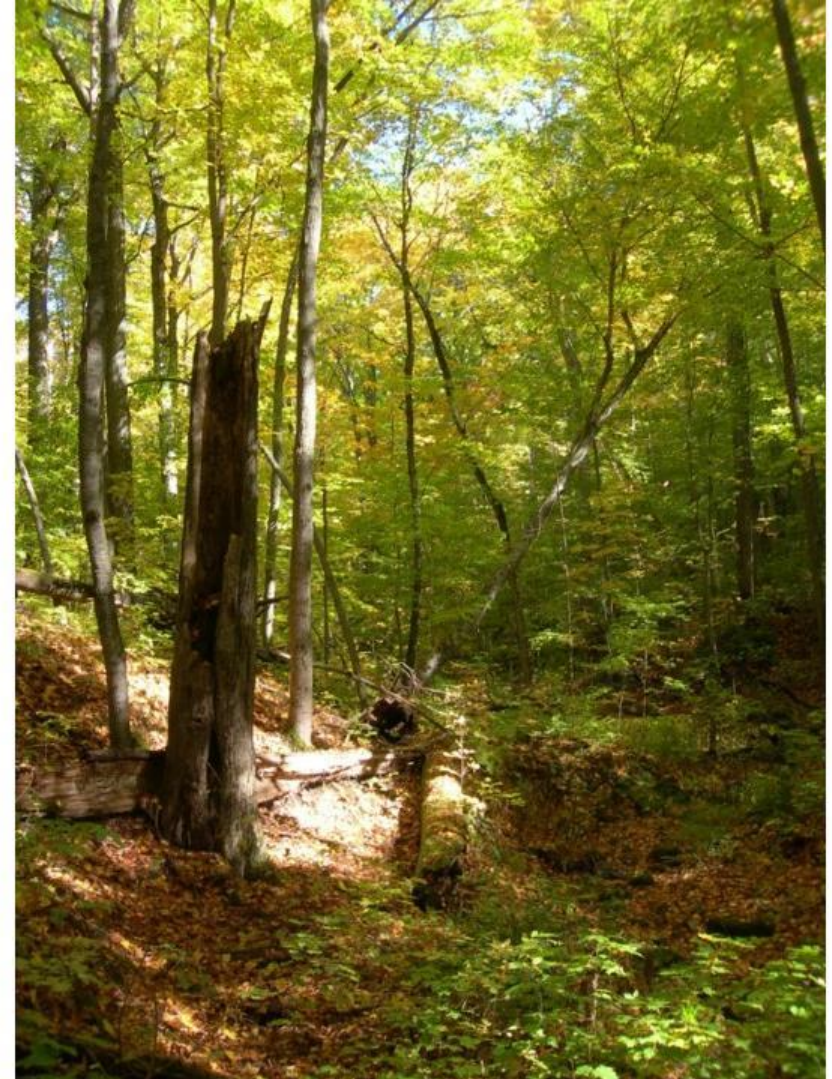
Companies using credits are, on average, **decarbonising approximately twice as fast** as their peers that are not.

In data presented above, ‘material’ user of credits defined as companies who have used at least 100 tCO₂e of credits and at least 5% of their Scope 1&2 emissions. As per the following slide, the findings are not sensitive to the size of threshold chosen.

(Trove Research, 2023)

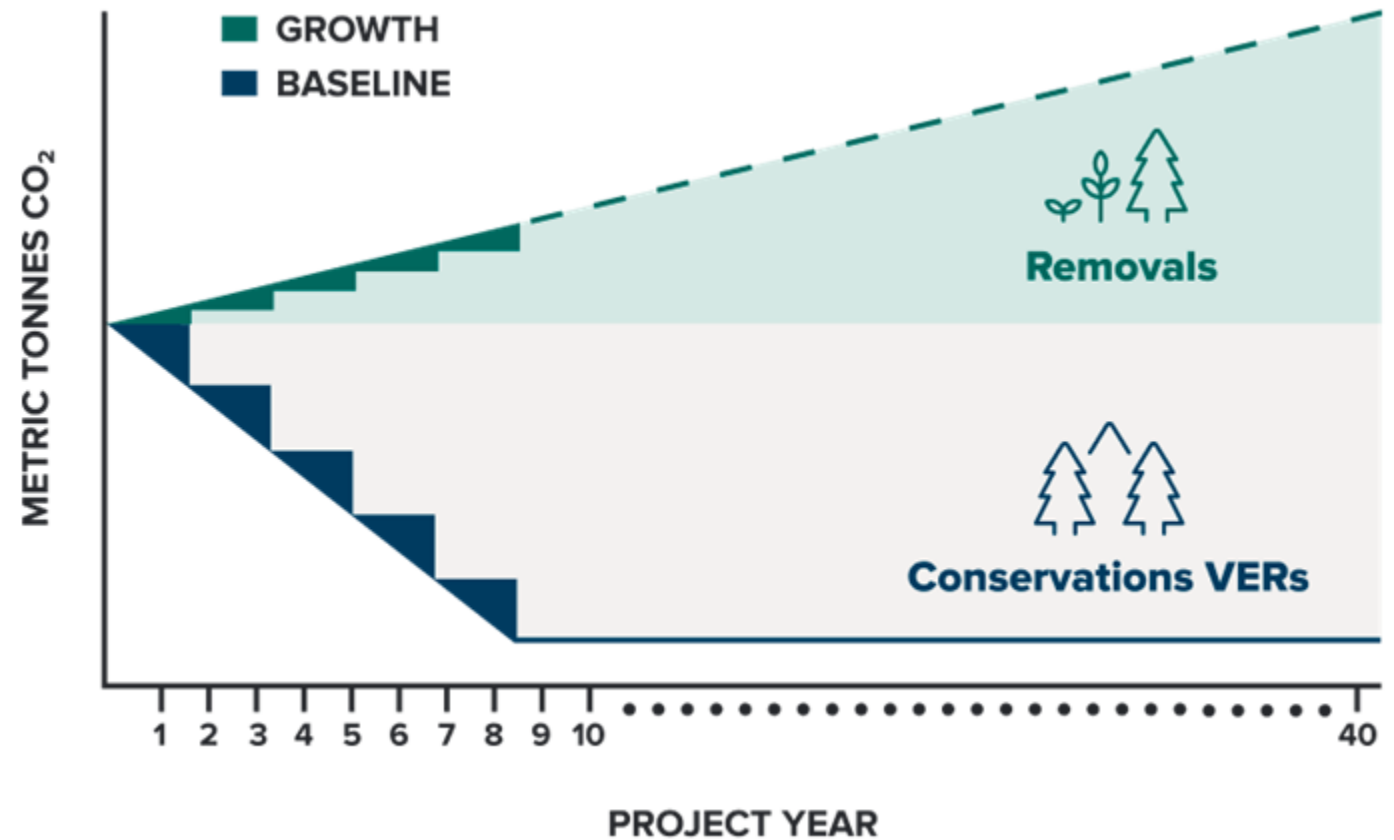
IFM Management Practices

1. Enrichment planting
2. Release of natural regeneration via management of competing vegetation
3. Stand irrigation and/or fertilization
4. Reducing timber harvest levels
5. Deferring harvest/extending rotations or cutting cycles
6. Uneven age management
7. Designating reserves
8. Altering fire severity via fuel load treatments
9. Higher-retention harvesting



IFM Crediting Mechanics

IFM QUANTIFICATION



Voluntary vs Compliance Markets

Voluntary offset markets with several registries



Gold Standard®

- Companies making voluntary purchases (emission reductions not regulated)
- Managed by non-government agencies
- Market dictates price

Compliance offset markets in Canada



Environment and
Climate Change Canada
Environnement et
Changement climatique Canada

- Companies making purchases to meet regulatory compliance obligations
- Regulated by government (BC, AB, Federal to date)
- Industrial carbon tax influences price

Landowner Market Options & Commitments

	Voluntary Registries		Compliance Registries	
	ACR	Verra (VCS)	BC	Federal
Crediting Period	20 years (20-year renewal)	40 years	25 years	25 years
Project reporting & desk verification	Annual	Annual	Annual	Annual
Field verification (QAQC)	5	5	5	Annual
Permanence	40 years	40 years	100 years	100 years
Re-inventory	10 years	10 years	10 years 25 years in monitoring period	10 years 20 years in monitoring period

Must maintain certification (FSC, SFI, ATFS) if harvesting

Quinte Conservation Case Study

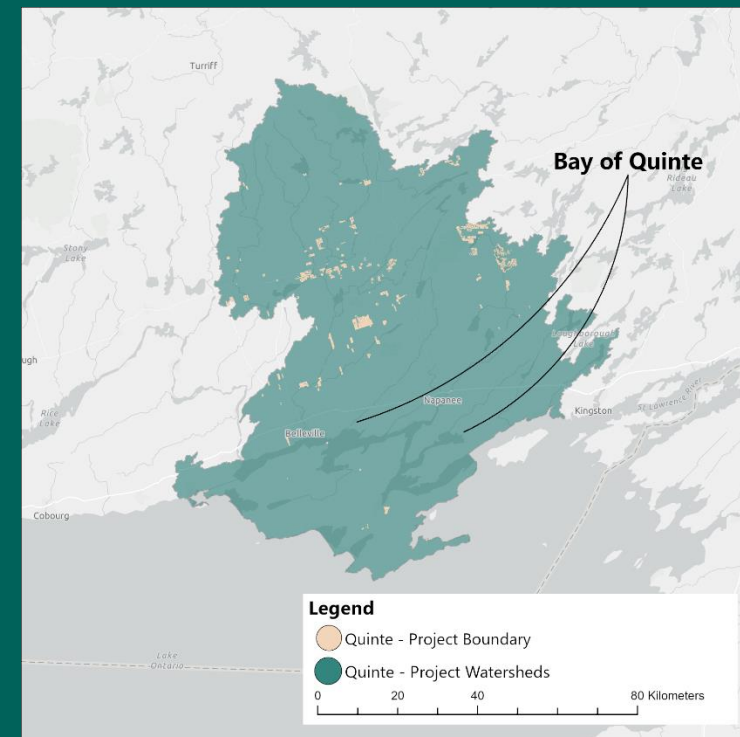
- Quinte is local watershed based not-for-profit environmental protection agency delivering science-based programs and services to residents and municipalities within our Watershed.
- Authorities across Ontario purchased land that was considered as 'barren wasteland' through the 1950's to the 70's with Federal & Provincial funding
- QC now owns over 30,000 acres (12, 000 ha) !
- Despite the end goal, the 'forest' was seen as a liability by previous administrations (i.e. property taxes, staffing, capital improvements – all cost, no gain!)
- So, staff took a new direction: developed a Strategic Plan to consider the potential for alternative revenues (e.g. bill boards, expand hunting leases, paid parking); but carbon offsets held the most potential



Quinte Conservation's Carbon Project

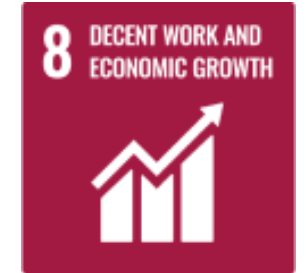
- In 2020, **Quinte Conservation** partnered with **Anew Climate** to develop an Improved Forest Management project on their 12,000 ha forest
- The project was developed through the **ACR** (voluntary market)
- Annual crediting over the next 40 years.
- **~190,000 credits** issued to date. **~50%** have already sold to voluntary buyers
- Projecting an additional **~400,000** credits issued over the next **8 years**.
- Forest Certification is a requirement of IFM projects. This was obtained through **OWA's group certification**
- Revenues from the carbon project enables Quinte to prioritize ecotourism, recreation, research etc. over larger scale commercial harvesting

Project Area



Additional Co-Benefits of IFM

- Habitat and Watershed Protection
- Recreation for all
- Nutrient Cycling
- Soil Protection
- Educational and Research Opportunities
- Economic development for rural areas
- Partnerships with Land Trusts and Conservation Groups



IFM Development Process





Why act now? Early action pays off.

1. You can't mitigate what you don't measure.
2. Building internal capacity and learning the taxonomy related to GHG accounting, offsets, disclosures and climate targets takes time.
3. Currently, companies are setting major goals for 2030, 2040, and 2050, with interim targets. The longer you wait, the higher the expectations and the faster you need to act.
4. Early actors may have greater opportunities to leverage carbon markets to finance emission reductions within the fenceline.
5. Carbon credit prices expected to rise.
6. If you act early, greater ability to influence future markets and policy.

Questions?



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