

The Woodland Carbon Code

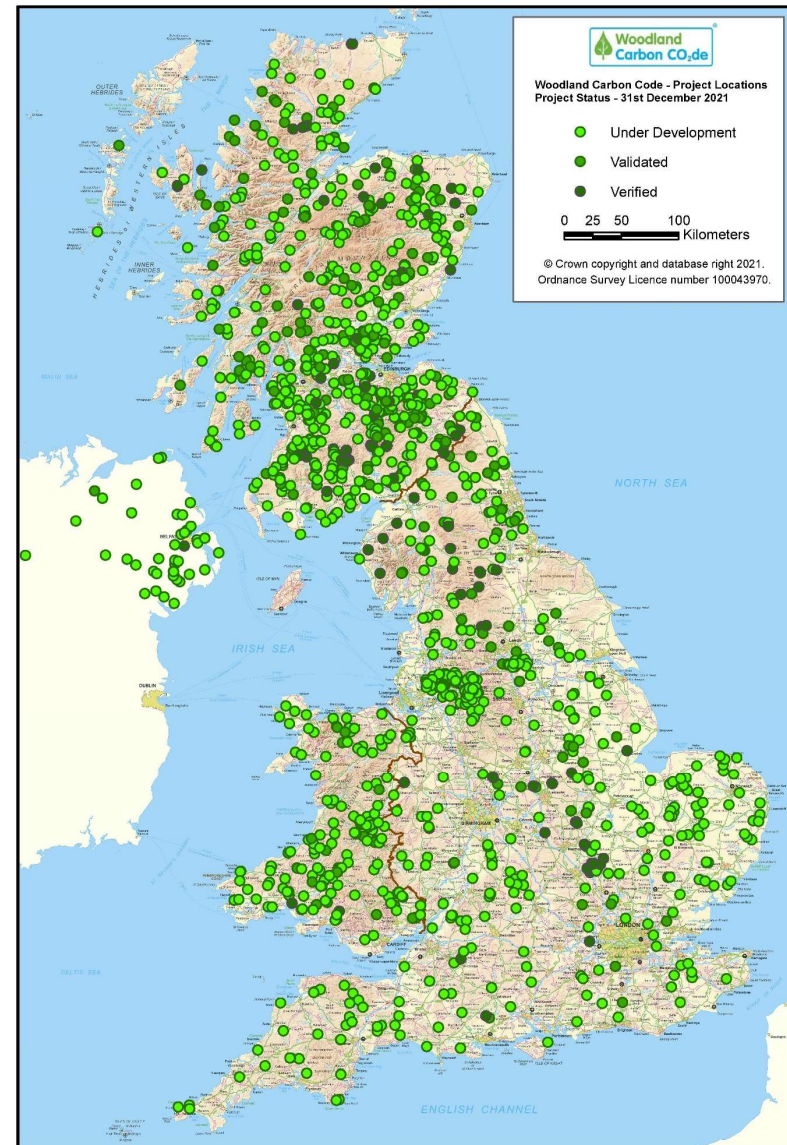
Additionality

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Presentation Contents:

- 1. *Current Market***
2. Key Principles
3. Additionality
4. What we've done so far
5. Proposed Changes

1. **1,326** (1,176) Projects registered under the WCC, of which **330** (309) are validated
2. This equates to **49,874** (44,696) hectares of new woodland creation overall, **16,921** (16,116) hectares of which is validated
3. Expected to sequester **16.9 million tonnes CO₂e** (15.4 million) over their lifetime, of which **6.3 million tonnes** (6.1 million) is validated
4. **3,299,000** (3,177,000) units have been sold, with **1,434,000** (1,448,000) left available for sale



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1. Measurable

2. Permanent

5. CREDIBLE

3. Verifiable

4. Additional

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1. “Net GHG emissions savings or sequestration over and above those that would have arisen anyway”
2. The underlying rationale is to distinguish activities which further contribute to climate change mitigation from those which, although they may be associated with carbon savings, offer no benefits above those expected anyway.
3. Distinguishing activities which are additional requires establishing a ‘business as usual’ baseline.
4. Over 15 different ‘types’ of additionality test

We currently focus on just three:

1. Legal

2. Financial

3. Barrier

No Legal Test, No Financial Test



Compensatory Planting
100 hectares
Cheap Units



Economically viable
woodland creation
100 hectares
Moderate Units



Non-Economically viable
woodland creation
100 hectares
Expensive Units



Total New Woodland Creation =
100 hectares

Legal Test Included, No Financial Test



Compensatory Planting
100 hectares
Cheap Units



Economically viable
woodland creation
100 hectares
Moderate Units



Non-Economically viable
woodland creation
100 hectares
Expensive Units



Total New Woodland Creation =
100 hectares

Both Tests Included



Compensatory Planting
100 hectares
Cheap Units



Economically viable
woodland creation
100 hectares
Moderate Units



Non-Economically viable
woodland creation
100 hectares
Expensive Units



Total New Woodland Creation =
200 hectares

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1. Conducted internal review and summarised findings
2. Reviewed findings with Executive Board and Advisory Board
3. Created additionality stakeholder engagement group
4. Commissioned independent reviews
5. Liaised with investment advisors, landowners and corporate buyers

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1. Exclude purchase price and residual land value from cash-flow, and instead use income foregone as a proxy
2. Set or cap discount rate
3. Standardise certain figures, including:
 - a) Income foregone/rental values – Farm Business Survey Data
 - b) Timber price – Standing Sale Index
 - c) Carbon Price – Woodland Carbon Guarantee