Landowner's Guide to Forest Carbon







Introduction

The NativState team is a group of dedicated scientists, engineers, foresters and land managers with a history of success in business who recognized a need for a market driven approach to deliver scale and economics to forest conservation. Our objective is to work with landowners to generate revenue by conserving their forests and create the scale necessary to participate in the voluntary carbon market.

NativState is a forest carbon developer committed to conservation and helping our clients craft their land legacy. The mission of NativState is to empower the next generation of forest stewardship. NativState's forest carbon programs offer small landowners economic options to manage their forest by implementing long term sustainable forest management to generate revenue from carbon credits.

Our projects require no upfront costs to the landowner, are validated and verified with independent carbon registries, and marketed to our network of corporate buyers thereby generating carbon revenue for the landowner. Other benefits include healthier forests, enhanced wildlife habitat, higher timber value, improved water quality and increased property values.







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Carbon 101

Your forest's value extends far beyond its timber. As requirements for industries to offset carbon emissions become more rigorous and more companies seek to step up environmental stewardship practices, demand for carbon credits will only become stronger. So what are they, how are they produced and why do they matter for your property?

What is carbon sequestration?

Carbon sequestration is the process of capturing and storing carbon dioxide in a carbon sink or pool. Forests sequester carbon when trees take carbon dioxide out of the atmosphere. During photosynthesis trees take in carbon dioxide (CO2) and water (H2O) from the air and soil respectively. This transforms the water into oxygen and the carbon dioxide into glucose. The trees then release the oxygen back into the air, and store carbon in the form of trunks, leaves, branches, bark, and roots.² The quantification, validation and subsequent verification of this process in the landowner's unique context allows NativState to develop carbon offsets, also referred to as carbon credits.

What is a carbon credit?

A carbon credit is a transferrable instrument certified by independent certification bodies such as the American Carbon Registry to represent an emission reduction of one metric ton of CO2. A carbon credit may also be called carbon offsets, emission removals, or offset credits. Carbon credits can be traded in carbon markets.

What is carbon?

Carbon is an element that is essential to all life on Earth. Carbon makes up the fats and carbohydrates of our food and is part of the molecules, like DNA and protein, that make up our bodies. Carbon, in the form of carbon dioxide, is even a part of the air we breathe. Forests are typically carbon sinks, places that absorb more carbon than they release. They continually take carbon out of the atmosphere through the process of photosynthesis.¹



¹ National Geographic https://education.nationalgeographic.org/resource/carbon-sources-and-sinks 2 National Geographic https://education.nationalgeographic.org/resource/photosynthesis





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² เงินแบบสม Geographic https://education.nationalgeographic.org/resource/photosynthesis

EMPOWERING THE NEXT GENERATION OF FOREST STEWARDSHIP



Carbon 101

What are voluntary carbon markets?

As companies from all industries pledge to reduce their emissions to net-zero in the coming years, voluntary carbon markets allow these companies to reach their goals by allowing them to purchase carbon credits. Due to an increase in demand in the marketplace for high quality carbon credits, NativState can develop naturebased carbon offsets on forest land and sell the carbon credits to our network of industry partners. We offer a turnkey solution that allows our landowners access to these markets.

What role do carbon registries play in the carbon markets?

In the carbon markets, the registry oversees the registration and independent verification of projects that meet the registries' sciencebased standards and follow approved carbon accounting methodologies, which ensure accuracy, precision and rigor in the measurement, monitoring and verification of emission reductions.



What is forest carbon?

All trees can sequester carbon. NativState will inventory, quantify, assess and measure your forest to indicate approximately how many carbon credits can be developed per acre on your land. Each landowner's forest has unique characteristics that will be considered when assessing the potential for generating revenue from the existing carbon stock in your forest and carbon sequestration over the term of the carbon agreement. NativState's forest carbon programs work well with bottomland hardwoods, mixed pine hardwood stands, and pine plantations.





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Improved Forest Management (IFM)

What is an Improved Forest Management plan?

The Improved Forest Management plan will provide guidelines relating to the sustainable management of your forest. The plan will assist the landowners in managing their forests and will demonstrate to the carbon registry that specific goals outlined in the plan are being achieved. The IFM plan is an important aspect of generating marketable carbon credits.

How does the landowner contribute to the Improved Forest Management plan?

NativState will perform a forest carbon and timber inventory of the property and design an Improved Forest Management plan around the landowner's long-term goals for their forest. The plan is designed with flexibility in mind but remains committed to sustainable forest management.

What is NativState's role in the development of the IFM plan?

NativState will enroll the landowner's property in a sustainable forest certification program such as the American Tree Farm System (ATFS), Forest Stewardship Council (FSC), or Sustainable Forest Initiative (SFI). The sustainable forest certification program will provide the landowner with concepts, practices and ideas that will aid and assist landowners in their long-term management goals. NativState will determine a program management plan and work with verifiers to ensure carbon offset credits qualify for enrollment with the American Carbon Registry or another accredited registry. NativState manages the annual maintenance and monitoring of the project to ensure trees are healthy and carbon is being sequestered according to plan.





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Improved Forest Management (IFM)

Does the landowner have options regarding forest management under the IFM plan?

Yes, NativState has two different plans for the landowner to choose based on their long-term goals of their forest.

The first option is the **Selective Cut Plan** that allows for some commercial harvest. This plan allows landowners to maximize the timber value and carbon revenue potential. All income from timber harvest belongs to the landowner. The **Deferred Harvest Plan** allows for some harvesting such as firewood, clearing for food plots and other forestry best management practices; however, this option does not allow for commercial harvest. This plan will generate more carbon credits than the Selective Cut Plan.

Does the landowner have ongoing responsibilities under the IFM plan?

Yes, the landowner will consult with NativState foresters to keep their forest management plan up to date. The landowner should notify NativState of any changes to the property such as damage from natural disasters or pests, prior to timber harvest or changes in ownership of the property. The Improved Forest Management plan will need to be reviewed every five (5) years. NativState will work with the landowner to update the Improved Forest Management plan.

What is the impact of the landowner's implementation of the IFM plan?

The landowner's implementation of their Improved Forest Management plan will further develop and improve ecosystem benefits such as clean air, clean water and species diversification all while maximizing carbon revenue. In addition to creating a new revenue stream for the landowner, they will be part of a community that enhances the forests while creating improved wildlife habitat and conserving precious natural resources for future generations.





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Next Steps

If your property qualifies for a NativState forest carbon program, we would like to perform a forest carbon assessment and propose a carbon agreement. Please contact your NativState Forest Carbon Specialist for further details or submit a request online at NativState.com.



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