



Secure Sustainability

PROTECTING THE GIANTS[®]

— VVCC[®] SCHEME —

VOLUNTARY VINTAGE CARBON CREDITS[®]

OUTLINE: AOTEAROA-NEW ZEALAND

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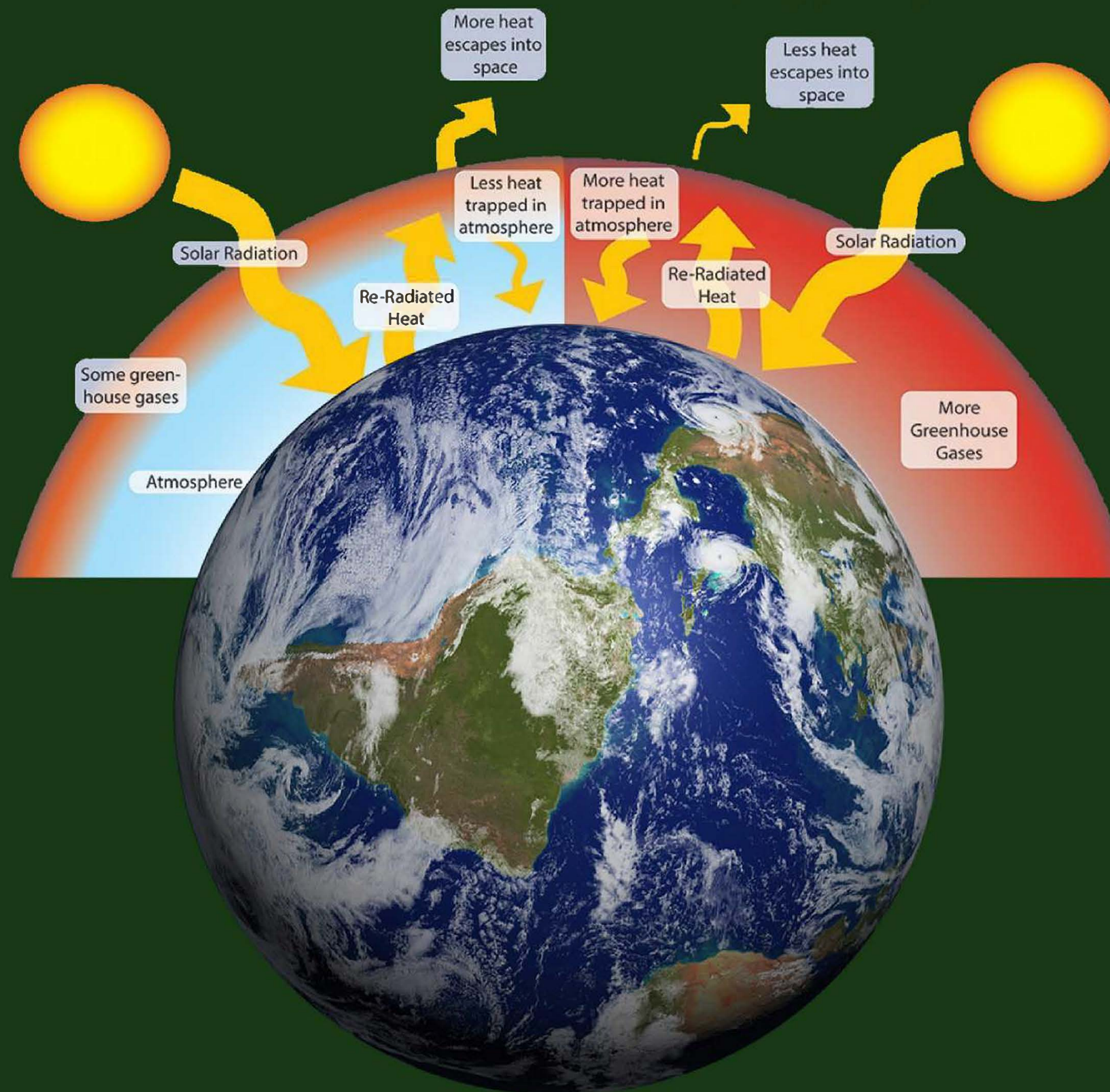
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PROTECTING THE GIANTS[®]

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GREENHOUSE EFFECT NORMAL CO₂

GREENHOUSE EFFECT RAMPANT CO₂



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THE PROBLEM OF CLIMATE CHANGE

Excessive fossil-fuel sourced Carbon Dioxide (CO₂) emissions disturbing the atmosphere. Forests reduce this effect by storing carbon dioxide in trees and other vegetation.

Image: Adapted from US National Park Service 2020

VOLUNTARY CARBON CREDITS

One carbon credit represents storage of one metric tonne of CO₂e

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COMPLIANCE CARBON CREDITS



VOLUNTARY – VVCC® (NZ)

- Voluntary private scheme - avoided deforestation
- Demand from New Zealand clients for a voluntary credit scheme to reward them for preserving their Pre-1990 native forests
- Preventing emissions from old forests by preserving those that don't qualify for government ETS and have no absolute legal protection from clearing
- Certain overseas voluntary forest credit schemes found to be fake
- VVCC® Scheme validated by internationally recognised independent climate expert
- Historical overseas prices \$USD1.50 - \$USD16
- NZ prices \$NZD1.50 - \$NZD100
- Big gap in voluntary market – large lack of authentic supply



COMPLIANCE - NZETS

- Government scheme
- Aotearoa - New Zealand the only country with a proven Forestry ETS
- Post-1989 (young) forests only
- Historical prices \$NZD2.00 - \$NZD87
- Current spot price \$NZD62.75
- Climate Change Commission recommendation to NZ Government \$NZD171 - \$NZD241

Note: Spot prices need daily updating



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**AOTEAROA
NEW ZEALAND
PERMANENT
HIGH QUALITY
CARBON STORAGE
VVCC®**



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VVCC[®] SCHEME OUTLINE



VVCC[®] STRUCTURE (NZ)

- 1) Hybrid of proven NZ Forestry ETS
- 2) Voluntary credits for Avoided Deforestation
- 3) Forests must not have any form of absolute legal protection from clearing, eg. forests in QEII covenant areas, reserves, national parks don't qualify
- 4) Owners legally commit to no clearance by notice on title for at least 100 years. Penalty credit loss + 100%
- 5) Insurance for fire and storm, temporary adverse event
- 6) The forest must be mapped professionally using GIS
- 7) Credits can be issued based on forest plotting and/or remote sensing forest biomass measurements
- 8) Regular forest plotting and monitoring. Spot audits
- 9) More credits can be issued as the forest grows
- 10) Forest and its credit yield are verified by GreenXperts Limited to ISO 14064-2 standard and government guidance
- 11) Verification report validated by third party to ISO 14064-3
- 12) Credits sold once, then retired. Not tradable on an on-going basis
- 13) Credits are sold through Carbon Equities NZ (CEQ)







QUALIFICATION CRITERIA (NZ)

- 1) Forest Definition: Aotearoa-New Zealand native forest established before 31 December 1989
- 2) Legal Status:
 - a) Doesn't qualify for NZETS
 - b) No absolute legal protection from clearing
 - c) Not in QEII covenant, nor any other legal reserve that prevents clearing
- 3) Forest Age: 33+ years – age stated ± 50 years
- 4) Size: >1 hectare
- 5) Forest Type: native forest by ecotype, eg. regenerating kauri/tōtara WF11
- 6) Crown Cover: >30%/ha
- 7) Average width: >30m
- 8) Height: >5m
- 9) Logging History: if yes, dates and extent if known, mapped if possible
- 10) Potential Timber Yield: potential commercial timber yield defined
- 11) Forest Management Policy: Permanent Conservation

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REGISTRATION PROCESS

- 1** Eligibility Check 
- 2** Feasibility Study 
- 3** Carbon Count (forest plot and/or satellite) 
- 4** Verification and Validation Reports 
- 5** VVCC® Listing and Sale

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PROJECT PROCESS AND FEES

- 1) Eligibility Check \$200 + GST per title, desk-top report only, two weeks delivery time
- 2) Feasibility Study includes site visit and drone survey, \$TBA, four weeks delivery time
- 3) Registration involves project verification and validation reports, monitoring plan, marketing assets (eg. drone display video) \$TBA, from six weeks delivery time
- 4) Monitoring programme and fees by agreement
- 5) Legal costs for title registration paid by forest owner
- 6) CEQ listing free, negotiated royalty percentage on sale of credits
- 7) Escrow process for sale of credits
- 8) Formal contract agreement required for VVCC (New Zealand) commitment

- Notes: Delivery times and fees depend on size of forest and accessibility.
\$TBA – fee to be advised

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