One-dimensional

Several financial entities such as banks, funds, family offices, corporations, and foundations are invested in land use & forestry projects (LUFs). In most cases these LUFs are considered as a one-dimensional financial asset. LUFs can be turned into Voluntary Emission Offsets (VERs) generating projects. This allows the investor to neutralize corporate carbon emissions via in-house generated carbon credits and/or to commercialize these credits and unlock additional revenue streams.

Multi-dimensional

This overall approach is called Insetting and allows companies to create additional value within their value chain, with a possible combination of meeting corporate social responsibility claims through internal measures.

Example

A university fund is invested in forests. The main value creation is traditionally achieved by sales of timber.

Additionally this forest investment can be carbon certified, thus generating early revenues by commercializing these carbon credits. Furthermore, the carbon credits can be used to neutralize the university’s carbon emissions.

What is Insetting?

ForestFinest Consulting defines “Insetting” as an integrated approach for companies to optimize their value chain by creating and valuing ecosystem services such as carbon sequestration.
What are the benefits?

Implementing an Insetting-strategy triggers several benefits for companies with investments in LUFS:

<table>
<thead>
<tr>
<th>Corporate focus</th>
<th>Value chain focus</th>
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<tbody>
<tr>
<td>Replacement of offsetting by Insetting</td>
<td>Long-term competitive advantage by securing and adding resource and revenue streams</td>
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<tr>
<td>Generation of income from sales of carbon credits</td>
<td>Transparency within value chain as assets get screened, certified and monitored by third parties</td>
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<tr>
<td>Reduction of reputation risks</td>
<td>Increased resilience of land use investments towards extreme weather events, soil erosion, climate change, etc.</td>
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<tr>
<td>Enhancement of possibilities for stakeholder communication/marketing</td>
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</table>

Services offered by ForestFinest Consulting

ForestFinest Consulting provides all key services regarding the implementation of an Insetting-strategy:

» Screening and feasibility studies of potential insetting-solutions; e.g. portfolio and project screening
» Analysis, evaluation and valuing of ecosystem services
» Set up of project documentation and management of certification process for different schemes (e.g. Gold Standard carbon certification)
» Footprints such as carbon or water footprints

» Management and retirement of ecosystem units in transparent registry (e.g. generated carbon credits)
» Development and implementation of individual Insetting-schemes
» Performance-monitoring
» Internal and external communication of Insetting-strategy