



BSFC/ANEW

Investment in Eastern US Natural Forests

February 24, 2023

**Bluesource Sustainable
Forests Co.**

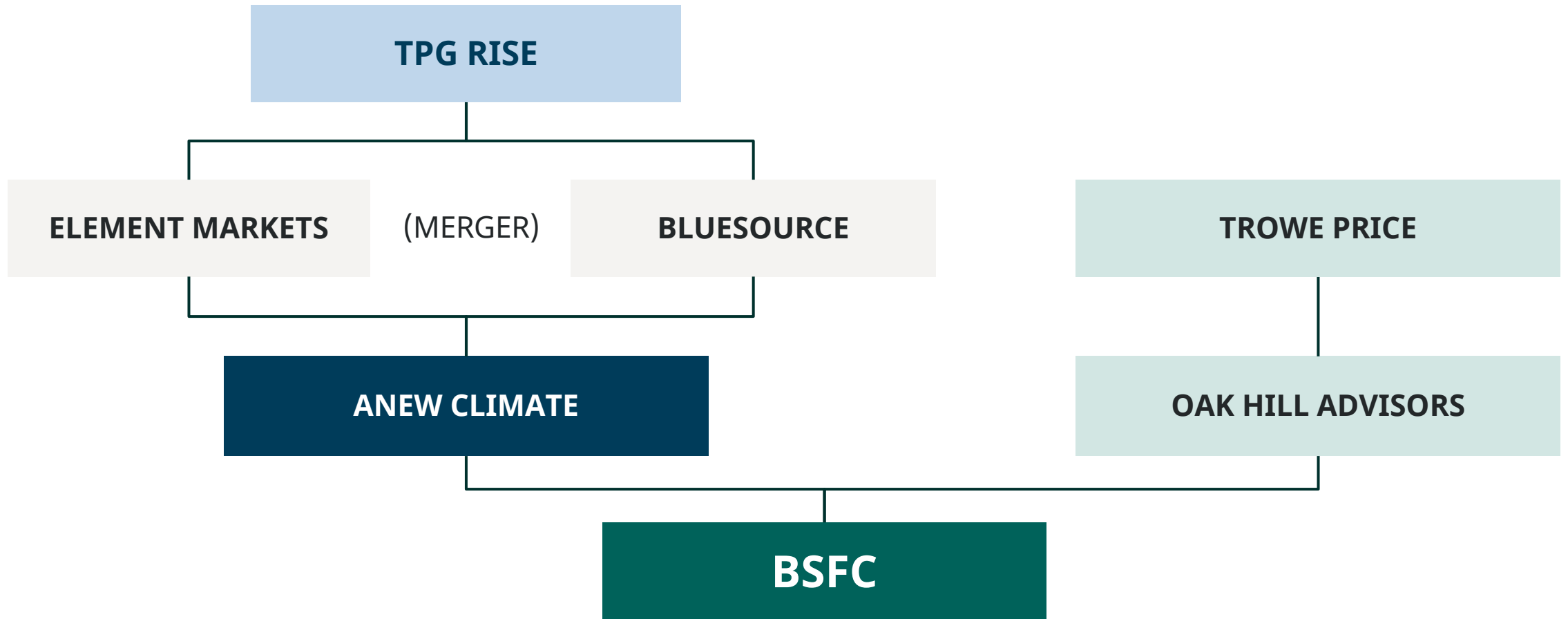
anew



Agenda

1. Who is Anew Climate?
2. Who is BSFC (Bluesource Sustainable Forests Company)?
3. Forest Carbon Offsets Explained:
 - A. What is an offset?
 - B. How do we earn credits?
 - C. How does this impact our forest management?
4. Summary of BSFC's Plan for the portfolio of forestland.

Entity Org Chart



Company Overview

Description

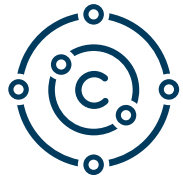
- Bluesource and Element Markets have merged to form Anew™, the world's largest climate solutions provider and marketer of high-quality environmental attributes
- 30+ years of complementary leadership experience in environmental markets

Geographic Footprint

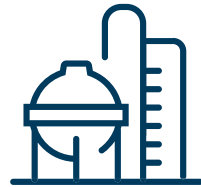


Products & Solutions

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

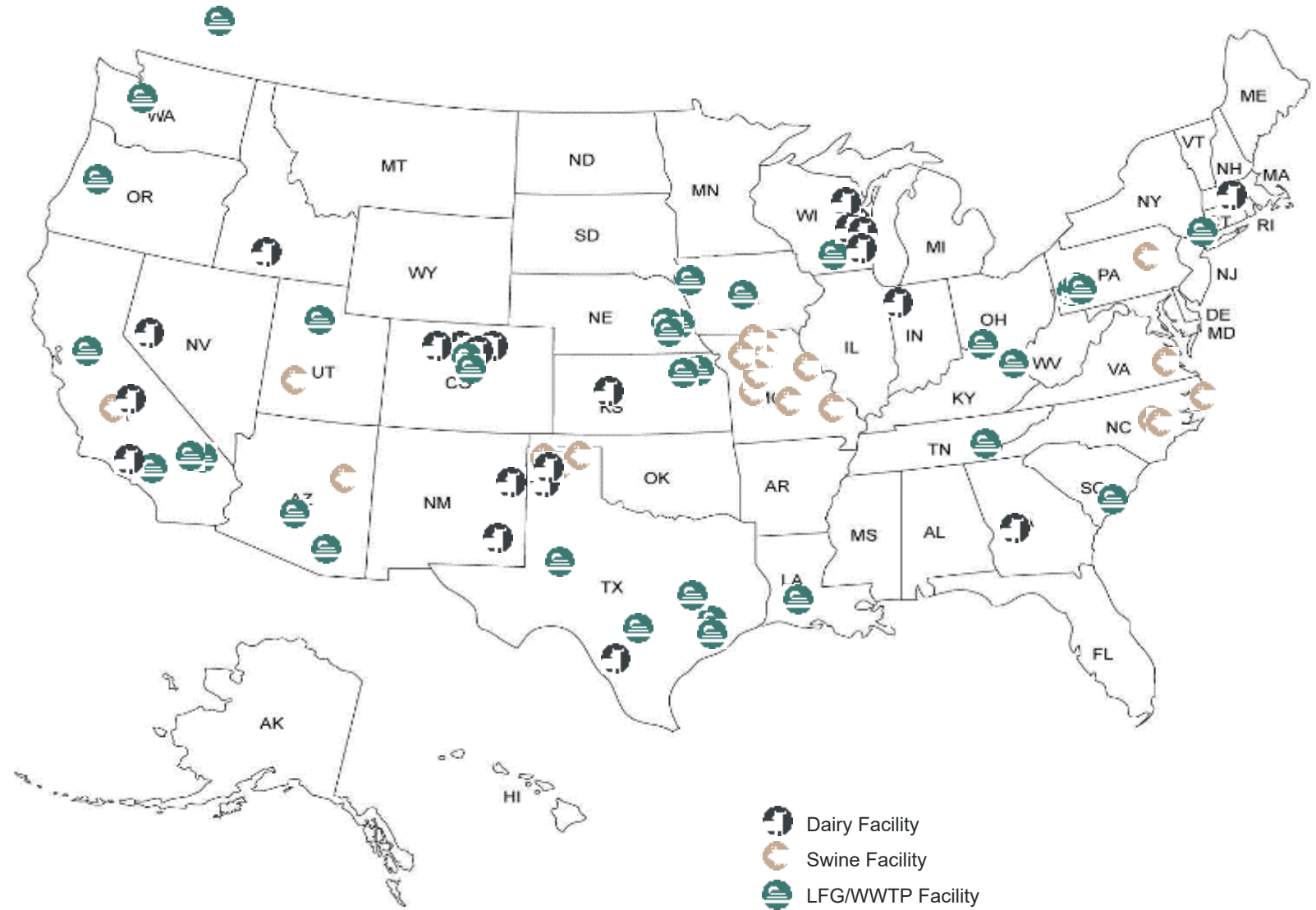
Diverse “Blue Chip” Client Base



Anew Provides Products and Services to the World's Leading Organizations

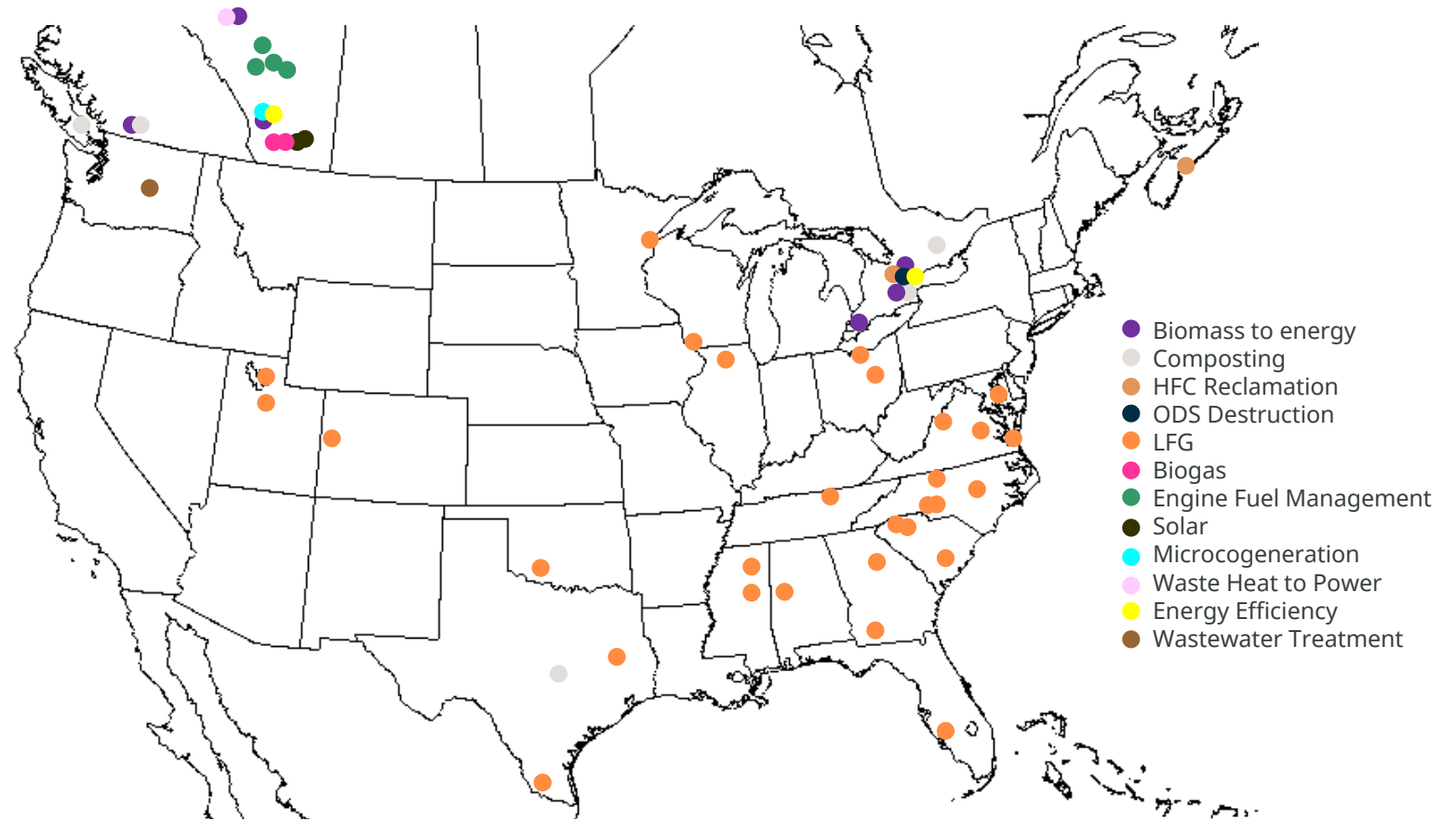
Renewable Natural Gas Footprint

Anew is the leading independent marketer of RNG in North America with a diverse supply of RNG



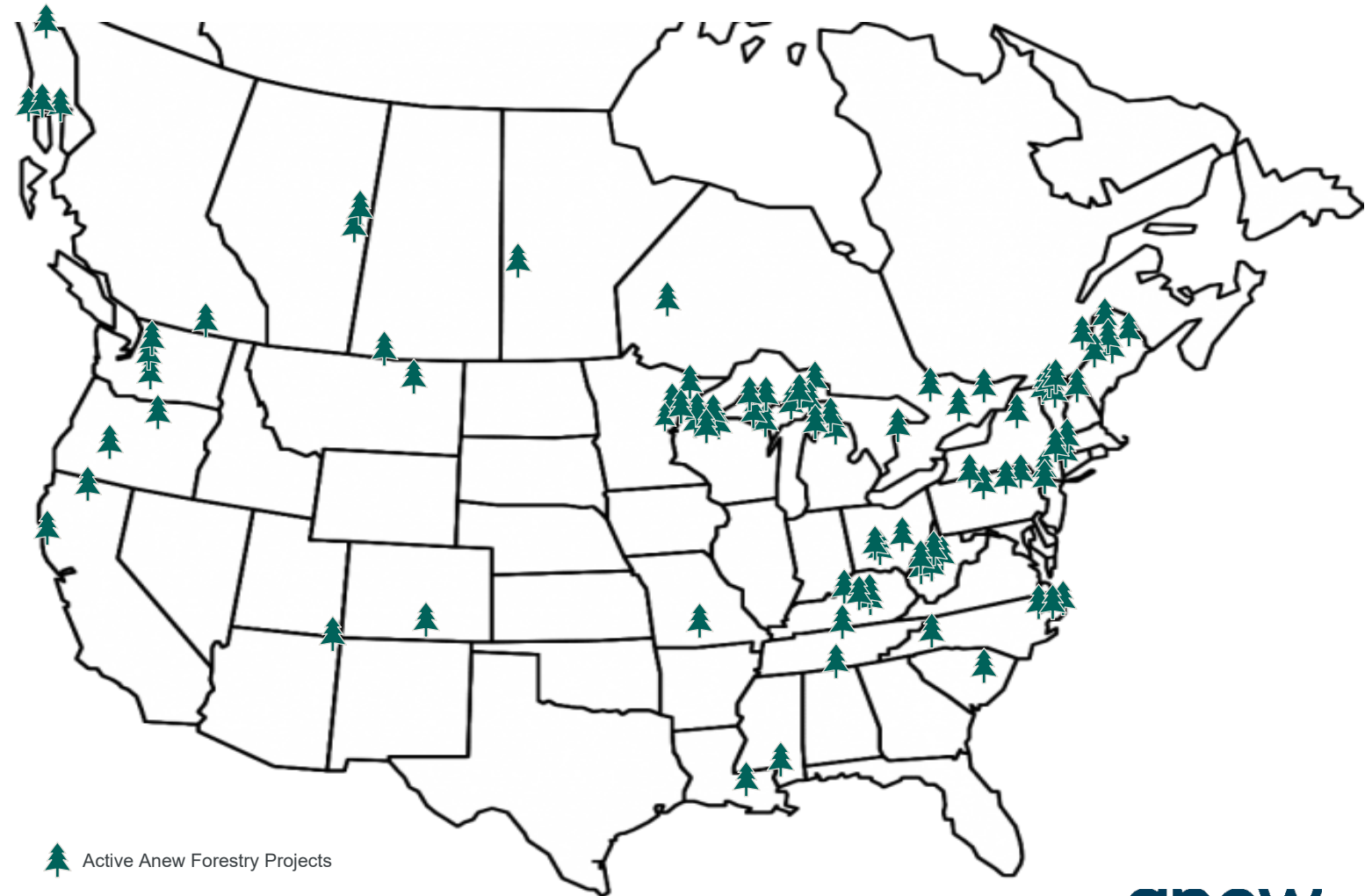
Non-forestry Carbon Projects Under Contract

Anew Manages a Variety
of EA Carbon Projects
Across North America



Forestry Projects Under Contract

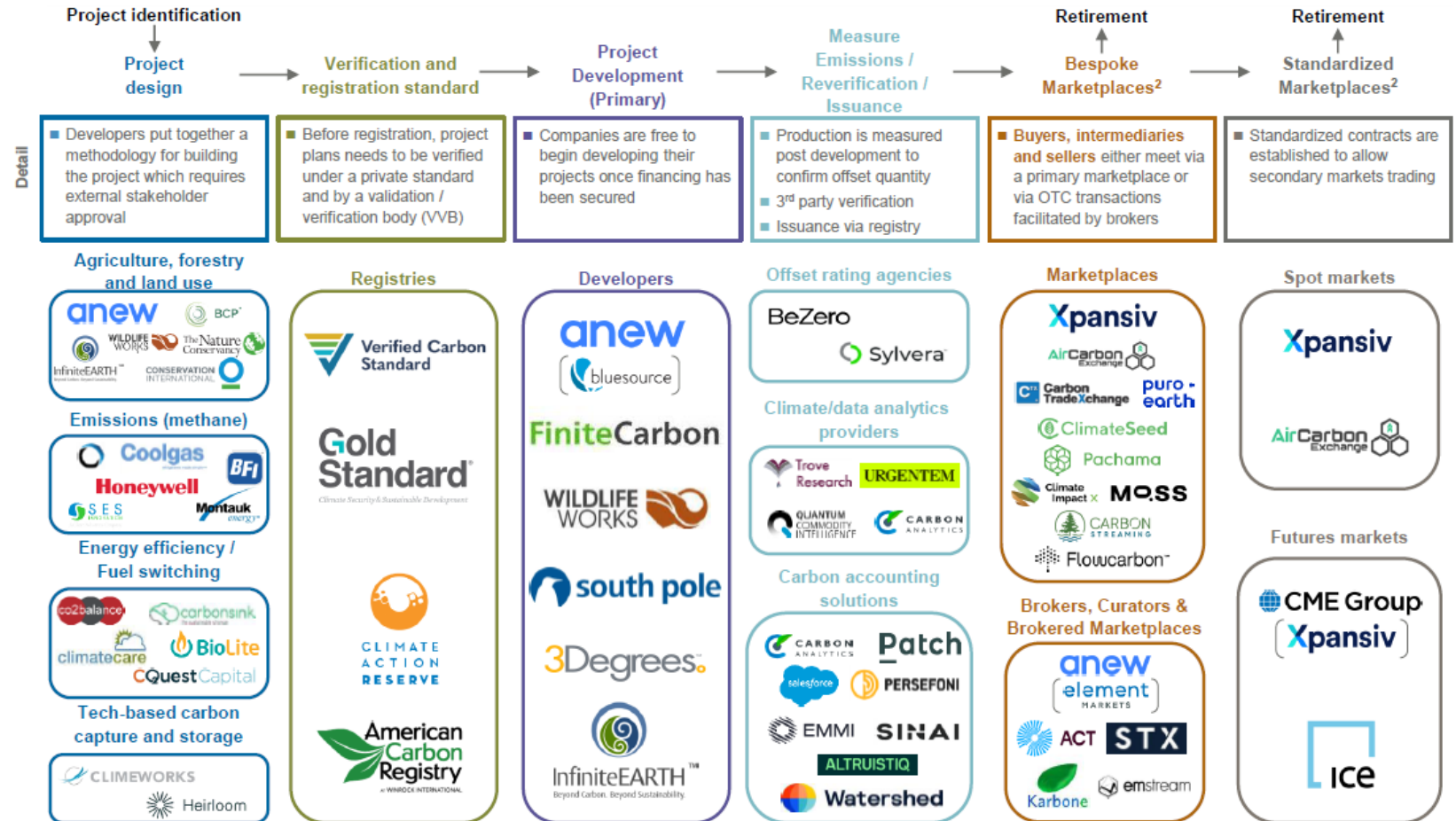
Anew is the Largest Carbon
Developer of Forestry
Carbon in North America



anew

Voluntary Carbon Marketplace

Anew is leading player in many aspects of the voluntary carbon value chain



Recent Growth in Voluntary Carbon Markets

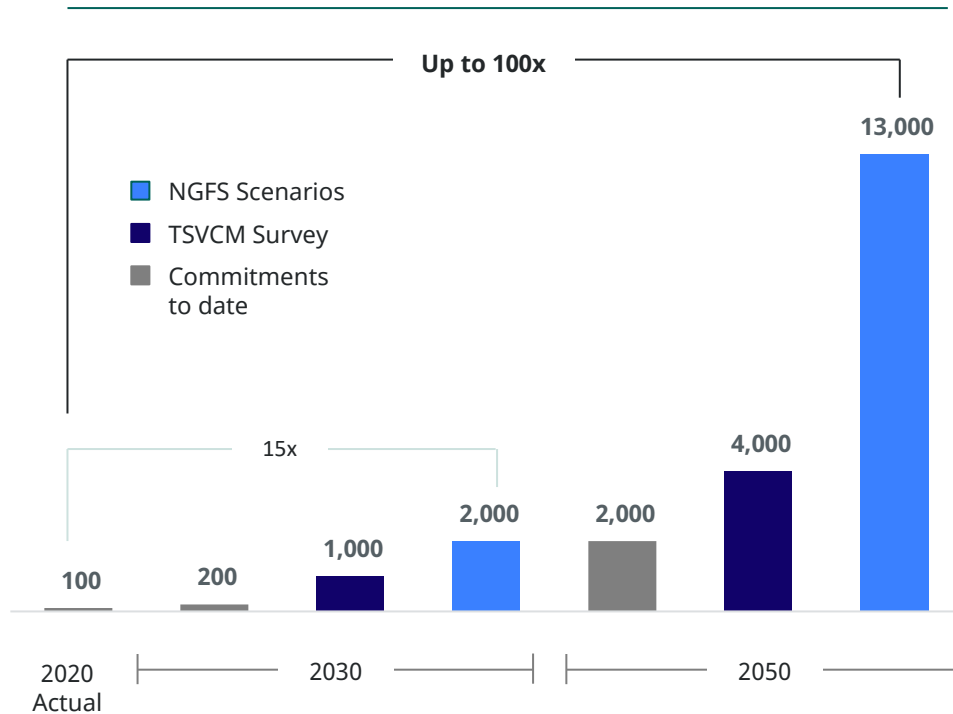
Voluntary Carbon Market Activity Accelerated at Record Pace in 2021

Voluntary Carbon Market Size by Value of Traded Carbon Credits – Pre-2005 to 2021



Recent Growth in Voluntary Carbon Markets

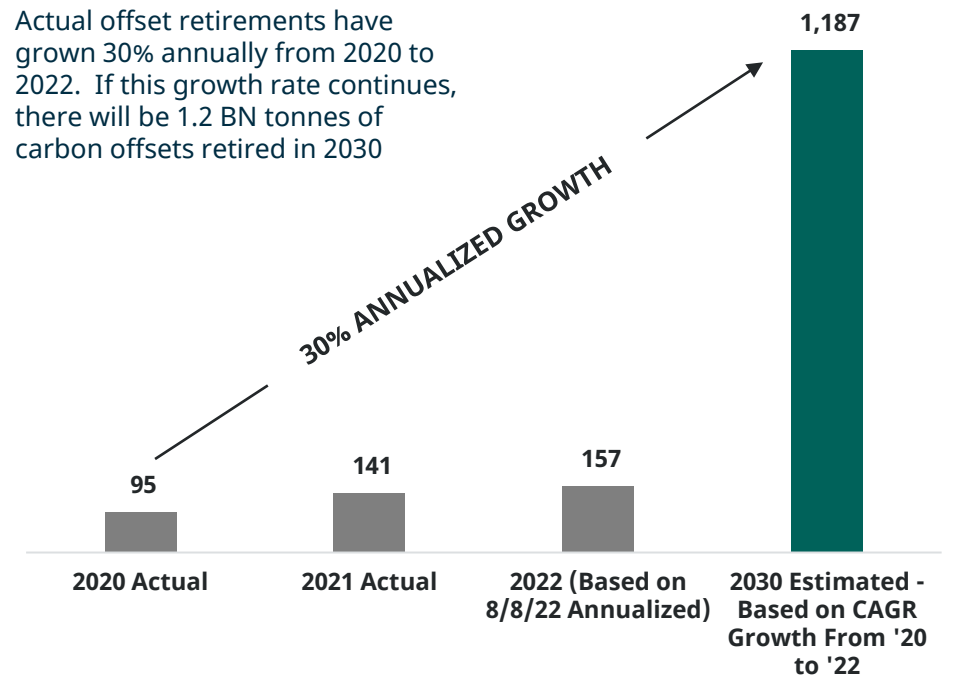
Third Party "Expert" Growth Estimates (MM Tonnes)



Source: McKinsey and CIBC Market Research.
 Note: TSVCM = Task force on Scaling Voluntary Carbon Markets. NGFS = Network for Greening the Financial System.

Recent Actual Retirements and Implied Market Growth (MM Tonnes)

Actual offset retirements have grown 30% annually from 2020 to 2022. If this growth rate continues, there will be 1.2 BN tonnes of carbon offsets retired in 2030



Note: 2020 and 2021 data based on actual retirement data from Verra, ACR, CAR and Gold Standard retirements. 2021 has been adjusted to exclude approximately 20 MM in retirements related to crypto carbon retirements which are considered non-recurring. 2022 based on annualizing actual retirement data through 8/8/22. 2030 estimate based on assuming compounded annual growth rate from 2020 to 2022 of 30% remains consistent through 2030.



Anew Natural Climate Solutions

- A leader in North American carbon markets since 2001, Anew has developed and currently manages the continent's largest carbon offset portfolio.
- Anew develops and manages both compliance and voluntary forest carbon projects with no upfront costs to landowners.
- Anew uses cutting-edge, proprietary technology to verify initial calculations, streamline the registration and verification process and secure carbon credit sales.
- Our industry-leading partners include both private and public landowners, Native American/ Indigenous landowners, nonprofits and corporations.

75+

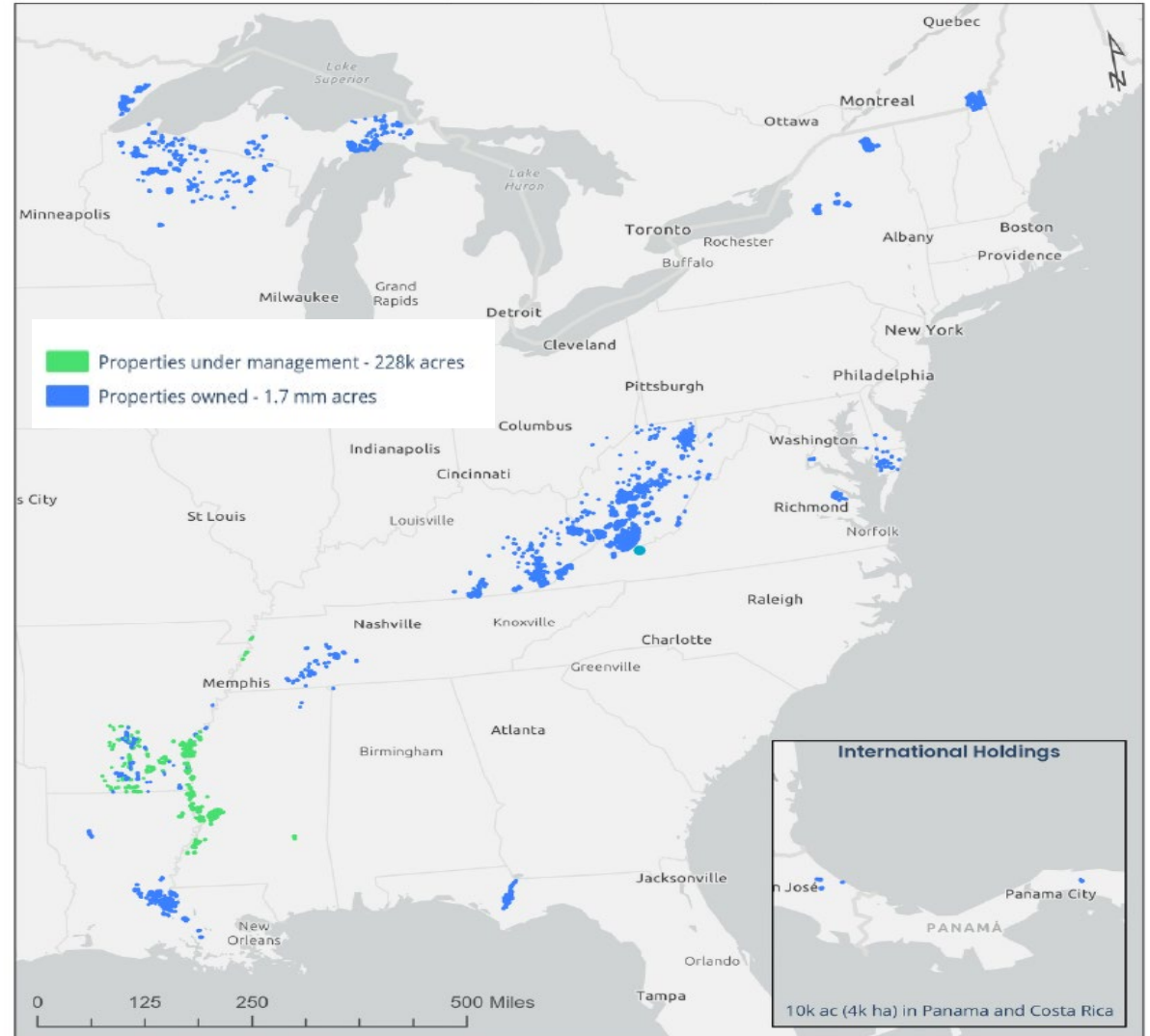
Registered forest carbon projects

4M+

acres under management

Bluesource Sustainable Forests Company

- ❖ A unique partnership between Anew Climate and Oak Hill Advisors.
- ❖ Investing in hardwood timberland to generate revenue from a mix of carbon sales, timber sales, and recreational revenue.
- ❖ 7th largest landowner in the United States
- ❖ Property located in 17 states
 - 1,659,995 acres under ownership
 - 1,881,893 acres under management
- ❖ 119+/- number of species of trees
 - Most common species (by volume) are Maples, Yellow Poplar, and Oaks.
- ❖ Ecologically Rich
 - 225 species of birds, 60 species of mammals, 238 species of fish
 - 5,500 miles of streams



What is a carbon offset?

Definition

Carbon offsets are financial instruments that represent one metric ton of carbon dioxide equivalent avoided or removed from atmosphere

Criteria

High quality carbon offsets should fulfill the following requirements:

Philosophy/Concept

Carbon offset markets provide financial incentives for carbon emitters to reduce/avoid/remove GHG emissions by:

- changing behavior
- adopting new technologies
- changing operating philosophies



Real



Additional



Verifiable



Enforceable



Permanent

What are the markets?

There are two carbon markets in North America: Compliance and Voluntary

Compliance Markets, like the California compliance market, where buyers are seeking to meet the requirements set by a state. Carbon allowances are determined by the cap-and-trade program established in state law, under which emitters can use offsets to meet obligations under the carbon program.

Voluntary Markets, buyers are seeking to offset their negative climate impact due to their own environmental concerns and/or the desires of their stakeholders.

Forest Carbon Project Types

Afforestation



Avoided Conversion



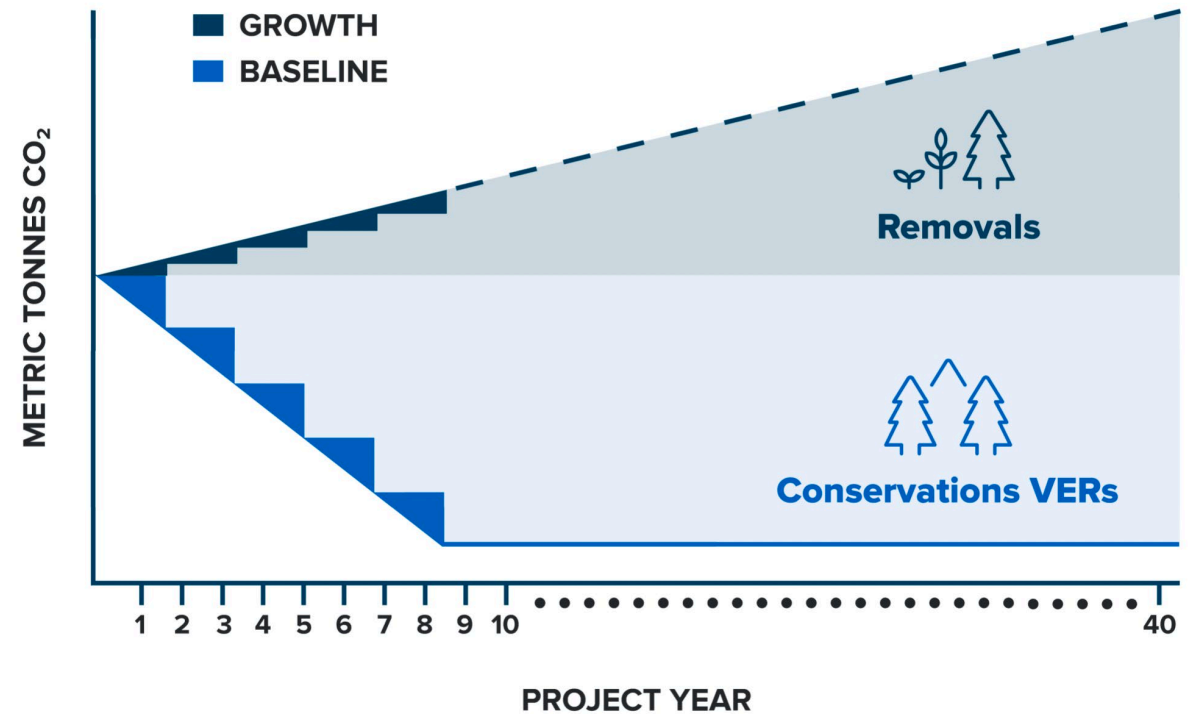
Improved Forest Management



Forestry Carbon Credit Generation

How are credits created in IFM?

- ❖ Project “removals”
- ❖ Baseline “conservation”
- ❖ Landowner commits carbon stocks on (baseline + any new credits issued)
- ❖ Each year, landowner can choose to harvest the growth as either
 - timber (cutting trees)
 - carbon (issuing additional credits)
 - or some of BOTH



What do we get credit for?

Eligible Carbon Pools

- aboveground live tree
- below ground live tree
- aboveground standing dead trees
- **harvested wood products**



Ineligible Carbon Pools

- soil
- minerals
- belowground dead
- lying dead
- coarse woody debris

Sustainable Forest Management



Sustainable forest management requirements
→ BSFC is FSC certified



Credit for Long Term Wood Products:

Volume of
harvested wood
by species
and product



% converted to
wood products
(mill efficiency)



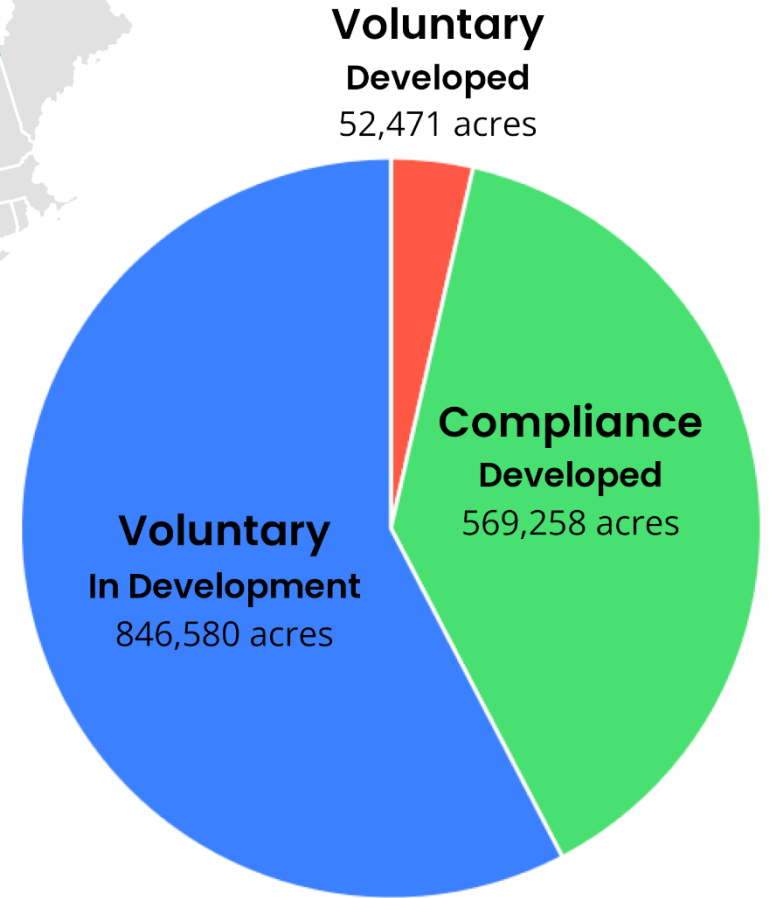
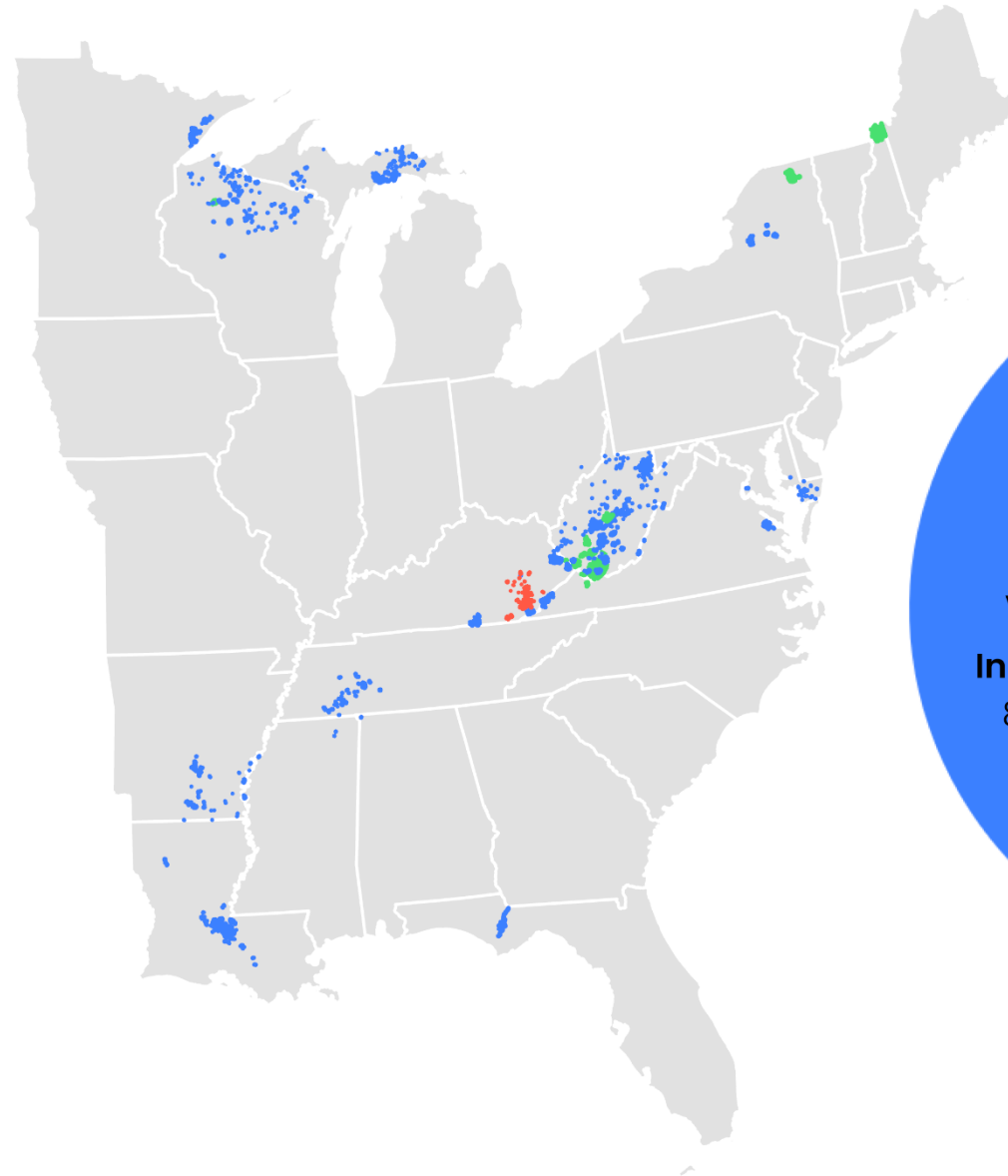
% in each type
of major wood
product



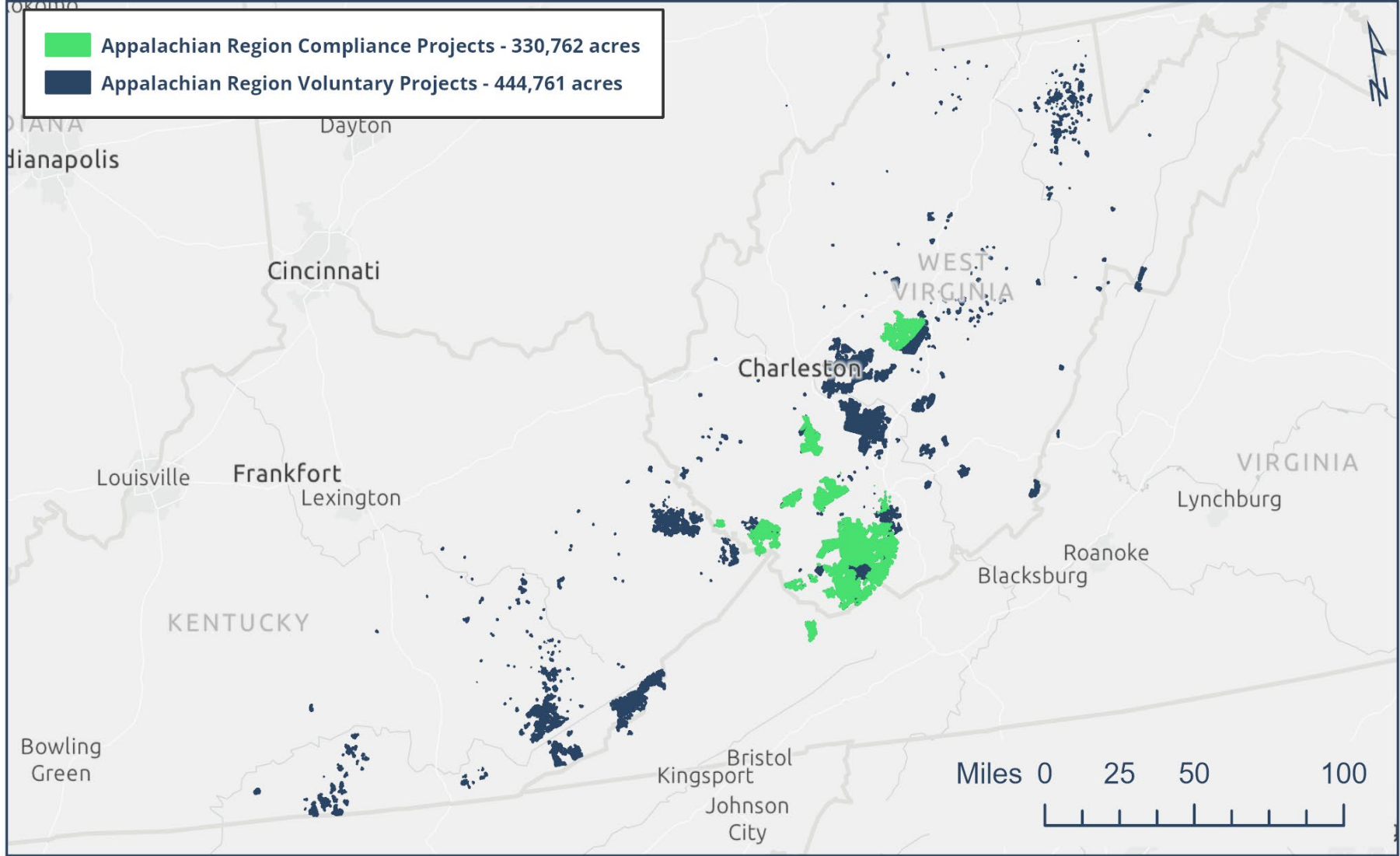
% carbon in
long term
storage

BSFC Carbon Overview

BSFC Carbon Projects by Type and Status



BSFC's Appalachian Forests



Forest Management Highlights

Enrolling forestland into a carbon project creates long exposure to two commodities: **timber** and **carbon**

- Enrollment **limits** timber harvest volume to the amount of **growth** that occurs after that asset is enrolled.
- The owner is committing the volume of carbon (timber) stocks on the property will not go backwards from time of enrollment.
- Carbon projects add **optionality** by allowing landowners to optimize cash flows from their forestland through harvesting timber growth, selling the carbon credits generated by that growth, or a combination of the two.
- These forests are expected to remain as **working forests**, which means continue sustainable harvesting practices and long-term plans to maintain large, intact, and vigorous forest systems that contribute both economic and environmental benefits to society.