

## **Deliverable A1 – Report on the potential market of the proposed carbon credit scheme**

### **Action A1. – Delivery A1.6**

#### **Summary**

This deliverable presents the potential and the advantages of the carbon credit scheme proposed in this project, with specific regard to the wood supply chain. It includes information regarding a database of companies linked to the forest or the wood sector and/or companies that already have an interest in sustainable environmental practices, useful to lay a solid base for the carbon credit voluntary market smooth functioning.

#### **The Dataset**

In order to build a large database of companies connected with the forest sector, it was decided to select companies that have shown a specific interest in the environmental theme with particular regard to the wood sector. We considered that being part of the wood supply chain makes the approach to a credit system linked to forest ecosystems services more natural.

However, some companies have also been included due to the possession of an EPD on the basis that the in-depth knowledge of the characteristics and environmental impacts of these products would make it easier to understand some mechanisms of the project (e.g. PEF studies) and are nevertheless a sign of an environmental interest that can be the basis for an interest also in the project's credits exchange system.

For this reason, we fed the database with:

- Companies that have shown a specific interest in the project (Deliverable 1)
- Companies in the wood sector with an FSC Chain of Custody certification
- Companies in the wood sector with a PEFC Chain of Custody certification
- Companies with an ISO 14001 certification belonging to the wood sector
- Companies holding EPD with the Italian program operator EPD-Italy (122)

The dataset of companies interested in the project (deliverable n. A1.5) consists of companies already contacted, to which the project has been

explained and which have expressed interest in its development also with reference to the ecosystem credits exchange system.

The other properties used to select the companies indicate environmentally virtuous choices and behaviors related to the wood world (COC FSC and PEFC, ISO 14001 in the wood sector) or an in-depth knowledge of their product (EPD – in this case we have not limited the sector, but we have considered the companies that have chosen the Italian program operator)

The result is as follows:

<b>Type of holding</b>	<b>Number</b>
Companies listed in deliverable 1	15
With COC PEFC certification in the wood sector (from PEFC database)	816
With certifications and action COC FSC wood sector (from FSC database)	970
ISO 14001 wood sector (from Accredia Database)	86
EPD italia (from epditaly.it database)	122
<b>Total</b>	<b>2009</b>

Of course, in this dataset there are companies with various interest and different level of engagement, but we believe that this panel of companies can be explored to widen the range of companies interested in the topic of ecosystem credits.

For this purpose, a special mailing list will be built with contacts get from the database, to which periodic information on the development of the project will be sent.

The information provided, will build along a 2-year path the necessary knowledge to understand mechanisms and opportunities of a credit exchange system related to ecosystem services.

An editorial plan will then be built with quarterly information content that will illustrate the most useful cognitive blocks for the full understanding of the complex mechanisms of the project and the future credit exchange system. Here is the information that will be delivered by this mailing list:

- 1) Green Deal and forestry policies: Paris Agreement, LULUCF Regulation and corporate compensation.
- 2) Basic concepts on Ecosystem Services and description of those that are in the national forests: focus on the areas affected by the project.

- 3) LCA analysis to assess compensation and intervention on forests as a form of support for SE, as well as compensation.
- 4) The PEF methodology and its application in the project.
- 5) Relation between circular economy and ecosystem services: how to bring out hidden values highlighting their positive externalities, while ensuring a better supply of raw materials
- 6) Role of ecosystem services in the construction of sustainable finance products
- 7) Measurement and systems for the enhancement of ecosystem services. Possible solutions to enhance ecosystem credits, functioning of the platform provided for by the project (this point will be addressed in several parts).

These newsletters will be released by the end of 2022, therefore in the last year of the project another engagement activity will be developed, aimed to verify if the companies' interest will be increased and some of them will be purchased a set of the ecosystem credits.