



HG

**FORESTRY AND CARBON
SEQUESTRATION PROJECT**



Developed by:



Climate Change Consultant



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WHAT ARE CARBON PROJECTS?

These are activities or projects that sequester CO₂ from the atmosphere or prevent greenhouse gas (GHG) emissions into it, and this impact allows them to generate carbon credits.

$$1 \text{ ton of CO}_2 \text{ eq.} = 1 \text{ carbon credit}$$

that can be traded to offset emissions from another local or international activity

AFFORESTATION AS A CARBON SINK

Through photosynthesis, trees capture CO₂ from the atmosphere and incorporate it into their biomass. In this way, forests become a large carbon sink. Therefore, afforestation can be used to generate carbon credits.



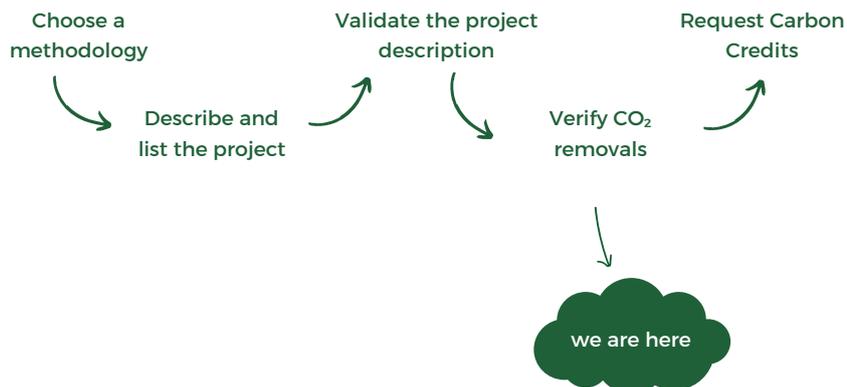
WHAT DOES THIS PROJECT ENTAIL?

A new carbon sink was created from forest plantations on degraded grasslands. In addition, the project seeks to promote development in every sense, with the specific objective of achieving positive results in terms of biodiversity and community.



PROJECT CERTIFICATION PROCESS

The carbon projects developed by Carbosur are submitted to an international registry called Verra, specifically under the Verified Carbon Standard (VCS) programme. This body requires projects to meet high standards, and the validation/verification process is audited by external companies.



PROJECT CHARACTERISTICS

The HG project began in October 2020 with the afforestation of the 'Santa María del Bosque' estate in the department of Treinta y Tres and the 'Tatú-Santa Clara' estate in the department of Cerro Largo.

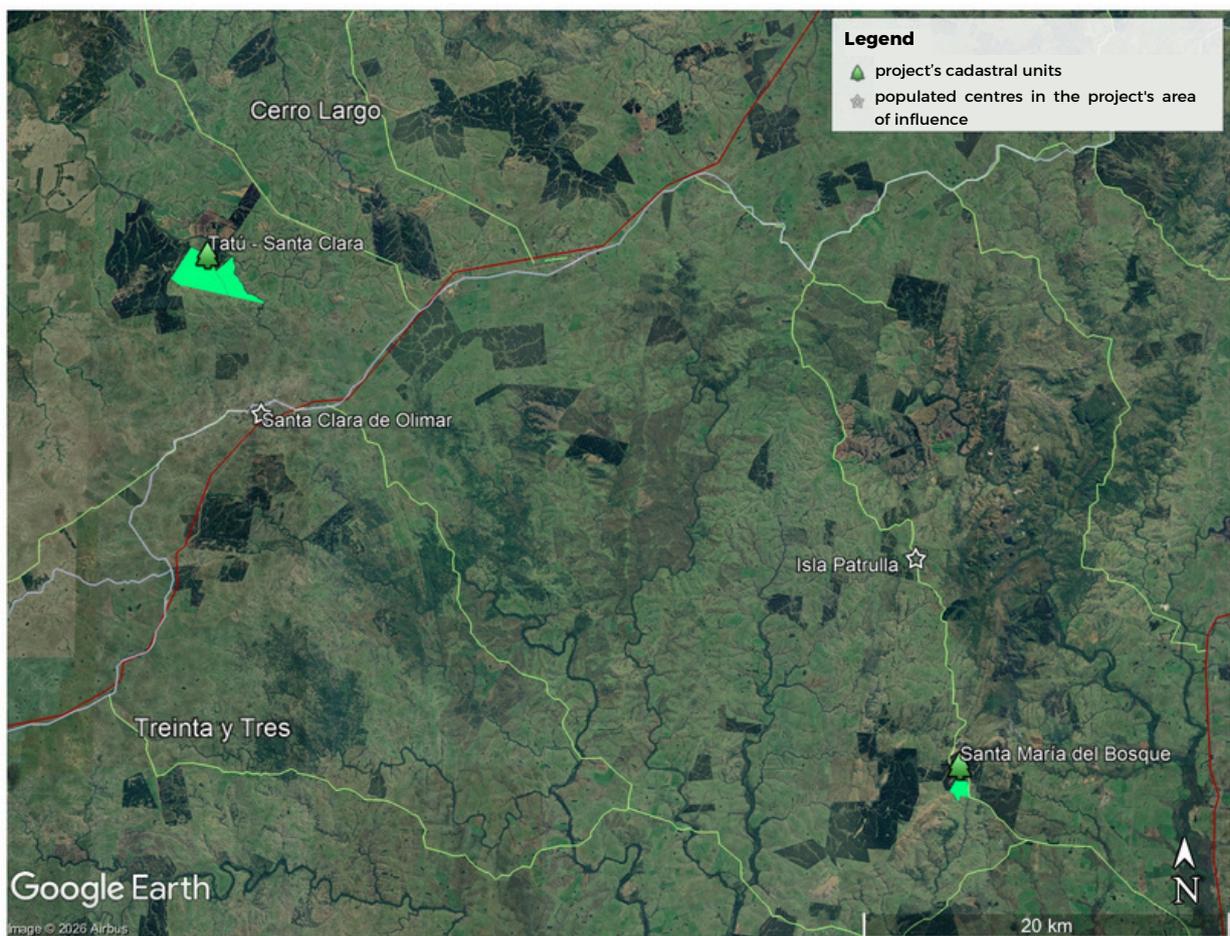
Among both establishments, the forestry project has



456 hectares effectively planted
over a total area of **789 hectares**



WHERE ARE THE FORESTS?



 **Estimated benefit of the project: ***

200,000 tonnes of CO₂_{eq} captured from the atmosphere
equivalent to removing 43,500 cars from circulation for one year

comparison based on an average car that emits 4.6 tonnes of CO₂ per year travelling 18,000 km

* Estimated based on the average of your carbon contribution over the long term (100 years).
It can be defined as the impact of the HG Project on climate change mitigation.

HG is a forestry project that protects nature, values people, and promotes sustainable growth for the project area.

SOCIAL COMMITMENT

The establishment of constructive relationships with stakeholders is encouraged, promoting good neighbourliness, open and transparent communication, and respectful dialogue that takes into account the diverse interests of communities.

Cooperation is encouraged in projects and needs related to local development in the areas where we interact, through the implementation of various forms of outreach, educational and recreational activities, as well as giving priority to the hiring of local personnel.

EMPLOYEES AND COLLABORATORS

The project supports its employees in their professional and personal development.

The promotion of teamwork, together with the personal and professional growth of each member, is essential for the progress of the company, ensuring an environment of respect, equality, trust, commitment, transparency and ethics.

The project complies with all laws and regulations that protect its workers and regulate forestry activity in Uruguay. This includes compliance with regulations on equal opportunities (Law No. 18104), the prohibition of forced labour (ILO Conventions No. 29 and No. 105) and child labour (Decree No. 372/1999), as well as the prevention of discrimination (Law No. 17817) and workplace harassment (Law No. 18561). HG SAS guarantees fair and safe working conditions for all employees.

OCCUPATIONAL HEALTH AND SAFETY

The health, safety and well-being of all employees is guaranteed through proactive, systematic and efficient management, focused on the timely identification, assessment and control of risks.

It ensures that everyone complies with and enforces safety regulations, avoiding any situation that could put their integrity or that of others at risk.

FIRE CONTROL AND PREVENTION

The project, in collaboration with other forestry companies, is a member of the PAIF Group, which focuses its operations on the early detection of potential forest fires and/or incipient outbreaks, and on the rapid mobilisation of specialised resources in order to minimise losses.

ENVIRONMENTAL BENEFITS

In the field, a team of specialists conducts environmental assessments and impact studies.

Based on the results of these studies, management and monitoring plans have been developed for the restoration of natural systems that may have been altered by previous activities, such as agriculture, livestock farming, or other practices.

CONSERVATION AND BIODIVERSITY

It is essential to protect natural resources and values, conserve ecosystem functions, preserve biodiversity, and safeguard landscapes, areas and species of special interest, as well as cultural values.

In this context, HG conducts surveys and monitoring of flora and fauna throughout the forest cycle to assess diversity within natural environments.

VERIFICATION PROCESS

In 2021, the HG Project was submitted for carbon certification under the Verified Carbon Standard (VCS) programme, which aims to secure the financial incentives needed to carry out the project in a comprehensive manner, achieving the highest standards. This audit sought to validate the project and verify the removals made from the plantation until the end of 2021. In 2023, the validation and verification process was successfully completed.

In 2026, the project will submit its monitoring report to demonstrate the carbon removals generated between 2022 and 2025. The external audit for project verification, conducted by ICONTEC, is scheduled to take place in early 2026, with visits to the project fields and stakeholders in May.

During the site visit, the audit team will assess:



the forest plantations



monitoring information



the technical documentation



will meet with stakeholders in the project area

CARBON PROJECT INFORMATION

Name:	HG Afforestation Through High-Quality Timber Over Degraded Grasslands
ID:	2992
Sector:	14 - Agriculture, Forestry and Land Use
Methodology:	AR-ACM0003
Status:	2nd verification of removals
Monitoring period:	1-January-2022 to 19-December-2025
Estimated removals for the monitoring period:	70,000 tCO ₂
Programme:	VCS (Verified Carbon Standard) - Verra
Name of the project proponent:	Pike Carbosur S.A.

SCAN THE QR CODE WITH YOUR PHONE'S CAMERA

to access more information about the project on the Carbosur website, or via the following web address:

<https://www.carbosur.com.uy/proyectos/HG/>



Please contact us with any queries regarding the carbon project:



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