



# TerraCarbon LLC



## 2015 Impact Report

## Introduction

The aim of this report is to record and publicly share TerraCarbon's 2015 results; to celebrate our successes, analyze our shortcomings, quantify our impact, explain our decision making, and declare our goals for the future.

We encourage you to contact us with any questions, comments, or feedback.

Email: [info@terraarbon.com](mailto:info@terraarbon.com)

Phone: +1-309-693-9303

Website: <http://terraarbon.com>

Twitter: @TerraCarbonLLC

## Overview of TerraCarbon

TerraCarbon is an advisory firm that helps develop and sell environmental offsets and credits to fund forest and wetland conservation.

We believe that innovative, market-based approaches that place a value on nature and provide incentives for conservation are critical to:

- addressing climate change,
- improving the availability and quality of freshwater,
- protecting biodiversity, and
- alleviating poverty.

Our advisory services include project feasibility analysis, project design, project monitoring, program design and evaluation, and credit marketing.

Our clients include leading non-profit organizations, forward-looking companies, and environmental market investors.

## Our Story

TerraCarbon was founded in 2006 by Scott Settelmyer, former CFO of the Chicago Climate Exchange, and the late Dr. Bernhard Schlamadinger, one of the world's leading forest carbon experts.

David Shoch, a forester and forest carbon expert with more than 15 years experience, and James Eaton, a forestry and land use researcher, joined soon after, and along with Scott, now form TerraCarbon's executive team.

The team recognized the significant potential of forests and natural ecosystems to reduce greenhouse gases and deliver critical environmental and social co-benefits, and the power of markets to reach this potential by providing results-based incentives.

They formed TerraCarbon to support the development of new markets and market-based approaches that recognize the value of nature and provide incentives for its conservation.

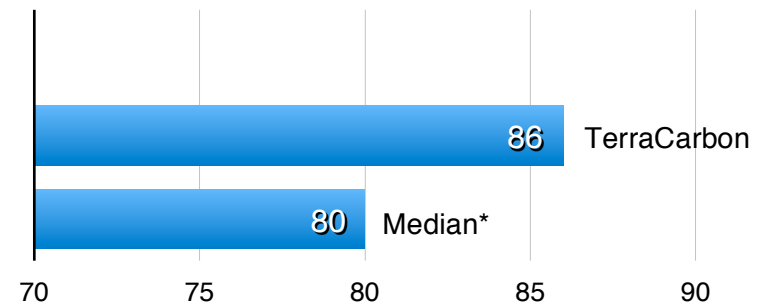
## Being a B Corp

TerraCarbon was certified as a Certified B Corp in 2012. We were re-certified in 2014.

We became a Certified B Corp to formalize and communicate our commitment to using business as a force for conserving our natural ecosystems and addressing society's environmental challenges.

To achieve the Certified B Corp certification:

1. We changed our operating agreement to require us to evaluate the impacts of our business decisions on all stakeholders and communities in which we operate, and
2. We passed a performance test that assessed our company practices with respect to: governance, employees, community and environment.



80 out of 200 is eligible for certification

\*Of all businesses that have completed the B Impact Assessment

For more details on our score, please visit [our page at BCorporation.net](http://ourpageatBCorporation.net)



## Our business impact

Our goals:

1. Build market capacity by supporting development of new methodologies, contributing to standards development and sharing of best practices, and training.
2. Increase the number of conservation projects and areas protected by supporting the technical design and monitoring of market-based projects and programs.
3. Increase financing for market-based conservation projects by marketing and selling environmental offsets and credits.

# Our business impact

How did we do in 2015:

## 1. Build market capacity

- *Completed second validation of a methodology to measure the carbon benefits of reduced impact logging practices*
- *Completed and submitted draft methodology to measure carbon benefits of restoring peatlands in the southeast US*
- *Co-authored approved methodology on carbon benefits of tidal wetland and seagrass restoration and presented at four blue carbon workshops on the gulf coast in the U.S.*

## 2. Increase the number of conservation projects and areas protected

- *Designed 2 new voluntary projects (1) to reduce deforestation on 39,000 hectares of tropical forest in the Brazilian Amazon and (2) to improve forest management on 175,000 acres of mixed hardwood forest in Minnesota*
- *Completed verification of 1 compliance project to improve forest management and started design of 2 new compliance projects to avoid conversion of mixed hardwood-pine forest in the U.S.*
- *Monitored emission reductions of 8.5 million tons from 5 voluntary projects*

## 3. Increase financing for market-based conservation projects

- *Facilitated the sale of offsets that generated more than \$600,000 for forest conservation.*

# Our business impact

Our cumulative impact

Number of projects  
registered/supported

**27**

Area conserved  
**1.9 million**  
hectares

Emission reductions  
verified  
**11.2 million**  
tons

## Goals for the Future:

1. Expand the number of projects and area conserved by forest carbon financing, with emphasis on regulatory carbon projects in the U.S.
2. Develop new methodologies and projects with adaptation benefits including peatland and tidal wetland restoration.
3. Monitor existing projects to quantify and report climate, biodiversity, and community benefits.
4. Build demand for forest carbon offsets by working with voluntary carbon offset buyers and advocating for regulatory markets.
5. Explore new offerings around ecosystem service measurement/valuation.



## Our partner, supplier, vendor impacts

As a professional services firm, the majority of our expenses relate to employee compensation. Of our remaining expenses, travel, insurance, office rent, and tax and legal fees are our largest.

TerraCarbon gives preference to suppliers that are owned by women or other under-represented populations, that are locally owned (within 200 miles of company locations), or that are certified B Corporations.

We have local options and use locally owned providers for office rent, tax and legal fees. We also utilize locally owned insurance brokers to purchase our insurance.

## Our employee impact

During the year, TerraCarbon provided employment to 3 full-time and 3 part-time staff and 10 subcontractors.

All full-time staff are eligible and participate in the TerraCarbon 401(k) retirement plan.

Full-time staff received paid paternity leave benefits during the year.

TerraCarbon is 100% employee-owned by its 3 full-time staff.

## Our community impact

We operate in our local communities of Peoria, Illinois and Charlottesville, Virginia. We are also part of a larger community of organizations that are advocating for climate change action and conservation, as well as the Certified B Corp community that are using business as a force for good.

We presented several times during the year on the topic of climate change and environmental markets to local universities and organizations including Bradley University, Eureka University, Glen Oak Middle School, Start-Up Peoria, and the Burr Oak Science Club.

We participate in regular meetings of Illinois B Corps and hosted a B Corp workshop in Peoria with Start-up Peoria to raise awareness of B Corps and social businesses.

### Goals for the Future

1. Continue to present on climate change and forests at schools and community groups.
2. Engage in direct and group advocacy efforts to address climate change.

## Our environmental impact

Our biggest environmental impact is from our work to expand conservation through market-based projects and programs.

In the course of our business, we produce carbon emissions indirectly through our travel and use of electricity at our offices.

We minimize our emissions by using energy efficient light bulbs at our offices and utilizing telephone and video conferencing when appropriate to minimize our travel.

We measure and offset our emissions with forest carbon offsets each year. In 2015, we were responsible for 20 tons of emissions and purchased 36 tons of offsets from projects in Brazil that avoid deforestation.

We recycle at our offices. Our water usage is minimal. We print very little, and use recycled paper.

