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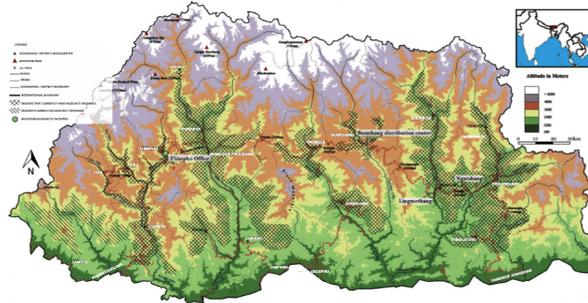
MOUNTAIN HAZELNUTS

## Mountain Hazelnuts

Mountain Hazelnuts (MH) is a market-oriented social enterprise, working with smallholder farming households and community groups throughout the Kingdom of Bhutan, to generate long-term income, revitalize vulnerable communities, and enable sustainable land stewardship through the production and sale of premium quality hazelnuts and provision of ecosystem services.



### Coverage of Hazelnut Plantations Across Bhutan



## HAZELNUTS AND THE ENVIRONMENT

The Company is more than half way through planting 10 million hazelnut trees across 19 of Bhutan's 20 districts. These trees will stabilize eroding mountain soils, alleviate deforestation pressures from fuelwood, and sequester an estimated 8 million metric tonnes of CO<sub>2</sub>-eq over the productive lifetimes.

The Company, established as a public-private-community partnership with the Royal Government of Bhutan, provides long-term, fully integrated support to subsistence farmers through an innovative 30-year partnership, mobilizing international capital to promote low-carbon agriculture and support local communities through the entire hazelnut lifecycle.

Mountain Hazelnuts delivers seedlings to farmers with no upfront payment or financial commitment. MH supplies all the necessary inputs to cultivate hazelnuts, ranging from hazelnut saplings, tools, training, technical expertise, bi-monthly supervision, and an overarching structure which enables hazelnut growers to thrive.

### Mitigate climate change by sequestering 8 million tons of atmospheric carbon

- Further advances Bhutan's carbon-neutral status
- Equivalent to more than 5 million passenger cars driven for a year

### Increase forest cover by planting 10M hazelnut trees on fallow or degraded land

- 10 million trees are equivalent to approximately 22,000 acres of forest cover

### Improve soil quality by reducing erosion and added carbon loading

- Degraded areas erode five to fifty times faster than forested areas
- Shallow hazelnut roots stabilize thin mountain topsoil layers
- Retention of topsoil improves the productivity of the land

### Improve water quality by reducing irrigation requirements and restoring healthy watersheds

- Erosion-mitigation also improves water quality by reducing sediment loads

## CARBON CREDITS

The development and sale of carbon credits has been a planned part of the venture since inception in 2009, representing a significant opportunity to provide critical cashflow to their partner subsistence communities, particularly during pivotal periods prior to substantial harvests and nut revenues.



Hazelnut growers and Mountain Hazelnuts have created the opportunity for carbon credits, which should provide growers many millions of dollars of needed income. This is best suited for the Voluntary Market in part due to current market conditions.

Such a voluntary carbon project would act as a complement to government-led compliance projects, unlocking corporate capital, and providing the most efficient avenue to complete a carbon offset project and support MH's grower-partners.



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