

Additionality Questionnaire

Puro Standard – Compliance requirement: 2.1.3 Additionality

Additionality questions for suppliers

1.2.3. CO₂ Removal Supplier shall be able to demonstrate additionality, meaning that the project must convincingly demonstrate that the CO₂ removals are a result of carbon finance. Even with substantial non-carbon finance support, projects can be additional if investment is required, risk is present, and/or human capital must be developed. To demonstrate additionality, CO₂ removal Supplier must provide full project financials and counterfactual analysis based on Baselines that shall be project-specific, conservative and periodically updated. Suppliers must also show that the project is not required by existing laws, regulations, or other binding obligations. ^B

Note: In Puro Standard and related verification, a project specific additionality assessment is required. Puro Standard does not work with automatic additionality criteria or positive lists.

Notice. These answers are public information - NORDGAU

Question	No/yes	Project response
Is the project required by existing laws, regulations, or other binding obligations	No	There are no regulations that mandate use of wood chips as biochar.
Is the Project dependent on carbon finance?	Yes	Yes. Without it, there project is not economically viable.
Is investment required	Yes	Significant investments have been made in equipment and developing sales channels
Is there a need to develop human capital, is there lack of skilled activity locally?	Yes	Yes, in order to manage the biochar production and sales business, the family-run company has had to develop considerable human capital and new competences. Operation and production of biochar requires skill and knowledge which Nordgau has had to develop. The site is located in a rural, agricultural economy.
Is your project first-of-its-kind?	No	

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<p>How is the project economically not feasible without carbon finance?</p>		<p>Sales of CORCs make up approximately 28% of the revenues from the biochar operation. The net value realised by Nordgau Carbon from the sales of the biochar alone is not sufficient to cover the production cost, and ongoing maintenance or expansion of the biochar production facility. Revenues from the sale of CORCs have been re-invested in repairs, improvements and expansion of the facility. The existence of the carbon revenue reduces the price risk from biochar sales and helps offset rising costs of production. The carbon revenue also enables Nordgau to partially subsidise the price of biochar which can enable farmers who may not otherwise be able to afford it to try it with their operations.</p>
<p>Attach a simple cost analysis and sensitivity analysis.</p>		<p>See attached financial analysis.</p>
<p>What are the key variables impacting the cost analysis?</p>		<p>Feedstock costs, fuels costs, maintenance, biochar sales price.</p>
<p>What else is preventing your project implementation? For example, do you have to change industry norms or market practises or to build new infrastructure to carry out the project?</p>		<p>The project is implemented, originally in 2021. In order to do so, infrastructure was established.</p>
<p>What is the baseline activity and related emissions and removals that would occur if this activity did not take place (business-as-usual, counterfactual)?</p>		<p>The counterfactual case for the wood chip feedstock, without Nordgau’s conversion to biochar and sale to farmers is that it would be used for energy purposes, which is common practice for low-grade timber in the region. The use of biochar in agriculture reduces the requirement for fertilisers that have a heavy carbon footprint and reduces N₂O emissions from soil.</p>
<p>Attach a simple emission and removal analysis.</p>		<p>See LCA.</p>

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I hereby declare that all information provided is truthful and precise to the best of my knowledge.

Date, Place:



Representative name, title, organization

PoA Nordgau Carbon