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**From:** Ellis J (Jo)  
**Sent:** 18 September 2019 17:48  
**To:** Hamilton G (Gwen)(FLS); Owen T (Trefor); Hodgson S (Simon); Mair J (John)  
**Cc:** Hymers M (Michael); Munro P (Paul)  
**Subject:** RE: Forestry and Land Scotland Carbon Capture Proposals  
**Attachments:** Shell Annex2.docx

Gwen, all – the attached is still a work in progress and I will be discussing the details with Trefor tomorrow – however, hopefully it gives you a bit more to work on re messaging.

All of this is ‘additional’ and in principle has been agreed as such through discussions about woodland carbon code.

Personally I would have a problem with them saying anything that implies that this is going to make what they do environmentally friendly. This is all about reducing the harm that they do, not about them doing good.

Jo

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**Jo Ellis | Head of Planning and Environment**

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**From:** Hamilton G (Gwen)(FLS) <Gwen.Hamilton@forestryandland.gov.scot>  
**Sent:** 18 September 2019 17:20  
**To:** Owen T (Trefor) <Trefor.Owen@forestryandland.gov.scot>; Ellis J (Jo) <Jo.Ellis@forestryandland.gov.scot>; Hodgson S (Simon) <Simon.Hodgson@forestryandland.gov.scot>; Mair J (John) <John.Mair@forestryandland.gov.scot>  
**Cc:** Hymers M (Michael) <Michael.Hymers@forestryandland.gov.scot>; Munro P (Paul) <Paul.Munro@forestryandland.gov.scot>  
**Subject:** RE: Forestry and Land Scotland Carbon Capture Proposals  
**Importance:** High

Hello,

Ahead of a call with Shell tomorrow I'd like a steer on FLS messaging as I agree that we need this narrative to be bulletproof from the off. Taking Jo's point about using their money to increase our reach of activities across Scotland for benefit of the public / make public funds go further – what are our key proof points, specifically what is it we're going to be able to do in addition with this money?

From various emails I have the following:

FLS to develop a partnership with Shell on carbon capture through enhanced woodland and forest creation (is this broadleaf woodland and natural regeneration?) in Scotland (specifically?) to use a private sector collaboration model to allow FLS to extend its activities and increase the part it can play in mitigating global climate emergency. From October 2019 Shell will fund planting on the national forests and land of 200 hectares contributing £10m pa over a five period.  
Comments welcome.

Is there anything we absolutely don't want them to say?

It doesn't all need agreed by 9am tomorrow morning, but I just want to understand what we're happy announcing so we can discuss timings and who is doing what.

G

**Gwen Hamilton | Head of Communications, Marketing & Media**

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My working pattern is Monday – Thursday.



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**From:** Owen T (Trefor) <[Trefor.Owen@forestryandland.gov.scot](mailto:Trefor.Owen@forestryandland.gov.scot)>

**Sent:** 29 August 2019 08:12

**To:** Ellis J (Jo) <[Jo.Ellis@forestryandland.gov.scot](mailto:Jo.Ellis@forestryandland.gov.scot)>; Hodgson S (Simon) <[Simon.Hodgson@forestryandland.gov.scot](mailto:Simon.Hodgson@forestryandland.gov.scot)>;

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<[Gwen.Hamilton@forestryandland.gov.scot](mailto:Gwen.Hamilton@forestryandland.gov.scot)>

**Subject:** RE: Forestry and Land Scotland Carbon Capture Proposals

Simon

flyer helpfully starts to get our due diligence under way. We can now see how Shell are positioning this. What Shell are offering us is relatively small beer for them, but it gets a shiny new organisation (us) to add to the list of 'green organisations' supporting their offsetting ambitions. Nothing wrong in that, but we need to position this from an FLS perspective, and make sure we don't get worked over by Shell's formidable PR machinery – so getting our lines straight from the start is important.

Have you sighted and g on this yet? If not, it would be good if this could be done soon, so we can check in with key SG officials and others such as SEPA to make sure that Shell is indeed a partner of choice.

Trefor

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**From:** Ellis J (Jo) <[Jo.Ellis@forestryandland.gov.scot](mailto:Jo.Ellis@forestryandland.gov.scot)>

**Sent:** 29 August 2019 07:03

**To:** Hodgson S (Simon) <[Simon.Hodgson@forestryandland.gov.scot](mailto:Simon.Hodgson@forestryandland.gov.scot)>; Owen T (Trefor)

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**Subject:** FW: Forestry and Land Scotland Carbon Capture Proposals

All

While I am of course excited about the prospect of an additional . to fund our planting each year for the next five years, I do think we need to be cautious about how we communicate this – and make sure we are on the front foot with any comms (both to staff and stakeholders). I don't want us to come across as

falling for the greenwashing. The fact remains that mitigation work such as tree planting will not be sufficient to offset carbon emissions for the long term (we need to be reducing the use of fossil fuels) and the tiny amount Shell is putting into green initiatives is dwarfed by what it is still spending on investigating new oil and gas reserves, and in blocking initiatives to set legally binding emissions reductions targets.

We need to make sure this arrangement comes across as a business-like decision from us, where we are using Shell's money to increase the size of the pot that is available to do things that we want to do for the good of Scotland, in order to make public funds go further.

Jo

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**Jo Ellis | Head of Planning and Environment**

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**From:**

**Sent:** 28 August 2019 20:20

**To:** Hodgson S (Simon) <[Simon.Hodgson@forestryandland.gov.scot](mailto:Simon.Hodgson@forestryandland.gov.scot)>

**Cc:** Ellis J (Jo) <[Jo.Ellis@forestryandland.gov.scot](mailto:Jo.Ellis@forestryandland.gov.scot)>; Owen T (Trefor) <[Trefor.Owen@forestryandland.gov.scot](mailto:Trefor.Owen@forestryandland.gov.scot)>; Mair J (John) <[John.Mair@forestryandland.gov.scot](mailto:John.Mair@forestryandland.gov.scot)>;

**Subject:** RE: Forestry and Land Scotland Carbon Capture Proposals

Simon,

Thanks again for the call yesterday, we're excited to progress the opportunity.

As discussed I've provided some links below to explain how our approach to nature based solutions fits into our overall climate change strategy and its position in the energy transition. A 2 page flyer is also attached providing more colour on our carbon neutral offering.

We're yet to discuss the contract template with our internal legal team so hope to have that and the KYC questionnaire with you by tomorrow.

Please let me know if you have any questions regarding the material below.

Thanks

### Web links:

[Ben van Beurden LinkedIn article](#) Shell's CEO on 'It's time to turn to nature'

[Shell.com](#) Summary page on role of Nature Based Solutions with links to additional material including Sky scenario on what it takes to deliver Paris if of interest

[Press release](#) 8 April 2019 Details on Shell's investment in nature to help tackle climate change

[Sinead Lynch LinkedIn article](#) Shell's UK Country Chair's response to UK Committee on Climate Change report published on 2 May 2019

Ben van Beurden [speech](#) in Brussels 9 July 2019: Shell's CEO gives Shell's support for EU's proposal for net zero emissions by 2050.

## A brief summary of Shell and the energy transition with a focus on UK:

### Thriving through the energy transition

Shell welcomes and supports the Paris Climate Agreement to limit global warming to well below two degrees C, and we are committed to playing our part in helping society to achieve its goals.

In 2017, we announced an ambition, pegged to society's progress, to reduce the net carbon footprint of our operations and of our customers' emissions from using our products, by around 50% by 2050 and by around 20% by 2035 as an interim step. We will start setting specific net carbon footprint targets for shorter-term periods (three or five years) from 2020. As part of this, we continue to work on improving the energy efficiency of our existing operations and to reduce the carbon intensity of our portfolio. This includes reducing the carbon intensity of our UK service stations with all our company-owned UK service stations now using 100% certified renewable power.

Our New Energies business, set up in 2016 and focusing on power, new fuels and nature-based solutions, supports this ambition. In 2018, we invested \$800 million globally including investments in solar and wind energy. We are looking to continue to scale-up this business in a disciplined manner, spending \$1-2 billion on average per year on commercial opportunities with competitive returns.

### Our UK power business

Electricity, including from renewable sources, will be a large part of Shell's future as the world moves towards lower carbon energy.

In the UK, we acquired [British Energy](#), one of the UK's leading independent household energy providers. [British Energy](#) was rebranded as Shell Energy in March 2019 and now supplies 100% renewable electricity as well as gas, smart home technology and broadband to homes across Britain.

We increased our position in renewable power in 2018 by signing a five-year deal with [Scottish Power](#) to buy all the electricity generated by the [Scottish Renewables](#) (~65 gigawatt hours a year).

In February 2019, Shell acquired 100% of [sonnen](#), a leader in smart energy storage systems and innovative energy services for households, and in March 2019 we bought UK-based [E.ON Energy](#) the digital energy platform that provides optimised routes to market for customers with electricity generating or consuming assets in the UK.

### New transport fuels

During 2017-2018, we introduced rapid EV charging (Shell Recharge) at ten of our UK forecourts and are rolling out 30 more charging points across the country over the next few months. Our 50kW rapid chargers deliver an 80% charge in 30 minutes. In 2019, we will also be introducing 150kW super chargers to selected sites, typically delivering an 80% charge in 10 minutes.

In 2017 we acquired [ChargePlace](#) a company with one of the biggest networks of smart EV charging points in homes and offices in Europe. We are developing integrated offerings for our UK electricity customers through Shell Energy. In March 2019, [ChargePlace](#) stalled the UK's largest smart charging facility for EVs at Jaguar Land Rover's engineering centre in Warwickshire where the 166 smart charging outlets are to encourage employee uptake of EVs.

In 2017, we signed a deal with IONITY, an operator of high-powered vehicle charging networks. The agreement is to provide 500 charging points across 10 European countries in two years, starting with 80 of our biggest motorway service stations. This will make charging up to three times faster.

We are piloting hydrogen refuelling infrastructure with the first hydrogen refuelling at a UK public retail site opened in 2018.

Globally Shell continues to invest in R&D every year to improve the efficiency of fuels and lubricants for petrol and diesel cars.

### Investing in UK society

As a part of UK society, we also want to make a positive contribution above and beyond the goods and services we provide. One of the ways we aim to do this is through our programme of social investment designed to help address both long-term societal and Shell needs.

Our first area of focus is inspiring more young people to study Science, Technology, Engineering and Maths (STEM) at school, and to choose STEM-based careers. The UK needs more scientists and engineers to help bring about a successful transition to a low-carbon future, but it faces a longstanding shortfall. To help address this, we have invested £2 million in [Tomorrow's Engineers 'Energy Quest'](#) which helps teachers deliver the science and maths

curriculum in an engaging way. School children benefit from hands-on engineering experiences, learn about STEM careers and meet engineers from their local community. For students in higher education, we run the Shell Eco-marathon to encourage the engineers of the future. Teams from across the world are challenged to design and build ultra-energy efficient vehicles over the course of an academic year, before testing them on the race track in our annual competition.

Our second area of focus is supporting start-ups and young entrepreneurs in the low-carbon and sustainability sectors. They have a vital role to play in helping to bring about the transition to a sustainable future while contributing to the UK's economic growth. Recognising that a lack of resources and business skills often holds back promising innovators, our two programmes Shell LiveWIRE and Shell Springboard support UK entrepreneurs with equity-free funding, publicity and advice.

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**From:** [Simon.Hodgson@forestryandland.gov.scot](mailto:Simon.Hodgson@forestryandland.gov.scot) <[Simon.Hodgson@forestryandland.gov.scot](mailto:Simon.Hodgson@forestryandland.gov.scot)>  
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**Subject:** Forestry and Land Scotland Carbon Capture Proposals

Further to our telecom last week, I am attaching proposals from Forestry and Land Scotland around carbon capture on Scotland's National Forest Estate. I hope these proposals will provide a good basis for developing a relationship with Shell on carbon capture through enhanced woodland and forest creation.

I look forward to hearing from as I know you are working to quite a tight timetable.

Regards  
Simon

**Simon Hodgson | Chief Executive**  
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# Appendix 1: The Project

## Objectives

- To deliver around 250,000 carbon units over the next 100 years through creating new woodlands and restoring degraded peatlands over a 5 year period on the national forests and lands in Scotland.
- To deliver these units in a way that enhances the social, environmental and economic contribution of the land to Scotland, and provides opportunities for positive PR for both Shell and FLS.

## Scope of the project

The project will include activities on a range of individual sites. The following schedule is indicative of the location, scale and type of work that will be undertaken to deliver the carbon units – the actual sites could vary:

- Year 1: Forty hectares of broadleaf planting at Nether Horsburgh in South Scotland, designed to improve the amenity and biodiversity value of the Tweed Valley, in an area used by mountain bikers, walkers and other tourists. These 40 hectares will deliver around 18,000 claimable carbon units over 100 years.
- Year 2: Around 220 hectares of native woodland creation at Glen Garry in Lochaber, where the Caledonian pinewoods of this remote glen are being restored to their former glory. These 220 hectares, which will deliver around 66,000 claimable carbon units over 100 years, will be an extension to an existing project that is creating the conditions to allow native species such as birch, Scots pine, rowan and juniper to regenerate from seedlings. The glen is well on the way to becoming a habitat for woodland birds and other biodiversity that would not have thrived in the open moorland that was there before.
- Year 3: A further 220 hectares of native woodland (66,000 claimable carbon units over 100 years) either at Glen Garry, or at a site being acquired in the Loch Lomond and Trossachs National Park for the purpose of creating native woodland to enhance the landscape for visitors and local communities; extend habitat networks and

improve local biodiversity; and enhance riparian zones to improve downstream water quality and manage downstream flooding.

- Year 4: 600 hectares of peatland restoration (around 50,000 carbon units over 55 years), restored from a degraded, drained state by drain blocking. This will reduce the greenhouse gas emissions from the degraded peatland and bringing it closer to a functioning state – where it not only takes in carbon but also becoming increasingly effective at holding and purifying water and providing habitats for unique peatland species;
- Year 5: A further 600 hectares of peatland restoration (around 50,000 carbon units over 55 years).

FLS will undertake the project on land that is already owned by Scottish Ministers as part of the national forests and lands, or which will be acquired during the project. The carbon calculations above include the required 'buffer units' which remain held by the Woodland Carbon Code.

## Reporting and review

FLS will report on progress in October each year (starting October 2020) for five years, providing:

- The name and location of the woodland that was created (or the peatland site that was restored) that year, including maps showing the net area on which carbon units have been claimed;
- A general description of the works that were carried out in order to achieve the outcomes, in a form that can be used by Shell to describe the work in publicity materials;
- Documentary confirmation of the number of carbon units that have been registered and validated for each project with either the Woodland Carbon Code or the Peatland Code, as appropriate;
- An invoice for the annual payment (see Appendix 2).

On receipt of the annual report, Shell may request (and FLS will provide) an opportunity to review progress on the establishment and effectiveness of the project delivery.



After the initial 5-year woodland establishment/peatland restoration initiation period, FLS will report on a periodic basis following the regular verification requirements of the relevant carbon standard:

- At intervals as specified by the Woodland Carbon Code and Peatland Code (at least every decade through the lifetime of the project – approx. 55 years for peatland and approx. 100 years for woodland), FLS will monitor and complete external third party verification of the projects, allowing the conversion of delivered carbon from Pending Issuance Units (PIUs) to actual verified Woodland Carbon Units (WCUs).
- Units in Shell's account will automatically be converted from PIU to WCU upon each verification.

## Registering and verifying carbon

For woodland, claimable PIUs will be transferred to Shell's account on the UK Woodland Carbon Registry once projects are validated.

For peatland, a carbon registry is not yet in existence. The relevant number of claimable PIUs will be transferred to Shell if and when the Peatland Code establishes a carbon registry.

The Woodland Carbon Code and, in due course, the Peatland Code will require ongoing verification of carbon units. The costs of this ongoing verification will be charged to Shell at the time of verification – likely to at ten year intervals until the completion of the carbon sequestration (100 years in the case of woodland, 55 years in the case of peatland). See Appendix 2.

# Appendix 2: Delivery and payment schedule

The following schedule shows what will be delivered each year, and the annual costs. Note that VAT is not included (carbon credits are not subject to VAT) and costs have been adjusted for inflation at 3%:

	Project	Claimable carbon units per hectare	Approximate claimable units for activity	Duration over which units can be claimed	Cost per hectare	Woodland or peatland cost	Carbon registration cost	Project manager cost	Total
Year 1	40 ha planted native woodland	450	18000	100 years					
Year 2	220 ha regenerated native woodland	300	66000	100 years					
Year 3	220 ha regenerated native woodland	300	66000	100 years					
Year 4	600 ha peatland restoration	84	50400	55 years					
Year 5	600 ha peatland restoration	84	50400	55 years					
Total			250800			5			

## Additional costs:

Each time the carbon units need to be verified (every ten years after initial verification) then Shell will be invoiced for the costs of verification. Currently we estimate this to be in the region of [redacted] but the actual costs will be determined once we are clear on the number of individual sites that are required to achieve the peatland work (if we can achieve the restoration over fewer sites this would mean lower verification costs)