

MEDIA RELEASE

Net zero and nature positive are the rallying cries for a systemic change in land use to create a sustainable global economy

New Forests says threats to biodiversity and nature loss from climate change present major opportunities in sustainable land-based investments

SYDNEY - 11 September 2024 - In a paper published today, [**Investing in a Nature Positive Future**](#) ('the Paper'), New Forests, a global investment manager of nature-based real assets and natural capital strategies, has seen increasing numbers of investors making commitments to align their investment portfolios with both the net zero aspiration of the Paris Agreement and the concept of 'nature positive' flowing from the Kunming-Montreal Global Biodiversity Agreement.

To establish effective strategies and make measurable progress against these goals, New Forests says investors will need experienced landscape and forestry asset managers to help manage risks and unlock new sources of value to achieve nature positive outcomes.

The concept of nature positive refers to the conservation, restoration and enhancement of nature, reversing its decline by 2030 and achieving full and ongoing recovery of nature by 2050.

New Forests, founded in 2005, has almost two decades of experience in optimising risk and returns from nature-based solutions and land-based investments. **Investing in a Nature Positive Future** offers a practical framework for investors, outlining the policy environment, mechanisms to incentivise conservation and regulate impacts on nature as well as the opportunities arising for investors in private real assets, particularly forestry, agriculture and conservation land management. Taking on this challenge will require new technologies to be able to forecast landscape conditions into the future.

Nature-based real assets are increasingly converging into a natural capital asset class offering potential solutions to climate change, nature decline and the provision of critical renewable resources whilst accelerating investment opportunities in real assets. Today, the global investible universe for forestry is USD \$300 billion¹. The new natural capital asset class with exposure to agriculture and timber markets, carbon pricing, biodiversity markets and options for renewable energy development is drawing substantial investor interest. New Forests expects investment into natural capital could rise to USD \$1 trillion or more over the next two decades.

"To make this rise in investment a reality, it is critical that the economic and policy signals are fit for purpose. We need standardised accounting for carbon in landscapes, metrics for biodiversity, market-based approaches to climate and nature conservation solutions," **says David Brand, Founder and Chair of New Forests**, who has 40 years' experience in land investment, forest management, science, and public policy.

¹ Source: New Forests' estimates and projections as at 30 June 2024.

The Paper emphasises the imperative to create value for nature, and price signals that make it more economically attractive to conserve and restore nature, than to destroy it.

“The positive news is that global recognition of the economic and environmental benefits of carbon projects and biodiversity projects and demand for solutions is growing,” says **Mark Rogers, Chief Executive Officer, New Forests**.

“Land-based investments are increasingly recognised as foundational to climate change mitigation and adaptation solutions, restoration and conservation of nature and the provision of critical renewal resources into a sustainable bioeconomy. We are seeing new sources of option value enabling investors to derive enhanced risk adjusted returns from land-based investments as well as portfolio level decarbonisation and nature positive outcomes.

“Where investment previously would be based on conventional returns from the sale of timber or agriculture produce, now there is exposure to carbon markets and biodiversity markets or payments, tradeable water rights, wind and solar farm leases.”

There is growing pressure on businesses to disclose their sustainability-related performance as well as risks and opportunities. This in turn requires the creation of standardised approaches to measuring, monitoring, accounting and reporting on biodiversity metrics and progress towards nature positive outcomes.

The facilitation of a standardised nature disclosure framework from the Taskforce on Nature-related Financial Disclosures (TNFD) will enable both businesses and investors to demonstrate transparency across four areas – governance, strategy, risk and impact management and metrics.

The Paper also discusses major advances in technologies and analytical approaches needed to collect data on these attributes to optimise land use. For example, geospatial modelling, which can layer data on soils, topography, climate and weather patterns to optimise land use and enhance agricultural and forestry productivity.

“There are multiple competencies necessary to understand the financial characteristics of this future-looking natural capital asset class for investors, but this brings major opportunities. Blending together a set of dynamic, potentially uncorrelated revenue streams encourages a review of where this new natural capital asset class fits in an investment portfolio, the range of different investment structures and approaches that can be used, and whether allocations can or should be increased,” **continued David Brand**.

“Ultimately specialist managers will be needed to package up these components and bring these investment opportunities to the market. We are in a race to stabilise and restore as much of our biodiversity as possible before it is lost.”

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About New Forests

New Forests is a global investment manager of nature-based real assets and natural capital strategies, with A\$11.7 billion (USD \$8 billion) in assets under management across more than 1.3 million hectares of investments, as at 31 December 2023. We manage a diversified portfolio of sustainable timber plantations and conservation areas, carbon and conservation finance projects, agriculture, timber processing and infrastructure. We aim to generate shared prosperity for our clients and the communities in which we operate and accelerate the transition to a sustainable future.

Headquartered in Sydney, New Forests is a Certified B Corp and operates in Australia, New Zealand, Southeast Asia, Africa and the United States. www.newforests.com