

# Empowering Communities and Protecting Nature:

The Impact of Voluntary  
Carbon Markets



  
New Forests





# The Voluntary Carbon Market

Investing in projects that deliver carbon credits has the potential to contribute to financial returns while empowering local communities, protecting nature, and improving lives on the ground.

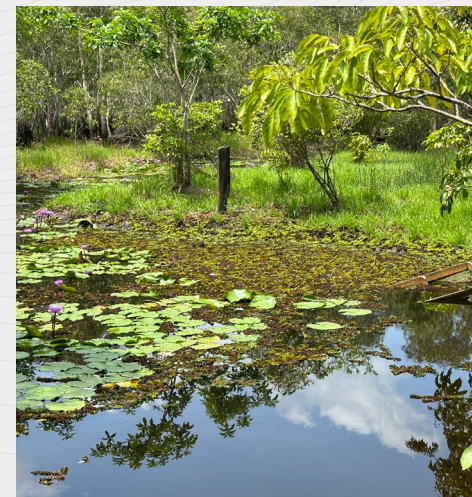


This storybook explores the landscape of the voluntary carbon market (VCM), where decarbonisation intersects with investment opportunities and real on-the-ground impact. We'll show how carbon credit projects can not only yield financial returns, but also catalyse wider benefits – such as enhancing biodiversity, empowering communities, and advancing social equity and safety.

Drawing on examples from New Forests' projects in emerging markets, this paper illustrates how the VCM creates meaningful impact at the front line while supporting global sustainability objectives.

## Introduction

The VCM provides organisations and individuals with a marketplace to buy and sell carbon credits outside the framework of government mandates. Participants in these markets proactively support climate action – whether it is to achieve net zero ambitions, fulfil decarbonisation commitments, or demonstrate environmental stewardship. Through participation, both companies and individuals can build climate credentials and contribute constructively to the world's transition to a low-carbon



All images by New Forests.



future. It is crucial to distinguish the VCM from compliance carbon markets (CCMs). The VCM operates on a voluntary basis, independent of regulatory obligations, while CCMs are government-mandated systems where companies must hold or trade emissions allowances to comply with legal limits. In CCMs, firms can trade surplus allowances if they reduce emissions below their cap. In contrast, the VCM offers flexibility, enabling participants to offset emissions and support projects that contribute to sustainability goals – even when not required by law. For this storybook, we have focused on the VCM.

### The Role of Carbon Credits

Carbon credits are the core units of the VCM. Each credit represents a verified reduction or removal of one metric tonne of carbon dioxide (or its equivalent) from the atmosphere. By purchasing these credits, investors and companies offset their emissions, directly supporting initiatives such as reforestation and clean energy. Beyond their climate impact, carbon credits can generate new revenue for project developers – and incentivise further emissions reductions.

### A Growing Financial Market



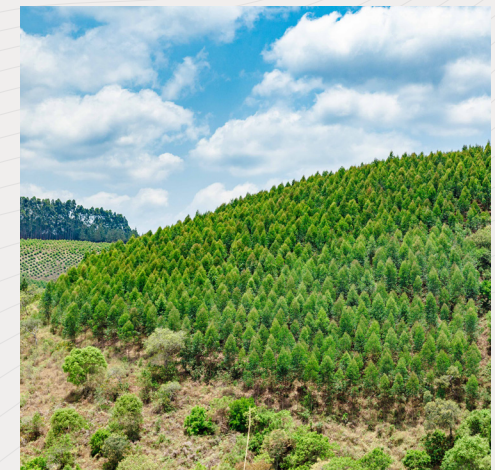
#### VCM size by value of traded carbon credits

<b>Pre-2005:</b>	<b>US\$301 million</b>
<b>2011:</b>	<b>US\$602 million</b>
<b>2021:</b>	<b>US\$2.1 billion</b>

Source: '2024 State of the Voluntary Carbon Market', Ecosystem Marketplace, 2024.

### Nature-Based Solutions and Carbon Sinks

Nature-based solutions – including reforestation, wetlands restoration, and regenerative agriculture – are among the most effective strategies for combating climate change<sup>1</sup>. These projects leverage natural ecosystems to capture and store atmospheric carbon, functioning as vital “carbon sinks.” In addition to sequestering greenhouse gases, such initiatives can also provide substantial co-benefits: they can preserve biodiversity, strengthen community resilience, and support local economies. As the VCM matures, nature-based solutions are increasingly valued for producing high-



1. Source: 'Why voluntary carbon markets for nature are needed right now', Ecosystem Marketplace, 23 August 2023.














integrity carbon credits along with meaningful environmental and social benefits<sup>2</sup>.

### How the Market Functions and its Unique Features

Since the VCM is unregulated, quality and integrity are paramount to ensure projects are recognised and valued by investors. Not all carbon credits are created equal. Those that offer additional co-benefits – like biodiversity gains, job creation, local industry support, enhanced health and safety, eco-tourism, or equity initiatives – often command premium prices in the marketplace<sup>3</sup>. A defining characteristic of the VCM is its clear focus on credible impact and

### VCM Key Milestones: 1996 to Present-day

1996	2000	2003	2005	2007	2011	2016	2017	2021	2025
Launch of Environmental Resources Trust (later rebranded as American Carbon Registry)	First-mover, Co-operative Bank, begins emissions offsetting	Launch of Gold Standard (GS)	Climate, Community and Biodiversity (CCB) Standards developed	Launch of Verified Carbon Standard (VCS)	First REDD+ credits issued	Paris Agreement and UN SDGs spur widespread interest in the VCM	CCB Standards align with VCS	Investments in the VCM passes the US\$2 billion mark <sup>4</sup>	Emergence of the Carbon Data Open Protocol (CDOP) for data standardisation, and the Science Based Targets initiative's (SBTi's) revised Corporate Net-Zero Standard
									

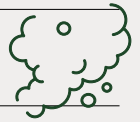
2/3. Source: 'Why voluntary carbon markets for nature are needed right now', Ecosystem Marketplace, 23 August 2023.

4. Source: 'Will the voluntary carbon market survive mistrust and regulation?', Eco Business, 17 July 2023.





## A Way to Reduce Global Emissions



VCM size by volume of traded carbon credits

**Pre-2005: 75 MtCO<sub>2</sub>e**  
**2011: 100 MtCO<sub>2</sub>e**  
**2021: 516 MtCO<sub>2</sub>e**

### MtCO<sub>2</sub>e:

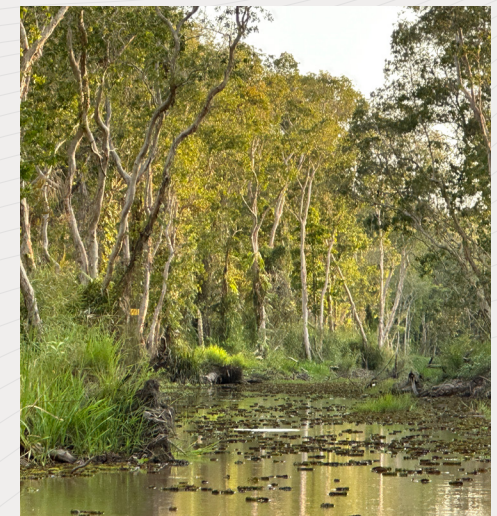
metric tonnes of carbon dioxide equivalent.

Source: '2024 State of the Voluntary Carbon Market', Ecosystem Marketplace, 2024.

innovation. The credibility and range of co-benefits delivered by a project are key determinants of credit value. This emphasis not only raises the bar for what constitutes a valuable credit, but it also encourages investment in high-quality transformative projects.

Credits in the VCM are diverse, reflecting the wide variety of projects and benefits. The robust marketplace rewards innovation and best practices, fuelling continuous improvement and broadening the positive effects of climate investments.

In summary, the VCM stands out for its flexibility, focus on impact beyond carbon, and ability to reward high-quality, innovative climate action – in our experience, making it an attractive option for sustainability-driven investors and organisations.





# Tangible Benefits for Investors and Portfolio Companies

A well-functioning VCM offers significant advantages for investors.



**Reputation and meeting environmental pledges:** The VCM facilitates voluntary trading of carbon credits, supporting net-zero targets and broader climate pledges than just decarbonisation. Nature-based solutions mitigate climate change naturally and can deliver benefits such as biodiversity preservation, social inclusion, health, safety, and resilient communities.

**Financial returns:** In our experience, high-quality carbon credit projects can attract premium prices and incentivise further investment in quality and environmental goals. We believe they can also improve the exit values at the time of sale for well-managed land and assets. Investing in a forestry or agriculture strategy that holds exposure to carbon market projects, has the potential to enhance the overall return of a portfolio.

**Portfolio benefits:** The VCM is classed as an 'alternative investment', which can behave differently from traditional markets such as bonds and stocks. It can deliver portfolio benefits, including inflation hedging, diversification, uncorrelated returns, and alignment with long-term investment strategies<sup>5</sup>.



5. Source: 'Alternatives 2.0: Innovative Ways to Diversify Your Portfolio', Morgan Stanley, 24 September 2024.





**Risk mitigation:** Investment managers can seek to manage risk by diversifying across projects and tapping into revenues from ecosystem services such as quality water, food production and habitat provision.

**Matching investment needs and liabilities:** The market often favours projects with long-term investment horizons typically between 10 and 15 years, normally aligning well with patient capital strategies.

### Broader Economic, Social and Environmental Benefits

The advantages of the VCM extend beyond individual investors and projects, bringing value to our wider economy, society and environment.

### Economic Benefits

**Growth and diversification:** By channelling investment into sectors like reforestation and regenerative agriculture, VCM projects can create jobs, stimulate local economies, and unlock alternative revenue – especially in rural and emerging markets.

**Community prosperity:** These projects empower local communities through economic opportunities, equality and inclusivity in jobs and poverty reduction, from incomes generated by carbon credits and related activities, as well as enhanced food security. As an example, in a shared benefits model, farmers contribute land and labour, while investors and project developers provide capital and expertise. This enables each party to share income from carbon credits and other revenue sources, with early engagement of local communities ensuring they understand the real and long-term benefits of these projects.

### Societal Benefits

**Improved livelihoods:** Community members gain access to employment, skills development, and shared-benefit models whereby both landowners and investors benefit from carbon credits and other revenue sources.

**US\$230  
billion a year**



### Today's Funding Shortfall for Nature-Based Solutions

Source: 'Investing with Nature: Exploring Investment Opportunities Across Ecosystems', United Nations Environment Programme, December 2023.

**Community engagement:** Ongoing dialogue to ensure projects address real needs, supporting local industries and vital infrastructure, as well as bringing communities closer together.

### Environmental Benefits

**Biodiversity conservation:** Many VCM projects go beyond carbon, restoring and protecting habitats and ecosystems. In Malaysia, reforestation projects have helped restore degraded land and improve biodiversity. In Indonesia, partnerships with local communities, have seen the development of sustainable forestry investments that balance environmental conservation and economic growth.





In Thailand, New Forests is supporting a peat swamp forest area restoration project, which has the potential to enhance the lives of 60,000 local people who depend on fishing and timber products from the area for sustenance and livelihoods.

**Climate resilience:** Nature-based initiatives can enhance resilience against climate impacts and improve local water and food security.

**Health and safety:** Socially focused projects can improve working conditions, health and overall well-being for the communities involved.



By aligning economic incentives with impactful social and environmental outcomes, the VCM is a crucial part of forging a more equitable and sustainable future.

### Why Alternative Private Asset Managers Play a Key Role

Private alternative asset managers like New Forests are particularly well-positioned to invest in, operate and scale VCM projects. Their access to substantial volumes of patient capital allows for investment in nature-based solutions – such as reforestation or wetland restoration – which require

significant upfront commitments and longer time horizons to achieve meaningful results.

The inbuilt flexibility of private market investors enables managers to support projects with gestation periods spanning a decade or more, effectively aligning financial returns with environmental impact. Alternative asset managers like New Forests can also customise investment mandates to reflect investors' specific environmental goals, fostering the creation of high-integrity projects that produce verified credits and robust co-benefits.

By taking an active ownership approach, these managers can champion high project standards, implement rigorous monitoring and reporting, and ensure ongoing community engagement. This enhances project credibility and maximises both social and environmental benefits, aligning commercial interests with the broader ambitions of the VCM.



### Integrity Council for the Voluntary Carbon Market (ICVCM)

An independent multi-stakeholder body setting high standards for the VCM, the ICVCM helps ensure the integrity of carbon credits and their contribution to the goals of the Paris Agreement and the United Nations Sustainable Development Goals. This is achieved through the establishment and enforcement of the Core Carbon Principles, serving as a global benchmark for high-quality carbon credits<sup>6</sup>.

6. Source: ICVCM



# The Voluntary Carbon Market as a Numerical Entity

**Investor Interest is Surging**  
Global demand could grow:

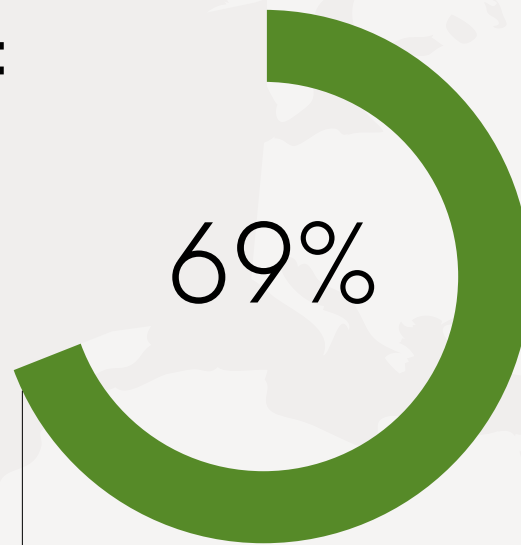
**51x** by **2030**  
and  
**100x** by **2050**

From **0.1 gigatonnes** of carbon dioxide equivalent (GtCO<sub>2</sub>e) in **2020** to

**up to 2 GtCO<sub>2</sub>e** by **2030**  
**up to 13 GtCO<sub>2</sub>e** by **2050**

Source: 'A blueprint for scaling voluntary carbon markets to meet the climate challenge', McKinsey & Company, 29 January 2021.

## VCM Revenue Share in 2024



**Forestry and land use** accounts for **69%** of VCM revenue share in 2024 (54% in 2023), with its market share continuing to grow at the expense of renewable energy.

Source: '2025 State of the Voluntary Carbon Market', Ecosystem Marketplace, 2025.



**10,000+ companies** in 2025 have ambitious climate change targets or commitments. In **2018**, there were only around **370 such companies**.

Source: Target Dashboard, Science Based Targets.

## Market Share by End Use in Value Terms

	2023	2024
Forestry and Land Use	53.9%	68.6%
Renewable Energy	16.4%	11.9%
Chemical Processes / Industrial Mfg	7.3%	4.2%
Household / Community Devices	11.3%	7.5%
Waste Disposal	1.6%	6.4%
Agriculture	4.4%	0.9%
Energy Efficiency / Fuel Switching	5.0%	0.4%
Transportation	0.0%	0.1%

**New Forests'** nature-based carbon projects predominantly fall under REDD+ or Afforestation, Reforestation and Revegetation (ARR) types. ARR prices grew 19% in 2024 from 2023. REDD+ methodologies remain the highest volumes traded, although prices rose more modestly.

Source: '2025 State of the Voluntary Carbon Market', Ecosystem Marketplace, 2025.

## Asia and Africa Hold Enormous Economic Promise

**In 2023:**

**Value of Asia Pacific VCM:**

**US\$723 million**

Source: 'Unravelling the Voluntary Carbon Market in Southeast Asia', KPMG, 2025.

**Value of Africa carbon markets** (compliance and voluntary):

**US\$650 million**

Source: 'Africa's Carbon Market: \$650M in Commitments and the Road to \$1 Billion', Carbon Units, 29 May 2024.

**By 2050:**

**Southeast Asia's VCM could generate**

**US\$3 trillion**

Source: 'The opportunity for carbon markets in ASEAN', Abatable, 4 December 2024.

**Africa's VCM could generate**

**US\$1.5 trillion**

Source: 'Africa's Voluntary Carbon Market Projected To Exceed \$1.5T By 2050', Carbon Herald, 23 January 2025.



# Wetland Revitalisation and Reinvigoration

## The Kuan Kreng Landscape Project, Thailand

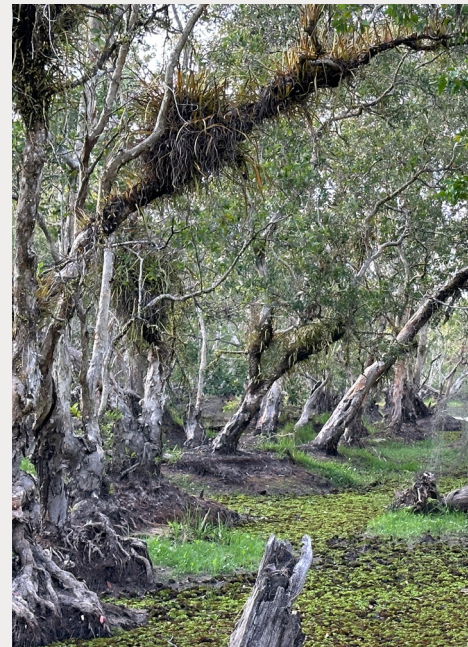
Beyond its carbon sequestration potential, this peatland restoration project aims to enhance local livelihoods and biodiversity.



As a nature-based solution designed to tackle climate change, few areas are as effective at storing carbon as peatland. Globally, these areas hold twice as much carbon as all the world's forests<sup>7</sup>.

New Forests' Tropical Asia Forest Fund 2 (TAFF2)<sup>8</sup> established local entity Restore Nature (Thailand) to help design and manage a restoration project in Thailand. Restore Nature is currently developing a conservation and restoration project to generate VCM credits in the Kuan Kreng Landscape (KKL) of Thailand, the Kingdom's second-largest peat swamp forest at 70,725 hectares (ha). Restore Nature is working closely with local communities to design and develop the project. Many households depend on fishing and other non-timber forest products from the peat swamp forests for their sustenance and livelihoods.

The venture's carbon sequestration potential is significant. Around 40% of the project's land area is suitable for a carbon project that has the potential to generate over 10 million carbon credits over the next 30 years<sup>9</sup>.



7. Source: 'How the world's peatlands can combat climate change', World Economic Forum, 21 February 2025.

8. TAFF2 is closed to new investors.

9. Source: 'New Forests' Tropical Asia Forest Fund 2 to invest in Kuan Kreng Landscape Peatland Conservation and Restoration Project in Thailand', New Forests, 22 February 2024.



## Bolstering Biodiversity

Prior to New Forests' investment, approximately 66% of the peat swamp forest was considered degraded – emitting up to 100 tonnes of carbon dioxide (CO<sub>2</sub>) a year per ha based on scientific calculations<sup>10</sup>. The area also experiences annual fires: between 2013 and 2022, some 2,508 ha of land was burned.

To rewet the drained peat swamp forest area, weirs will be erected to raise the project's water table. This should ensure that over time, carbon dioxide is captured and emissions avoided through suppressing aerobic oxidation, peat subsidence and wildfire. To complement this, a biodiversity



KKL is home to at least:



260 plant species

131 wildlife species

30 aquatic species

10. Source: 'Peat CO<sub>2</sub>', Wetlands International, 1 January 2006.



corridor will be created to support the distribution of fauna and flora, and protect endangered species.

### Uplifting Communities

Local communities will benefit directly in several ways, explains Geoffrey Seeto, Senior Managing Director, Emerging Markets, New Forests. The KKL project will provide full-time employment for locals who assist with project implementation, including weir construction, reforestation efforts and



monitoring. There are in turn, plans for revenue from carbon credit sales to be channelled to community initiatives of their choosing.

Furthermore, rewetting of peatland will help support key local industries, such as fishing, and contribute to industries such as basket- and bag-making, sourced from wetland reeds that are locally referred to as “Krajute”.

Local workers will also benefit from improved health, safety and security (HSS). The project will aim to adhere to the highest of global standards, requiring compliance with the IFC's Performance Standards on Environmental and Social Sustainability, which includes the World Bank Environmental Health and Safety (EHS) Guidelines.

The project will include the provision of personal protective equipment (PPE), to better equip local firefighters. This further complements a series of training sessions designed to improve firefighting.

### Supporting Ecotourism

Local communities should likewise benefit from an increase in ecotourism flows, which typically follow an area's

demonstrable boost in biodiversity. Already, ecotourism is an important income-generator for Thailand, attracting local and overseas tourists. Notably, this industry is well-regulated, including for instance, restrictions on mass tourism to areas with the highest biodiversity value.

KKL is located in the Thale Noi Non-Hunting Area. Within this area is a designated a RAMSAR site, Kuan Ki Sian, recognised as a wetland

of international importance and a UNESCO World Heritage Site.

New Forests is planning to seek and obtain a CCB label from Verra for the KKL project's planned climate, biodiversity and social co-benefits. The conditions described above should enable KKL to thrive socially and environmentally, while representing an important landmark carbon project in Thailand's quest for net zero.





# A Fairer and More Able Workplace

## Burapha, Laos

In Laos, New Forests' focus on shared benefits and worker upskilling have combined to create what we consider to be a more inclusive and rewarding place of work.



The Burapha Agro-Forestry Project in Laos is a notable example of sustainable forestry, adopting an integrated approach that balances economic objectives, environmental protection and community development.

Operating as an integrated plantation forestry, wood processing business and carbon project, Burapha grows eucalyptus and acacia primarily to supply its plywood mill, while also serving regional markets. Notably, Burapha is the first large-scale sustainable plywood producer in Laos, creating substantial local employment and significant skills development opportunities.



Verified under Verra's standards, the reforestation efforts of the Burapha carbon project are expected to generate approximately 600,000 verified carbon units (VCUs) over the next two decades. A significant milestone was reached in 2023, with the Burapha carbon project having its first issuance of over 140,000 VCUs, demonstrating the project's ongoing contribution to carbon sequestration and climate change mitigation.

Projected carbon credits are for illustrative purposes only and are based on a specific set of assumptions as to possible future legislative and regulatory frameworks. Actual results of operations and differences may result, where applicable, from changes in operations, changes in credit prices, changes in carbon prices, changes in operating expenses, changes in law or governmental policies, and other relevant considerations.



## Equity and Inclusivity

Burapha has prioritised the creation of an inclusive and equitable workplace through comprehensive worker training, professional development and health and safety practices that are aligned with international standards.

The project adheres strictly to IFC Performance Standards, ensuring responsible and sustainable operational practices. This approach guarantees a secure and fair working environment. It explicitly prohibits forced labour, child labour, discrimination, harassment, sexual violence or unsafe working conditions.

Meaningful community engagement is central to Burapha's approach, underpinned by rigorous Free, Prior, and Informed Consent (FPIC) processes. These activities safeguard community land access by identifying areas that are specifically preserved for local farming, effectively enhancing local livelihoods rather than maintaining competition for land. The project actively promotes increased labour opportunities, especially aimed at benefiting women and ethnic minority groups, and supporting gender equity and social inclusion.

## Economic Resilience, Diversified Income Opportunities

To strengthen community benefits further, Burapha provides structured out-grower programs that offer seedlings, technical assistance and market opportunities for alternative cash crops. This initiative fosters economic resilience and diversified income opportunities within local communities.

## Commitment to Conservation

Burapha demonstrates a strong commitment to conservation, setting aside over 20% of its total project area to protect environmentally and culturally significant areas, including forests and critical water resources.

Building on this robust foundation, New Forests is dedicated to further enhancing the project's existing achievements. New Forests is implementing a comprehensive environmental and social action plan, leveraging its resources and expertise to heighten positive outcomes for community livelihoods, worker wellbeing and environmental conservation.





# Driving More Sustainable Outcomes Through Monitoring Technology

## Green Resources in Uganda, Tanzania and Mozambique

Spanning three countries, this forestry estate seeks to deliver impact in terms of community support, biodiversity, and commercial opportunities – driven by robust monitoring and management.



11. Source: 'About', Green Resources.

12. Source: New Forests and GRAS Group estimates as at August 2025.

In 2023, New Forests' African Forestry Impact Platform (AFIP) acquired Green Resources A.S (GRAS), East Africa's largest forestry development and wood processing company with operations in Uganda, Tanzania and Mozambique<sup>11</sup>.

GRAS had already issued 394,000 VCUs from an ARR project in 2022. Further carbon credits are expected to be delivered in the next 12 to 24 months<sup>12</sup>.

## Measuring Biodiversity Outcomes

More than 35% of the 84,500 ha under management at GRAS is being protected for conservation. This includes:

- **Over 300 km of rivers**
- **At least 13 rare, threatened or endangered species**

To further enhance biodiversity, numerous policies and procedures have been put in place. The project leverages Orbify remote sensing technology, which uses AI and satellite imagery to identify and track terrestrial ecosystem land-use types. Orbify is also linked to a mobile application, whereby GRAS employees can report







biodiversity sightings, in turn adding photographs or a geo-location pin. The unique technology should lead to a better understanding of the activities of wildlife, which in turn can enable the GRAS leaders to make more informed decisions that further bolster biodiversity.

### Managing HSS Compliance

As Yida Kemoli, Managing Director, Africa, New Forests explains, the project's safety-first culture has seen the introduction of several new policies and measures. For example, GRAS has adopted the use of a mobile-enabled field checklist tool called Pulse, which has already led to improved HSS standards.

Appropriate roles and responsibilities have likewise been put in place, as have key performance indicators for staff. Additionally, an escalation matrix that monitors incidents has been designed and implemented. These actions should help see fewer accidents, and a safer work environment.

### Supporting Local Livelihoods

Complementing this, New Forests has launched several recent plans to support local livelihoods. The project's





Social Development Fund sees GRAS donate to community initiatives in local villages. These are chosen by communities, with GRAS monitoring and measuring their outcomes. To date, 80 community development associations are participating in the venture.

Similarly, its Community Development Plan involves regular local outreach, to better understand challenges and aspirations, and to help co-design solutions. Economic contributions from GRAS, in the form of direct and indirect employment, continues to enhance local livelihoods – as do the financial flows brought about by the operation of GRAS within the region.



### Sizeable Opportunities Await

We believe a significant untapped opportunity lies in the production of high-value forest products. Currently, Africa is a net importer of these products, focusing on the manufacturing and exporting of low-value equivalents.

To realise this ambition, businesses like GRAS will continue to develop capacity and build partnerships with distributors at home and abroad. In our view, the creation of high-value forest products for local buyers will see New Forests tap into consumer markets of the future – especially with Africa boasting a high population growth rate, and a sizeable future consumer class population<sup>13</sup>.

13. Source: 'As Africa's Population Crosses 1.5 Billion, The Demographic Window Is Opening; Getting The Dividend Requires More Time And Stronger Effort', UNECA, 12 July 2024.



# Instilling Market Integrity

High-quality carbon projects that both sequester carbon and enhance local livelihoods and biodiversity, are essential to the growth of the VCM. Without these, the VCM will struggle to achieve the high social and environmental impact it promises.

Without integrity, markets invariably fail. This principle applies as much to the VCM as it does to any other industry.

Joanna Tan, Head of Fundraising and Regional Strategy Lead, Asia, New Forests, notes that quality and integrity are vital attributes underpinning any carbon project. These attributes not only help ensure that carbon credits play a key role in achieving net zero – they will also help realise the social and environmental co-benefits that credible carbon projects require. According to Sanjiv Louis, Director of Investments, Asia, New Forests,

the VCM replaces donor-based programmes implemented by NGOs, which are typically not self-sustaining, and are subject to periodic budget reviews. New Forests believes that in time, a market-based approach can be self-sustaining, and able to drive tangible climate and community outcomes.

## Principles for Supply-Side Integrity

Assets managed by New Forests to deliver carbon credits must use a carbon credit standard that promotes integrity of environmental outcomes, while safeguarding against adverse impacts on the environment and society. New Forests has defined the following Principles to ensure integrity: any carbon credit standard applied to an asset under management must demonstrate compliance with the following:



### Real

That the offset represents a real emission reduction, avoided emission, or carbon removal.



### Be Additional

That the offset would not otherwise have happened under a business-as-usual management approach and is the result of actions to deliver climate benefits.



### Be Independently Verified

That the offset is verified by an independent third party, using credible standards and methodologies.



### Addressing Permanence

That the risk of reversal of an offset is mitigated through project level, standard level, and/or scheme/policy mechanisms that ensure offset integrity.



### Addressing Leakage

That the risk of leakage of activities related to the offset is mitigated through project level, standard level, and/or scheme/policy mechanisms that ensure offset integrity.



### Do No Net Harm

That the offset project appropriately identifies and mitigates risk of significant adverse environmental and social harms that may relate to the project and its activities.





New Forests believes that several standards meet the above Principles. These include the Gold Standard (GS) Verified Carbon Standard (VCS), American Carbon Registry (ACR), and national domestic registries where mandated by law.

To support supply-side integrity of the VCM, New Forests will stay abreast of market developments such as the ICVCM. New Forests supports the recommendations of the ICVCM's Core Carbon Principles<sup>14</sup>, and as appropriate, will consider them as part of standard selection and project development.

### Alignment with Investor Climate Goals and Commitments

New Forests works closely with investors to ensure their interests and goals are closely aligned with its projects. Supporting these efforts has meant developing a framework to assist in navigating demand-side integrity with buyers of voluntary carbon market credits. This involves:

- **An assessment of the credibility of a company or investor's climate action plan.**
- **Engagement with a company or investor on their climate action plan.**

- **An assessment of the impact of selling carbon credits to New Forests' reputation and that of our clients and stakeholders.**

The integrity of carbon markets is an evolving issue. As such, New Forests will continue to monitor and review its approach based on market developments—including changes in regulatory frameworks, and the evolution of participant and stakeholder feedback.

### Looking Ahead

Looking ahead, the continuing development of VCM regulations and standards – under frameworks like the ICVCM and established industry benchmarks such as Verra's CCB Standards and the Gold Standard – will be crucial in ensuring transparency, credibility and tangible impact.

Additionally, companies such as New Forests collaborate closely with governments and regulatory authorities to provide insights and best practices, supporting a functional, transparent and robust voluntary carbon market.

Success depends on the active engagement of all stakeholders, including local communities,

governments, NGO partners, and corporate investors, working together to support continuous improvement and resilient project outcomes. “Securing a social licence to operate involves working both directly and indirectly with communities,” explains Sanjiv Louis, Director of Investments, Asia, New Forests.

Non-governmental organisations and civil society organisations should be involved to ensure broad-based support for projects, Louis notes: “Meanwhile, corporate partners and donor-funded programmes help to de-risk projects and ensure that measures such as benefit-sharing mechanisms are exemplary.”

With industry best practices still evolving, proactive participation and adaptive investment are imperative to accelerate climate action and foster a future where voluntary carbon markets deliver enduring, widespread benefits.



14. Source: 'The Core Carbon Principles', ICVCM.



# Conclusion

The VCM can be a highly effective means of meeting net zero commitments, especially for businesses where carbon emissions are hard to abate. When planned and executed correctly, VCM credits can also be highly impactful in terms of driving positive social and environmental change.

Crucially, VCM credits are a viable, alternative asset class allowing investors to grow and diversify their portfolios – especially institutional investors who invest over long-term horizons. The investment approach and on-the-ground application demonstrated by firms such as New Forests help ensure that project integrity continues to be an intrinsic part of the generation, verification, issuance and distribution of high-quality voluntary carbon credits – as demonstrated by the three projects showcased in this storybook.

To learn more about VCM credits and how New Forests can align your sustainable investment goals with its high-quality real-world carbon projects around the world, reach out at [ir-team@newforests.com](mailto:ir-team@newforests.com) today.





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