



Voluntary Carbon Markets

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CORPORATE & INSTITUTIONAL

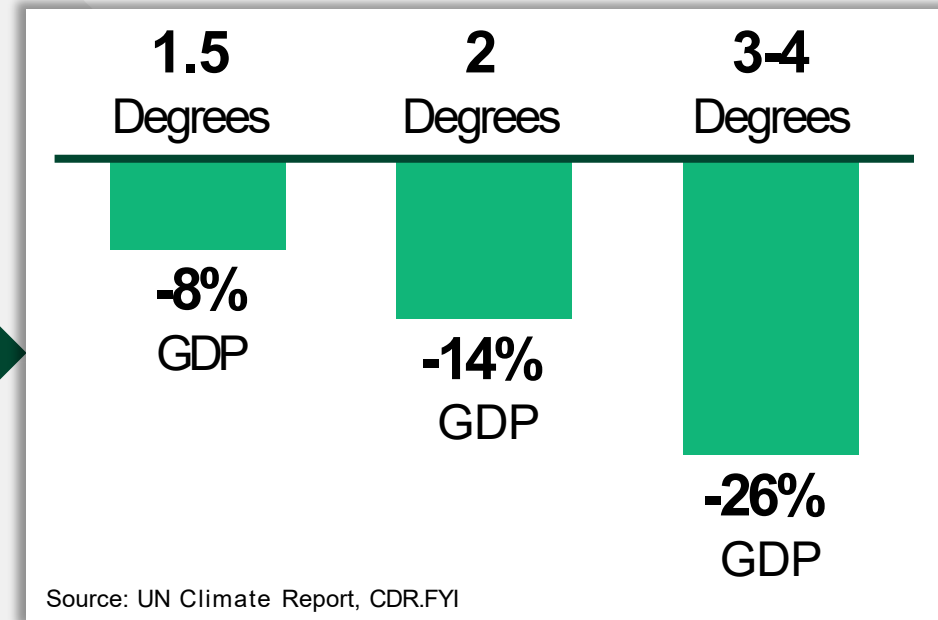
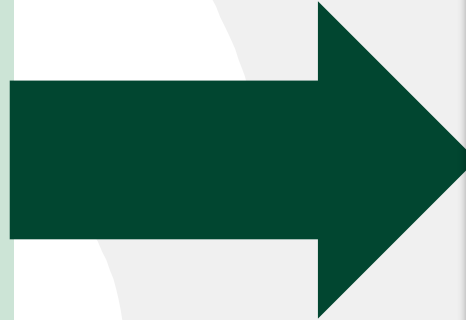
The rationale for voluntary carbon markets



Around 65% of companies around the world have made some form of net zero commitment

However, just 16% of global companies are on track to hit net zero emissions by 2050 (21% for European companies)

Even among firms *with* net zero commitments, robust strategic alignment and credible reductions (especially around scope 3 emissions) remain limited and inconsistent



With each degree increase, we lose an estimated 12% of GDP

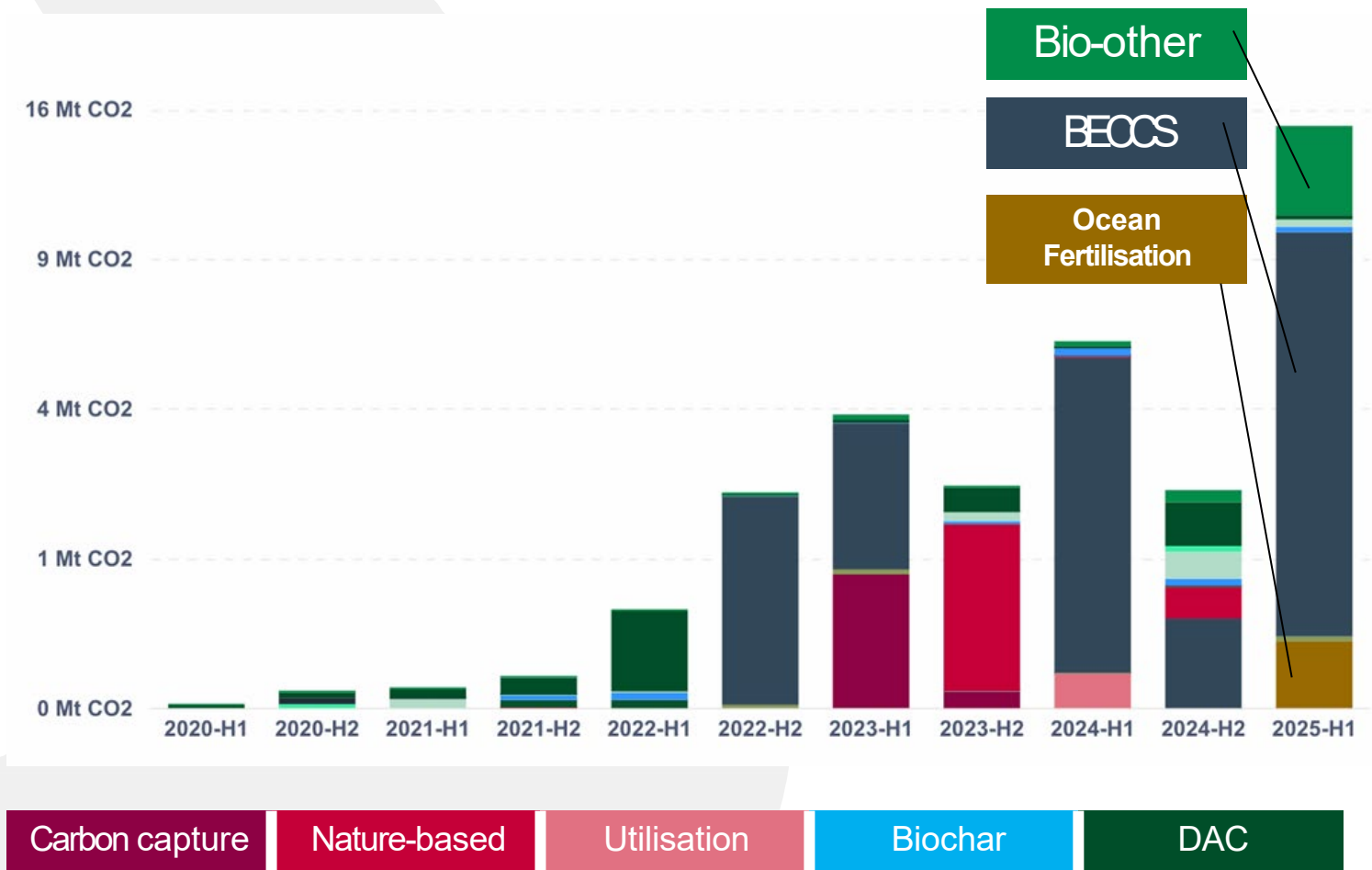
It is too late to just decarbonise, or rely on reduction credits. The need for carbon dioxide removals (CDR) is more immediate and necessary

CDR market review – unprecedented growth in the market



The CDR market has gained significant momentum, with 16 million tCO₂ purchased in the first half of the year (233% YoY growth versus 2024)

94% of purchases came from biomass-based projects (BECCS – 60%, Biochar – 10%)



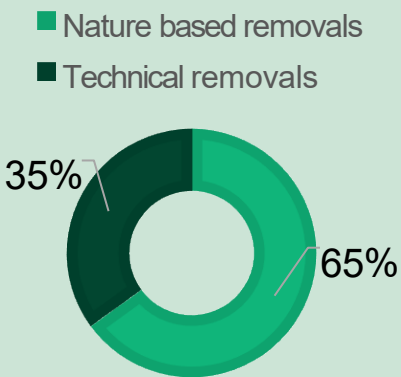
Source: AlliedOffsets

Predictions are that by 2030 the market will be worth \$100bn, and by 2050 \$250bn, led by growing demand and corresponding price increases, as well as support from governing bodies and standard-setters

CDR market review– project types and buying trends



In terms of contracted offtakes, there has been an increase in tech-based removals, though nature-base solutions still accounts for 65%

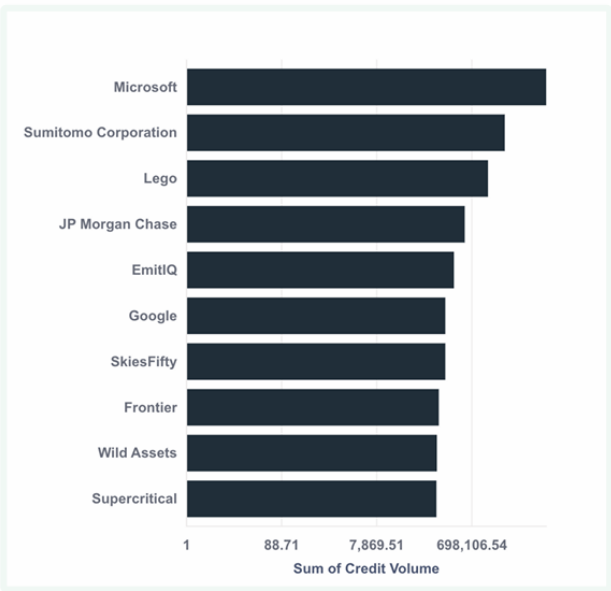


The biggest buyside sector is Tech (by volume) though by number of buyers, the biggest sector is Financial Services

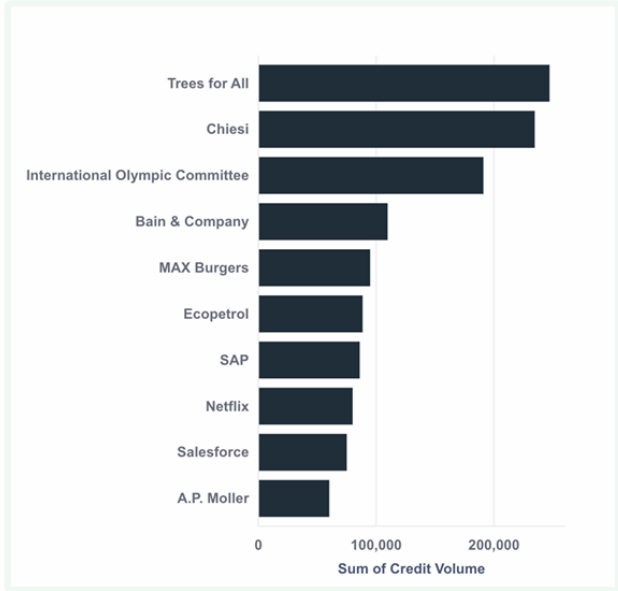
Whilst the market is dominated by repeat purchasers *buying* in size, there is little overlap with those companies who have *retired* the most credits (see below).

Additionally, 50% of buyers in H1 2025 were first-time CDR purchasers, which is a positive indicator for future demand

Top Offtakers H1 2025

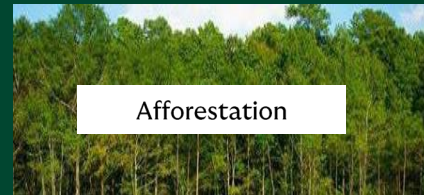


Top Retiree's H1 2025



Source: AlliedOffsets

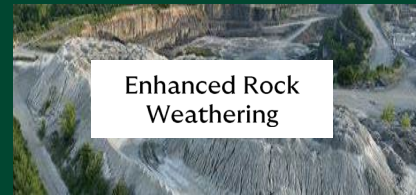
A portfolio approach to carbon removal purchasing



Afforestation



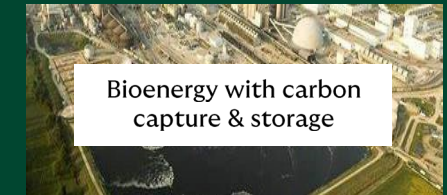
Biochar



Enhanced Rock Weathering



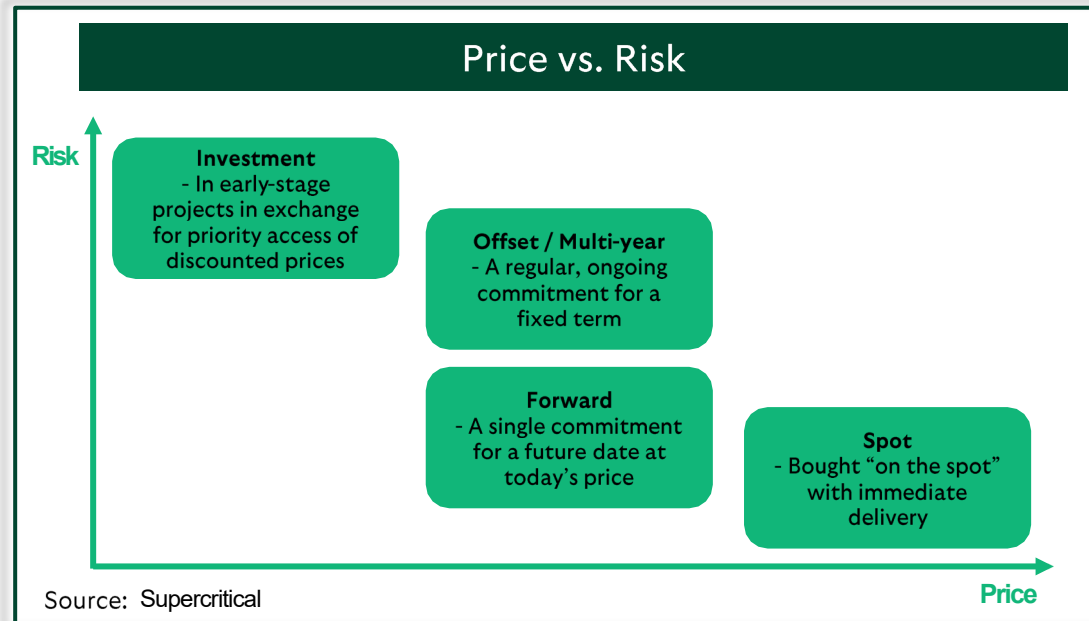
Direct Air Capture



Bioenergy with carbon capture & storage

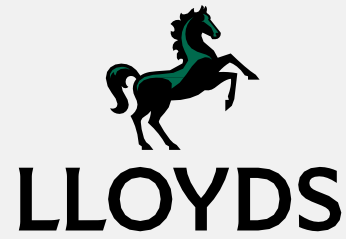
Less costly (average £30/tonne)
Closer to deployment
Less permanent

More costly (average £200/tonne)
Greater R&D needs
More permanent



- A recent survey found that price is the most significant factor in carbon removal procurement decisions, (along with clear net-zero standards, clear business rationale and government policy) while nearly half of purchasers said lower costs would increase their motivation to buy durable CDRs.¹
- Price can be impacted by permanence and project quality, as well as the method of procurement: spot, forward, offtake or early-stage investment.
- Forwards and offtakes include commitments to purchase a set amount of carbon credits at a set price to be delivered at a future date, which often comes at a discount to spot purchasing.

¹ Source: [In Net Zero Standards We Trust - 2025 CDR Market Survey](#)



VCM in action: A case study

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