



Nature-Based Carbon Removal: Why Quality and Integrity Matter Now More Than Ever

Chestnut Carbon was founded on the belief that quality and integrity are essential for trust in climate solutions. Since our founding in 2022, we have deliberately chosen to exclusively sell carbon removal credits through our afforestation (ARR) and improved forest management (IFM) projects. This removals-only strategy sets us apart in a market dominated by reduction-heavy projects that often face questions about additionality. Chestnut anticipated that removals would become more valuable over time, and to-date this has proven true as buyers increasingly favor high-integrity solutions that deliver measurable, long-term climate benefits.

We believe in long-term, real-world solutions and have built our business around three foundational principles that guide every decision we make— Environmental Integrity; Community Partnership; and Technological Innovation. This unique approach has led us to be a premium provider of nature-based carbon removal credits in the U.S., delivering comprehensive climate impact beyond just carbon sequestration and helping our customers meet their net zero goals.

Introduction

At Chestnut Carbon, we believe that quality and integrity are non-negotiable. Climate change touches nearly every aspect of our society, and as the energy landscape evolves, companies, landowners, and NGOs alike are seeking effective, meaningful ways to accelerate the energy transition and adopt lower carbon, more sustainable alternatives.

When Chestnut was launched three years ago, we made a deliberate choice: to focus exclusively on nature-based carbon removals. For ARR, this is simple. We plant trees on marginal land that at one point during its lifecycle was clear cut to make way for livestock grazing or crop production and restore native forests. We wanted the same level of simplicity and integrity for IFM. We designed our IFM portfolio to source exclusively from privately-owned, at-risk U.S. forests, generating credits that meet the most rigorous certification criteria and demonstrate a conservative measure of climate benefit.

Our conviction and intuition were clear – removals represent the most robust and scientifically defensible pathway for carbon credits. We believed that demand for carbon removal would increase far more than demand for reductions as the market evolved.

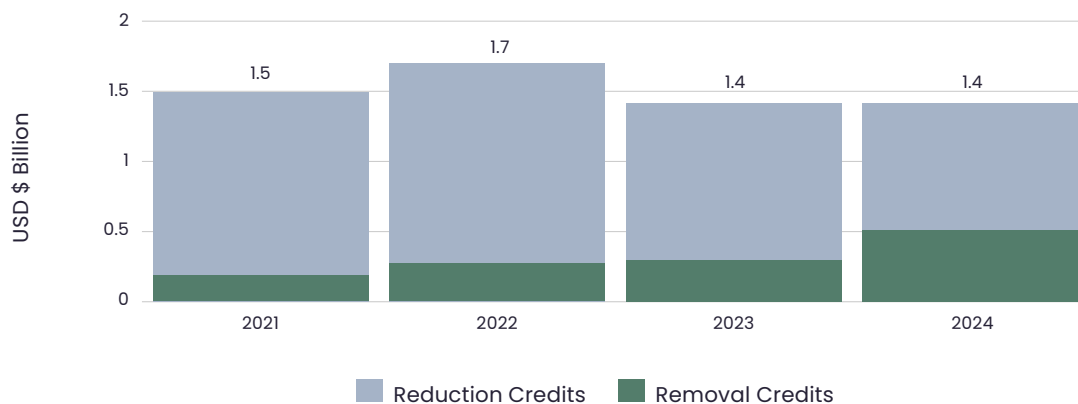
By committing to removals only, we set ourselves apart in a market full of reduction-heavy portfolios that raised questions about additionality and gaming the system. Savvy buyers increasingly recognize these nuances and the methodological differences between removal and reduction credits. Pricing of removal and reduction credits has materially diverged as a result. We've seen a decisive shift in buyer behavior away from projects issuing primarily reduction credits or blends, reflecting growing scrutiny and demand for high-integrity solutions that deliver measurable, long-term climate benefits.



Market Overview

According to MSCI, removal credits are growing rapidly, while reduction credits are declining—highlighting a market pivot toward nature-based carbon removal.

Market Size of Credits Retired¹



Record growth in long-term, nature-based carbon credit offtake agreements was also recorded in 2024. These offtake agreements had a strong focus on removal credits, signaling that buyers are prioritizing quality and airtight claims of additionality.

Companies from a diverse range of industries are looking to boost activities in voluntary carbon markets (VCM) by the end of the decade, according to Schneider Electric Advisory.²

55% of the companies surveyed said they are planning to expand their carbon market engagement by 2030. In building carbon portfolios, 50% of the respondents preferred nature-based carbon removals.

"The growing premium for high-quality credits demonstrates that integrity is now a key driver of value. Buyers are becoming more selective and project developers are responding by meeting higher standards."

– Allister Furey, CEO at Sylvera

"Respondents say these projects deliver immediate climate impact while driving biodiversity and community co-benefits,"

– Mathilde Mignot, Group Director, Nature & Technology-Based Solutions at SE Advisory

We're encouraged to see the market increasingly embracing the approach we committed to since our founding; and yet we believe there is still work ahead. Chestnut remains steadfast in championing integrity and the myriad co-benefits of nature-based carbon solutions.

We're proud to be one of the first project developers to adopt a removals-only IFM strategy. We've successfully issued and sold high-integrity removal credits to multiple buyers and we've secured multi-year forward offtake agreements, setting a benchmark for long-term climate impact.

As 2030 quickly approaches with many corporate commitments targeting net zero, it is critical that buyers prioritize carbon projects that rigorously quantify the amount of carbon removed and ensure the true impact of the carbon removal they are purchasing.

Source: (1) MSCI 2024 Data

(2) SE Advisory 2025 Carbon Credit Outlook



Chestnut's Improved Forest Management Approach – What Sets Us Apart

We believe that meaningful climate action demands more than ambition – it requires integrity, collaboration, and innovation. That's why our IFM business is built on the same three-pillar approach: Environmental Integrity; Community Partnership; and Technological Innovation. These tenets are designed to deliver long-term, real-world solutions that benefit both the environment and the communities in which we operate.

01 Environmental Integrity

We are committed to conserving and enhancing biodiverse forest ecosystems through scientifically informed practices. Every carbon credit we issue is rigorously verified by third-party auditing bodies and registries. Limited, climate-smart commercial forest management is certified by the Forest Stewardship Council® (FSC), guaranteeing the highest standards of environmental stewardship.

Our IFM projects protect at-risk forests for the long-term by incentivizing climate-smart forestry. Chestnut allows landowners to capitalize on market growth and fully realize carbon as a diversified revenue stream; a sustainable alternative or complement to timber sales. Our project agreement, established with landowners, is tied to the property for the lifetime of the carbon project. This ensures that future owners cannot invalidate existing carbon removals. Simply put our goal is to keep forests as forests, conserving the critical functions these ecosystems provide.

In addition to sequestering carbon, the long-term conservation of U.S. forestlands brings many environmental co-benefits to the project areas including improvements to air, water, and soil quality, maintenance of native wildlife habitats, and enhanced resilience to climate change. We measure these outcomes against the standards set by the United Nations Sustainable Development Goals for the planet³.

To-date, we have reduced risk through a widely dispersed land portfolio spanning nearly 40 states and counting; partnering with nearly 300 private IFM landowners nationwide. This geographic diversity helps mitigate threats from pests, pathogens, and natural disturbances. This thoughtful risk mitigation approach supports Chestnut, our credit buyers, and the climate as a whole by preventing a catastrophic loss of the benefit of our projects.

02 Community Partnership

Private forest landowners leverage Chestnut's scale through our IFM program, gaining access to carbon credit markets while maintaining ownership and stewardship of their land. Our approach provides landowners with annual payments through a sharing model in which their payouts grow along with credit sales. Sustainable long-term management required by our program generates income from carbon as a diversified revenue stream allowing landowners to secure their properties in the near-term and through future generations. With their forests conserved, landowners can also explore diverse community uses—from hosting arts and music festivals, allowing local hunters to use their lands, or producing maple syrup.

Enrollment in our IFM program unlocks specialized resources for private landowners including forest management plan development for responsible harvesting and systematic documentation processes to preserve decades of forest knowledge for future generations. Chestnut is committed to partnering with conservation-minded landowners by simultaneously enrolling their lands into carbon projects and certifying any harvesting to FSC® standards. By taking this approach, Chestnut is delivering not just carbon removal but also real and verifiable biodiversity and ecological sustainability benefits for the long-term.

Our forest management employs best-practice forestry techniques to reduce risks from wildfires, diseases, and other potential threats. This risk mitigation approach, as well as the environmental improvements that these conserved lands support, provide substantial community benefits.

Source: (3) UN Sustainable Development Goals



03 Technological Innovation

Chestnut Carbon takes a high-tech approach to one of nature's oldest processes, forest-based carbon removal. Our proprietary data sets, combined with sophisticated technology tools, optimize every aspect of our projects. This integrated technology platform enables cost-effective delivery of premium carbon credits at scale.

We developed a proprietary tool, the Chestnut Land Explorer, that employs public and private data to identify U.S. regions in which trees absorb the highest volumes of carbon for any specific parcel of land. This allows us to identify land with the optimal productivity for our ARR project and evaluate private forest landowner candidates for our IFM project.

We also use a patented forest inventory device to substantially reduce forest inventory and measurement costs. Inventory data flows directly into inventory management software, enabling rapid and accurate carbon yield projections and fair revenue assessments for properties of all sizes. We then leverage modeling tools to create detailed maps and carbon sequestration projections of each property, which we use to calculate the tons of carbon removal underlying our credits. This unique, tech-driven approach allows us to serve landowners and assess land parcels anywhere in the U.S. cost-effectively while delivering the rigorous verification that credit buyers demand.

Chestnut is also on the bleeding edge of the AI revolution. We use the vast troves of data we've collected to build state-of-the-art models to automate field inventory processes. We're also actively engaged in research efforts to help monitor and understand the biodiversity impacts of our projects using advanced species recognition AI tools. By integrating cutting-edge data analytics with proven forestry practices, we ensure that every credit meets the highest standards of scientific rigor and transparency.

Conclusion

As the voluntary carbon market evolves, buyers are demanding transparency, integrity, and co-benefits that go beyond offsetting. Purchasing credits from projects that emphasize removals over reductions helps to ensure alignment of corporate intentions with the purchase of high-quality credits that represent real climate outcomes. Chestnut's future-focused vision centers on demonstrating that nature-based carbon removal solutions can scale without compromising a project's environmental integrity and positive community impact.

Leading corporations choose Chestnut because our projects provide comprehensive climate impact that extends far beyond simple carbon offsetting. Discerning companies recognize that our approach delivers multiple value streams: genuine carbon removal, biodiversity restoration, and community improvement and development.

The future of climate action depends on integrity and innovation. At Chestnut Carbon, we are committed to setting that standard—today and for decades to come.



Learn more at chestnutcarbon.com or
contact us at info@chestnutcarbon.com

