Case Study

AURORA SUSTAINABLE LANDS

State of Private Investment in Nature

2026

Aurora Sustainable Lands—Carbon-First Forestry: *Building a New Investment Model for US Timberlands*

QUICK FACTS

Geography	United States—15 states including WV, KY, VA, NY, MI, MN, NH, FL, AR, LA, TN, and others
Stage	Established 2021; rebranded Aurora 2023; scaling/operational—31 active IFM carbon projects, credits being issued
Capital raised	Initial JV: $500 million (2021, Anew Climate + Oak Hill Advisors). Subsequent acquisition of substantially the entire Forestland Group portfolio. Total current capitalization not publicly disclosed. Additional investors: AB CarVal, EIG, GenZero.
Asset type	Real asset (direct land ownership). Company structure, not a fund—investors hold equity in Aurora, not in discrete fund vehicles.

For most of the past four decades, the US timberland investment market operated on a single thesis: acquire divested paper company lands, manage for timber, and return capital at the end of a fund cycle. Returns have shifted downward from mid-teens in the early years of the market to 4-6% as the space grew crowded and timber markets softened. Carbon was an interesting add-on revenue opportunity in theory but often a line item on the conference agenda in practice.

Aurora Sustainable Lands was founded in 2021 on a different premise. Rather than layering carbon revenue onto a timber-first investment model, Aurora was built from the outset around the thesis that forests generating carbon revenue could justify dramatically lower harvest rates, that those lower harvest rates would produce measurably better ecological outcomes, and that the whole structure would generate returns competitive with or superior to conventional timberland investment.

That thesis has been validated. Aurora is now one of the 10 largest private landowners in the United States, managing 1.65 million acres across 15 states. It has secured a $100 million offtake agreement with TotalEnergies and a 10-year, 4.8 million credit agreement with Microsoft. In December 2025, it issued the first credits in the country under ACR's new IFM 2.1 methodology.

The model traces its origins to Anew Climate's decade of forest carbon work across the US TIMO market.Before forming Aurora, Anew had assessed hundreds of properties for carbon value, understood disposition timelines across major timber portfolios, and watched TIMO after TIMO attempt and struggle to integrate carbon into a fund structure not built for it. Aurora was conceived as a company structure designed around carbon management rather than a fund structure retrofitted to accommodate it.

KEY FIGURES

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1.65M acres under carbon-stewardship management across 15 states
5.8M tCO_2e sequestered annually
31 active IFM carbon projects
$100 million TotalEnergies offtake (2024)
4.8M credits Microsoft 10-year offtake (2025)
1.43M acres FSC-certified

PROJECT ARCHITECTURE

Aurora is structured as a private joint venture between Anew Climate and institutional equity investors, originally capitalized at $500 million in 2021 with Oak Hill Advisors, and subsequently expanded through a landmark acquisition of substantially the entire Forestland Group portfolio. Additional investors include AB CarVal, EIG, and GenZero. Critically, Aurora is a company that owns land directly. Investors hold equity in Aurora the company, not in discrete fund vehicles with mandated exit timelines.

This means long-term carbon and ecological management are not constrained by typical fund cycles. Management decisions can be made at 40-year horizons, plantation stands can be converted to more diverse natural forests, and long-term carbon commitments can be honored without needing to transfer the underlying asset to a new owner mid-project.

Revenue comes primarily from IFM carbon credit sales, exclusively developed and marketed by Anew Climate using its proprietary Epoch platform, which applies dynamic baselines, high-resolution satellite imagery, and ground-based measurement to quantify carbon stocks. Credits are registered under ACR's IFM 2.1 protocol, among the first methodologies to receive ICVCM Core Carbon Principles certification. Long-term offtake agreements with corporate buyers provide multi-year revenue visibility and underpin the investment case.

Timber harvest remains part of the business but functions as a backstop, not a primary revenue driver. Aurora harvests at levels that would not cover operating costs without carbon revenue. That dependency, as Cakey Worthington, Aurora's SVP of Sustainability and Natural Capital describes it, is precisely what makes the model's additionality credible: the company is managing land in ways no purely timber-driven investor would choose.

Early investors accepted a higher-risk profile in exchange for greater upside, acquiring assets before the carbon model was fully demonstrated. As projects are now established and generating, future capital is expected to attract a more conservative investor profile seeking stable long-term returns, with land values having appreciated as the carbon asset has been proven.

OUTCOMES

Aurora manages over 600,000 contiguous or near-contiguous acres across West Virginia, Kentucky, and Virginia as an integrated unit. Properties share boundaries, share wildlife corridors, and can be managed together for connectivity outcomes. The next frontier, as Worthington frames it, is translating biodiversity and ecosystem co-benefits into market signals that attract specific buyers and, eventually, premium pricing. As corporate carbon strategies increasingly incorporate CDR technology, nature-based solutions will need to demonstrate the full range of outcomes that technology-based removal cannot provide: biodiversity, water quality, permanence, landscape connectivity, and community benefits. The Microsoft deal, which included permanent working forest easements on some properties, is an early signal of what sophisticated buyers are beginning to require. Aurora's business structure, with its long-duration management commitments and landscape-scale ownership, is better positioned to deliver those outcomes than a fund with a 10-year hold period.

KEY TAKEAWAYS

- When carbon is foundational rather than additive, every harvest decision is evaluated against both timber and carbon value. Carbon revenue is not the first thing cut when markets tighten; and the company can make 40-year ecological commitments that fund structures which mandated exit timelines cannot honor. Aurora harvests at levels that would not be viable without carbon revenue, which is also what makes its additionality credible.
- Institutional demand for forest carbon credits is real but has become substantially more demanding amidst market volatility and increased scrutiny of the voluntary carbon market's integrity. Sophisticated buyers now require carbon integrity, permanence, and co-benefit evidence before closing large multi-year forward deals. Aurora's large offtake agreements are proof that this scrutiny can be satisfied but also reflect how much technical and ecological infrastructure is required to do so.
- The field has not yet connected co-benefit measurement to investable financial outcomes. Frameworks and data exist in abundance. What is missing is the pathway from biodiversity or connectivity evidence to a pricing signal: the mechanism that would allow co-benefits to attract specific buyers or reduce cost of capital rather than functioning only as reputational risk management.