



**THE  
GLOBAL  
CITY**

UK Carbon  
Markets Forum

# Seizing the UK's carbon credit opportunity: Measuring value to enable action



## The UK is well-placed to capitalise on the growing financial opportunities of the global carbon credit markets

### Carbon credit markets present significant financial opportunities for the UK economy

The UK plays a leading role in global carbon markets and recent evidence has suggested there are growing financial opportunities. These financial benefits are accompanied by the markets' other purpose: bridging the net zero financing gap by efficiently allocating capital towards decarbonisation and creating wider environmental and social benefit.

### The UK already creates value from the carbon credit markets, with global markets expected to grow significantly

This report provides a quantified evidence base of the value that the UK generates today from carbon credit markets. These economic benefits are linked to global market activity, which is projected to grow substantially over the next 25 years. Industry analysts forecast a range of possible valuations for the market by 2050, from \$60bn to over \$250bn, depending on outcomes across a range of plausible supply and demand scenarios.<sup>1</sup>

**50 – 190x**

Potential growth of global carbon credit markets by 2050<sup>1</sup>

### Areas of financial opportunity for the UK in carbon credit markets:

01



#### Boost the Economy

The UK's carbon credit market ecosystem caters to the global market, creating jobs and economic value here in the UK

02



#### Drive Service Exports

The global markets have a need for UK expertise and services, creating a key export service opportunity

03



#### Unlock Investment

The growing global markets help unlock investment opportunities for UK businesses and financial services

### Value<sup>2</sup> for the UK:

**£1.2bn**

Gross value added, 2025

**+£380m**

UK total insured value of carbon products, 2025

**\$2.2bn**

Investment from UK financial institutions into global carbon projects (2023-25)

**+11,000**

Direct and indirect ecosystem jobs, 2025

**#2**

Global rank based on number of engineered carbon removal companies, 2025<sup>3</sup>

**\$3.5bn**

Investment into UK carbon projects (2023-25)

### The UK Government can play a key role in realising the financial opportunities in carbon credit markets

The UK Government requires clear economic benefit to be articulated to enable action, as demonstrated through recent UK policy developments regarding the linking of the UK and EU emissions trading schemes. To support the UK Government in shaping its policy agenda, this report, supported by a technical annex, provides a suite of metrics that measure the value of the opportunity.

### To seize the opportunity the Government should focus on:

- 01 Championing carbon market use
- 02 Helping define quality
- 03 Helping protect corporate claims
- 04 Building global capacity
- 05 Developing UK greenhouse gas removals strategy
- 06 Incentivising nature investment

## Measuring the value of markets can enable action, and help seize the UK's financial opportunity

### The City of London Corporation and UK Carbon Markets Forum aim to showcase the financial opportunities of growing carbon credit markets for the UK

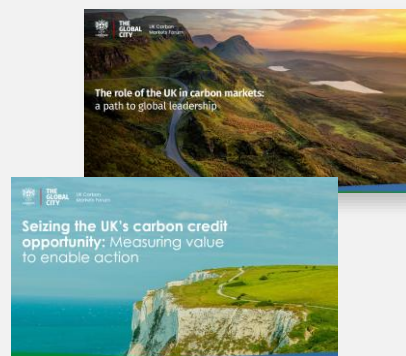
Carbon markets exist to enable cost-efficient decarbonisation, encouraging the market to innovate and find solutions to meet our shared goals. They are also mechanisms to scale sustainable finance, enable a just transition and support the transition towards a global net zero target. Carbon credit markets, a subset of carbon markets, deliver sustainability impact through carbon projects, often having benefits in terms of decarbonisation, nature management and protection, as well as social co-benefits. These markets have a dual-benefit. They also create financial opportunity through the need for market-enabling services.

In 2025, work from the City of London Corporation (City of London) and the UK Carbon Market Forum (Forum) qualitatively assessed several areas of potential opportunity for the UK in the context of global carbon credit markets.<sup>2</sup> This included leveraging the strengths of the UK's leading carbon credit market ecosystem, financial services sector, and natural resources. This new report, and accompanying technical annex, aim to quantitatively measure the financial value for the UK across a range of metrics and better understand the opportunity ahead.

### Measuring value will enable the UK Government to take further action and position the country to seize future financial opportunities

The UK Government has already taken steps to engage with stakeholders on the potential benefits of the carbon credit markets, via its consultation on Voluntary Carbon and Nature Markets in 2025. The insights provided in this report aim to provide further quantified evidence of the UK's financial opportunities to enable the UK Government to take the necessary action to seize them.

#### Resources on the carbon market opportunity for the UK<sup>2,4</sup>



#### The dual benefit of carbon markets: impact and opportunity

## Carbon Markets

Mechanisms that efficiently channel capital into emissions reductions and removals

**Sustainability Impact**

**Financial Opportunity**

To realise the financial opportunities of carbon credit markets for the UK, the economic benefits need to be clearly measured to enable Government action

### Measure Benefit

This report showcases the financial benefit of carbon credit markets for the UK

### Enable Action

Understanding the value of the markets can enable the UK Government to take action and seize the opportunities

### Example in action: Linking the UK and EU emissions trading schemes (ETS)

#### Measure Benefit

##### Reduce cost of transactions

Increased liquidity to drive down transaction costs by £290m for UK participants between 2026-30<sup>5</sup>

##### Reduce cost of cross-border trade

£800m drop in UK Carbon Border Adjustment Mechanism (CBAM) costs between 2026-30<sup>5</sup>

##### Increase opportunity for financial services

Linking schemes increases notional traded value from \$61 billion to \$1.2 trillion<sup>2</sup> based on 2025 trading

#### Enable Action:

UK Government and EU reached a Common Agreement in 2025 to formally link the UK-EU ETS based on the value measured

\$61 Billion

\$1.2 Trillion

**Outcome:** Planned 20x increase in notional traded value of linked UK-EU ETS market

### The UK Government has already proven that effectively demonstrating economic benefit can lead to action being taken, such as linking ETSs

The underlying and essential benefits of carbon markets, specifically ETSs are being able to efficiently allocate capital and lower cost of decarbonisation for industry at a system level, whilst also creating tax revenues, which were £3.4 billion in 2024-25.<sup>6</sup>

Since the UK ETS was established in 2020 after leaving the EU ETS post-Brexit, there have been calls to link the two mechanisms to reduce cost of compliance, reduce cost of trade, and increase the value financial services can deliver for the market. In 2025, economic modelling claimed the potential financial opportunities of those three key areas, which enabled the UK and EU to take decisive action and announce a Common Understanding to link the schemes.

This report aims to enable similar bold action from the UK Government to support the growth of the carbon credit markets and seize the dual benefits of financial opportunity and sustainability impact.

### The UK is already starting from a leadership position in global carbon markets, which it has been leveraging for carbon credit markets

The expansion of carbon credit markets represents a natural extension of the UK's existing carbon market leadership, rather than a new or untested opportunity, building on proven strengths in trading, clearing, insurance, finance, governance, and market oversight.

The UK plays a central role in global carbon markets through its leadership in carbon allowance trading<sup>7</sup> and risk management, alongside a growing ecosystem supporting carbon credits. In 2025, approximately \$1.4 trillion of carbon allowances and related derivatives were traded via UK-based market infrastructure provider, Intercontinental Exchange (ICE).<sup>2</sup> This activity underpins price discovery and risk management across five cap and trade programmes globally, including the EU ETS, UK ETS, and three programmes in the United States.

The UK has already begun utilising these services and infrastructure for global carbon credit markets, such as the trading of Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) credits. This should give the UK Government confidence that the UK market ecosystem is ready to seize the opportunity.

#### Value of carbon units traded via UK infrastructure<sup>2</sup>

#### Notional Traded Value (Billion \$)

EU Carbon Allowance	1,170
California Carbon Allowance (US)	142
UK Carbon Allowance	61
Regional Greenhouse Gas Initiative Allowance (US)	15
Washington State Carbon Allowance (US)	3
CORSIA carbon credits	0.017

Table 1: Showing the scale of traded value through UK financial services infrastructure, data provided by Intercontinental Exchange

## Global carbon credit markets create UK financial opportunity across three themes

### Boost the Economy



**The UK's carbon credit market ecosystem caters to the global market, creating jobs and economic value here in the UK**

The UK carbon credit market ecosystem describes the multitude of entities in the UK that contribute to the proper functioning of global carbon credit markets. Whether it be developers responsible for the carbon projects themselves, registries and standards that ensure credit quality, brokers who facilitate transactions, or beyond, each of these entities generate economic activity. By fulfilling their function in the market, they create jobs and add value to the UK economy.

- ✓ **Gross Value Added:** The economic output contributed to the UK economy from ecosystem activities
- ✓ **Jobs:** Employment from direct ecosystem activities and indirect supply chain effects

Altogether, this ecosystem and the value that flows from it makes up a vital component of the UK's overall net zero economy.

### Drive Service Exports



**The global markets have a need for UK expertise and services, creating a key export service opportunity**

The UK exhibits world class strength across the many service areas needed in these markets, including in financial, professional, technical and governance-based services. Whilst also offering domestic benefits, this comparative advantage provides the UK with the opportunity to export these services abroad as well. This global reach means that activity in carbon credit markets anywhere in the world can be supported and facilitated by UK services, creating value back at home. The two core groups of services the UK provides are:

- ✓ **Financial services:** This includes services across credit trading, brokerage, insurance, banking and investment
- ✓ **Market-enabling services:** This includes services across credit ratings, advisory, legal, technology, consulting, governance services, and research

### Unlock Investment



**The growing global markets help unlock investment opportunities for UK businesses and financial services**

In purchasing carbon credits, buyers create a flow of capital into projects domestically and internationally with returns that go well beyond carbon offsetting. The UK is realising that return across three main buckets:

- ✓ **Creating investment opportunities for UK businesses, such as financial services and corporates**
- ✓ **Attracting investment into UK carbon projects and businesses**
- ✓ **Generating returns from underutilised UK natural capital assets**

The financial upside of these investments makes them attractive for the private sector whilst also delivering wider socio-economic benefits.



## Boost the Economy

# The UK's market ecosystem is already delivering, with forecasts predicting rapid growth

### A bottom-up measurement approach showcases there are potentially over 6,000 jobs across +550 entities in the UK's carbon credit market ecosystem

A comprehensive review of registry and exchange company filings and other secondary research methods highlighted over 550 entities operating in the UK with either a full or partial role in the carbon credit market ecosystem. Within these entities, we estimate there are over +6,000 full-time equivalent (FTE) direct roles, primarily within the UK's 'Professional, Scientific and Technical Services' and 'Financial and Insurance Services' sectors. Including indirect employment effects (e.g. supply chain impacts), this rises to over 11,000 FTEs, based on the Office for National Statistics' (ONS) employment multiplier methodology. For further details on the entities and number of FTEs included in the model, please see the technical annex.<sup>2</sup>

Looking ahead, industry observers have forecast the potential employment impact of UK leadership in carbon credit markets. BeZero Carbon's Vision 2035 estimates that 135,000 high-skilled UK jobs could be present in the market,<sup>8</sup> indicating that growth in these markets can support robust job growth domestically.

### Economic modelling shows the UK carbon credit market ecosystem already provides value to the UK economy, boosting GVA by £1.2 billion per year

Combining the FTE data with economic multipliers from the ONS, this showcases that the UK carbon credit market ecosystem creates over £600m in direct GVA and a further £550m in indirect value.<sup>2</sup> In context, this suggests the carbon credit market ecosystem represents around 1.8% of the UK's wider net zero economy, based on comparisons with the CBI's Net Zero Economy report.<sup>9</sup> The estimates do not include induced impacts (i.e., additional economic activity and job creation generated by employee spending), meaning the complete view of economic contribution from these markets is likely higher.

#### Value of UK carbon credit economy<sup>2</sup>



**£1.2bn**  
Gross Value Added

Represents 1.8% of GVA in the UK's net zero economy

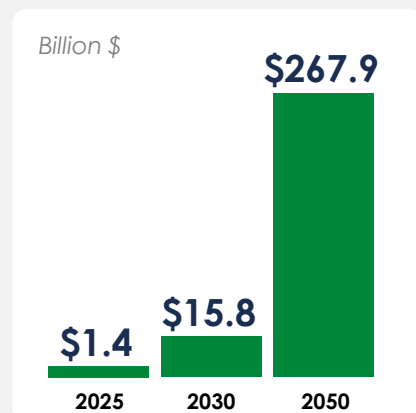
**+11,000**  
Jobs

Represents 1.7% of direct and indirect jobs in the UK's net zero economy

#### Global carbon credit market value projections

**50 – 190x**

Potential growth of global carbon credit markets by 2050<sup>1</sup>



### Whilst the size of the market today is modest, the UK carbon credit market ecosystem caters to a global market that is set to grow by up to 190x by 2050

The UK market ecosystem exists to provide services to a global carbon credit market that is currently valued at \$1.4 billion.<sup>1</sup>

Projections of the market depend on key variables, including corporate use of carbon credits, convergence with compliance and regulated markets, international market development, and other sources of demand such as the CORSIA. MSCI estimate that carbon credit markets could be valued at over \$250bn by 2050, a projection that falls to \$60bn in their more pessimistic modelling outlook.<sup>1</sup>

While care must be taken when estimating the UK's share of the total 2050 market, it is evident that the country's well-established and globally essential services are poised for substantial growth by 2050.



## Drive Service Exports

# UK carbon services can be a pillar of the UK's global competitiveness

A spotlight on some of the UK's globally leading services:

### Insurance services

Insurance is one of the essential enabling services the market needs to scale globally, helping manage risk for investors and creating bankable carbon projects

The UK dominates carbon insurance through Lloyd's of London infrastructure, a dense carbon specialist ecosystem, and a first-mover advantage. Innovators have emerged, including firms like Kita, Arfio and Oka, who are providing globally leading carbon credit products, with CFC providing additional underwriting capacity.

Howden, the broker leading carbon product development, is shaping global demand and has been selected to set the insurance requirements mandated by Gold Standard for CORSIA credits.

Crucially, by owning insurance carbon product design and structuring expertise, the brokerage, and underwriting capability, the UK can remain dominant even as other markets start to mature.

## #01

Global leader in carbon insurance<sup>2</sup>

## +£20m

UK Gross written premium for carbon products in 2025<sup>2</sup>

## +£380m

UK total insured value for carbon products in 2025<sup>2</sup>

## ~£30bn

Estimated global gross written premium for carbon products by 2050<sup>10</sup>

### Verification, ratings and analytics services

These services inform investment decisions, create confidence and promote trust by assessing quality and risk

The UK has a clear strength in carbon credit markets through its concentration of leading ratings agencies, including Sylvera<sup>11</sup> and BeZero Carbon,<sup>12</sup> two of the world's five, which have collectively raised over \$200 million in venture capital. Complemented by data providers such as London Stock Exchange Group and AlliedOffsets, the UK shapes transparency, pricing, and market intelligence.

As demand for high-integrity credits grows, transparency is increasingly critical to build investor and corporate confidence. Ratings can increase credit values by ~20%,<sup>13</sup> reinforcing the UK's role as a key enabler of market growth.



## 2/5

The UK is home to 2 out of 5 of the world's carbon credit rating agencies<sup>4</sup>



## \$200m

Funding raised to date by the UK's globally leading ratings agencies

### Carbon removals technology

Engineered carbon removal technologies are essential for 'netting' residual emissions by 2050

The UK has the second highest number of engineered carbon dioxide removal (CDR) companies globally, behind only the US, with around 65 companies, reflecting a deep and rapidly growing innovation base. This concentration creates a strong pipeline of technologies across direct air capture, biochar, and mineralisation, positioning the UK as a leading centre for CDR development.

UK policy, like CDR targets and commitment to UK ETS integration has strengthened the domestic market. This strength, alongside the global demand for CDR needed annually by 2050, means the UK is well positioned to export its technology to this ever important market.

## #02

In number of engineered CDR companies globally, with 65 in 2025<sup>3</sup>

## \$3.6bn / year

Estimated value of engineered removal credits from UK demand by 2050\*

## \$478bn / year

Estimated value of engineered removal credits from global demand by 2050\*\*

\*Based on an average weighted carbon price of \$104/tCO<sub>2</sub>e for engineered CDR and the Climate Change Committee's 2050 target for engineered CDR of 35Mt.

\*\*Based on an average weighted carbon price of \$104/tCO<sub>2</sub>e for engineered CDR and the IPCC requirement of up to 4.6Gt of engineered CDR by 2050.



## Drive Service Exports

# A legacy of carbon market leadership unlocks value for the UK

### Further examples of UK service export opportunities:



#### Trading and exchanges

##### Provide crucial infrastructure for improving liquidity and price discovery

The UK is already globally leading in these services due to their relevance for ETSs and allowance trading. As previously indicated, ICE, which traded \$1.4 trillion in notional value in 2025, trade both allowances and carbon credits.

Carbonplace, a leading carbon credit trading exchange based in London, was created by nine global banks and raised \$45m in 2023<sup>14</sup> to utilise UK financial infrastructure for carbon trading for carbon credits.

CTX Exchange claims to be the world's first digital spot exchange for carbon credits, and has trading volumes worth up to \$2.5m per month as of 2025.



#### Investment and banking

##### Play a key role in providing different forms of capital and deal structuring to support carbon project development, globally

Carbon credit markets offer UK financial institutions opportunities for returns as global demand grows. Several UK banks, asset managers, and venture capital businesses have begun to enter the market and provide finance. HSBC's Climate Assessment Management fund has invested over \$650m into natural capital solutions,<sup>15</sup> including carbon crediting solutions. Aviva Investors created their Carbon Removal Fund<sup>16</sup> to target an attractive financial return alongside human and biodiversity benefits.



#### Brokers and marketplaces

##### Connect buyers and sellers while reducing complexity, building trust, and improving price discovery and scale

The UK has a high density of brokers and marketplaces structuring deals for a global client base. According to CDR.fyi, UK brokers have facilitated over 13% of global carbon removal credit purchases.<sup>18</sup>

Climate Impact Partners, for example, has supported Microsoft since 2021 and recently brokered a 1.5m tCO<sub>2</sub>e credit deal, worth ~\$22m.<sup>17</sup> Platforms such as Abatable, CUR8, Revalue Nature and Supercritical focus on simplifying procurement and strengthening due diligence.



#### Advisory and legal

##### Help shape market participation strategies, navigate evolving regulations, and ensure compliance

The UK hosts a strong cluster of leading climate advisory companies in addition to being home to 3 out of the Big 4 firms. The country also maintains the second largest legal services market globally,<sup>19</sup> an essential component for complex legal advisory and contracting. Long-term, structured deals and offtake agreements will increasingly require specialised advisory and legal services that the UK is well-positioned to deliver.

### The UK also creates influence through global market governance and research

#### Governance, standards and rule setting

##### Ensure integrity and consistency across global markets

The UK is home to both the Integrity Council for Voluntary Carbon Markets (ICVCM), which sets the quality benchmark for global carbon credit markets with its Core Carbon Principles framework,<sup>23</sup> and Voluntary Carbon Market Integrity Initiative<sup>24</sup> (VCMII) whose guidance allows for the credible use of voluntary carbon markets.

Guidelines such as the Oxford Net Zero Offsetting Principles<sup>21</sup> build confidence in the market by bolstering integrity and aligning offsetting with credible net zero pathways.

#### Academia and research institutions

##### Provide the scientific foundation for emerging technologies

In 2022, nearly 200 scientific articles on CDR were published by lead authors affiliated with research institutions in the UK,<sup>20</sup> with university cities becoming hubs of CDR innovation, particularly in direct-air-capture (DAC), mineralisation, and bio-capture.


**Unlock Investment**
**The UK is capitalising on the billion-dollar opportunity in global carbon credit markets**

**Creating investment opportunities for UK investors and corporates:** Investors are financing projects and project developers to create a return via an equity stake or long-term fund position, and UK corporates are investing now to hedge future expected price increases.

**\$2.2 Billion**

The value of publicly announced investment from **UK financial institutions into global carbon projects**, including debt, equity, fund commitments and offtakes over a rolling 3-year period (2023-25).<sup>2</sup>

**\$3.6 Billion**

The value of publicly announced investment from **UK corporates into carbon projects** across different asset classes including debt, equity, via fund announcements and commitments, and offtakes, as well as credit retirement.<sup>2</sup>

**Case study:** Barclays created Unreasonable Impact<sup>25</sup> – a programme that has supported +390 high-growth ventures as they scale to address global issues. A major focus has been carbon project developers, having racked up nearly 150 million tonnes of emission reductions to date. Ventures supported include 44.01, Seaweed Generation, Land Life, and more.

**Attracting investment into UK carbon projects and businesses:** UK projects, technology developers, and ecosystem players are attracting investment from both UK entities and foreign investors. This is stimulating innovation and supporting the UK's leading role in engineered carbon removals.

**\$3.5 Billion**

The value of publicly announced investment into **UK carbon projects** via debt, equity, fund commitment and offtakes over a rolling 3-year period (2023-25).<sup>2</sup>

**\$2.5 Billion**

The value of investment into **UK engineered carbon removals and capture companies** via debt, equity, fund commitment and offtakes over a rolling 3-year period (2023-25).<sup>2</sup>

**Case study:** UNDO deploys enhanced rock weathering (ERW) to achieve permanent carbon removals. The company has landed three deals with Microsoft since 2023 to remove 49K tCO<sub>2</sub>e,<sup>26</sup> as well as with others such as McLaren Racing.<sup>27</sup> The company was awarded \$5m as one of four global winners of the \$100m XPRIZE Carbon Removal competition.<sup>28</sup>

**Generating returns from underutilised UK natural capital assets:** Carbon credit markets have allowed UK landowners to put a value on their natural assets to support their protection and management. This is leading to further benefits through the ecosystem services that arise from certain UK landscapes.

**£336 Million**

The value of **UK nature-based carbon credits issued, of which £30 million have been purchased and retired**. Only 1.5% of the nature asset value managed or protected by carbon credit projects are in the South East of England, sharing value beyond London.<sup>2</sup>

**£500 Million /Yr**

The estimated and potential **value of ecosystem services per year that UK nature-based carbon projects provide**, based on the +100,000 hectares of woodland and peatland projects they protect and manage. This is based on the estimated value of air pollution reduction, nature-based recreation, and flood regulation.<sup>2</sup>

**Case study:** With Aviva Ventures in the lead, Nattergal raised £40m of seed equity for its mission to “rewild” depleted ecosystems on the investment thesis that nature restoration at scale is a highly investable asset class.<sup>29</sup> Arup then followed with a £1m upfront investment to support degraded land restoration in return for 10K tCO<sub>2</sub>e carbon removal credits over the next 30 years.<sup>30</sup>

*The investment data is sourced from Abatable's database of publicly disclosed announcements on carbon credit-related deals. Many transactions for carbon credit markets either do not detail the deal value, or they occur privately, over-the-counter. The figures presented are therefore highly likely to be underestimates of the true value of investments.*

## Global carbon markets developments drive demand for UK services

**The global market's growth is underpinned by several key factors which all create a near-term need for different services, boosting confidence in the UK's opportunity**

The global market forecasts are based on several factors, each with their own impact on demand scale and timing. Several of the drivers will create demand for UK services in the near-term, such as insurance for project developers crediting for CORSIA, and the need for legal services for country-level trading.

Other drivers will likely create a longer-term demand for UK services, such as the need for trading and exchanges once carbon credits are integrated into UK or EU ETSs beyond 2030.

Aviation compliance scheme	Country-level trading	Corporate net zero guidance	AI growth	Compliance convergence
<b>How it drives near-term growth:</b>				
Phase 2 of CORSIA, starting in 2027, could generate 1600 Mt of demand, positioning aviation as a major regulated buyer of credits. <sup>31</sup> Insurance coverage is required for all Gold Standard project developers in CORSIA, while compliance obligations are also likely to drive demand for ratings providers to support due diligence.	The scaling of trades under Article 6 of the Paris Agreement enables countries to use carbon credits towards their Nationally Determined Contributions (NDCs), with 78% of countries planning for their use. The complexity of cross-border transactions is expected to drive demand for legal and insurance services, with ratings and verification becoming critical.	The finalisation of guidance from organisations such as the Science Based Targets initiative (SBTi) and ISO Net Zero (expected around 2027) is likely to reduce uncertainty and enable more consistent corporate carbon credit purchasing. Corporates will seek advisory services to navigate new net-zero rules, with brokers benefiting from growth in long-term contracting.	Rapid emissions growth driven by AI data centres and technology companies is expected to increase near-term demand for CDR credits. Project developers and engineered removal providers will benefit from this surge in corporate demand, as will investment and brokerage services supporting long-term offtake agreements.	The integration of carbon credits into ETSs, including ongoing UK and EU discussions, is expected to expand regulated demand for credits over time. Growth in compliance markets will create larger-scale investment opportunities for financial institutions and increase demand for trading and brokering services to support more transactions.

**Demand rating for UK services:**

Insurance	●	●	●	●	●
Trading & exchanges	●	●	●	●	●
Investment & banking	●	●	●	●	●
Brokers & marketplaces	●	●	●	●	●
Verification, ratings & data	●	●	●	●	●
Carbon removals technology	●	●	●	●	●
Advisory, legal & consulting	●	●	●	●	●

- High demand for near-term UK services (up to 2030)
- Demand for near-term UK services (up to 2030)
- Longer-term demand for UK services (2030+)

## Growth is not guaranteed, but it is an opportunity to be seized

### Different industry analysts have projected a range of market valuations in recent years due to the uncertainty on the use of carbon credits

Several industry analysts have attempted to value the carbon credit market over the years and have consistently reported a wide range between optimistic and more conservative outlooks, as demonstrated by MSCI's scenarios.<sup>1</sup> These discrepancies largely stem from uncertainty around demand for different types of carbon credits, particularly in the context of their voluntary use in corporate net zero strategies and their inclusion in compliance markets around the world.

Until businesses and investors gain greater confidence in the role and use cases of different carbon credit types, uncertainty is likely to persist on both the market valuation, and the UK's financial opportunity.

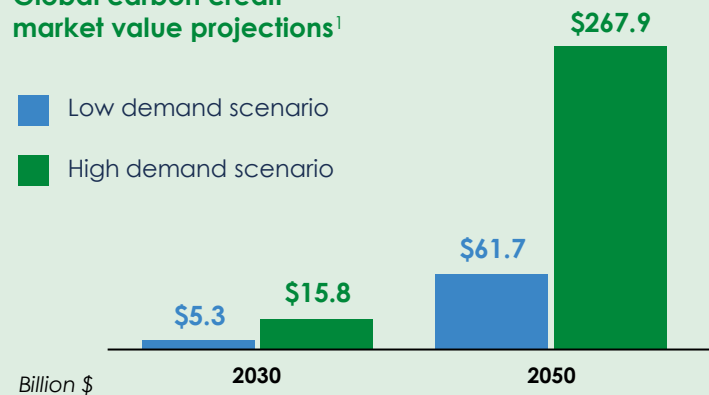
### The UK Government can take action to increase carbon credit market confidence, maximise the future market valuation, and seize the market's dual benefit of sustainability impact and financial opportunities

The Government has already taken steps to support market development with the launch of Voluntary Carbon and Nature Markets Consultation (2025), the Independent Greenhouse Gas Removals (GGR) Review (2025), and the Integrating Greenhouse Gas Removals in the UK ETS Consultation (2025). To maximise the financial opportunities the carbon credit markets offer the UK, the City of London and Forum believe the Government must take six actions to boost confidence for businesses, investors and global markets.



#### Global carbon credit market value projections<sup>1</sup>

■ Low demand scenario  
■ High demand scenario



### 6 key actions for the UK Government to create market confidence and seize the UK's financial opportunity:

- 01 **Champion carbon markets use:** Provide businesses with the clarity and support they need to plan their future use of credits through either regulated use or endorsing voluntary standards
- 02 **Help define quality:** Set or endorse a threshold for quality that gives developers, investors, and businesses the long-term confidence to invest into, and develop, impactful projects
- 03 **Help protect corporate claims:** Support UK businesses in making the right claims on their use of credits to protect them for greenwashing and safeguard their reputation
- 04 **Build global capacity:** Utilise the UK's global influence to promote the use of high-integrity carbon credits and support capacity building efforts in EMDEs\* to create the foundations of a robust and quality market
- 05 **Develop UK greenhouse gas removals strategy:** Develop a comprehensive GGR strategy that offers developers and investors clarity on potential demand and maintains support for credit inclusion in the UK ETS
- 06 **Incentivise nature investment:** Incentivise investment into UK nature-based carbon credits to unlock the returns from the UK's underutilised natural capital assets

## Endnotes

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## About the Global City campaign

The Global City campaign is the City of London Corporation's overarching initiative to promote the UK as a world-leading international financial centre. It showcases the UK as a great place for financial and professional services firms to invest, locate and grow.

[theglobalcity.uk](https://theglobalcity.uk)



## About the City of London Corporation

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK.

We aim to:

- Contribute to a flourishing society
- Support a thriving economy
- Shape outstanding environments

By strengthening the connections, capacity and character of the City, London and the UK for the benefit of people who live, work and visit here.

[cityoflondon.gov.uk](https://cityoflondon.gov.uk)

## UK Carbon Markets Forum

### About the UK Carbon Market Forum

The UK Carbon Markets Forum was established in April 2021 to support the growth of a high-integrity scaled carbon market in the UK and to support and amplify common international frameworks. The Forum is chaired by Dame Clara Furse, with City of London Corporation providing secretariat support. This research draws on research carried out by City of London Corporation and its technical delivery partners.

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