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THE GIRAFFE'S VIEW

Conversations on technology, risk, and innovation

Lisett Luik on leadership and building forests that can't be faked

A conversation with Srikanth Madani, Head of Innovation EMEA, Sompo

In this conversation

Carbon sequestration, biodiversity, and the productive use of unused land can contribute to the broader climate transition when economic incentives align with environmental and social benefits.

Lisett Luik discusses how reforestation projects can create new value for landowners through carbon markets and long-term forest management. The conversation also explores how forest projects are financed and monitored using data and remote sensing.

Conversation guest

Lisett Luik

Co-Founder, Arbonics

Lisett Luik is the co-founder and Chief Operating Officer of Arbonics, a Tallinn-based climate tech company that is building the new forest economy by helping landowners realize the climate value of their land through data-driven forestry solutions. Arbonics combines advanced geospatial data, forest science, and carbon market expertise to enable afforestation and sustainable forest management, translating carbon sequestration potential into verified carbon credits and new economic opportunities for landowners.

Prior to Arbonics, Lisett built her career across startups and corporate strategy, including roles in early-stage tech companies, strategy at American Express, and investment roles with European tech investors. Her work focuses on scaling nature-based solutions to climate change while empowering landowners with transparent, technology-backed tools. She has an MBA from the Yale School of Management.

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1. A Journey: From Philosophy to Climate Tech

Srikanth: *Lisett, what a pleasure to have you here! Could you introduce yourself and tell us about your journey as a builder in this critical space?*

Lisett Luik: Sure — and thank you for having me. My name is Lisett Luik, and I'm the co- founder of Arbonics, a climate tech company based out of Estonia.

About my career: I think I've had the kind of journey that makes sense looking backwards, but I definitely couldn't have planned it.

I studied philosophy and economics at the London School of Economics (LSE). At the LSE, most people go into banking or consulting. I wasn't fully convinced by either, so I started looking around. Almost by coincidence, I ended up interning at a tech startup called TransferWise — now Wise.

I loved it immediately — the energy of an early-stage company, where things are being built from scratch. That's when I realized that this was what I wanted to do. After that, I worked at a few startups around 2015–2016. It was a very dynamic time — lots of funding, lots of new companies — but also very volatile. I experienced several rounds of layoffs in one company, so I saw both the excitement and the instability of early-stage building.

Then I made a deliberate detour. I thought, "I've seen the chaos of startups, now I want to understand how a 160-year-old company operates". I joined American Express in corporate strategy. I learnt a lot about structure, discipline, and long-term thinking. But in the end, my heart was still in early-stage companies.

2. Reimagining Forestry for a Climate-Forward Future

Srikanth: *At what point did trees enter the picture?*

Lisett Luik: I did an MBA at Yale, and when I returned to Europe, I joined an investment firm in Estonia run by Taavet Hinrikus, my former boss from TransferWise. I expected to work closely with tech startups — which I did — but the firm was also investing in forest land.

And that's when something unexpected happened: I fell in love with forests.

We were trying to invest in forestry in a climate-forward way — not just maximizing timber, but also thinking about carbon impact, biodiversity, and community value.

We looked for a partner who could help us do that properly, and we couldn't find one. So, my co-founder Kristjan Lepik and I decided to build it ourselves. That was in late 2021, and that's how Arbonics started.

Srikanth: *Your long-term ambition is to remove one gigaton of CO_2 from the atmosphere. I understand that if you convert that number into dry ice, the solid form of CO_2, it would be a cube of 1.3 kilometers on each side, which is literally a mountain. How do you see this happening?*

Lisett Luik: Yes, one gigaton is a very big number — but I don't think it's unachievable.

At its core, Arbonics is about helping us realize the full value of forests. Traditionally, forestry has focused almost entirely on maximizing timber production. But forests do much more than that. They remove carbon dioxide from the atmosphere, they support biodiversity, they regulate water, and they provide community spaces. You know — places where people can go for a walk, where they can go mushroom picking, where they can just breathe fresh air.

The challenge is that most of those benefits are public goods. Everyone benefits, but no one directly pays for them. So, landowners are usually only compensated for timber.

Carbon credits are one way to change that. They allow us to translate the carbon removal benefit of a forest into revenue. That revenue goes to the landowners who make the long-term investment of planting or maintaining forests. If we want more of these positive behaviors, we need the right incentives in place. People can't do things out of just ideals. They need to feed their children, and they need to pay for the heating in their houses.

When you think about it, trees are an incredibly efficient carbon removal technology. They've had 300 million years of evolution to optimize that process. All the incredible work happening in engineered carbon removal is exciting — but nature is already extremely efficient.

Today, we operate in five countries, work with more than 400 landowners, and manage over 12,000 hectares of forest land. Across our portfolio, we're currently at around 3.5 megatons of carbon impact. We're still at the beginning — but we're moving.

> Forestry returns take decades. The real work is designing short-term rewards that protect long-term incentives.

3. The Economics of Carbon Credits

Srikanth: *You mentioned landowners as a core customer segment. Forestry is a long-term investment. How do carbon credits change the economics for them?*

Lisett Luik: True, forestry really is a decades-long investment.

If you're planting a new forest on one hectare, that might cost around 2,000 euros upfront — for saplings, labor, and early maintenance. Meaningful timber income may only come 40 or 50 years later. For many landowners — especially those who are older, and that's often the demographic in Europe — that's not a realistic time horizon, even though many still do it for their grandchildren.

Carbon credits improve the cash-flow profile. A newly planted forest can start generating carbon credits after around five years. The amounts are small at first and grow over time, but they come much earlier than timber income.

Even though carbon revenue is smaller overall compared to future timber revenue, the fact that it arrives earlier and more regularly makes the investment more viable. It allows landowners to finance planting, take short-term loans if needed, and unlock land that might otherwise remain unused — often abandoned farmland or pasture.

Srikanth: *Let's get into the financing structure. Who ultimately buys these credits and when?*

Lisett Luik: Yes, both *who* and *when* are key. Large corporations like Big Tech and management consulting firms that have long-term climate commitments are the big buyers in this space. They can plan for their potential need for carbon credits ten or more years out. And they're increasingly seeing that supply for the type of credits that they want — high quality, high integrity and well-measured carbon credits — may tighten over time (including towards 2030), depending on market and regulatory developments and the standards buyers apply. That's because a lot of companies have sustainability goals around 2030 and demand may increase.

So, they are happy to enter into long-term offtake agreements. That means they commit in advance to purchasing credits that will be generated in the future.

Those agreements can help unlock financing earlier for landowners. Not all the money is paid upfront — and that's important, because incentives must remain aligned — but part of it can be used to support planting today. The bulk of payments still depends on verified carbon removal over time.

It's about making it work for landowners, project developers like us, and long-term buyers. We also play a market-making role here. The landowners can choose to sell credits directly to large corporations, or through us. Being part of a pool of carbon credit suppliers raises negotiation power, of course.

4. Managing Risks in Forestry

Srikanth: *How do you think about risk? Pests, wildfire, species diversity, changing rainfall patterns, climate change, for instance?*

Lisett Luik: The first thing to do is pick where you operate. We did a lot of analysis before selecting the countries we are present in, specifically to manage risk. We operate primarily in the north and east of Europe, where there is a lower risk of wildfire. There are no hurricanes or tornadoes, really, and fewer very extreme weather events.

Forestry is always about planning decades ahead. The forest you plant today may mature in 50 or 60 years. You have to think probabilistically.

One key principle is diversity. Mixed-species forests are more resilient. If one species is vulnerable to a specific pest — for example, bark beetles attacking spruce — other species may survive and regenerate the forest. Mixed forests also tend to be more resilient to fire.

At the same time, climate change is shifting species northward. For example, oaks and poplars are moving north. There's ongoing discussion with scientists about whether to gradually introduce species that may become native in the future — while being careful not to introduce invasive species. It's always a balance.

Srikanth: *You named three tree species. I wonder whether we would take nature risk more seriously if more of us could actually recognize the trees we walk past every day. Was that awareness something you consciously cultivated?*

Lisett Luik: I'd say I have an unfair advantage being Estonian. Estonia is more than 50 percent covered in trees. Growing up as a child, you learn this. I remember going for walks with my grandmother and she taught me to differentiate between an oak or a maple or an alder based on the leaf shape.

It's much harder in the winter when the trees have dropped their leaves. Really good foresters can still do it based on bark. I can differentiate things like broadleaf versus conifer, but not specifics necessarily.

But I think it's a great exercise for everyone. Go to your local green space park and try to figure out what trees they are. And these days you have AI-based apps that can tell you the answer based on a photo.

Srikanth: *A lovely suggestion. Now, carbon markets have faced criticism in recent years. How do you ensure integrity of your carbon credits?*

Lisett Luik: The criticism has been valid in some cases. There have been projects that, in hindsight, were not designed or implemented as well as they could have been.

But the market is maturing. Major verification bodies like Verra have introduced stricter methodologies. One important development is the concept of a dynamic baseline. Instead of the project developer simply defining what would have happened without the project, some comparable real-world control plots are used to establish that baseline. In afforestation projects like ours, credits are not issued based on estimates alone. They are issued based on measured carbon removal. Independent auditors verify those measurements before credits are issued. At Verra, they are called validation/verification bodies (VVBs).

Technology too is helping hugely. Remote sensing makes it much harder to conceal forest loss or manipulation. Transparency is increasing, and I actually believe more regulation is helpful here, which is not something you often hear a startup entrepreneur say. Regulation sets a floor — it removes the lowest-quality actors from the market. And I think that will give everyone more confidence.

5. Leveraging Data for Impact

Srikanth: *You've mentioned combining dozens of data layers. What does your data analytics look like?*

Lisett Luik: Yes, this has been one of the most interesting and fun technical challenges.

We have to assess the land, to see what kind of forest might grow there. How fast will trees grow? We then tell

the landowner what they should be planting. And then we actually model that forest growth and monitor it. And then as it goes along, we compare it and adjust and also then train our models based on what we're learning. Because the real growth conditions of a forest can vary hugely. You can have little microclimates, you can have one dry summer, one wet summer — lots of variants can happen.

We combine between 30 and 50 data layers per country. That includes satellite imagery, soil data, academic research, public data sources, and ground-level measurements. We standardize all of this into small five-meter hexagons so that we can model land consistently.

One challenge is that data sources have very different resolutions. Some satellite imagery might be accurate to 100 meters, while other sources are accurate to 30 centimeters. You have to harmonize everything into the same framework.

Another challenge is scale. When you process hundreds of hectares in five-by-five-meter units, that's a huge amount of data. Technologies like remote sensing and LiDAR (Light Detection and Ranging) allow us to monitor forests much more precisely than traditional forestry methods, which were often very analog. Sometimes the data exists, whether from airplanes or drones, and sometimes we might need to get that data ourselves.

Over time, as we gather more data, our models improve.

6. Engaging investors and landowners

Srikanth: *Let's talk about how you raised capital. What resonated most with investors?*

Lisett Luik: As I mentioned, we were actually working in an investment firm surrounded by investors. That meant we were able to get feedback early on. But two things really helped us to get the business off the ground.

First, bringing technology into a sector like forestry, which historically hasn't been very innovative. We're using data and digital tools to create new value.

Second, empowering rural landowners. Individually, a small landowner, say Dainis from Latvia, might never connect directly with a multinational corporation. But by pooling projects together, we create scale and entry to markets that would otherwise be inaccessible.

The carbon market goes through cycles — sentiment changes quickly — but our core thesis hasn't changed. We believe more carbon needs to be stored in forests. Carbon credits are a tool to make that happen, not the end goal.

Transparency has also been key for investors. We track everything with data, which allows us to demonstrate exactly what is happening on the ground. And because of the way we operate — and the data behind it — you can't really fake a forest.

> Integrity in carbon markets starts with transparent measurement. When everything is tracked properly, you can't fake a forest.

Srikanth: *How do you engage with landowners, especially in rural areas? Is it purely digital?*

Lisett Luik: In the northeast of Europe, where we operate, people in general are incredibly digitally literate. My eighty-something-year-old grandmother is constantly on her online banking app.

But when we started out, I spent a lot of my time driving around going to landowner meetups. They have local collectives, sometimes partnered with local hunting societies. So, I would often give presentations in rooms full of stuffed animals.

But it was good because there was a lot of direct human conversation. And I think sometimes in the world of AI and tech, we forget how powerful that is, just having a face-to-face conversation.

Obviously, that doesn't scale. But in the early days of a startup, you have to do things that don't scale. And I'm super glad we did it because it gave us a way better understanding of who we're working with, what their challenges and problems are.

> Before you scale systems, you have to build trust — and that means doing things that don't scale.

That being said, as we've grown, we engage with our landowners mostly through digital means.

So far, our data system has been very closed off and used by us internally. But now we're opening it up to them. We're just launching a portal for them where they can input their own data and check their own parcels as well. Generally,

we find a lot of excitement from them. They're interested in new technology. They want to see what's coming next.

7. The Role of Private Companies in Climate Action

Srikanth: *Compared to issues like healthcare, employment, defense, irregular migration, or energy security, carbon can feel more abstract in public debate. From your perspective, what role can private companies play in making carbon removal more tangible — and in constructively informing policy discussions?*

Lisett Luik: Yes, that's a really interesting question. I believe that individual private companies can do two things in the public policy space.

Firstly, we have to do a better job at just being clear, direct communicators.

From the perspective of the average person on the street, they get a lot of communication that is guilt-inducing, or kind of nagging, like "You're doing this wrong", "You're guilty of that".

I don't think that works.

I think we stand a better chance if we say, "Hey, here's a positive outcome that could happen if you do XYZ".

That's like how we think about forests. We say, "Hey, here's some empty land. If we plant new trees on it, it's going to

remove carbon, keep that carbon stored, provide local cooling, and be a really beneficial area for the community".

It's giving them the positive story, not the negative story. That's one thing private companies can do — provide more upbeat messaging rather than just the fear-and-blame game. Secondly, we can help provide the regulators with the right input.

Europe has several important initiatives underway in this space, including the Carbon Removal Certification Framework, which is moving from policy design into implementation.

We at Arbonics participated in various working groups with the European Union around forestry, sharing what we have learned, what works, what doesn't work, and what the challenges are.

I think that's important to continue. Because the regulators have to deal with completely different kinds of issues sometimes, and they have no way and no time to go as deep as we who are in the industry do.

It is our responsibility to put the right information in front of them, I think. We try to do that, as do other companies in our space.

8. Estonia: A Digital Pioneer

Srikanth: *We met at an investment event in Estonia. Your country is a digital pioneer. Wise, Bolt, Skype. Since three years, people can even get married online. What explains that innovation culture?*

Lisett Luik: Innovation in Estonia is an interesting case study. A lot of it comes from scarcity, I think.

Estonia doesn't have major natural resources — no oil, no gas, no gold. After the challenging Soviet occupation, the economy had to be rebuilt from scratch in the 1990s. There wasn't old capital to rely on.

That pushed very scrappy, fast-moving thinking. "Hey, we're just going to try things. If it doesn't work, we'll try something else". We sometimes joke that it's a Minimum Viable Country. So, you can test things, you can pilot things here, like online governance, that is harder to do in a huge country.

We also focused on what we did have: smart people. The attitude was, "We have capable people. We have problems. Let's get to work solving them".

Another factor is that the domestic market is tiny. That has two implications. Firstly, companies think internationally from day one. That creates a global mindset early.

Secondly, there's less of a sense of competition and more of a sense of cooperation. When Estonian tech entrepreneurs get together, they don't try to undercut

each other. They share their problems and solutions, because they see the rising tide lifting all boats. For instance, if others do better, they will bring interesting new talent to Estonia. They might bring new investors, new connections. That's good for everyone.

Srikanth: *Some great lessons for innovation ecosystems there, thanks. Finally, on a somewhat personal note: What gets you excited about going to work every day?*

Lisett Luik: Thanks. I had to reflect on this one, because it's such an exciting question. I have lots of different answers to it. For instance, I have a small child and of course I'm motivated to leave a better world for her if I can. But I think I can land on one core reason.

I am, in my heart of hearts, a massive nerd.

That means that I love learning. And to me, every day is an opportunity to discover something new. That's what gets me out of bed, gets me going, makes me excited — even on the tough days that every entrepreneur has, even when it's minus 20 degrees Celsius and snowy, and you haven't seen the sun in a month.

About The Giraffe's View

The Giraffe's View is a long-form leadership conversation series on technology, risk, and innovation, featuring investors, founders, academics, and corporate leaders.

Each conversation has been lightly edited for clarity and length.

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