23rd January 2025

CARBON INSIGHTS

Biweekly Edition

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INSIDE this issue

EXECUTIVE SUMMARY

Big buyers are moving while the broader market waits. Microsoft locked in 5 million CDR credits across three deals, Petrobras drew 16 bids for its Amazon ARR programme (more than expected), and Gold Standard issued its largest batch of CCP-labelled cookstoves credits to date to the Burn/Key Carbon joint venture. Yet VCM retirements are running 50-75% below year-ago levels, and the US withdrawal from 66 international bodies signals continued fragmentation in global climate governance. For market participants, the message is clear: corporate demand is concentrating among a small number of large offtakers like Microsoft and Petrobras, quality certifications are gaining traction, and Article 6 infrastructure in Africa is finally taking shape.

LAST TWO WEEKS IN CARBON MARKETS

Kita Non-Payment Insurance

CARBON PROJECTS HAVE A CASH FLOW PROBLEM. THIS INSURANCE PRODUCT WANTS TO FIX IT.

Carbon insurance specialist Kita has launched a Non-Payment Insurance (NPI) product designed to de-risk cashflows and unlock institutional financing for carbon credit and nature-based projects. The product covers lenders against non-payment under project finance, pre-payment facilities, and off-take receivables. By transferring counterparty credit risk to A-rated insurance balance sheets, Kita says NPI can help reduce loss-given-default, support capital relief for banks, and potentially enable lower cost of capital for project sponsors. Examples include pre-financing against contracted off-takes and improving lender terms on project finance. The launch comes as equity and venture capital funding for carbon projects saw a discernible downturn in 2025, despite the primary offsets market expanding to $16 billion.

Financing bottlenecks remain one of the biggest barriers to scaling carbon projects, and insurance products that de-risk receivables could help close the gap between project pipelines and deployed capital.

SENTINEL EARTH'S PERSPECTIVE

Kita's new non-payment insurance targets a key financing bottleneck in carbon projects by transferring counterparty payment risk on off-take receivables and pre-finance exposures to a rated insurer. This should make deals easier to close, improve bankability for SPV structures, and bring down financing costs for quality projects.

In the near term, this means more capacity for forward contracts and pay-on-delivery deals, helping projects scale earlier. It could also narrow the risk premium baked into contract prices where payment risk has been holding things back.

Over time, insurance underwriting becomes a quality filter. Insurers will reward projects with solid MRV and enforceable contracts through lower premiums, while less robust projects get priced out or can't get coverage at all. More capital available overall, but sharper differentiation between robust and marginal projects.

US Withdraws from International Organizations

66 INTERNATIONAL BODIES JUST LOST THEIR BIGGEST FUNDER

President Trump has signed a Presidential Memorandum directing the withdrawal of the United States from 66 international organizations, including 31 UN entities and 35 non-UN bodies. The administration cited organizations that "advance globalist agendas over U.S. priorities" and "promote radical climate policies" as targets. This follows Trump's earlier withdrawal from the Paris Climate Agreement and the World Health Organization upon returning to office. The memo orders all executive departments to cease participating in and funding these organizations, which the administration characterizes as inefficient, ineffective, or contrary to US sovereignty and economic interests. Specific organizations affected were not detailed in the fact sheet.

The withdrawals signal continued US disengagement from multilateral climate frameworks, potentially affecting global carbon market governance and Article 6 implementation.

SENTINEL EARTH'S PERSPECTIVE

The US withdrawal from the UNFCCC grabs headlines, but the direct impact on ITMO trading should be limited. The US was already largely absent from UN climate processes and hasn't been a major player in early Article 6.2 deals. The current bilateral activity is being driven by Switzerland, Japan, and Singapore.

The bigger issue is funding. The memorandum targets US participation and contributions across UN bodies, which could mean gaps in climate finance, slower capacity building in host countries, and less technical support for getting Article 6 infrastructure running. This creates uncertainty around execution and confidence, but it's not an ITMO demand shock.

Key things to watch: the formal one-year withdrawal clock under UNFCCC Article 25, any legal challenges that slow implementation, and whether other buyer countries step up with bilateral deals and targeted funding to fill the gaps.

Burn/Key Carbon CCP-Labelled Cookstoves Credits

THE CCP LABEL IS FINALLY SCALING: GOLD STANDARD ISSUES RECORD COOKSTOVES VOLUME

Global Cookstoves, a joint venture between Key Carbon and Burn, has secured issuance of nearly 270,000 credits with the ICVCM's Core Carbon Principles label from a Gold Standard-registered project in Somalia. This is the largest volume of CCP-labelled clean cooking credits issued by Gold Standard to date, following the first-ever CCP-labelling of cookstoves credits in early December. The credits cover 2022-2024 vintages from the distribution of 111,280 high-efficiency Jikokoa stoves in Somalia. Future issuances are expected to reach approximately 350,000 credits annually. Market sources indicate CCP-eligible cookstoves credits are trading at around \$15/tCO_2e, reflecting higher costs and lower yields associated with CCP-eligible methodologies.

SENTINEL EARTH'S PERSPECTIVE

This 270,000 credit issuance is a meaningful moment for a market short on investable, integrity-screened supply. Gold Standard's CCP labelling for cookstoves has so far been limited to a handful of projects in Kenya, Togo, Nigeria, and Mongolia. That's kept tradable volume tight and supported a clear price premium over non-labelled credits.

The CCP label isn't just branding. It reflects tighter ICVCM rules designed to reduce over-crediting in cookstoves, particularly around biomass assumptions and fuel use monitoring. For corporate buyers and lenders, that should mean less reputational risk and easier due diligence, even in a fragile context like Somalia.

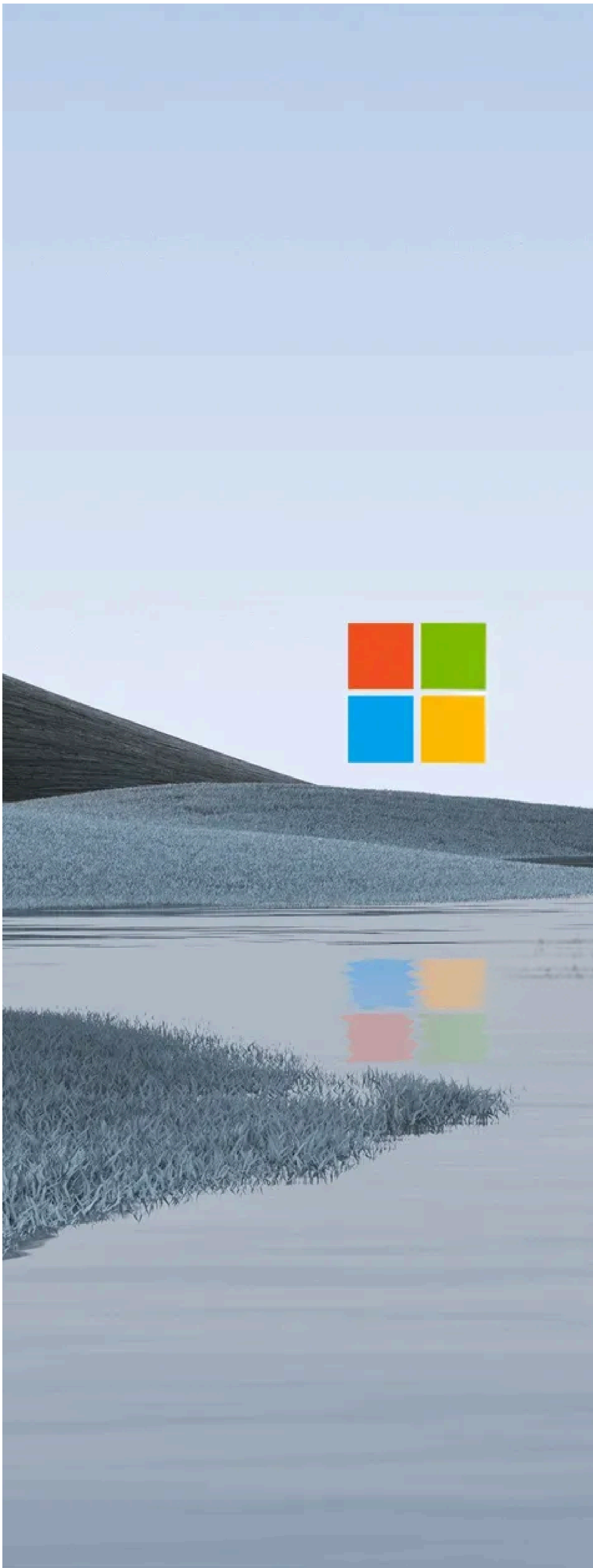
The key question is price elasticity. If the expected 350,000 credits per year materialise, does the extra supply push CCP prices down? Or does growing demand and the integrity filter keep prices high, widening the gap between CCP and non-CCP cookstoves?

Microsoft CDR Deals

MICROSOFT JUST BOUGHT 5 MILLION TONNES OF CARBON REMOVAL IN ONE WEEK

Microsoft has signed three major carbon dioxide removal deals totalling nearly 5 million credits in the span of days. The largest is a 12-year contract with Indigo Ag for 2.85 million soil carbon credits from US regenerative agriculture, described as one of the first soil carbon deals to feature ICVCM CCP-approved credits. Microsoft also secured over 100,000 biochar credits from Indian developer Varaha, which will build 18 industrial gasification reactors in Maharashtra using cotton stalk feedstock. A third deal with Rubicon Carbon covers 2 million forestry-based removals from northern Uganda. The Indigo deal marks Microsoft's third purchase from the developer, following 40,000 credits in 2024 and 60,000 in 2025.

Microsoft's continued dominance as the largest CDR buyer underscores the market's reliance on a small number of corporate offtakers to drive scale.



Rwanda Article 6 Fees

THE TRUE COST OF ARTICLE 6 IN RWANDA IS NOW PUBLIC. DEVELOPERS AND INVESTORS SHOULD TAKE NOTE.

Rwanda has published detailed fee structures for Article 6 carbon projects, with revenue-sharing requirements ranging from 15% to 30%. Non-land projects must transfer 15% of carbon credit revenues to the government, while land-based projects face a 30% revenue share. Additional fees include 2% of emissions reductions for project authorisations, $2 per ITMO for Corresponding Adjustments, and a standard 2% OMGE[1] fee required under UN rules. Rwanda has already issued Letters of Authorisation for several projects, including DelAgua cookstoves schemes covering about 3 million Corsia-eligible credits. The fee structure compares to fixed CA fees of $4-5 in Kenya, Ghana, and Malawi, and percentage-based fees of 8-30% in Nigeria, Tanzania, Uganda, and Zimbabwe.

Transparent fee structures help developers model project economics, though Rwanda's rates are among the higher end of African host countries.

[1] OMGE (Overall Mitigation in Global Emissions): A mandatory cancellation of a portion of Article 6.4 credits to ensure that carbon trading delivers net atmospheric benefits beyond what would occur through offsetting alone.

SENTINEL EARTH'S PERSPECTIVE

Rwanda publishing its Article 6 fee structure is a mixed signal: helpful for clarity and governance, but the sovereign take is significant. Benefit sharing is set at 15% of carbon revenues, rising to 30% for land-based activities. Add issuance fees, authorisation charges, buffer contributions, and the mandatory OMGE levy, and it adds up.
These fees directly impact project unit economics. Developers either need higher strike prices to make the numbers work, or they accept lower returns. Nature and land projects feel it most with that 30% take, making energy efficiency and cookstoves look comparatively better.

The risk for Rwanda is that project proponents look elsewhere. If other host countries offer lower ITMO fees with similar stability, developers may choose to deploy capital there instead. Rwanda's transparent rules are an advantage, but the economics have to compete.

Petrobras ARR Programme

16 DEVELOPERS BID FOR A PIECE OF PETROBRAS'S $1 BILLION AMAZON RESTORATION PLAN

Brazil's state-controlled oil giant Petrobras received 16 proposals for the first phase of its ProFloresta+ afforestation, reforestation, and revegetation programme, exceeding expectations. The company plans to buy 5 million CDR credits through five contracts in the pilot phase, with winners announced in June. Selected developers will receive guaranteed offtake agreements and competitive loans from Brazilian Development Bank (BNDES). The programme's end goal is 15 million CDR credits to restore 50,000 hectares of native species in the Amazon, with total costs potentially exceeding $1 billion at credit prices of $65/tCO_2e or higher. Petrobras will accept projects under methodologies approved for ICVCM's CCP label.

ProFloresta+ represents one of the largest committed demand sources for high-quality ARR credits, signalling that major corporates are willing to pay premium prices for CCP-eligible removals.

Article 6 Bilateral Cooperation

THE ARTICLE 6 PIPELINE JUST GOT A LOT MORE CONCRETE

Brazil Signs Bilateral MoUs with Singapore and Switzerland
Brazil has formalised new bilateral pathways under Article 6 of the Paris Agreement, signing memoranda of understanding with Singapore and Switzerland in December 2025. The agreements are aimed at implementing cooperative approaches, including authorisation and transfer of mitigation outcomes. Singapore's government said the partnership with Brazil is intended to progress toward a legally binding Implementation Agreement to enable international transfers of correspondingly adjusted carbon credits.

Chile and Japan Update JCM Framework
Chile and Japan have updated their cooperation under Japan's Joint Crediting Mechanism. The JCM secretariat reported that Japan and Chile signed a new Memorandum of Cooperation in mid-January 2026, as the mechanism continues to be positioned as an Article 6.2-aligned bilateral crediting channel.

Latin American Countries File Article 6.4 Participation Requirements
On the host country readiness track, multiple Latin American countries are advancing Paris-aligned implementation steps through UNFCCC submissions for the Article 6.4 mechanism. Costa Rica filed its Host Party participation requirements in December 2025, Uruguay filed in October 2025, and Ecuador's participation requirements were published in January 2026. Uruguay is also already covered by a bilateral cooperation agreement with Switzerland under Article 6, with Switzerland's KliK Foundation indicating the agreement is intended to enable the procurement of ITMOs once mitigation programmes are developed.

More governments are moving from abstract endorsement of Article 6 to the concrete institutional steps that make transfers possible.

SENTINEL EARTH'S PERSPECTIVE

The rising number of Article 6 MoUs and bilateral agreements signals that more governments are moving from abstract endorsement toward the concrete institutional steps that make transfers possible: host-country framework requirements, authorisation processes, corresponding adjustment governance, and domestic coordination across environment, finance, and foreign affairs.

This is a meaningful readiness upgrade. It expands the pipeline of potential host jurisdictions and reduces the bottleneck risk that has constrained early supply, while also improving predictability for project developers and financiers who need clear sovereign sign-off to commit capital.

The key implication is not simply more supply. The market is shifting from "pilot deals" to "programmable cooperation," where repeatable government processes and implementation agreements become the critical enablers for scaling Article 6.2 flow and preparing the ground for Article 6.4 issuance once the mechanism is fully operational.

CORSIA Phase 1 Pricing

CORSIA PHASE 1 DROPS BELOW $20 AS NEW LABELS AND INSURANCE PATHWAYS END THE SCARCITY PHASE

Prices Retreat as Deliverable Supply Broadens

Prices for CORSIA Phase 1 eligible carbon credits were indicated lower on Tuesday 20 January 2026. The softer tone reflects broadening deliverable supply beyond the early concentration in Guyana ART TREES units. Fastmarkets highlighted in December 2025 that Phase 1 spot had retreated to around $21.25/t$CO_2$e, from an October peak near $23.20, as Gold Standard added roughly 1.5 million clean cooking credits to the eligible pool.

Gold Standard and Verra Operationalise Insurance Pathways

Gold Standard has demonstrated Phase 1 labelling through clean cooking, first via Hestian's Malawi programme, then via BURN's issuance of 180,867 CORSIA Phase 1 tagged credits under an insurance-backed route. Verra has also published an initial list of three approved insurers to help projects manage double claiming risk where corresponding adjustments are not yet reflected in national reporting. This could accelerate the flow of VCS supply into the CORSIA-labelled universe.

Benchmark Prices Print Below $20

Exchange and benchmark datapoints have already printed below $20. Climate Impact X stated its CP1X GM benchmark was assessed at $19.50/t$CO_2$e as of 1 December 2025, and Abaxx showed a recent CP1 daily settlement at $19.00 as of 14 January 2026. This reinforces the view that widening eligibility is weighing on near-term clearing levels even as compliance-driven demand is still building.

SENTINEL EARTH'S PERSPECTIVE

The first print of CORSIA Phase 1 spot below $20, with CP1 assessed at $19.50/t$CO_2$e in January 2026, is an important signal that the market is moving decisively out of the early scarcity phase and into a supply expansion phase, where eligibility and deliverability are no longer confined to a narrow initial pool.

The key driver is broadening supply as registries operationalise insured pathways. BURN's Gold Standard cookstoves issuance was the first clear proof point that Phase 1 labelling can work via a private insurance route rather than waiting for the host country to apply the corresponding adjustment upfront. Verra's approval of initial insurers should unlock a materially larger VCS supply universe across more projects and vintages.

The sub-$20 level is less about a one-off trade and more about market structure. As insured labelling scales, we expect a faster issuance cadence, broader geography and methodology mix, and a continued shift in bargaining power toward buyers. The near-term watch: the pace of new CORSIA tags, the flow of host country Letters of Authorisation, and whether insurance capacity remains deep enough to keep deliverable volumes building into 2026.

SUPPLY, DEMAND, AND PRICING

Issuance & Retirement In The VCM

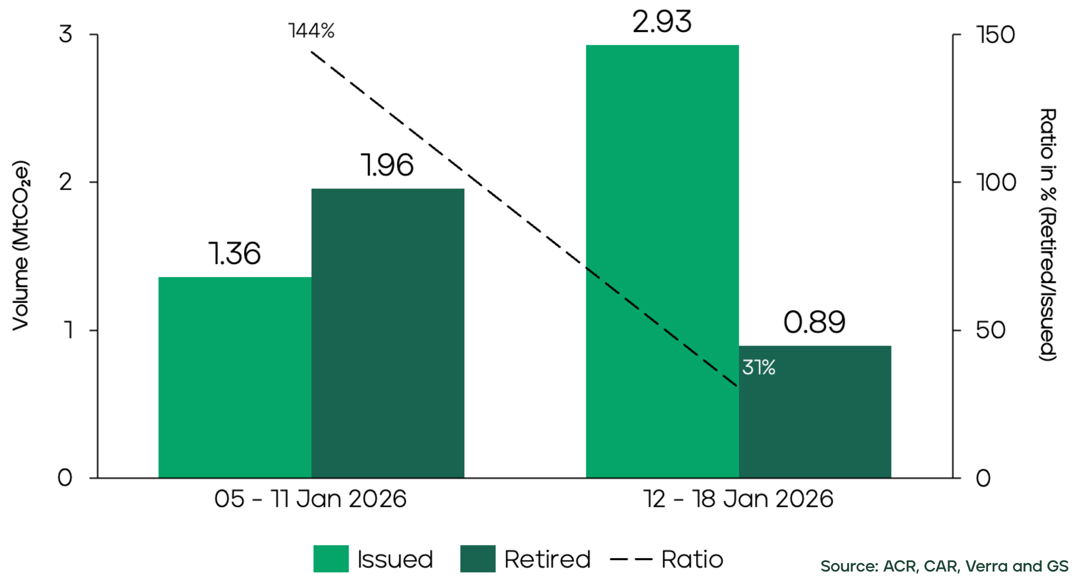
Over the past two weeks, market activity displayed contrasting issuance and retirement patterns.

- During the week of 05–11 January, issuance volumes reached approximately 1.4 $MtCO_2e$, while retirements exceeded supply at around 2.0 $MtCO_2e$. By comparison, volumes recorded during the same week one year earlier were materially higher for both issuance (3 $MtCO_2e$) and retirements (4.9 $MtCO_2e$).

- In the following week, 12–18 January, issuances increased sharply to around 2.9 $MtCO_2e$, while retirements declined to approximately 0.9 $MtCO_2e$. This contrasts with the equivalent week last year, which recorded substantially higher retirements (3.7 $MtCO_2e$) alongside more limited issuance (1.8 $MtCO_2e$).

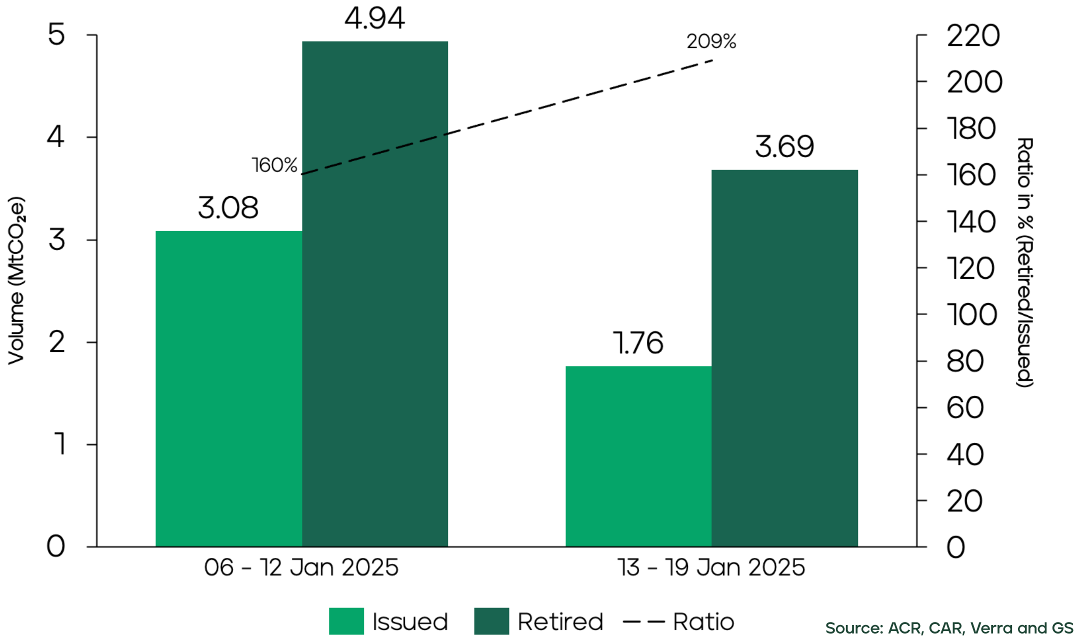
Overall, the comparison points to softer demand for carbon credits relative to the same period last year.

WEEKLY ISSUANCE AND RETIREMENT DYNAMICS IN THE VOLUNTARY CARBON MARKET



This chart shows weekly volumes of carbon credits issued and retired (left axis, $MtCO_2e$), together with the retirement-to-issuance ratio (right axis, %). The dashed line shows the retirement-to-issuance ratio, calculated as weekly retirements divided by weekly issuances, providing an indicative view of demand relative to supply.

WEEKLY ISSUANCE AND RETIREMENT DYNAMICS (YEAR-ON-YEAR COMPARISON)



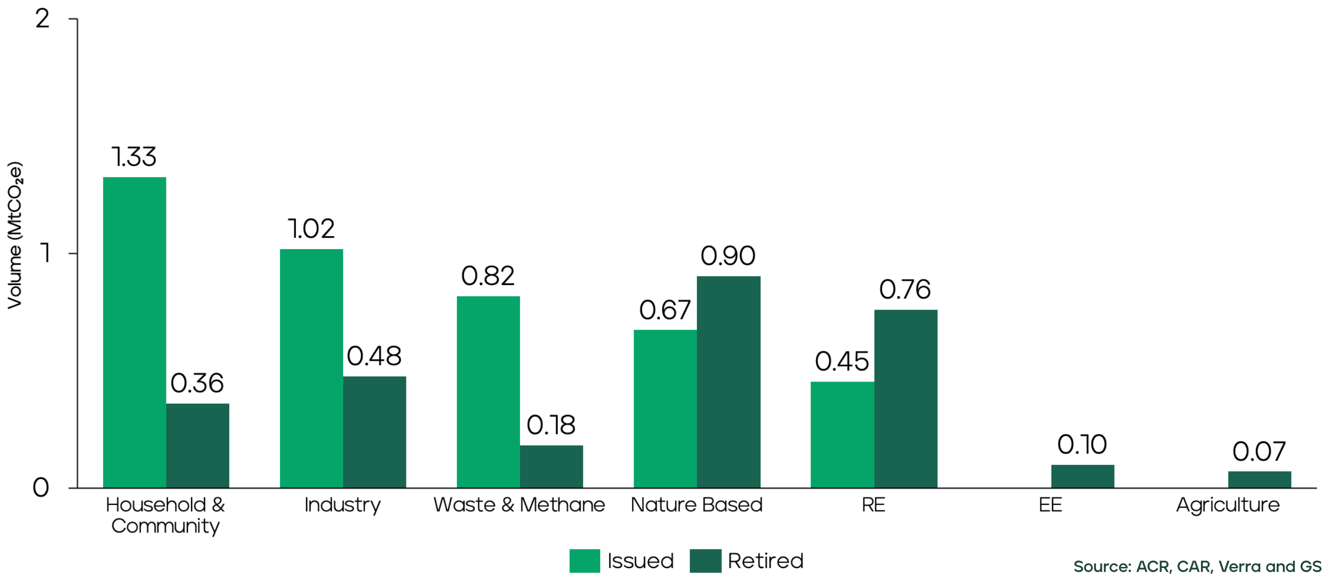
This chart compares weekly carbon credit issuance and retirement volumes on a year-on-year basis (left axis, $MtCO_2e$), alongside the retirement-to-issuance ratio (right axis, %). The dashed line represents the retirement-to-issuance ratio, calculated as weekly retirements divided by weekly issuances, providing a comparative view of demand relative to supply across years.

Issuance & Retirement Dynamics By Project Category

Issuance activity is primarily concentrated within the Household & Community as well as Industry segments, which together account for the largest shares of newly issued credits. **Retirement** volumes are more concentrated in Nature-Based and Renewable Energy projects, with both categories recording retirements that exceed newly issued volumes.

Energy Efficiency and Agriculture remain very limited, showing no **issuance** and only small **retirement** volumes over the period.

ISSUED AND RETIRED VOLUMES BY PROJECT MACRO CATEGORY



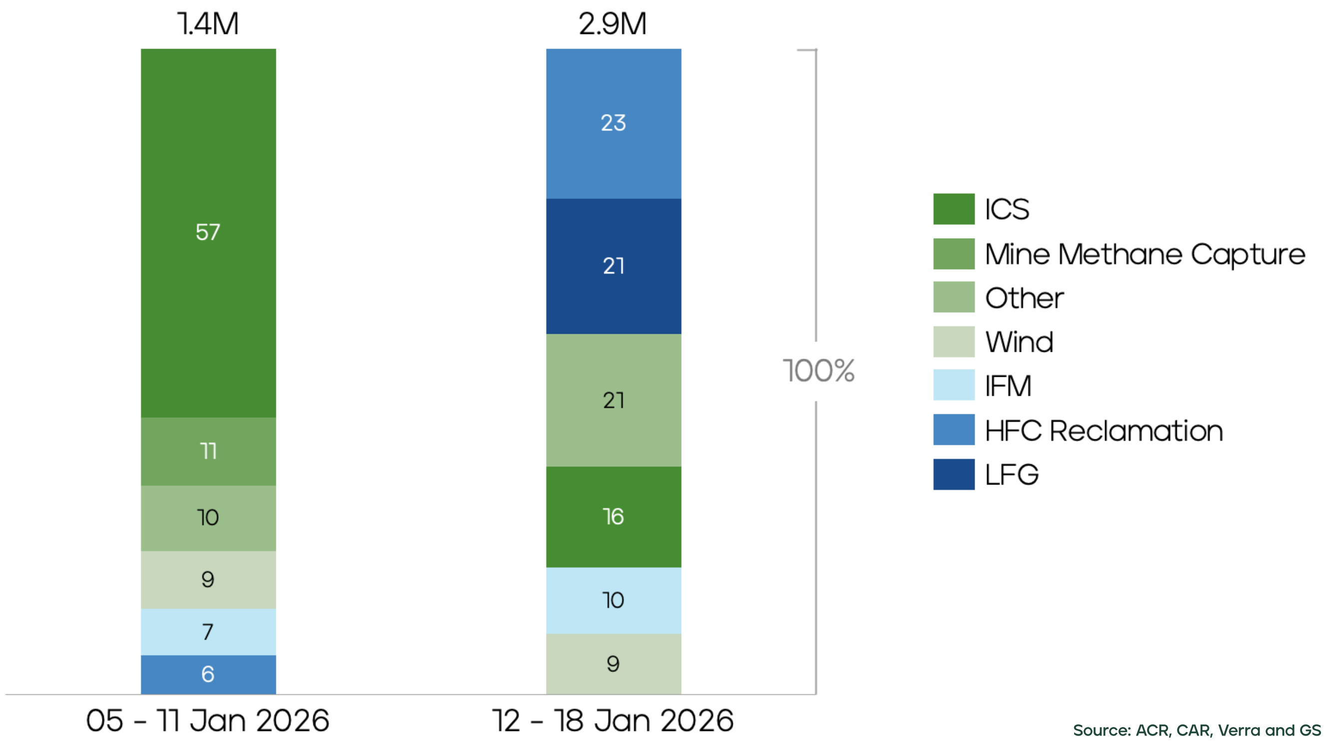
This chart shows aggregated issued and retired carbon credit volumes by project macro-category across the four largest voluntary carbon registries over a two-week period.

Issuance patterns differ clearly between the two weeks, both in scale and in category mix.

- During 05–11 January 2026, issuance is highly concentrated, led by Improved Cookstoves (0.7 $MtCO_2e$), followed by Mine Methane Capture (0.1 $MtCO_2e$) as the second-largest category. Beyond these two project types, issuance volumes remain limited, resulting in a narrowly concentrated issuance profile.

- During 12–18 January 2026, issuance increases and becomes more diversified. HFC Reclamation (0.7 $MtCO_2e$) emerges as the leading issuance category, followed by LFG (0.6 $MtCO_2e$). At the same time, the expansion of the Other category indicates that issuance is distributed across a broader range of smaller project types.

ISSUED VOLUMES BY PROJECT TECHNOLOGY (SHARE COMPARISON)



Source: ACR, CAR, Verra and GS

This chart shows the distribution of issued carbon credits by project technology across two weeks, with each stacked bar representing the percentage share of total weekly issuance by technology.

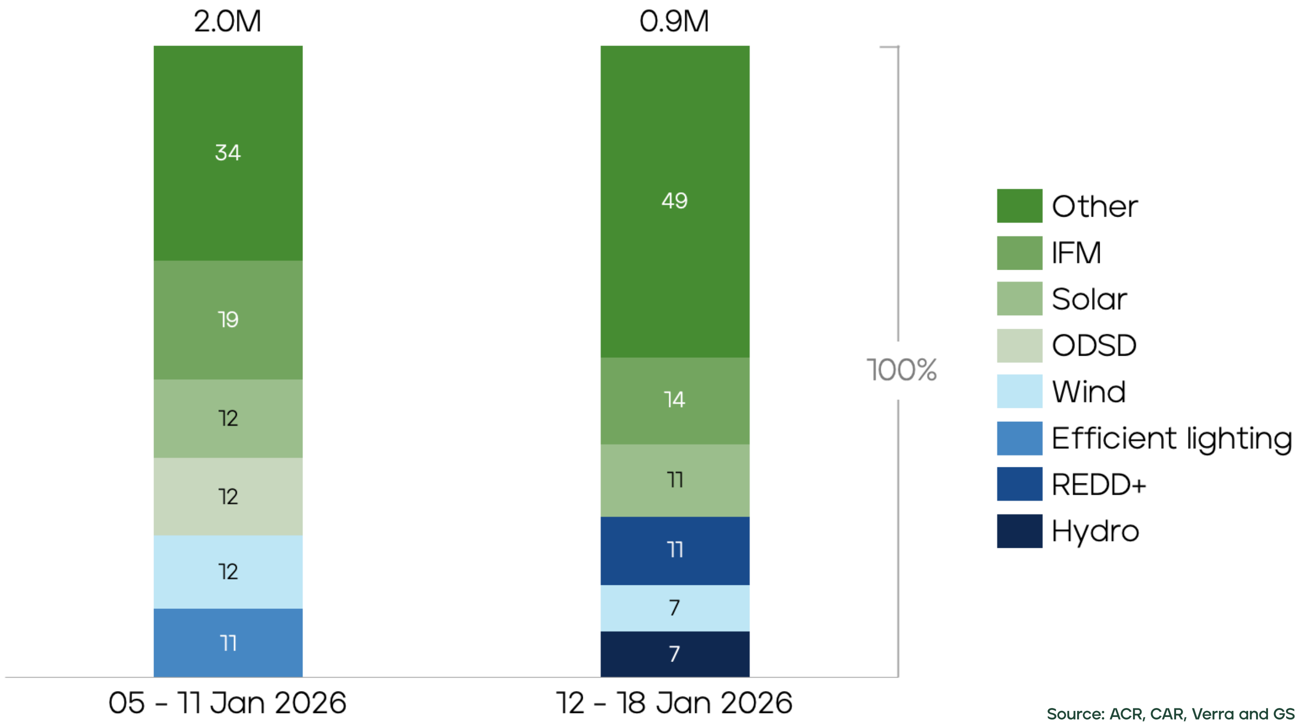
- **Other** aggregates all project categories with issuance volumes below the top five technologies shown in the chart.

Retirement activity remains relatively broadly distributed across project technologies.

- During 05–11 January 2026, retirements are led by IFM (0.4 $MtCO_2e$), followed by Solar (0.2 $MtCO_2e$), while the Other category also represents a substantial share, reflecting aggregated retirements across multiple smaller project types beyond the leading segments.

- In 12–18 January 2026, overall retirement volumes decline and the composition evolves. IFM (0.1 $MtCO_2e$) and Solar (0.1 $MtCO_2e$) remain the two largest retirement categories, but additional project types, notably REDD+ and Hydro, enter the top tier of retirements. At the same time, the share of the Other category increases, reflecting a more even distribution of retirement volumes across categories in the second week.

RETIRED VOLUMES BY PROJECT TECHNOLOGY (SHARE COMPARISON)



Source: ACR, CAR, Verra and GS

This chart shows the distribution of retired carbon credits by project technology across two weeks, with each stacked bar representing the percentage share of total weekly retirement by technology.

- **Other** aggregates all project categories with retirement volumes below the top five technologies shown in the chart.

Supply-Demand Dynamics Across Regions

The regional breakdown underscores notable differences in how issuance volumes translate into retirement activity across geographies.

- Asia stands out with retirement volumes that are relatively high compared with issuance, positioning the region closer to balance and indicating strong absorption of issued credits. South America is clearly positioned above the reference line, reflecting retirement-driven dynamics despite operating at much smaller absolute volumes.

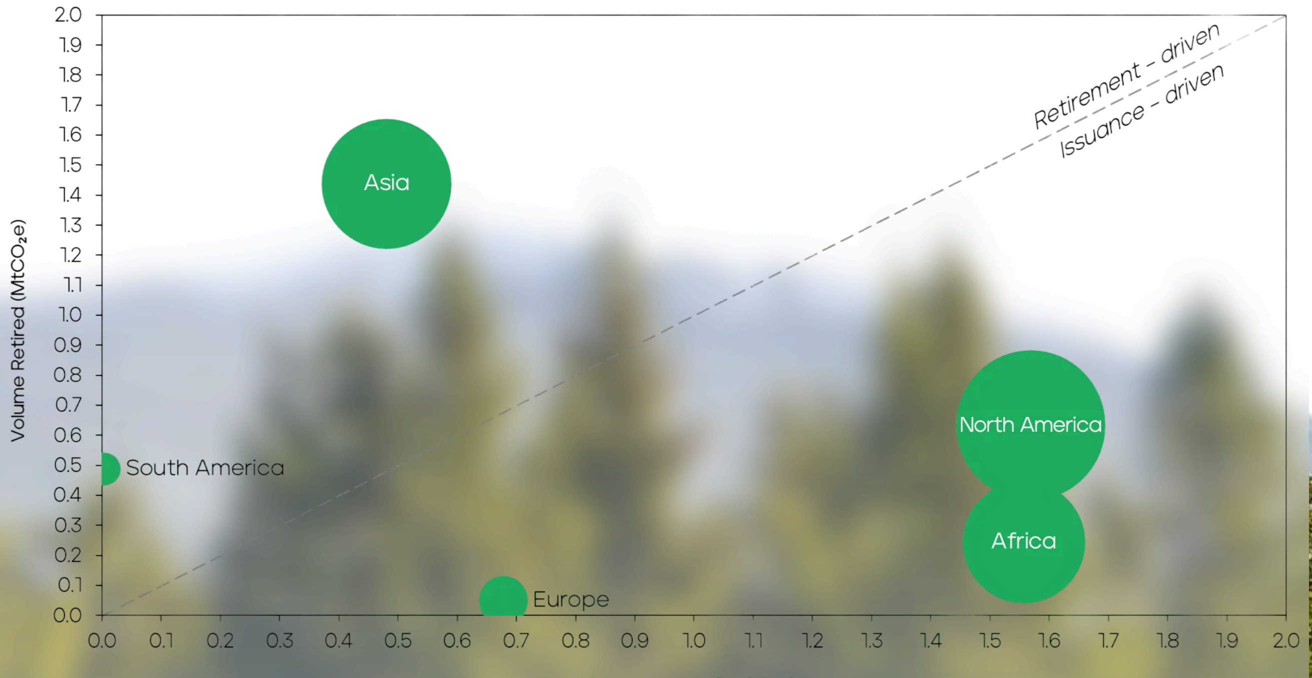
- By contrast, North America combines the highest issuance volumes with comparatively lower retirements, placing it firmly below the benchmark and signaling issuance-led market behavior. Africa shows a similar pattern, with substantial issuance volumes but more limited retirement intensity relative to supply.

- Europe remains the smallest market in absolute terms and also falls below the reference line, indicating limited retirement activity compared with issuance.

Overall, the regional view highlights marked differences across geographies in how issued volumes translate into retirement activity, with no region showing a close alignment between issuance and retirements over the two-week period.

REGIONAL ISSUANCE VS. RETIREMENT BALANCE

This bubble chart compares issued (x-axis) and retired (y-axis) carbon credit volumes by region. Bubble size reflects overall activity. The dashed line separates retirement-driven regions (above) from issuance-driven regions (below).



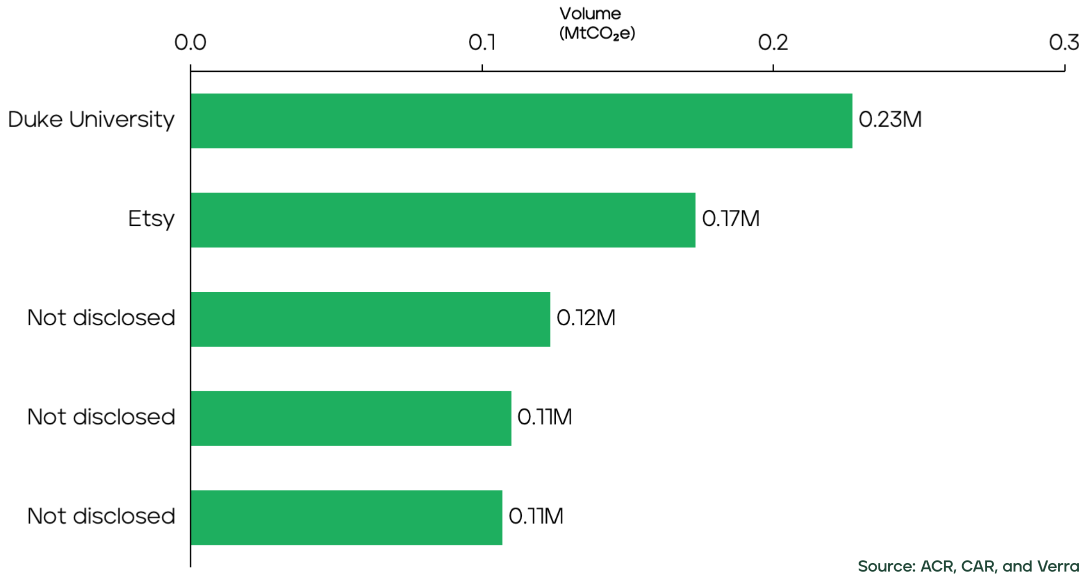
Source: ACR, CAR, Verra and GS

Top Issuances & Retirements

Retirement activity during the reporting period remained subdued, with no notable large-scale retirements observed over the past two weeks. Duke University emerged as the largest identified buyer, retiring 227,152 credits primarily from ODS destruction projects registered under ACR, while Etsy followed with 173,307 credits sourced from a limited set of US nature-based and recycling projects.

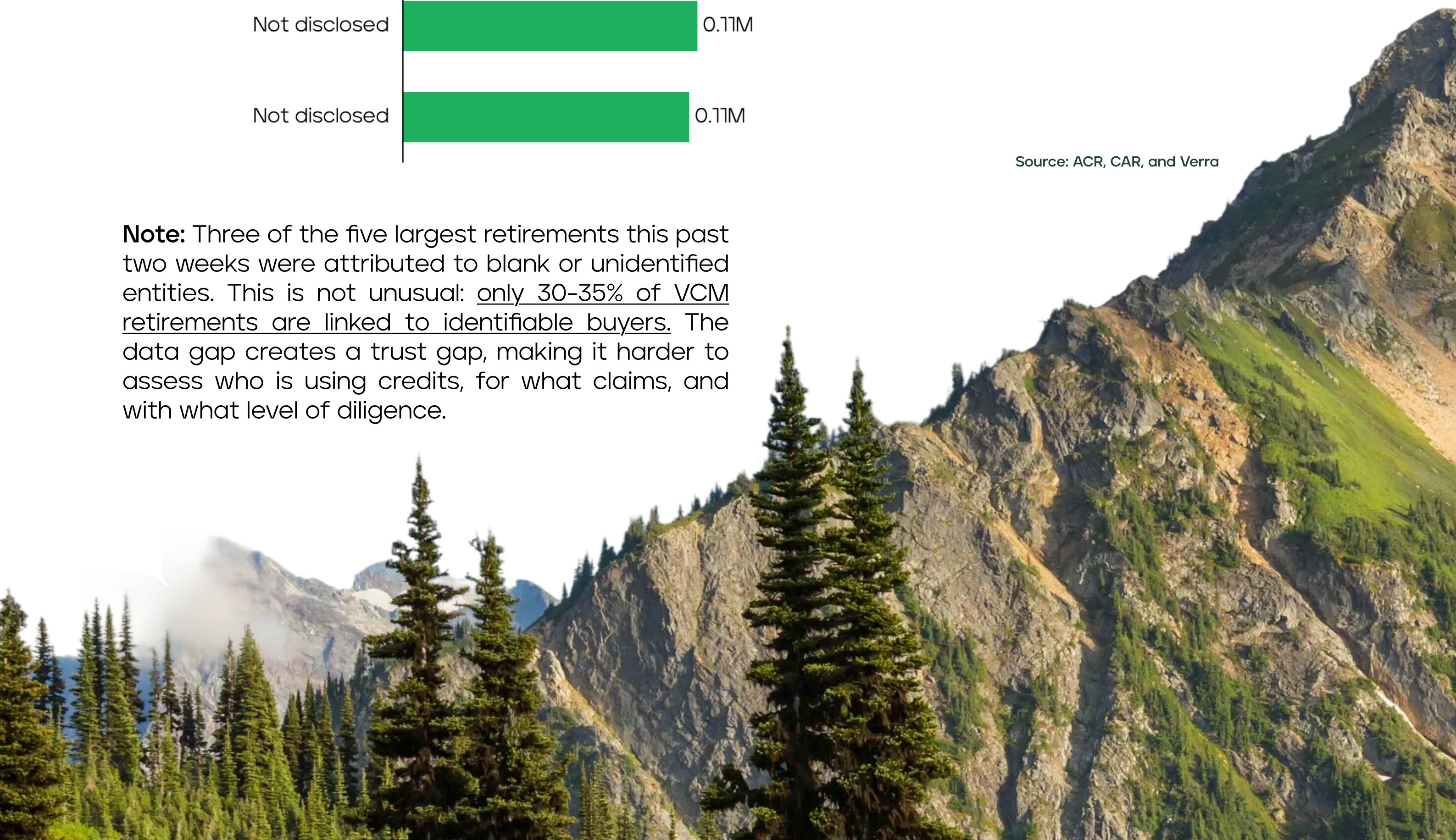
Beyond these two buyers, transparency diminishes. Among the five largest retirement volumes recorded during the period, three were attributed to unidentified entities, spanning projects across India and Peru in energy, efficiency, and nature-based categories.

This table highlights the five largest carbon credit retirements recorded during the reporting period, ranked by volume and broken down by project type, geography, and registry.



Source: ACR, CAR, and Verra

Note: Three of the five largest retirements this past two weeks were attributed to blank or unidentified entities. This is not unusual: only 30-35% of VCM retirements are linked to identifiable buyers. The data gap creates a trust gap, making it harder to assess who is using credits, for what claims, and with what level of diligence.



DUKE UNIVERSITY

PROJECT	VOLUME	ID	TECH	VINTAGE	COUNTRY	REGISTRY
Tradewater US - ODS - #8,	227,152	1107	ODSD	2024	USA	ACR
Tradewater US - ODS - #9		1117	ODSD	2025	USA	ACR
Tradewater - Thailand 7		1108	ODSD	2024-25	Thailand	ACR

ETSY

PROJECT	VOLUME	ID	TECH	VINTAGE	COUNTRY	REGISTRY
NativState - Calion Ouachita River Wilderness	173,307	900	IFM	2023	USA	ACR
Recycling Roadways for Carbon Emission Reductions - Midstate Reclamation and Trucking,		3616	Recycling Roadways	2022-24	USA	Verra

NOT DISCLOSED

PROJECT	VOLUME	ID	TECH	VINTAGE	COUNTRY	REGISTRY
SHINE - Distribution of LED lightbulbs in India-6	123,449	2700	Efficient Lighting	2021	India	Verra

NOT DISCLOSED

PROJECT	VOLUME	ID	TECH	VINTAGE	COUNTRY	REGISTRY
Renewable Solar Power Project by ReNew Solar Power Private Limited	110,000	1851	Solar	2024	India	Verra

NOT DISCLOSED

PROJECT	VOLUME	ID	TECH	VINTAGE	COUNTRY	REGISTRY
Green Gold Loreto 1	107,005	2345	IFM	2021	Peru	Verra

Source: ACR, CAR, Verra and GS

Issuance during the reporting period remained moderate, with no very large issuance events recorded.

Volumes were predominantly driven by improved cookstove (ICS) programs in Zimbabwe under the Gold Standard, alongside notable issuance from a biogas waste-to-energy project in Turkey and an IFM forestry project in the United States registered under ACR.

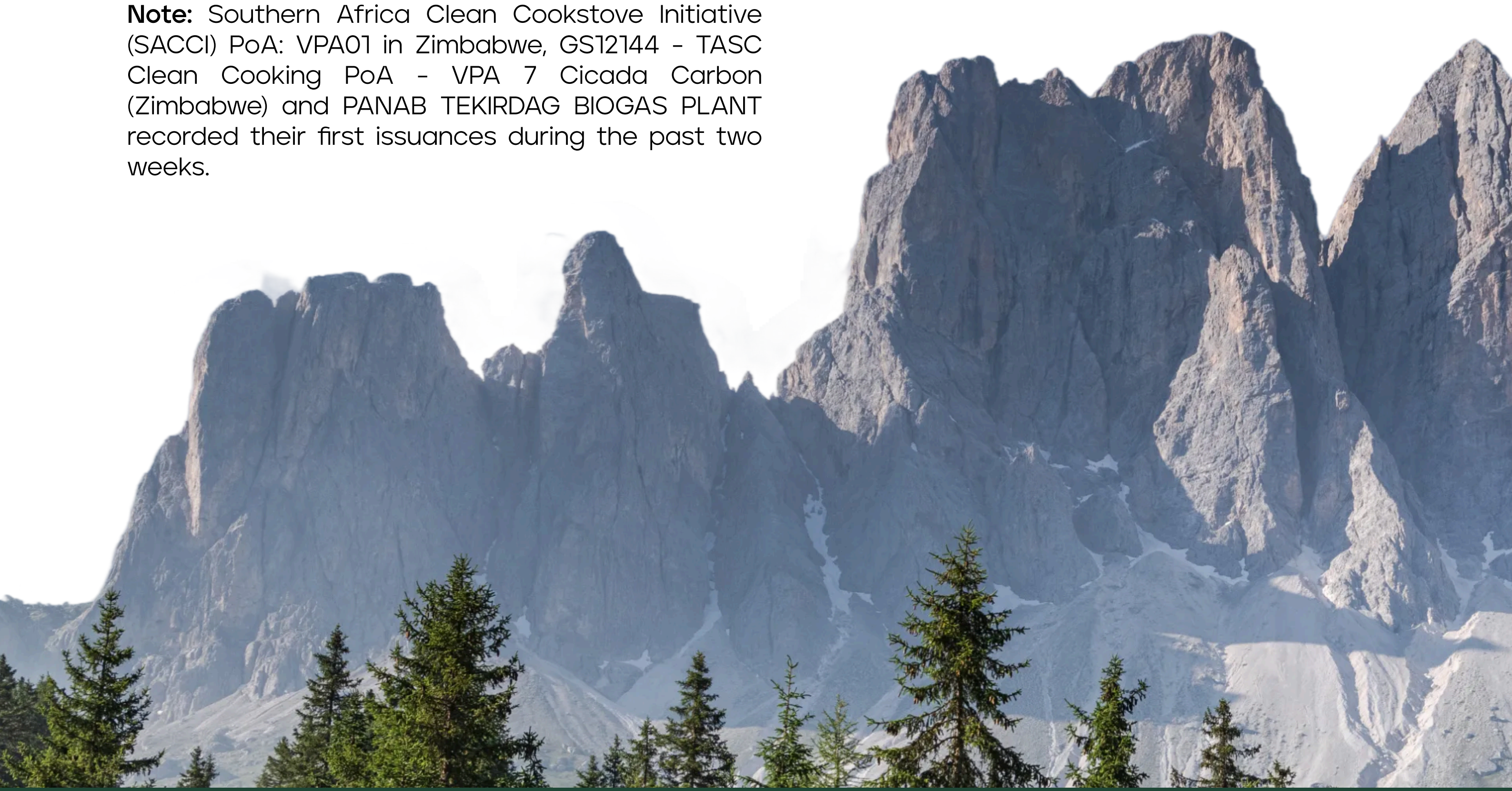
Overall, issuance spans a narrow set of technologies, with a strong geographic concentration in Southern Africa.

This table highlights the five largest carbon credit issuances recorded during the reporting period, ranked by volume and broken down by project type, geography, and registry.

PROJECT	VOLUME	TECH	COUNTRY	REGISTRY
Southern Africa Clean Cookstove Initiative (SACCI) PoA: VPA01 in Zimbabwe	420,504	ICS	Zimbabwe	GS
GS12144 - TASC Clean Cooking PoA - VPA 7 Cicada Carbon (Zimbabwe)	400,374	ICS	Zimbabwe	GS
PANAB TEKIRDAG BIOGAS PLANT	395,906	Biogas	Turkey	GS
GS11551 - TASC Clean Cooking PoA – VPA 2 Cicada Carbon (Zimbabwe)	334,563	ICS	Zimbabwe	GS
Anew - Massachusetts Tri-City Forestry Project	301,536	IFM	USA	ACR

Source: ACR and GS

Note: Southern Africa Clean Cookstove Initiative (SACCI) PoA: VPA01 in Zimbabwe, GS12144 - TASC Clean Cooking PoA - VPA 7 Cicada Carbon (Zimbabwe) and PANAB TEKIRDAG BIOGAS PLANT recorded their first issuances during the past two weeks.



ENTRY OF A NEW BUYER

During the reporting period, a new buyer profile emerged as Todd Bennett and Jessamy Bennett retired carbon credits for the first time.

Todd Bennett is the son of an Australian billionaire whose wealth was built in the iron ore sector. The retirement involved 9,480 vintage 2020 credits from a renewable solar power project in India registered under Verra.

This marks the first recorded retirement activity by the Bennett family and highlights the participation of a private, non-corporate buyer in recent market activity.

PROJECT ACTIVITY OVER THE PAST TWO WEEKS

A total of 27 new projects were registered over the past two weeks.

Notably, a CDR project based on microbial soil carbon removal (GS23491) was registered in the United States under Gold Standard. Developed by Loam Bio, the project introduces a biotechnology-driven approach to long-term carbon sequestration in agricultural soils, representing a relatively uncommon addition to the current project pipeline.

COMPANY UPDATE

WHO WE ARE

Sentinel Earth guides organisations through carbon markets with deep expertise in emissions accounting, environmental markets, and climate finance. We provide emission calculation and reporting, carbon offsetting through voluntary credits and environmental attribute certificates, and access to a curated portfolio of high-quality environmental assets.

We develop and finance our own climate projects worldwide, deploying capital and expertise where impact is needed most. By combining technical innovation with local partnerships, we deliver measurable climate benefits alongside meaningful social co-benefits.

WHAT WE'VE BEEN UP TO

It's been a busy period of expansion and on-the-ground engagement for the team across key markets.

SAUDI ARABIA

We've entered into a partnership with the Saudi Carbon Market Exchange (VCM Saudi), marking another step in our growing presence in the Middle East. As the region accelerates its carbon market development, we're excited to be part of this momentum.

CHINA

Jin Guo, CFO, travelled to China where he hosted a panel discussion with European green tech firms (Climeworks, Synhelion, Norsk e-fuel) at "The Future of Fuel" forum in Shenzhen. He also visited Zhengyuan's office in Inner Mongolia to review audit preparations for our Azure Road insetting project, and evaluated a potential biochar investment opportunity in Hong Kong.

COMING UP

Mercedes del Signo del Rio, Sustainability Specialist, will be attending E-world 2026 in Essen, Germany this February. If you're planning to be there and would like to connect, get in touch!

PROJECT HIGHLIGHTS

SEEDS OF RECOVERY (Ukraine):

A regenerative agriculture project developed under Verra's VM0042 methodology in collaboration with Kernel, Ukraine's largest agricultural company. The project supports farmers in adopting practices like cover cropping, conservation tillage, and optimised nitrogen management to sequester carbon in the country's rich Chernozem soils. The project is currently in the final editing phase and almost ready for submission. We're preparing to receive the first auditor and expect to advance to key milestones within the next month, with validation and verification targeted for later this year.

AZURE ROAD (China):

A scope 3 insetting project supporting the electrification of heavy-duty freight logistics across Inner Mongolia, Hebei, Sichuan, and Yunnan, registered with 123Carbon. The intervention supports a fleet of battery-swapping e-trucks and the construction of a new solar-powered charging and swapping station. Most recently, we finalised the first draft LCA calculation, which is now under review by our Validation and Verification Body (VVB), Normec Verifavia.

PROJECT HIGHLIGHTS

DARK EARTH (Singapore):

Singapore's first biochar carbon removal project, registered with Puro.earth. The project converts organic waste into stable biochar through controlled pyrolysis, locking carbon away for centuries while improving soil health. Most recently, the project received the National Environment Agency's (NEA) permit to start trial production in January 2026, and we've submitted the first set of documents under Puro Biochar Methodology v2025 for preliminary assessment. We expect approval by Q1 2026, after which we'll be able to share more project details for commercial offtake. CORC issuance is targeted for Q2 2026.

GREENFLARE (Nigeria):

The project captures waste methane that would otherwise be flared in Nigeria and converts it into electricity to power data centres, turning fugitive emissions into clean energy while supporting local infrastructure.

ARTICLE 6.2 DEVELOPMENT:

We're also advancing Article 6.2 projects across multiple jurisdictions, working with governments to structure high-integrity international carbon transfers.

GLOSSARY

Key terms referenced in this edition

ARR (Afforestation, Reforestation, Revegetation:
A category of carbon projects that sequester CO_2 through planting new forests, restoring degraded forests, or establishing vegetation on land that previously had none.

Article 6:
The section of the Paris Agreement that establishes frameworks for international carbon market cooperation, including bilateral trading between countries (6.2) and a centralized UN crediting mechanism (6.4).

Biochar:
A carbon-rich material produced by heating biomass in a low-oxygen environment, which can store carbon in soils for centuries when applied as a soil amendment.

Buffer Pool:
A reserve of carbon credits set aside to insure against reversals or non-performance of carbon projects, ensuring that credited emissions reductions remain valid over time.

CCP (Core Carbon Principles):
A set of quality criteria established by the ICVCM that carbon credits must meet to be considered high-integrity, covering additionality, permanence, and robust quantification.

CDR (Carbon Dioxide Removal):
Activities that remove CO_2 from the atmosphere and durably store it in geological, terrestrial, or ocean reservoirs, or in products.

Corresponding Adjustment (CA):
An accounting procedure under Article 6 whereby a host country adjusts its national emissions inventory to avoid double counting when carbon credits are transferred internationally.

ICVCM (Integrity Council for the Voluntary Carbon Market):
An independent governance body that sets and enforces global standards for high-integrity carbon credits in the voluntary market.

IFM (Improved Forest Management):
A carbon project type that generates credits by enhancing carbon stocks in existing forests through practices such as extended rotation periods, reduced-impact logging, or protection from degradation.

ITMO (Internationally Transferred Mitigation Outcome):
The unit of exchange under Article 6 of the Paris Agreement, representing one tonne of CO_2 equivalent that is transferred between countries for use toward climate targets.

Letter of Authorisation (LoA):
A formal document issued by a host country government that authorises a carbon project to generate credits eligible for international transfer under Article 6 or CORSIA.

OMGE (Overall Mitigation in Global Emissions):
A mandatory cancellation of a portion of Article 6.4 credits to ensure that carbon trading delivers net atmospheric benefits beyond what would occur through offsetting alone.

Retirement:
The permanent removal of a carbon credit from circulation, typically recorded in a registry to represent a claim against the underlying emissions reduction or removal.

Soil Carbon:
Carbon stored in soils through organic matter, which can be increased via regenerative agricultural practices such as cover cropping, reduced tillage, and crop rotation.

VCM (Voluntary Carbon Market):
The market for carbon credits purchased voluntarily by companies, individuals, or governments to offset emissions, as distinct from compliance markets mandated by regulation.

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