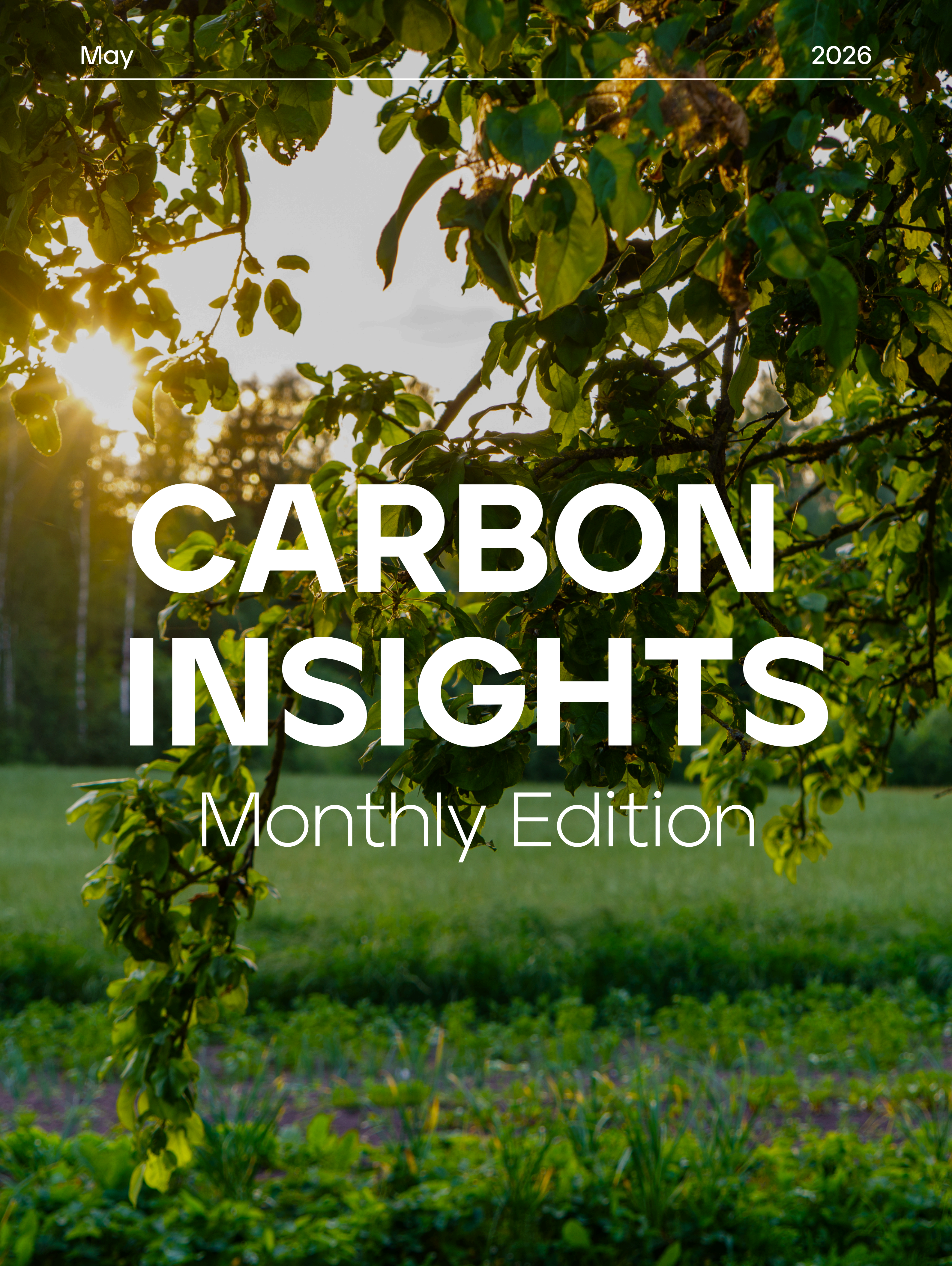

May 2026

CARBON INSIGHTS

Monthly Edition

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INSIDE THIS ISSUE

EXECUTIVE SUMMARY

Aggregate activity across the four major voluntary registries showed a tighter balance in May, with total issuances of 18.68 MtCO_2e against 14.40 MtCO_2e of retirements, a retirement-to-issuance ratio of approximately 75% and a net issuance surplus of around 4.28 MtCO_2e. The ratio has risen sharply from 45% a year earlier. The Industry category produced the largest issuance surplus, while corporate retirements were led by CMA CGM across a highly diversified portfolio. More than 15 new buyers entered the market, led by Milano Cortina 2026.

CORSIA was marked by continued price pressure. Phase 1 spot delivery fell to around \$10/tCO_2e and December 2026 delivery briefly dipped to \$9.75, a significant correction from prices close to \$20 at the start of the year. Prices partially recovered by month-end, with spot back to around \$10.15, though the market remained at historically low levels as buyers took a wait-and-see approach. Approximately 37M CORSIA-eligible credits have been issued to date.

On the voluntary side, the SBTi set out a route for companies to use carbon credits towards their climate targets, while the ICVCM expanded CCP eligibility through a new batch of methodology approvals. CCP-labelled supply continued to grow, with 7.6M CCP-tagged credits issued in May and cumulative issuance now around 111M credits against approximately 46M retired. Both point to future purchases depending increasingly on whether credits meet recognised quality criteria.

Article 6 and cross-border activity advanced on several fronts. Switzerland registered its first domestic industrial CDR projects and, with Sweden, piloted cross-border CDR credit transfers under the Paris Agreement. The European Commission opened a consultation on limited recognition of Article 6 credits under CBAM, which could add a policy-driven demand signal for Article 6-aligned credits, while the UNFCCC launched pilot versions of both its Article 6.4 and Article 6.2 registries ahead of a late-2026 rollout.

LAST MONTH IN CARBON MARKETS

SBTI SIGNALS A POTENTIAL OPENING FOR CARBON CREDIT USE IN CORPORATE CLIMATE STRATEGIES

The Science Based Targets initiative (SBTi) has set out a route for companies to use carbon credits towards their climate targets, but most of the detail is still to come. Its newly released 2026–2030 strategy, *Catalyzing Corporate Action*, describes high-integrity credits as a complement to a company's own emissions cuts, not a substitute. The revised Corporate Net-Zero Standard is due by the end of 2026, but SBTi's fuller guidance on which credit schemes it will recognise is not expected until the end of 2027.

This position builds on the CNZS V2 review process, where SBTi has been clarifying how carbon credits could be treated within corporate net-zero strategies. The review has included two major public consultations in 2025, during which SBTi examined three potential use cases for credits: neutralising residual emissions that cannot be avoided through removals, financing mitigation beyond a company's own value chain, and taking responsibility for ongoing emissions before internal emissions cuts become mandatory.

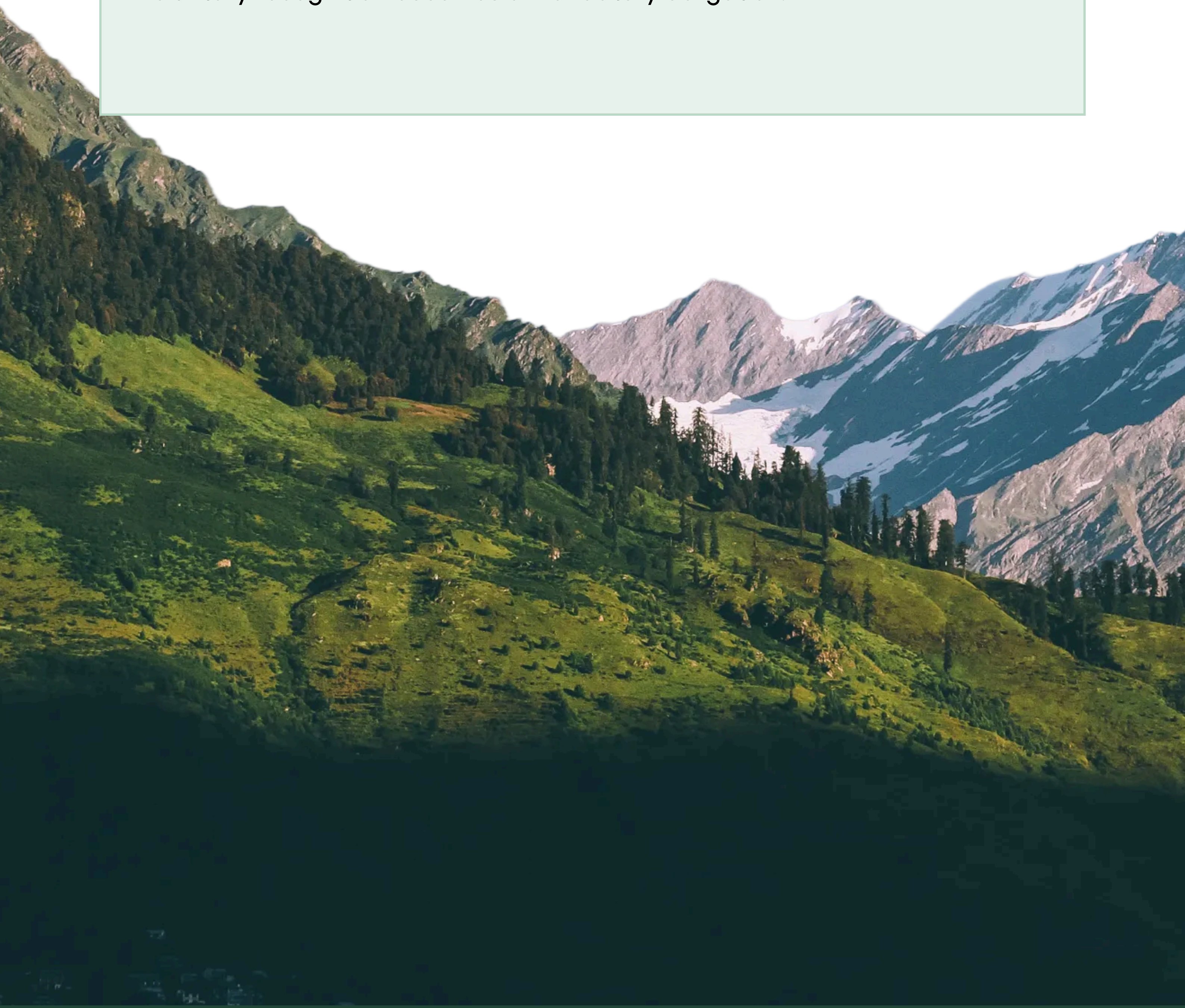
Importantly, SBTi has stated that it does not intend to develop its own integrity framework for carbon credits or certificates. Instead, it plans to recognise existing external systems, including carbon crediting programmes and integrity frameworks aligned with its approach, such as those based on the Integrity Council for the Voluntary Carbon Market principles. For companies, this means that future credit purchases may increasingly depend not only on price and availability, but also on whether the credits meet recognised quality criteria.

SENTINEL EARTH'S PERSPECTIVE

The Science Based Targets initiative's revision of its Corporate Net-Zero Standard is the most significant reframing of corporate climate strategy since the framework first appeared, and its direction has sharpened across two rounds of public consultation. The original standard told companies to decarbonise first and compensate later. The second draft published in November 2025 reframes the expectation towards doing both at once, with credits built into the plan rather than added at the end. One signal of that shift is terminology: the initiative has retired the term "Beyond Value Chain Mitigation" (BVCM) in favour of "Ongoing Emissions Responsibility" (OER), which moves external mitigation from a discretionary add-on to a named part of the net-zero pathway. Because the SBTi has chosen to lean on outside integrity frameworks rather than build its own, the bodies that set those labels, ICVCM chief among them, effectively decide which credits will count.

The mechanics now carry real weight and a clear timeline. The second draft introduces two tiers of recognition, "Recognized" and "Leadership," to reward early action. Leadership status requires an internal carbon price of at least $80 per tonne across all ongoing Scope 1, 2, and 3 emissions, with at least 40% of that budget spent on verified credits. What is voluntary today does not stay that way. Taking responsibility for a portion of ongoing emissions becomes mandatory from 2035 for large companies worldwide and for medium-sized companies in high-income countries, rising to 100% by the net-zero year. At net-zero, the neutralisation rules tighten demand for durable removals: the draft specifies that 41% of neutralisation be met through long-lived removals such as direct air capture, biochar, and enhanced mineralisation, with the rest through short-lived or additional long-lived solutions. That points companies towards a mixed procurement strategy combining mature nature-based credits with newer engineered removals. The draft also states that removals used for neutralisation cannot also count towards a country's Nationally Determined Contribution, which pushes Article 6 corresponding adjustments from a compliance-market concern into a mainstream requirement for credible corporate claims.

For companies, the practical takeaway is that target validation should not wait for the standard to be finalised. The second consultation ran to December 2025, the final standard is expected in mid-to-late 2026, and the existing V1.3 remains valid for new targets only until December 2027, after which all new targets must use V2.0 from January 2028. Companies that read this gap as a reason to hold off risk being unprepared for a regime that rewards diversified, high-integrity removal portfolios built well ahead of the deadlines. The question is no longer whether a company sets a science-based target, but how durable and well-financed its carbon strategy is, and the firms building that capability now will be in a stronger position as voluntary recognition becomes a mandatory obligation.



ICVCM EXPANDS CCP ELIGIBILITY WHILE CLARIFYING FUTURE RULEMAKING

The Integrity Council for the Voluntary Carbon Market has launched a consultation on its proposed CCP Rule Architecture, a new procedural framework designed to clarify how the Core Carbon Principles and their Assessment Framework will evolve over time. The aim is to make future CCP updates easier to understand and more predictable for the market. The framework would let the ICVCM publish new guidance, technical updates or clarifications when needed, without changing the main CCP rules or reopening completed assessments. The consultation remains open until 7 June 2026, with the first instruments under the new rule base expected to enter development in Q4 2026.

For the voluntary carbon market, this is an important step because it gives more structure to how the CCP label will be managed in the future. As CCP-labelled credits become more important for buyers, especially in due diligence and procurement decisions, market participants need clearer guidance on how future risks, technical issues and methodology updates will be handled. The proposed framework should help maintain confidence in the CCP label, while giving the ICVCM a clearer way to respond to new evidence and market developments.

In parallel, the ICVCM announced a new batch of assessment decisions, including conditional CCP approval for Verra's VMR0017 methodology for grid-connected renewable energy and VCS ACM0008 for mine methane abatement, full CCP approval for Isometric's Mangrove Restoration Protocol, and programme-level CCP eligibility for the Global Carbon Council. The renewable energy decision is particularly notable, as VMR0017 represents a revised approach following the ICVCM's previous rejection of several renewable energy methodologies in 2024. No historical renewable energy issuances will receive CCP approval, and future eligibility will depend on strengthened additionality tests, including evidence that carbon revenues meaningfully improve project economics. For mine methane abatement, around 6.44 million credits have been issued under the approved versions of VCS ACM0008, although the ICVCM noted that only a few are expected to qualify for CCP labels due to the approval conditions. The Isometric Mangrove Restoration Protocol, meanwhile, is a new methodology with three signed projects and potential issuance of up to 2 million carbon removal credits by 2030.

Overall, the announcements suggest that the ICVCM is strengthening the CCP framework while gradually expanding the range of eligible methodologies and programmes. This adds clarity for the market, even if the conditions attached to each approval will decide how many credits ultimately qualify.

SWITZERLAND REGISTERS FIRST DOMESTIC INDUSTRIAL CDR PROJECTS UNDER ITS NATIONAL CREDITING FRAMEWORK

Switzerland has registered its first domestic industrial carbon dioxide removal projects eligible to generate national carbon credits, known as attestations. The four approved projects cover permanent removal pathways, including BECCS, through the capture of biogenic CO_2 from Swiss biomass and biogas facilities, and CO_2 mineralisation, through the storage of CO_2 in recycled concrete and demolition materials. The projects involve Neustark, CO_2 Energie, ReCO_2ver Schweiz and Zirkulit Beton, and represent the first expected source of industrial CDR attestations under the Swiss framework.

The registrations come in the context of Switzerland's Climate and Innovation Act, which requires Swiss companies to reach net-zero emissions by 2050. While formal net-zero roadmaps are currently mandatory only for financial institutions and companies receiving public subsidies, the framework is expected to create a progressively stronger demand signal for credible carbon removals. Companies are expected to define both an emissions reduction pathway and a CDR pathway, with BAFU recommending a gradual build-up of removal volumes from a pre-2030 reference year and interim milestones in 2030, 2035, 2040 and 2045.

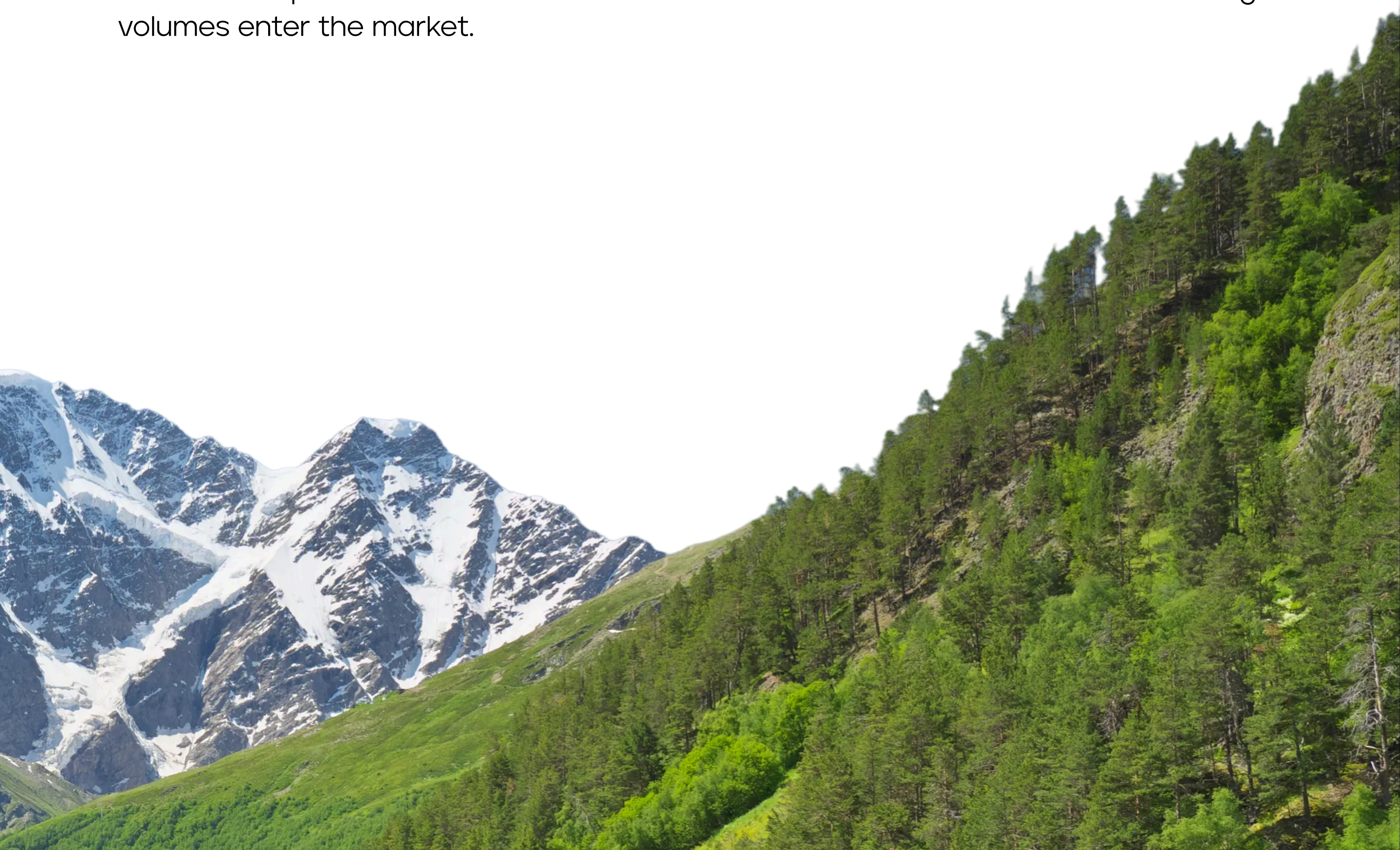
For the carbon removal market, the approval of these first projects marks an important step towards the creation of a regulated domestic supply pipeline for durable removals. No industrial CDR attestations have yet been issued, and expected volumes have not been disclosed. However, the inclusion of BECCS and mineralisation projects suggests that Switzerland is beginning to formalise the role of engineered removals within its long-term corporate net-zero architecture. Further clarity is expected in the second half of 2026, when BAFU is due to publish its draft post-2030 climate policy framework for public consultation, including rules for scaling CDR.

SWEDEN AND SWITZERLAND PILOT CROSS-BORDER CDR CREDIT TRANSFERS UNDER ARTICLE 6

Sweden and Switzerland have launched two symbolic cross-border carbon dioxide removal transactions under their bilateral cooperation framework, marking another early test of how CDR credits can be transferred internationally under the Paris Agreement. The Swiss government authorised the transfer of ITMOs corresponding to two tonnes of CO_2 removals to two Swedish buyers, Max Burgers and ZeroMission, with the Swiss Climate Cent Foundation acting as the transferring entity.

Although the volumes are purely symbolic, the transaction is significant from a market architecture perspective. It tests a business-to-business model in which private-sector CDR purchases are recognised by governments and transferred as Paris Agreement-backed units. This provides an early example of how corporate demand for durable removals could be connected to Article 6 infrastructure, including government authorisation, international transfer and corresponding adjustment to avoid double counting.

The pilot builds on the 2023 cooperation framework signed between Sweden and Switzerland, which was designed to explore the regulatory conditions for international CDR trading. Switzerland has already pursued a similar approach with Norway, where companies from both countries carried out symbolic pilot transfers of CDR-type ITMOs. The Swedish transfer is therefore part of a broader Swiss strategy to test the operational use of Article 6 for carbon removal transactions before larger volumes enter the market.



EU CONSULTS ON LIMITED RECOGNITION OF ARTICLE 6 CREDITS UNDER CBAM CARBON PRICE RULES

The European Commission has opened a consultation on draft rules that would allow a limited role for Paris Agreement-backed carbon credits when assessing whether an effective carbon price has already been paid in exporting countries under the EU Carbon Border Adjustment Mechanism. Under CBAM, importers of carbon-intensive goods are required to surrender certificates linked to the embedded emissions of their products, unless they can demonstrate that an equivalent carbon price has been paid in the country of origin.

The draft Implementing Regulation proposes that, where a third-country carbon pricing mechanism allows the use of international offset credits, only credits authorised and issued under Article 6.2 or Article 6.4 of the Paris Agreement, and transferred as ITMOs, should be recognised. In practice, this would exclude conventional voluntary carbon credits from being counted unless they meet the Paris Agreement accounting framework, including authorisation and the corresponding adjustment process designed to prevent double counting.

The proposed recognition would remain tightly constrained. International Article 6 credits could account for up to 10% of the reported and confirmed emissions covered by the exporting country's carbon pricing mechanism. This limitation appears designed to acknowledge existing compliance systems that allow a partial use of international credits, while preserving CBAM's core objective of encouraging direct emissions reductions and low-carbon investment in exporting jurisdictions.

For the carbon market, the proposal could create an additional, policy-driven demand signal for Article 6-aligned credits. However, the measure is likely to remain politically sensitive. Previous discussions on recognising Article 6 credits under CBAM have faced opposition from parts of industry and EU policymakers, and the consultation outcome will be important in determining whether such credits can play a formal role in reducing CBAM liabilities. The consultation is open until 10 June 2026.

UNFCCC PILOTS ARTICLE 6.4 AND ARTICLE 6.2 REGISTRIES AHEAD OF LATE-2026 ROLLOUT

The UNFCCC has launched pilot versions of both its Article 6.4 and Article 6.2 registries, marking an important operational step in the development of the Paris Agreement carbon market infrastructure. The two demo platforms, referred to as minimal viable products, allow governments, project participants, intermediaries and service providers to test selected registry functions and provide feedback ahead of the launch of fully operational systems, expected by the end of 2026.

The Article 6.4 registry will be used to manage credits generated under the Paris Agreement Crediting Mechanism, from issuance to transfer, retirement and cancellation. The pilot also shows how automatic deductions will work at issuance, including a 5% Share of Proceeds contribution to the Adaptation Fund and a 2% cancellation for Overall Mitigation in Global Emissions.

In parallel, the Article 6.2 registry pilot is designed to test the digital infrastructure for ITMO transfers between participating countries and authorised entities. Unlike the more centralised Article 6.4 registry, it functions as an opt-in international ledger that complements domestic registries and reflects the bilateral nature of Article 6.2 cooperation. The current pilot demonstrates selected functions only, including simplified authorisation records, first transfers, cancellations for other international mitigation purposes such as CORSIA, and illustrative transfers between Parties or authorised entities.

For the Article 6 market, these pilots represent a shift from rulemaking towards implementation. While they do not yet create live issuance or trading activity, they provide early visibility on how authorisation, transfer, cancellation, retirement and double-counting safeguards may work in practice. They also highlight that registry infrastructure alone will not be sufficient: countries will still need to manage domestic authorisation processes, reporting obligations and corresponding adjustments through their Biennial Transparency Reports to ensure robust market oversight and claims integrity.

SENTINEL EARTH'S PERSPECTIVE

The launch of pilot registries for both the Article 6.4 Mechanism Registry and the Article 6.2 international registry marks an operational step in building out the infrastructure behind cooperative approaches under the Paris Agreement. The rules have existed for some time while the supporting systems were still under development, and these pilots begin to close that gap. The timing matters because the pipeline has been developing in parallel with, and in places ahead of, that infrastructure. On the Article 6.4 side, around 1,500 legacy Clean Development Mechanism activities are seeking transition under the Paris Agreement Crediting Mechanism, a portfolio that could generate around 1.5 $GtCO_2e$, of which roughly 900 Mt, or 60%, could realistically move forward. The first A6.4ER issuance under PACM followed in February 2026, from a cookstove activity in Myanmar coordinated with the Republic of Korea, at roughly 40% below the equivalent CDM figure, reflecting the more conservative baselines the Supervisory Body is applying. A pilot that can demonstrate issuance from end to end is a useful step towards moving from early milestones to routine operation.

The two registries reflect different designs. The Article 6.4 Mechanism Registry is centralised under the Supervisory Body, while the Article 6.2 international registry is a lighter, opt-in ledger that sits alongside Parties' national registries and records the ITMOs from bilateral cooperative approaches. That split reflects where the market stands, with 110 bilateral agreements involving 65 countries signed, while only five Parties have so far transferred or received ITMOs.

Our read is that these pilots advance the system towards implementation, though their reach will also depend on a factor outside the registries themselves: the differing levels of national readiness across participating Parties. The opt-in design assumes Parties' own registries and institutions are already in place, and that readiness varies. Several buyer-side Parties, such as Switzerland, Japan and Singapore, have established national registries, Designated National Authorities and authorisation procedures, and account for a significant share of the agreements in the pipeline. Many host Parties are at earlier stages, still building the Designated National Authority, the authorisation process and the reporting capacity to apply corresponding adjustments through their Biennial Transparency Reports. The same pattern shows on the Article 6.4 side, where host-Party approval has been the main gating step: around 13% of the credits requesting transition have been approved, with roughly 89% of the volume still awaiting it, which informed the decision at COP30 to extend the approval deadline from the end of 2025 to June 2026. The pilots offer a testing environment for the more advanced Parties, but scaling Article 6 will keep depending on host-Party capacity, pointing to a market that may develop at different speeds, with stronger-governance countries moving earlier.

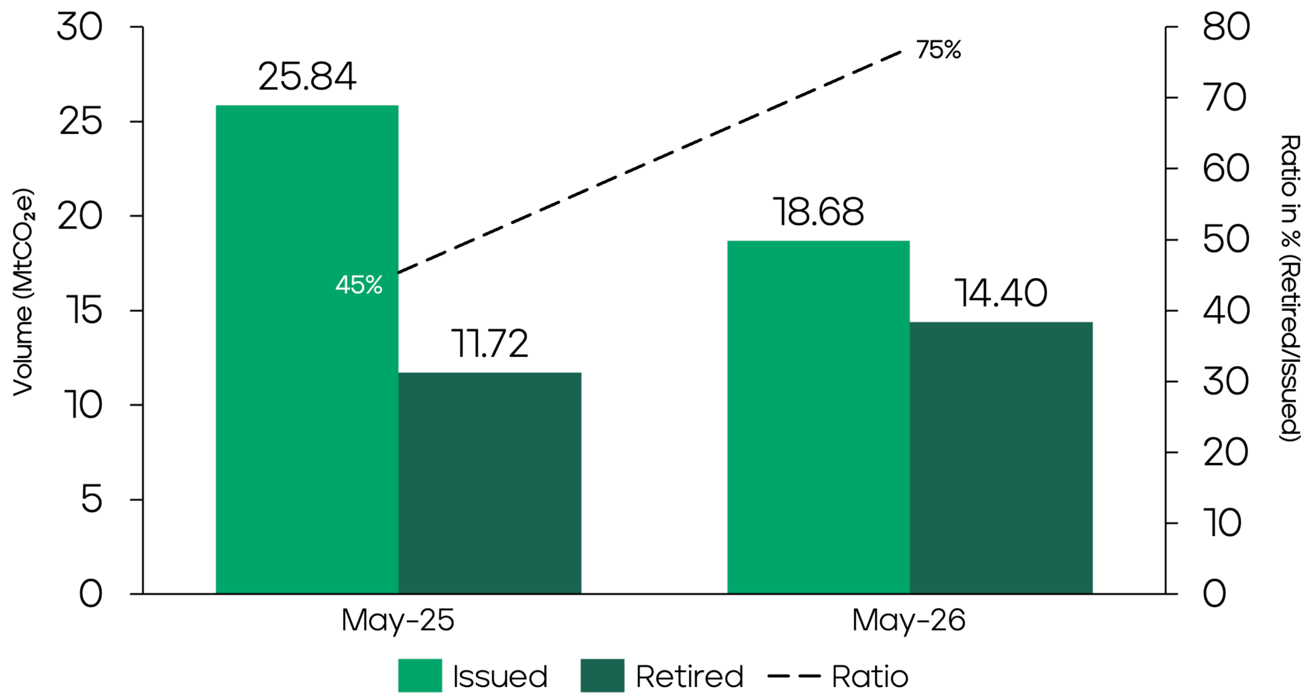
SUPPLY, DEMAND, AND PRICING

Issuance & Retirement In The VCM

Aggregate activity across the four major voluntary carbon registries showed a tighter balance between issuances and retirements in May 2026 compared with the same month last year. Total issuances reached 18.68 $MtCO_2e$, while retirements amounted to 14.40 $MtCO_2e$, resulting in a retirement-to-issuance ratio of approximately 75% and a net issuance surplus of around 4.28 $MtCO_2e$.

Year-on-year, issuances decreased from 25.84 $MtCO_2e$ in May 2025 to 18.68 $MtCO_2e$ in May 2026, while retirements increased from 11.72 $MtCO_2e$ to 14.40 $MtCO_2e$. This pushed the retirement-to-issuance ratio up from 45% to 75%, highlighting a stronger absorption of newly issued supply than in May 2025.

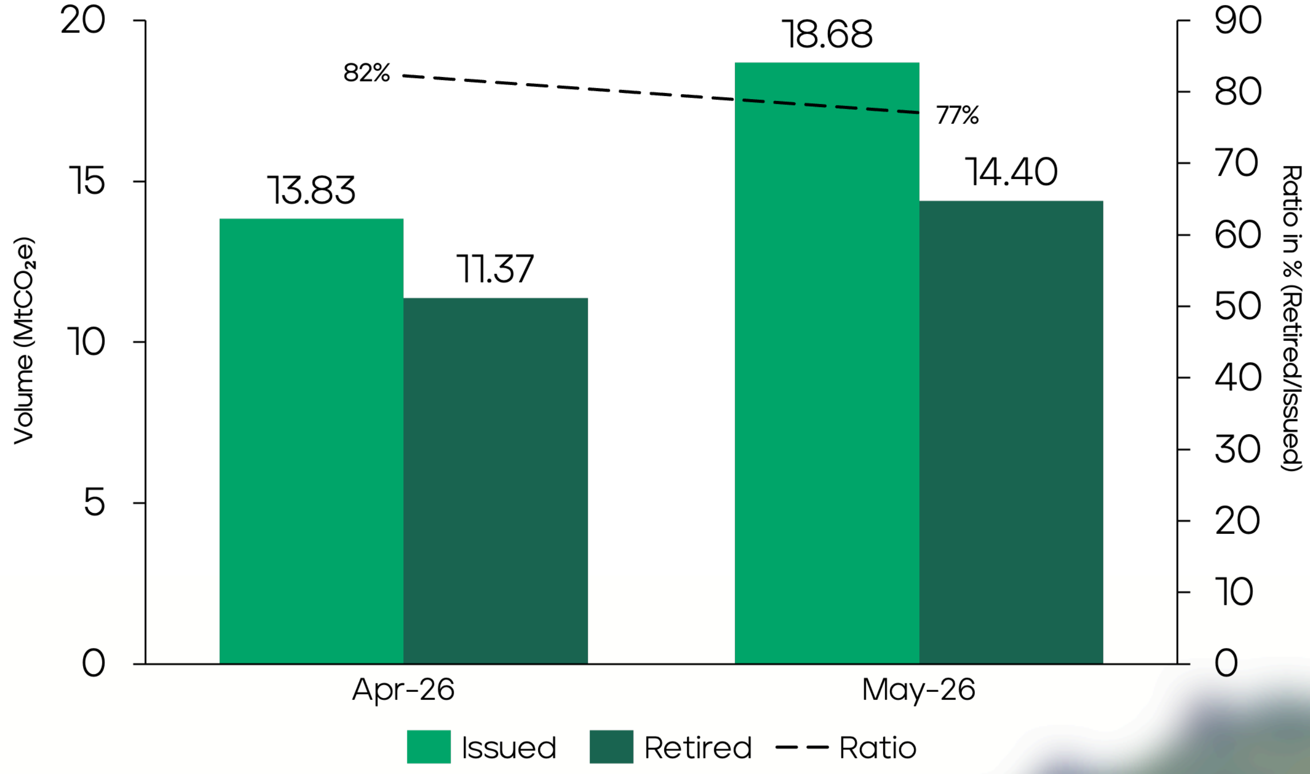
MONTHLY ISSUANCE AND RETIREMENT DYNAMICS (YEAR-ON-YEAR COMPARISON)



This chart presents a year-on-year comparison of issuance and retirement volumes for May 2025 and May 2026 (left axis, $MtCO_2e$), alongside the corresponding retirement-to-issuance ratio (right axis, %). The dashed line denotes the ratio computed as total retirements divided by total issuances for each respective period.

Month-on-month, both issuances and retirements increased in May. Issuances rose from 13.83 $MtCO_2e$ in April 2026 to 18.68 $MtCO_2e$ in May 2026, while retirements increased from 11.37 $MtCO_2e$ to 14.40 $MtCO_2e$. The retirement-to-issuance ratio decreased slightly, from 82% to 77%, as issuance activity increased at a faster pace than retirement activity over the month.

MONTHLY ISSUANCE AND RETIREMENT DYNAMICS (MONTH-ON-MONTH COMPARISON)



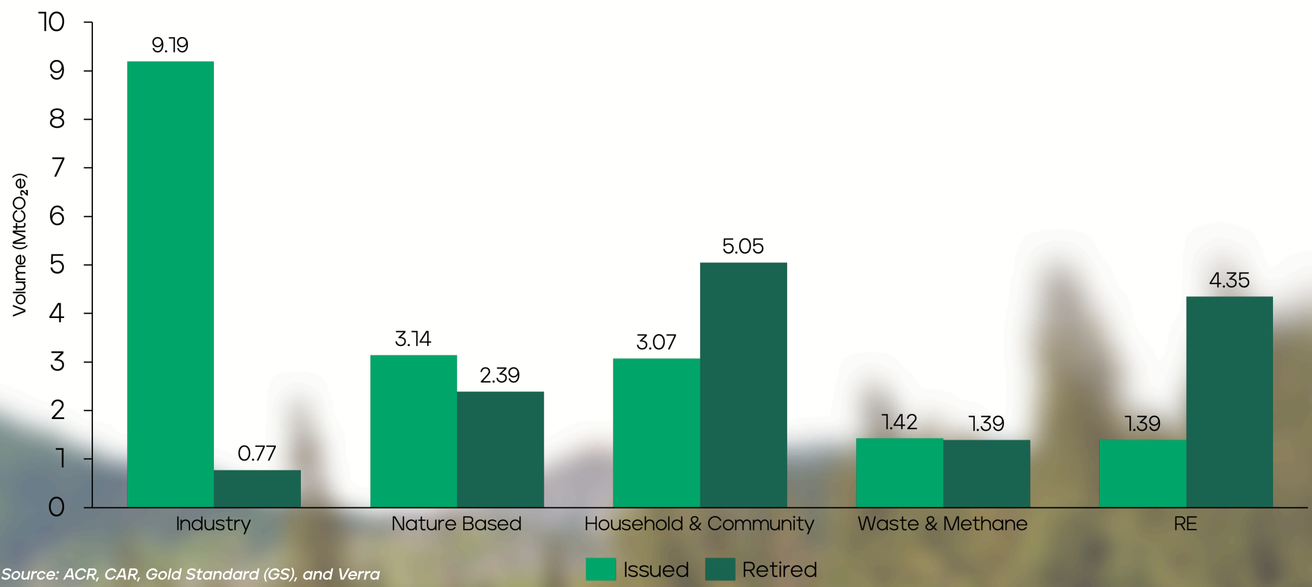
This chart presents a month-on-month comparison of issuance and retirement volumes for April and May 2026 (left axis, $MtCO_2e$), alongside the corresponding retirement-to-issuance ratio (right axis, %). The dashed line denotes the ratio computed as total retirements divided by total issuances for each respective month.

Issuance & Retirement Dynamics By Project Category

The category breakdown for May shows a shift in issuance patterns compared with recent months. Household & Community had been one of the leading categories for issuances for some time, but this month Industry moved clearly ahead, with 9.19 $MtCO_2e$ issued against only 0.77 $MtCO_2e$ retired. This created the largest issuance surplus among the main categories.

Household & Community remained highly active, but mainly on the retirement side, with 5.05 $MtCO_2e$ retired compared with 3.07 $MtCO_2e$ issued. Renewable Energy also recorded retirement activity well above issuance activity, with 4.35 $MtCO_2e$ retired against 1.39 $MtCO_2e$ issued. Nature-Based Solutions showed a more balanced profile, with 3.14 $MtCO_2e$ issued and 2.39 $MtCO_2e$ retired, while Waste & Methane was almost flat, at 1.42 $MtCO_2e$ issued and 1.39 $MtCO_2e$ retired.

ISSUED AND RETIRED VOLUMES BY PROJECT MACRO CATEGORY



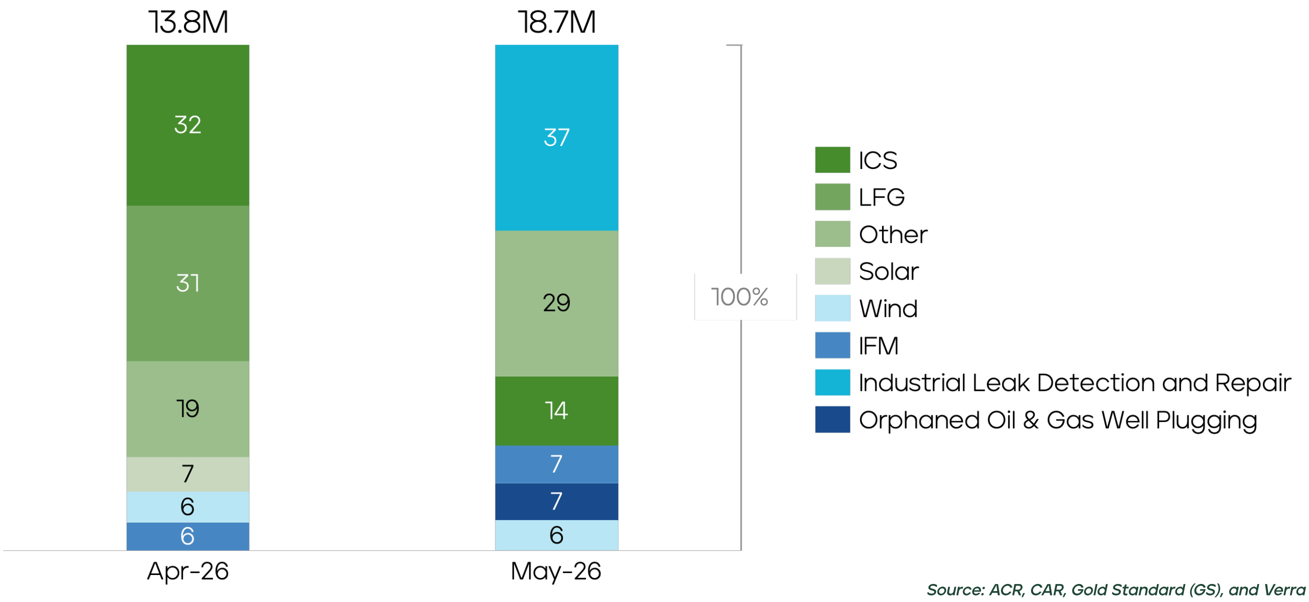
Source: ACR, CAR, Gold Standard (GS), and Verra

This chart presents aggregated issuance and retirement volumes by project macro-category across the four largest voluntary carbon registries over the reference month.

From April to May, the composition of issuances changed significantly. ICS, which had led in April with 4.4M credits, declined to 2.6M credits in May. The largest contributor in May was Industrial Leak Detection and Repair, which entered the ranking with 6.9M credits and accounted for the biggest share of monthly issuances.

The Other category also increased strongly, rising from 2.6M to 5.4M credits, making it the second-largest contributor in May. IFM and Wind both increased month-on-month, from 779k to 1.4M credits and from 835k to 1.1M credits, respectively. By contrast, LFG, which had been the second-largest contributor in April with 4.3M credits, dropped out of the top contributors in May, while Solar also disappeared from the ranking. Orphaned Oil & Gas Well Plugging entered the ranking with 1.4M credits.

ISSUED VOLUMES BY PROJECT TECHNOLOGY (SHARE COMPARISON)



Source: ACR, CAR, Gold Standard (GS), and Verra

This chart presents the distribution of issued carbon credits by project technology across two consecutive months, with each stacked bar representing the percentage share of total monthly issuances by technology.

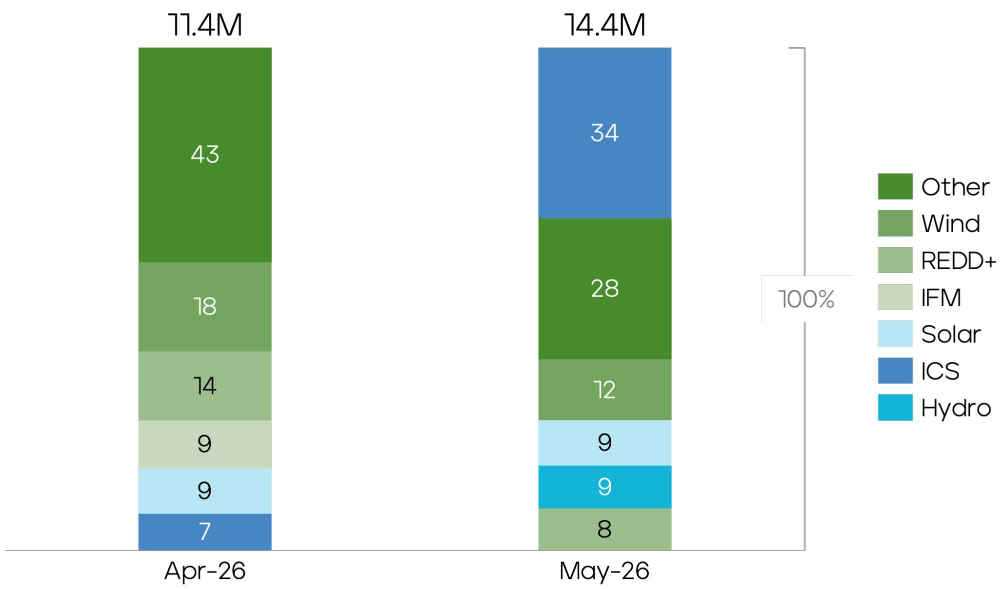
- ***"Other"*** *aggregates all project categories whose issuance volumes fall below those of the five leading technologies displayed in the chart.*
- **Industrial Leak Detection and Repair** *refers to projects that identify and repair methane leaks from industrial oil and gas infrastructure, reducing emissions that would otherwise be released into the atmosphere.*
- ***Orphaned Oil & Gas Well Plugging*** *refers to projects that permanently seal abandoned or inactive oil and gas wells to prevent methane and other greenhouse gases from leaking into the atmosphere.*

On the retirement side, volumes outside the top project types ("Other" in the chart) declined between April and May, falling from 4.85M to 4.04M credits. Its share of the monthly mix also decreased, from 43% to 28%, indicating that May's retirement activity was less dispersed across smaller project categories than in April.

The main declines came from Wind and REDD+. Wind fell from 2.0M to 1.8M credits, while REDD+ decreased from 1.6M to 1.2M credits. IFM, which represented 1.1M credits in April, dropped out of the top contributors in May.

By contrast, ICS increased sharply from 826k to 4.9M credits, becoming the largest contributor to retirements in May. Solar also increased from 1.0M to 1.3M credits, while Hydro entered the ranking with 1.2M credits.

RETIRED VOLUMES BY PROJECT TECHNOLOGY (SHARE COMPARISON)



Source: ACR, CAR, Gold Standard (GS), and Verra

This chart presents the distribution of retired carbon credits by project technology across two consecutive months, with each stacked bar representing the percentage share of total monthly retirements by technology.

- ***"Other"** aggregates all project categories whose retirement volumes fall below those of the five leading technologies displayed in the chart.*

Supply-Demand Dynamics Across Regions

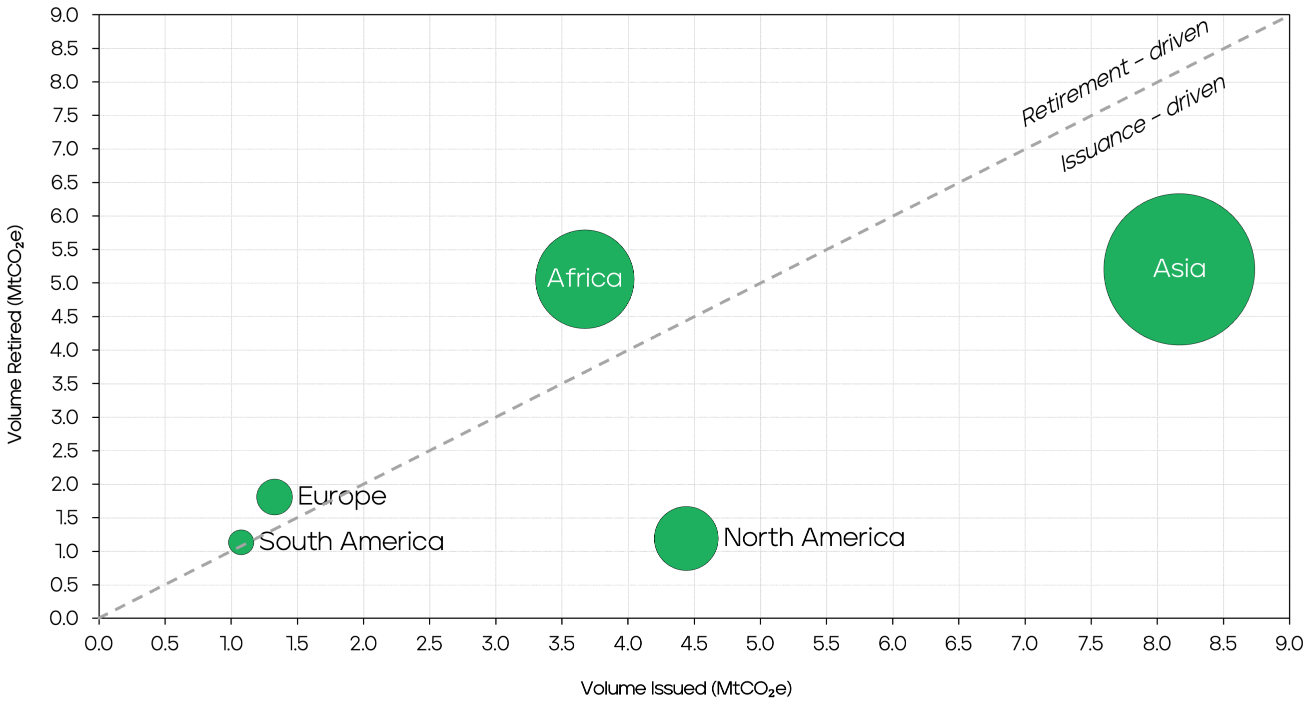
The regional breakdown for May shows a clear shift in the balance between issuance-driven and retirement-driven regions. Asia remained the largest market by total volume, with 8.2M credits issued against 5.2M retired. Unlike April, however, Asia moved into a net issuance position, driven by a strong increase in issuance activity.

Africa became the main retirement-driven region in May, with 5.1M credits retired compared with 3.7M issued. Europe and South America also recorded net retirement positions, although at a smaller scale, with Europe retiring 1.8M credits against 1.3M issued and South America retiring 1.1M credits against 1.1M issued.

By contrast, North America remained issuance-driven, with 4.4M credits issued against 1.2M retired. This makes North America one of the main net supply regions for the month, alongside Asia.

REGIONAL ISSUANCE VS. RETIREMENT BALANCE

This bubble chart compares issuance (x-axis) and retirement (y-axis) volumes by region, with bubble size reflecting the scale of overall activity. The dashed diagonal line distinguishes retirement-driven regions, positioned above, from issuance-driven regions, positioned below.



Source: ACR, CAR, Gold Standard (GS), and Verra

ICVCM

The ICVCM remained an important topic in May, with three additional methodologies approved under the CCP framework, as well as one programme. This marks another step in the expansion of CCP-labelled supply, as more methodologies and programmes become eligible under the CCP framework.

On the data side, CCP-labelled credits continued to expand during the month. A total of 7.6M CCP-tagged credits were issued in May, while 756K were retired. Issuance activity was largely driven by the Uzbek project Reducing Gas Leakages within the Hududgaz Gas Distribution Networks across Uzbekistan (VCS 4531), which alone issued 5.6M CCP-tagged credits.

Since the launch of the CCP label, cumulative issuance has now reached around 111M credits, while total retirements stand at approximately 46M credits.

CORSIA

On the CORSIA side, May was marked by continued price pressure. Phase 1 spot delivery fell to around \$10/tCO_2e, while December 2026 delivery briefly moved below this level, reaching \$9.75/tCO_2e. This marked a significant correction from the beginning of the year, when CORSIA Phase 1 prices were still close to \$20/tCO_2e. The decline was partly linked to cautious demand from airlines, with high jet fuel prices making it more difficult for some carriers to commit to broader sustainability strategies, including SAF and carbon credits.

By the end of the month, prices partially recovered, with spot delivery moving back to around \$10.15/tCO_2e and December 2026 delivery rising to around \$10.10/tCO_2e. Despite this rebound, the market remained at historically low levels, suggesting that buyers are still taking a wait-and-see approach.

On the data side, approximately 37M CORSIA-eligible credits have been issued to date, while demand continues to be influenced by regulatory uncertainty and airline purchasing strategies.

Top Issuances & Retirements

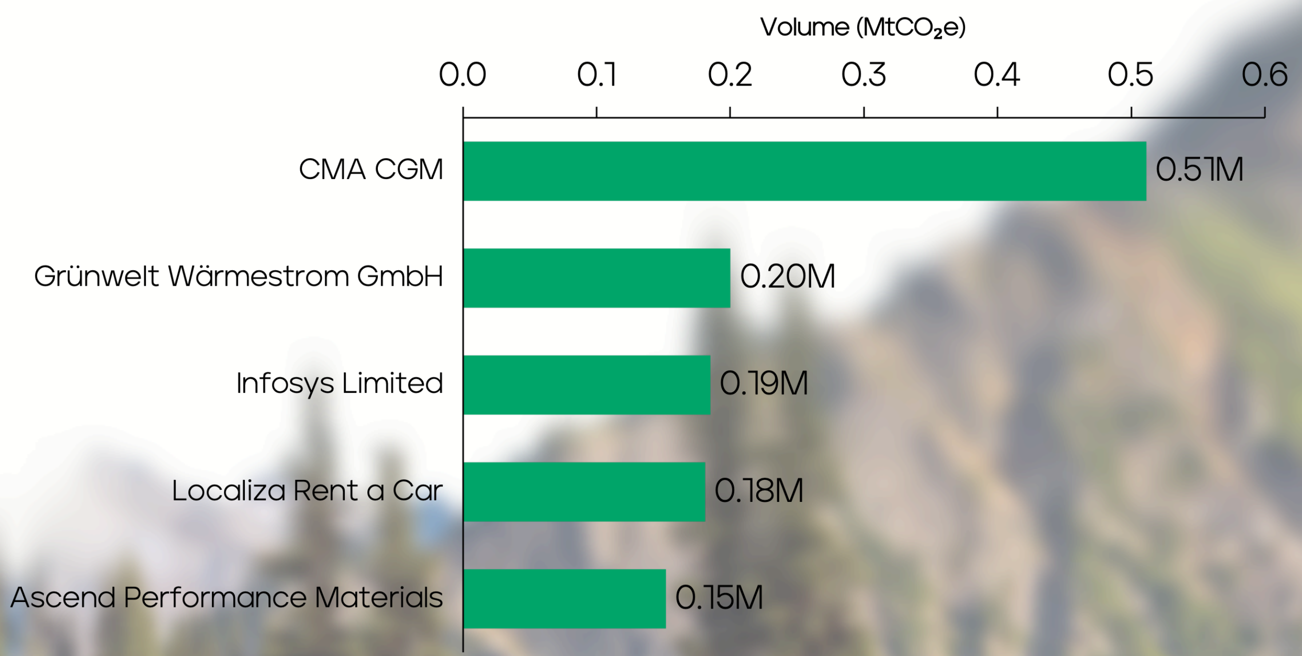
Corporate retirements in May were led by CMA CGM, with around 510K credits retired across a highly diversified portfolio of projects. The company retired credits from improved cookstoves, safe water, wind, hydro, afforestation/reforestation, regenerative agriculture, electric mobility and fuel switching projects across multiple regions, including Africa, Asia, Europe, the Middle East and Latin America.

Other notable corporate buyers included Grünwelt Wärmestrom GmbH, with around 200K credits retired from a Cambodian REDD+ project, and Infosys Limited, with around 190K credits retired mainly from improved cookstove projects in India. Localiza Rent a Car also stood out with 180K credits retired from Brazilian wind projects.

Outside of named corporate retirements, two large retirements with no named buyer were also recorded from the same project, VCS2505 "Fuel Efficient Cooking in South Africa", with approximately 2.1M and 1.9M credits retired respectively.

Ascend Performance Materials completed around 150K credits in retirements from the Phlogiston Phase I project in the United States, linked to industrial gas abatement from adipic acid production. Overall, May's largest corporate retirements were spread across a broad range of project types, with CMA CGM standing out among named corporate buyers both by volume and by the diversity of its retirement portfolio.

This chart presents the largest carbon credit retirement volumes recorded during the reporting period, ranked by entity on the basis of total retired volumes ($MtCO_2e$).



Source: ACR, CAR, Gold Standard (GS), and Verra

CMA CGM						
PROJECT	VOLUME	ID	TECH	VINTAGE	COUNTRY	REGISTRY
CPA 053 – Charcoal Stoves in Kenya	511,112	GS11198	ICS	2022	Kenya	Gold Standard
Safe Water Programme – Nigeria – VPA 01		GS11259	ICS	2024	Nigeria	Gold Standard
Ras Ghareb Wind Energy Project		GS11557	Wind	2022	Egypt	Gold Standard
Safe Water Programme – Kenya – VPA 61		GS12263	Safe Water	2024	Kenya	Gold Standard
Reforestation Program in the Southeastern Region of Nicaragua on degraded pastureland		GS4220	A/R	2017-2021	Nicaragua	Gold Standard
Nazava Water Filter Project		GS4290	Safe Water	2022-2023	Indonesia	Gold Standard
Jbel Sendouq-Khalladi ("Khalladi") wind farm project in Morocco		GS5073	Wind	2020	Morocco	Gold Standard
GS1247 VPA 80 Lango Safe Water Project		GS5194	Safe Water	2022-2023	Uganda	Gold Standard
Toros Hydroelectric Power Plant		VCS1499	Hydro	2020	Turkey	Verra
Motion Energy EV Industry Charger Project		VCS2348	EV	2022	Australia	Verra
Grouped projects for Mekong River Delta Water Purifier		VCS2581	Safe Water	2022	Viet Nam	Verra
Komaza Smallholder Farmer Forestry Kenya		VCS2623	A/R	2020-2021	Kenya	Verra
Zhangye Improved Grassland Management Project		VCS2748	Grassland Management	2019-2021	China	Verra
Global Cookstove Program (EKI Phase 01)		VCS2939	ICS	2023	India	Verra
Global Cookstove Program (EKI Phase 03)		VCS2941	ICS	2022-2023	India	Verra
Global Cookstove Program (EKI Phase 05)		VCS2943	ICS	2022	India	Verra
Westphalen Forest Carbon Project		VCS3363	IFM	2021	Germany	Verra
AgreenaCarbon Project		VCS4022	Regenerative agriculture	2022-2023	Denmark	Verra
TABREED DISTRICT COOLING GROUP PROJECT		VCS4519	District Cooling System	2023	United Arab Emirates	Verra
Ituiutaba Ceramic Fuel Switching Project		VCS558	Fuel Switch	2022-2023	Brazil	Verra

Source: Gold Standard (GS) and Verra

Grünwelt Wärmestrom GmbH						
PROJECT	VOLUME	ID	TECH	VINTAGE	COUNTRY	REGISTRY
Southern Cardamom REDD+ Project	200,000	VCS1748	REDD+	2017-2019	Cambodia	Verra

Source: Verra

Infosys Limited						
PROJECT	VOLUME	ID	TECH	VINTAGE	COUNTRY	REGISTRY
Promotion of clean cooking solutions in rural India by Infosys – VPA 1	185,148	GS10710	ICS	2023	India	Gold Standard
The Breathing Space Improved Cooking Stoves Programme India – VPA No. 16 Envirofit		GS11424	ICS	2024	India	Gold Standard
Promotion of clean cooking solutions in rural India by Infosys – VPA 2		GS11722	ICS	2023	India	Gold Standard
Improved Woodstove Project 2 in Udaipur		GS11855	ICS	2023	India	Gold Standard
Cookstove Distribution by Infosys in Meghalaya		GS11947	ICS	2023	India	Gold Standard
GS10655 GS10710: Promotion of clean cooking solutions in rural India by Infosys – VPA 3		GS12360	ICS	2023	India	Gold Standard

Source: Gold Standard (GS)

Localiza Rent a Car						
PROJECT	VOLUME	ID	TECH	VINTAGE	COUNTRY	REGISTRY
VTRM Renewable Energy	181,345	VCS1812	Wind	2023-2024	Brazil	Verra
VTRM Renewable Energy 2		VCS1903	Wind	2023-2024	Brazil	Verra

Source: Verra

Ascend Performance Materials						
PROJECT	VOLUME	ID	TECH	VINTAGE	COUNTRY	REGISTRY
Phlogiston Phase I	151,864	CAR1480	Industrial Gas Abatement	2025	US	CAR

Source: CAR

The largest project issuances in May were led by gas leakage reduction and methane-related activities. The biggest issuance came from Uzbekistan, with the Reducing Gas Leakages within the Hududgaz Gas Distribution Networks across Uzbekistan project, registered under Verra, which issued 5.6M credits. This project was also the only active Uzbek project on Verra with issuances to date, and is notable for having previously issued around 1.6M CORSIA-eligible Phase 1 credits.

Other major issuances came from South Africa and the United States. South Africa stood out with a fuel-efficient cooking project under Verra, issuing 1.9M credits. In the United States, the Heartland Methane Abatement and Land Restoration Project 4 issued 1.4M credits under ACR, linked to orphaned oil and gas well plugging.

Further notable issuances included another gas leakage reduction project in Bangladesh, which issued 719k credits under Verra, and an HFC reclamation project in the United States, which issued 541k credits under ACR. Overall, May's top issuances were mainly driven by LDAR, methane abatement and industrial gas-related projects, marking a shift away from the landfill gas and cookstove concentration seen in April.

Project	ID	Volume	Tech	Country	Registry
Reducing Gas Leakages within the Hududgaz Gas Distribution Networks across Uzbekistan	4531	5,637,351	LDAR	Uzbekistan	Verra
Fuel Efficient Cooking in South Africa	2505	1,897,296	ICS	South Africa	Verra
Heartland Methane Abatement and Land Restoration Project 4	1072	1,368,286	Orphaned Oil & Gas Well Plugging	USA	ACR
Reducing Gas Leakages within North West and other sub-areas of the Titas Gas Distribution Network in Bangladesh	3021	718,503	LDAR	Bangladesh	Verra
HT HFC Reclamation Project Champaign 2025-1	1199	541,151	Industrial Gas Abatement	USA	ACR

Source: ACR and Verra

PARTICIPATION FROM ADDITIONAL BUYERS

A total of more than 15 new buyers entered the voluntary carbon market during May. The largest new buyer was Milano Cortina - Olympic and Paralympic Winter Games 2026, with 136,000 credits retired, marking a notable entry from the sports and major events sector.

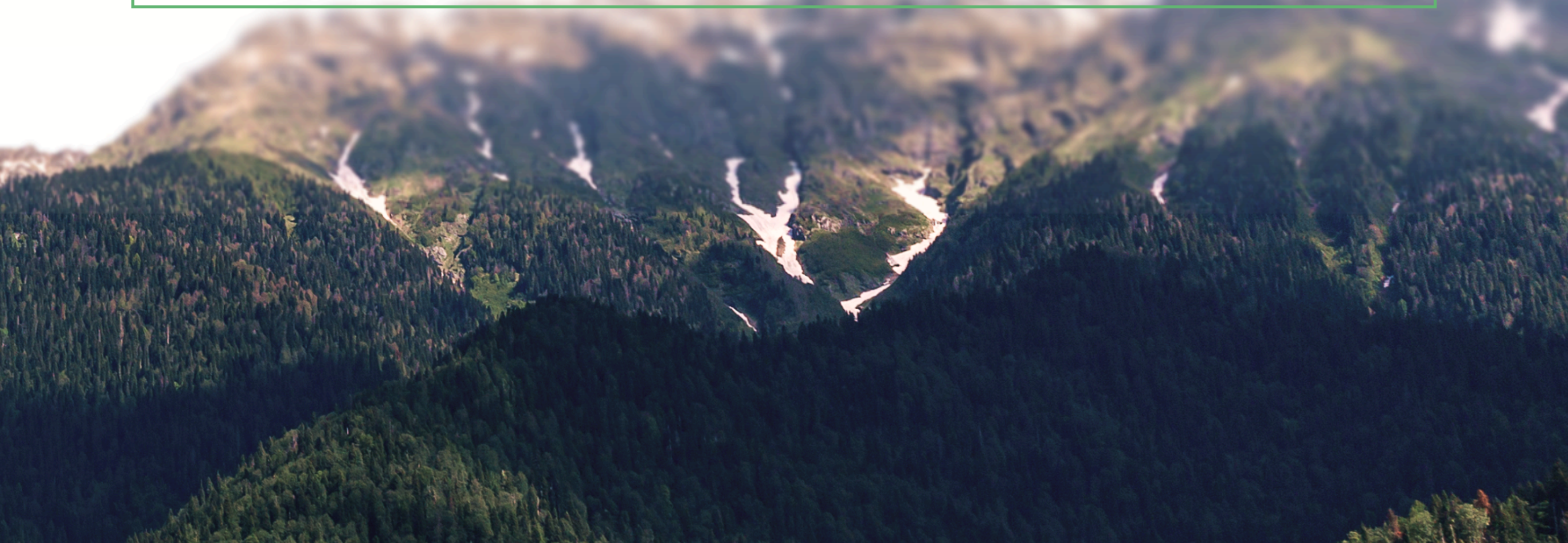
Other significant first-time buyers included Ruipu Saike Power Battery Co., Ltd., with 69,904 credits retired, Colussi Group with 46,904 credits, and Guangxi Rongshui New Materials Wood Industry Co., Ltd. with 43,878 credits.

Overall, May's new buyers were spread across several sectors, with the largest activity coming from events, food, aviation and public-sector buyers.

NEW PROJECT REGISTRATIONS

More than eighty new projects were registered across the major registries in May. Among the more notable additions, the Brightly - Reducing Food Loss and Waste project in the United States (VCS 4711) stands out as the first project registered under Verra's VM0046 methodology, which generates carbon credits from reducing methane emissions through avoided food waste. The project works with non-profit food rescue organisations to keep edible surplus food in the human supply chain and out of landfills.

May also included several less common project types, such as the Barnett Zero Project in the United States (VCS 6016), a carbon capture and storage project, and the Mechanical Reuse of Steel Plates from Wind Turbines project in Germany (GS 23520), which remains a rare example of material reuse within the market. Overall, the month's new registrations were diverse, with activity also seen outside the usual forestry, renewable energy and cookstove categories.



COMPANY UPDATE

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

This month our team has been on the ground in Asia, visiting two of Sentinel Earth's projects and meeting the people behind them, alongside our production team for interviews and filming.

Jin Guo, our Chief Financial Officer and Head of APAC, spoke at **China Energy Week in Beijing** on 22 May, taking part in the roundtable "The International Dimension: China's Voluntary Carbon Market and Green Finance Development in the Context of Article 6 of the Paris Agreement," discussing how international carbon markets, Article 6 mechanisms, and green finance can support China's decarbonisation pathway.

CHINA

In Inner Mongolia, Jin Guo and Linden Felder, who leads Communications and Marketing at Sentinel Earth, visited **Azure Road**. Time on site included meeting the operations team, the drivers running the trucks day in and day out, and our partners on the ground.

SINGAPORE

In Singapore, they visited **Dark Earth** at the Asia Renew Science facility in Lim Chu Kang. Time on site included meeting the operations team at the facility, the feedstock suppliers, and the landscaping partners using the biochar.

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 has been submitted to Verra and is now under validation.

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. The project is now listed in 123Carbon's registry, with the first EACs ready to be issued.

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 more project details to be published in Q2 2026, and CORC issuance in late 2026.

FÖHN, Morocco:

Our FÖHN project, a recovery and destruction activity targeting F-gases in Morocco, is now listed on the KliK Foundation's international project page. FÖHN is the first activity of its kind in Morocco and focuses on end-of-life refrigerant management, a segment with high global warming potential and clear abatement pathways. The project is developed and implemented by Sentinel Earth AG under Article 6.2 cooperation between Morocco and Switzerland.

GLOSSARY

Key terms referenced in this edition

Article 6.2: The provision of the Paris Agreement that establishes a framework for country-to-country carbon trading through bilateral agreements, enabling one country to transfer emission reductions to another as Internationally Transferred Mitigation Outcomes.

Biennial Transparency Report (BTR): A climate progress report submitted by Parties to the UNFCCC every two years under the Paris Agreement, used to track progress towards Nationally Determined Contributions and to record corresponding adjustments for internationally transferred emission reductions.

Bioenergy with Carbon Capture and Storage (BECCS): A carbon removal pathway that captures and durably stores the CO_2 released when biomass is used for energy, achieving net removal because the biomass had absorbed atmospheric carbon as it grew.

Carbon Border Adjustment Mechanism (CBAM): An EU regulation requiring importers of carbon-intensive goods such as steel, cement, aluminium and fertilisers to surrender allowances corresponding to the embedded emissions of imports, designed to prevent carbon leakage and align imports with the EU's domestic carbon price.

Carbon Dioxide Removal (CDR): The capture of carbon dioxide from the atmosphere and its durable storage, through either nature-based approaches such as afforestation or engineered approaches such as BECCS, direct air capture and mineralisation.

Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA): The United Nations' International Civil Aviation Organization scheme requiring airlines to offset growth in CO_2 emissions above 2019 levels through the purchase and retirement of eligible carbon credits known as Eligible Emissions Units.

Corresponding Adjustment (CA): An accounting mechanism required under the Paris Agreement whereby a host country adjusts its national emissions inventory to reflect ITMOs transferred abroad, preventing the same emission reduction from being counted by two countries simultaneously.

Eligible Emissions Units (EEUs): Carbon credits that have been approved and tagged by ICAO as meeting the quality and eligibility requirements for use under CORSIA Phase 1 or Phase 2 compliance.

ICVCM Core Carbon Principles (CCP): A quality threshold established by the Integrity Council for the Voluntary Carbon Market, defining standards for high-integrity carbon credits across governance, emissions impact and sustainable development.

Internationally Transferred Mitigation Outcomes (ITMOs): The unit of cooperation under Article 6.2 of the Paris Agreement, representing emission reductions or removals that have been authorised for transfer between countries with corresponding adjustments applied.

Letter of Authorisation (LoA): A formal document issued by a host country government confirming that emission reductions from a specified project may be transferred internationally, and that corresponding adjustments will be applied to the country's national emissions accounts.

Ongoing Emissions Responsibility (OER): A concept in the SBTi's draft Corporate Net-Zero Standard under which companies take responsibility for a share of their continuing emissions on the path to net zero, replacing the earlier idea of Beyond Value Chain Mitigation.

Paris Agreement Crediting Mechanism (PACM): The centralised crediting mechanism established under Article 6.4 of the Paris Agreement, designed to issue verified emission reductions that can be used by Parties and other entities to meet their climate commitments.

REDD+: A framework under the UNFCCC covering Reducing Emissions from Deforestation and forest Degradation, plus the conservation, sustainable management and enhancement of forest carbon stocks in developing countries.

Science Based Targets initiative (SBTi): The leading body that validates corporate emissions reduction targets against climate science. Its Corporate Net-Zero Standard sets out the rules companies follow to make credible net-zero claims, and is currently being revised.

Verified Carbon Unit (VCU): A carbon credit issued under Verra's Verified Carbon Standard, representing one tonne of carbon dioxide equivalent reduced or removed from the atmosphere through a verified project.

Voluntary Carbon Market (VCM): A market in which carbon credits are bought and sold by buyers acting voluntarily, outside regulatory compliance obligations, typically to support corporate climate goals such as net-zero commitments.

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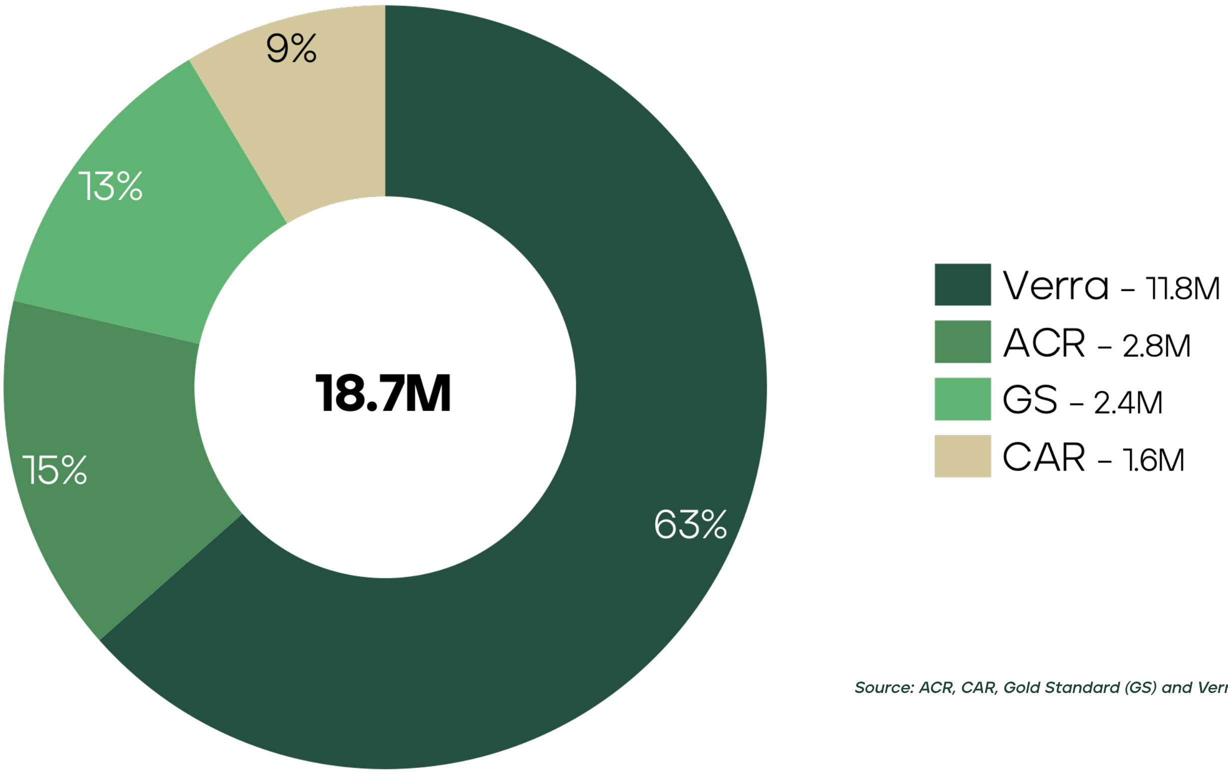
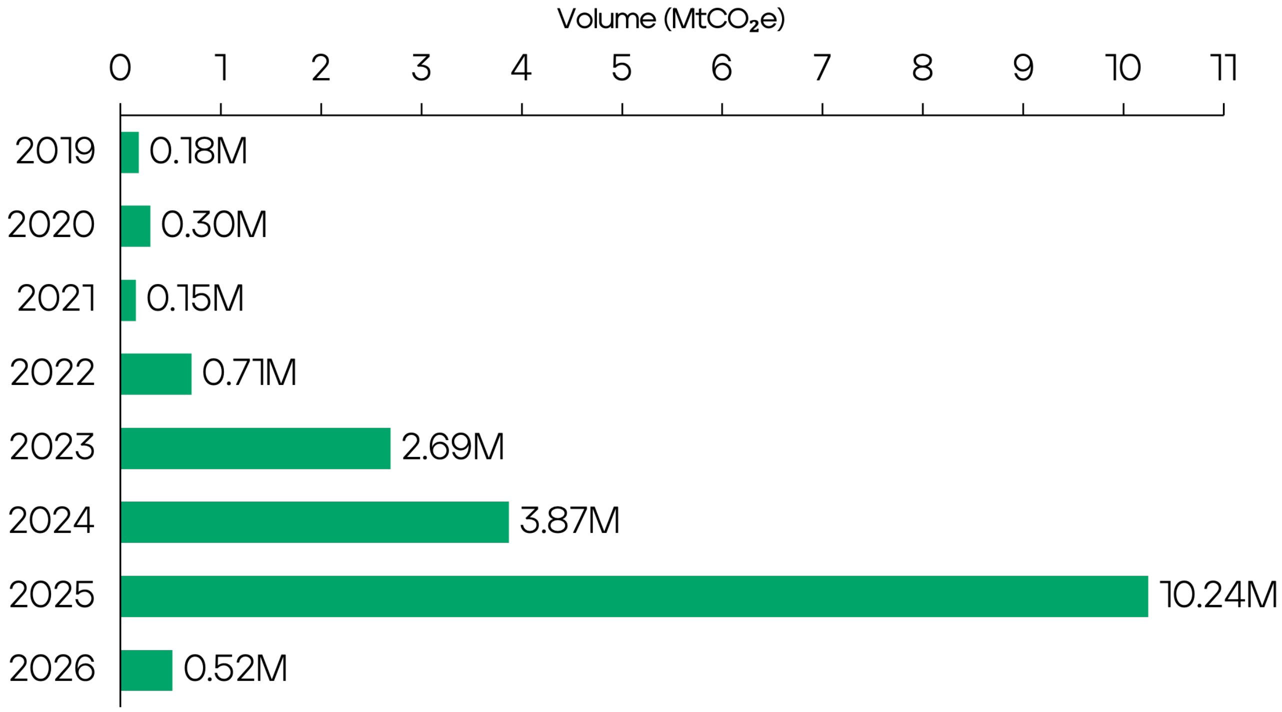
APPENDIX

ISSUANCES BY REGISTRY



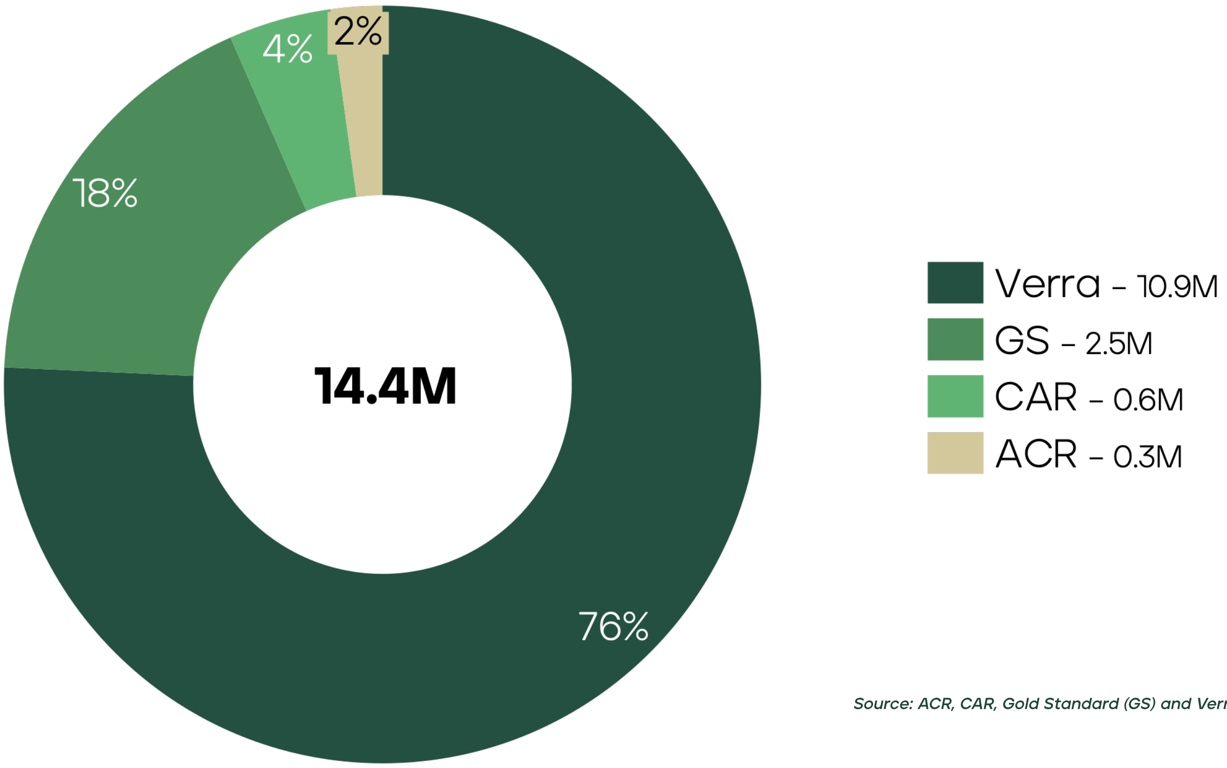
Source: ACR, CAR, Gold Standard (GS) and Verra

ISSUANCES BY VINTAGE



Source: ACR, CAR, Gold Standard (GS) and Verra

RETIREMENTS BY REGISTRY



Source: ACR, CAR, Gold Standard (GS) and Verra

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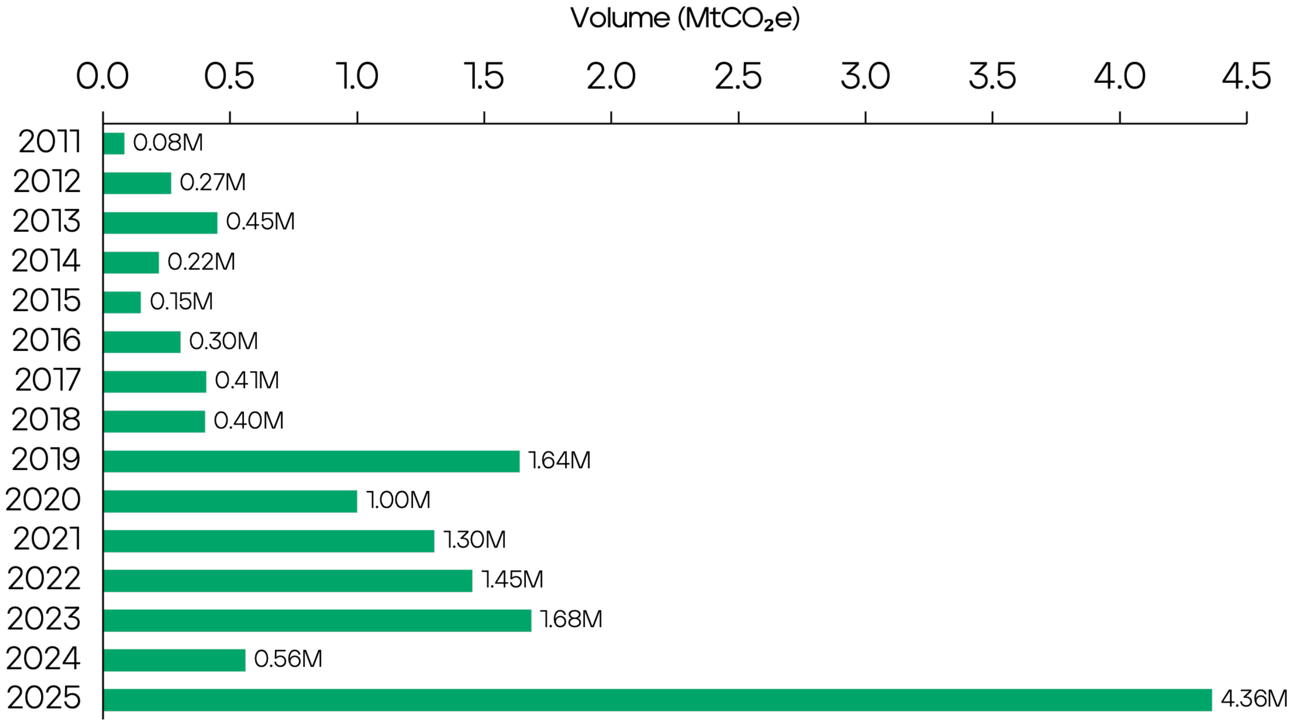

Source: ACR, CAR, Gold Standard (GS) and Verra


SENTINEL
EARTH


14.40 $MtCO_2e$ retired.
Want to know who's behind it?