NativState

Please update your logo as you wish or we can remove logos if you want as well.

University of Central Arkansas

Environmental Credits & Environmental Credit Obligations

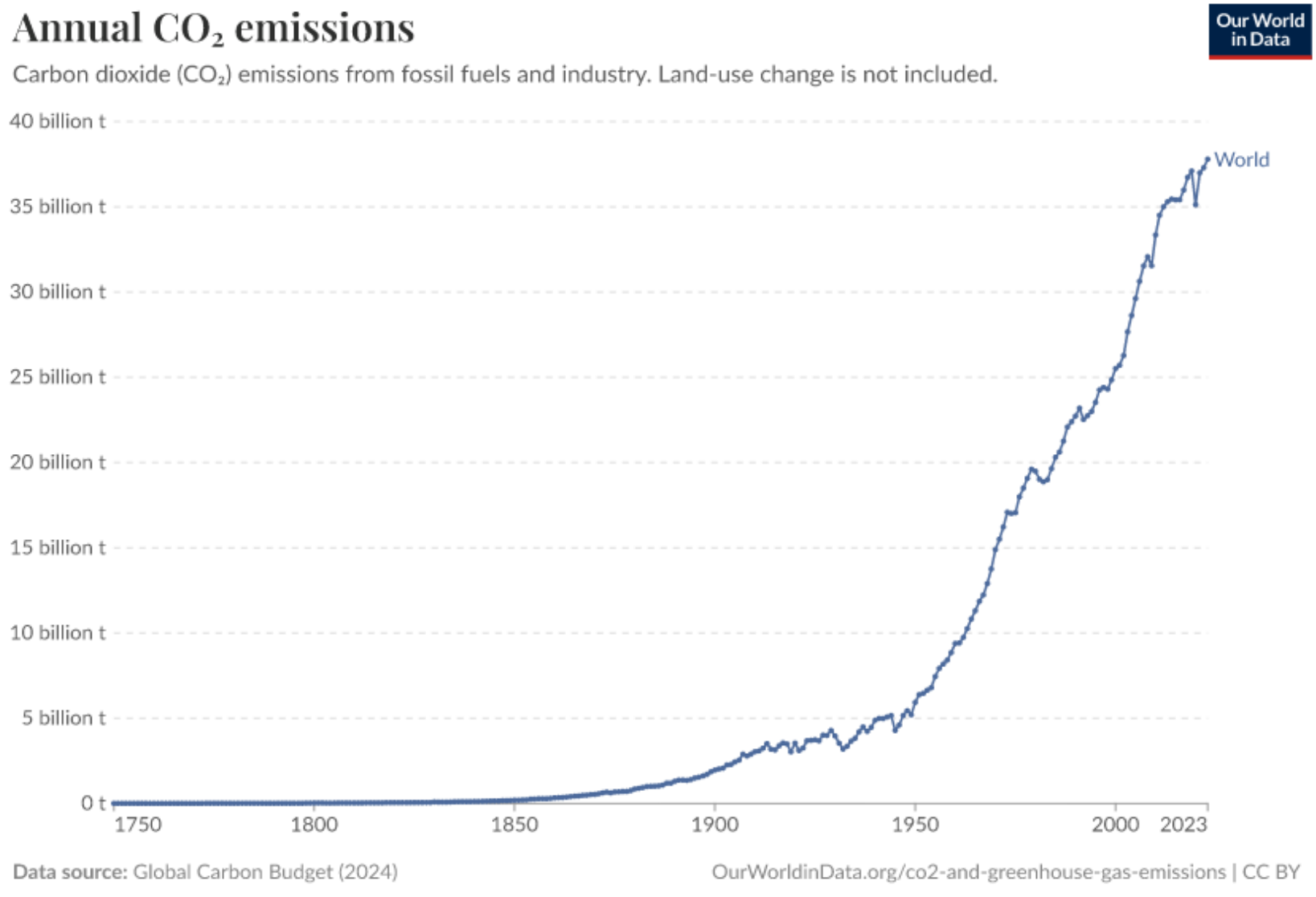
December 2025

What are Environmental Credits?

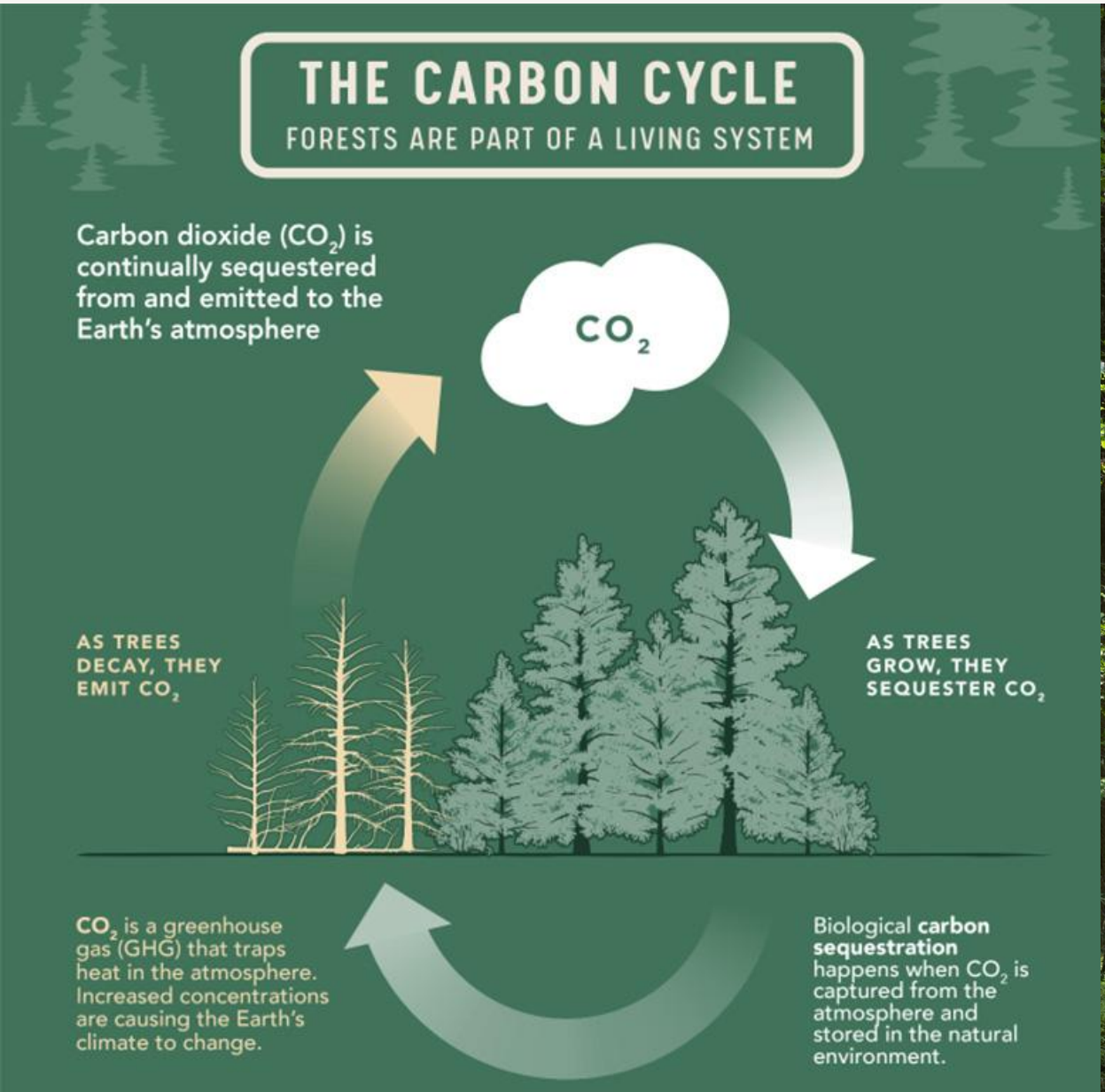
Environmental Credits

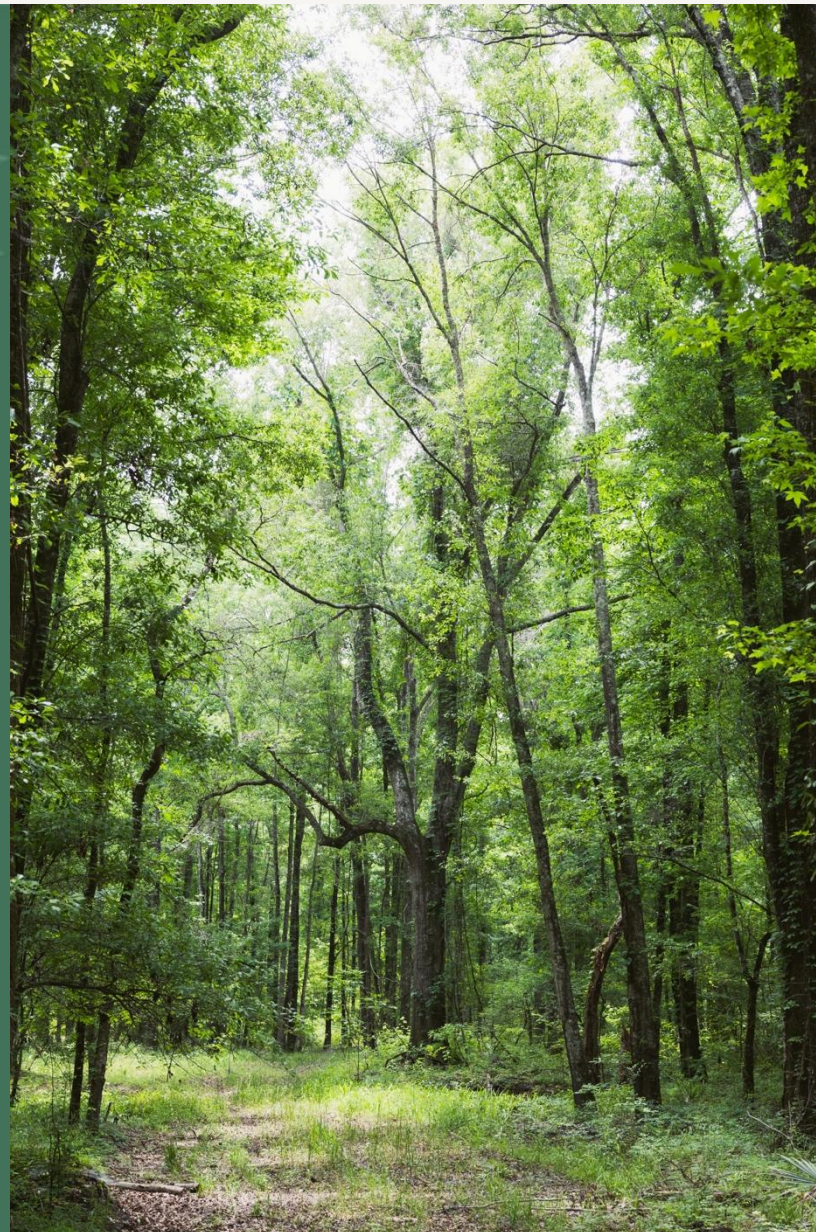
- **Water Quality Credits**
  - Nitrogen reduction credits
  - Wetland mitigation banking credits
  - Stream mitigation credits
- **Biodiversity / Habitat Credits**
  - Endangered Species Habitat credits
  - Grassland conservation credits
- **Carbon Credits**
  - IFM (Improved Forest Management)
  - ARR (Afforestation, Reforestation, & Revegetation)
  - Agricultural Carbon
  - Biochar Removals
- **Air Quality Credits (other than CO_2)**
  - NOx credits
  - SO_2 allowances (Clean Air Act cap-and-trade)
  - Particulate matter credits
- **Renewable Energy / Energy Attribute Credits**
  - RECs (renewable energy certificates)
  - White certificates (energy efficiency)

Emissions are up



Forests contribute to the global carbon cycle





Climate Mitigation Potential

SCIENCE ADVANCES | RESEARCH ARTICLE

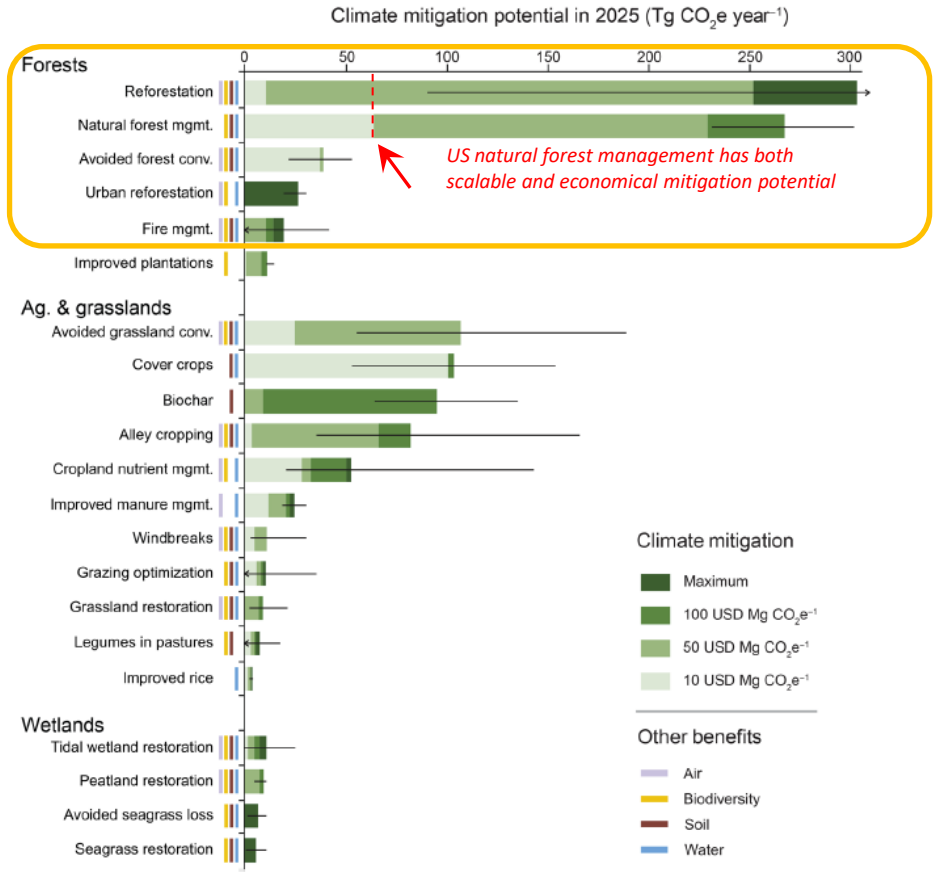


Fig. 1. Climate mitigation potential of 21 NCS in the United States. Black lines indicate the 95% CI or reported range (see table S1). Ecosystem service benefits linked with each NCS are indicated by colored bars for air (filtration), biodiversity (habitat protection or restoration), soil (enrichment), and water (filtration and flood control). See the Supplementary Materials for detailed findings and sources.

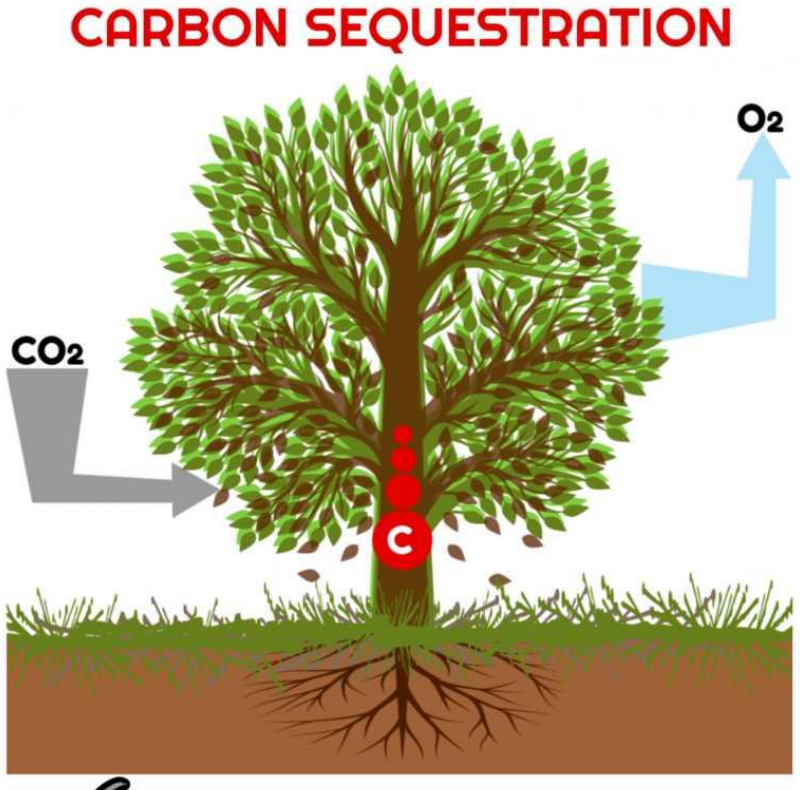
Carbon Credits

- **Greenhouse Gas Emissions**
  - Reduction
  - Removal

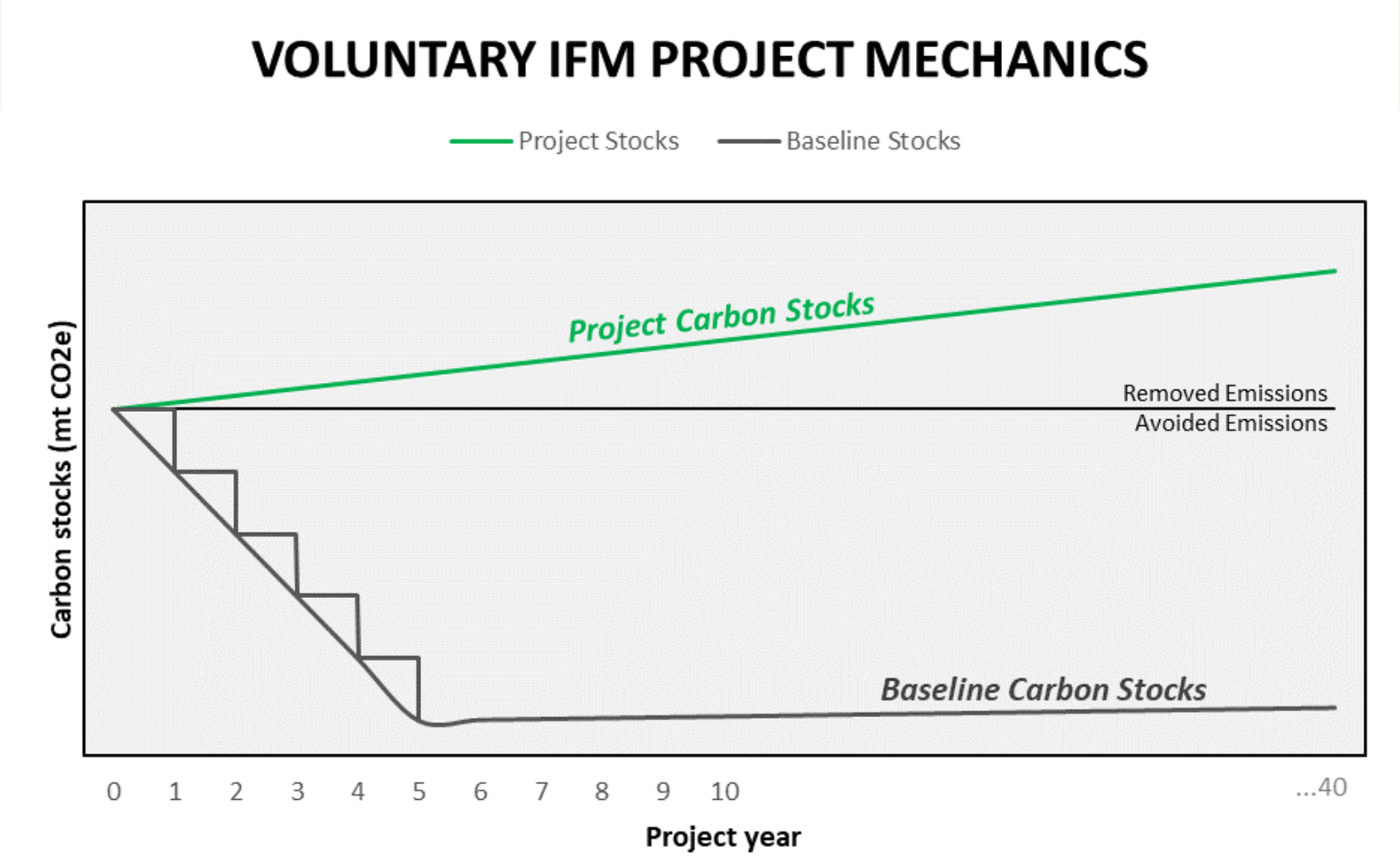
- **Carbon Credit Generation**
  - Δ carbon stock
  - Avoided emissions
  - Leakage deductions
  - Buffer pool contributions
  - Permanence requirements

- **Single Commodity Class**
  - All carbon credits equal to 1 MT/CO_2E

Carbon Sequestration



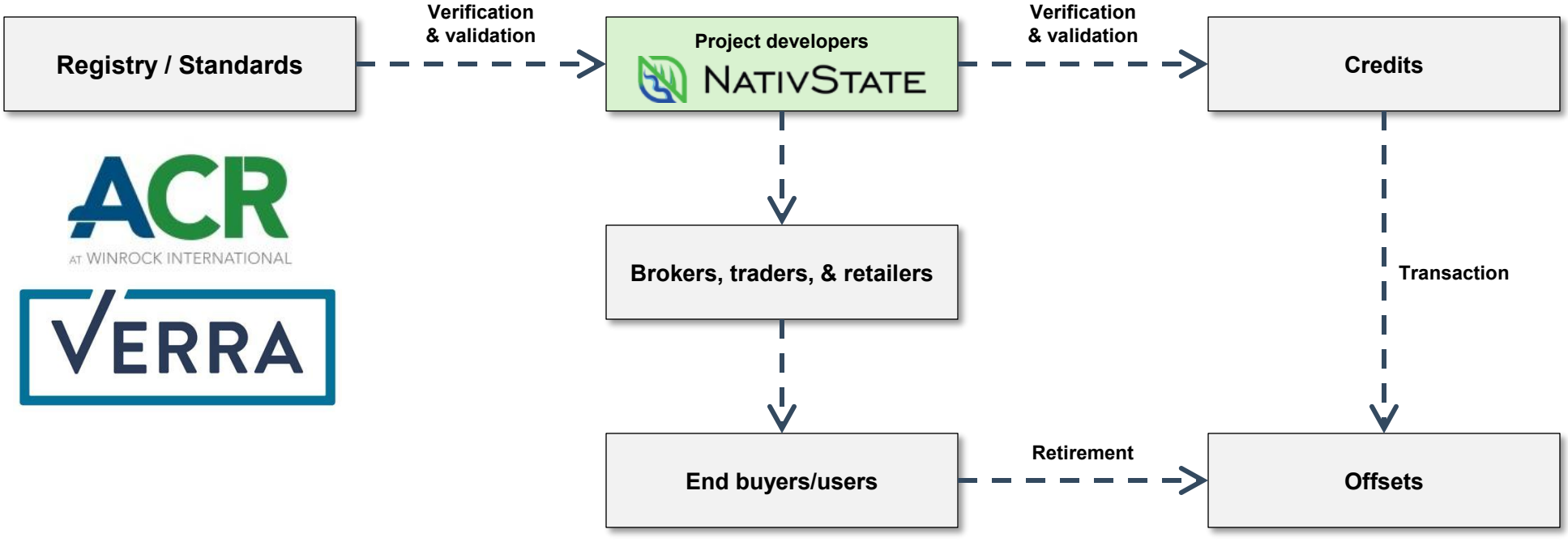
The Wedge


VOLUNTARY IFM PROJECT MECHANICS
Project Stocks
Baseline Stocks
Project Carbon Stocks
Removed Emissions
Avoided Emissions
Baseline Carbon Stocks
Carbon stocks (mt CO2e)
0 1 2 3 4 5 6 7 8 9 10 ...40
Project year

The Carbon Market

Carbon Credit Defined

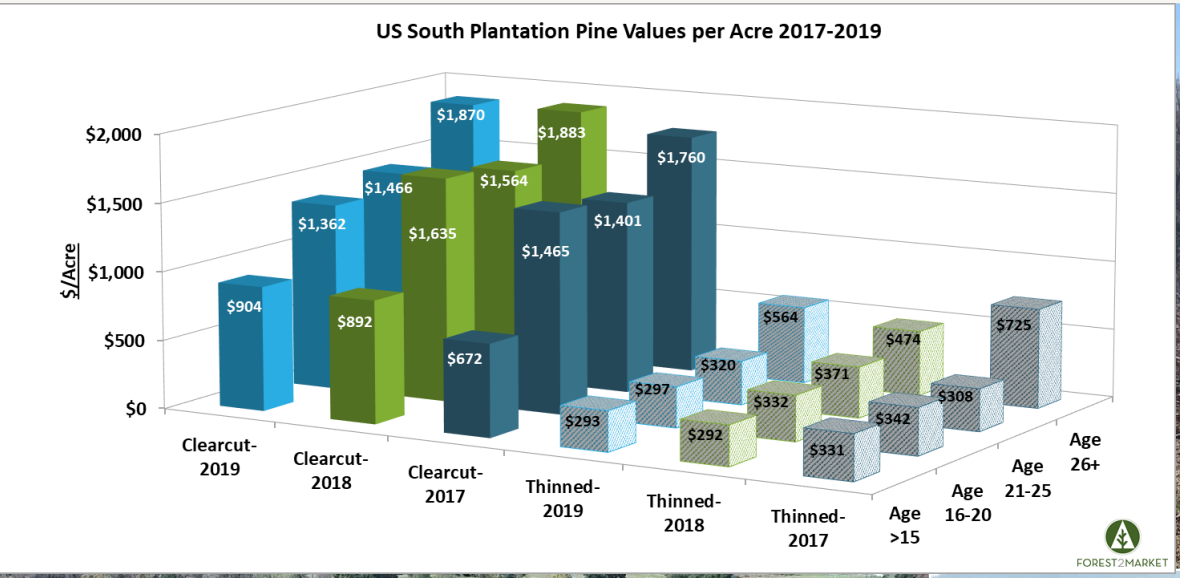
- Also known as a carbon offset, a carbon credit is the direct, measurable, and additional mitigation of a metric ton of carbon dioxide equivalent (CO_2e) into the atmosphere through a verifiable project (or methodology)
- Project activities can also generate co-benefits, such as enhancements to biodiversity, reduced pollution, and/or economic assistance



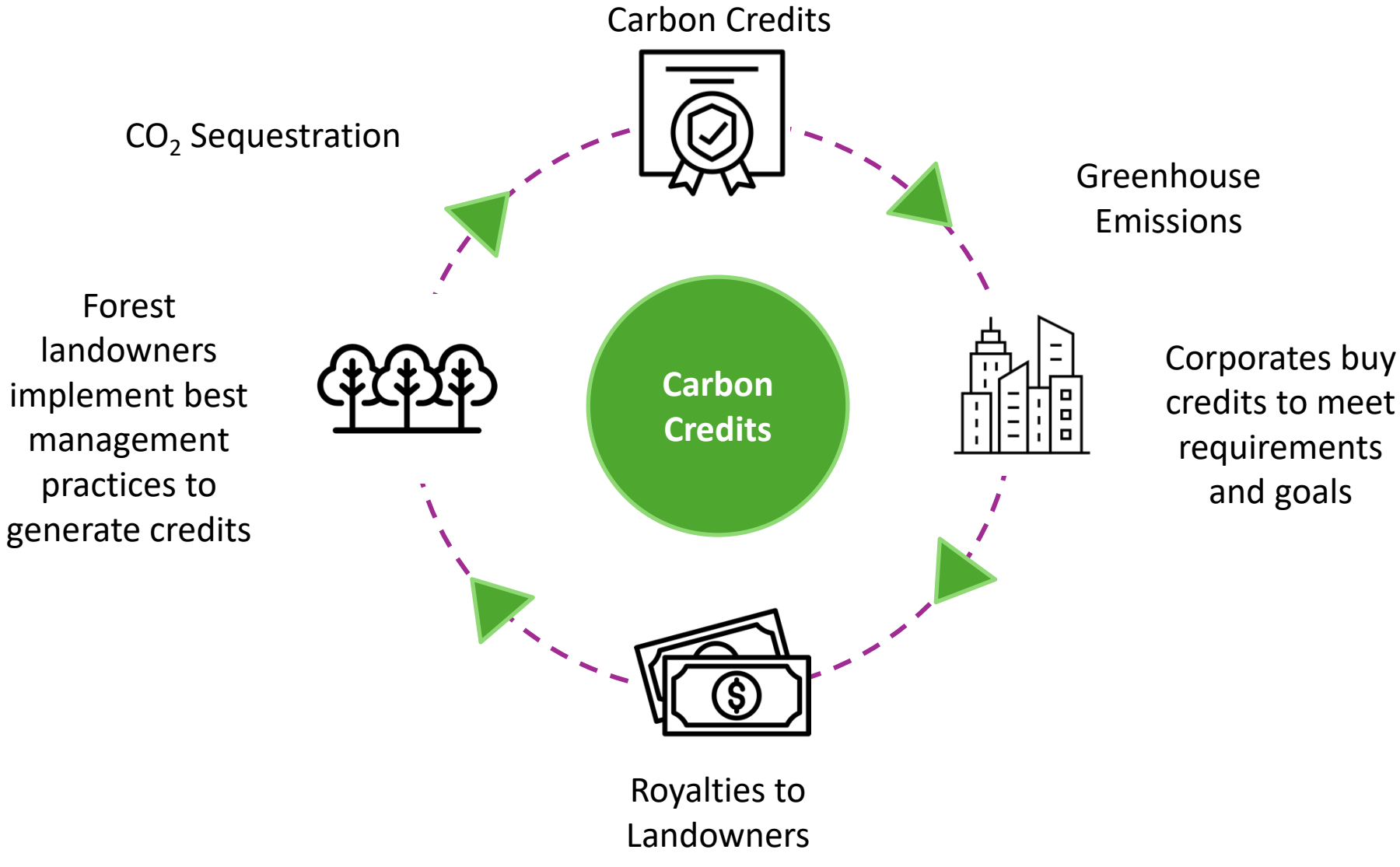
NativState is a Project Developer that creates carbon credits and sells them to brokers or end users seeking to offset their carbon footprints

Healthier forests, healthier communities

An economic challenge for small forest landowners



Voluntary carbon markets

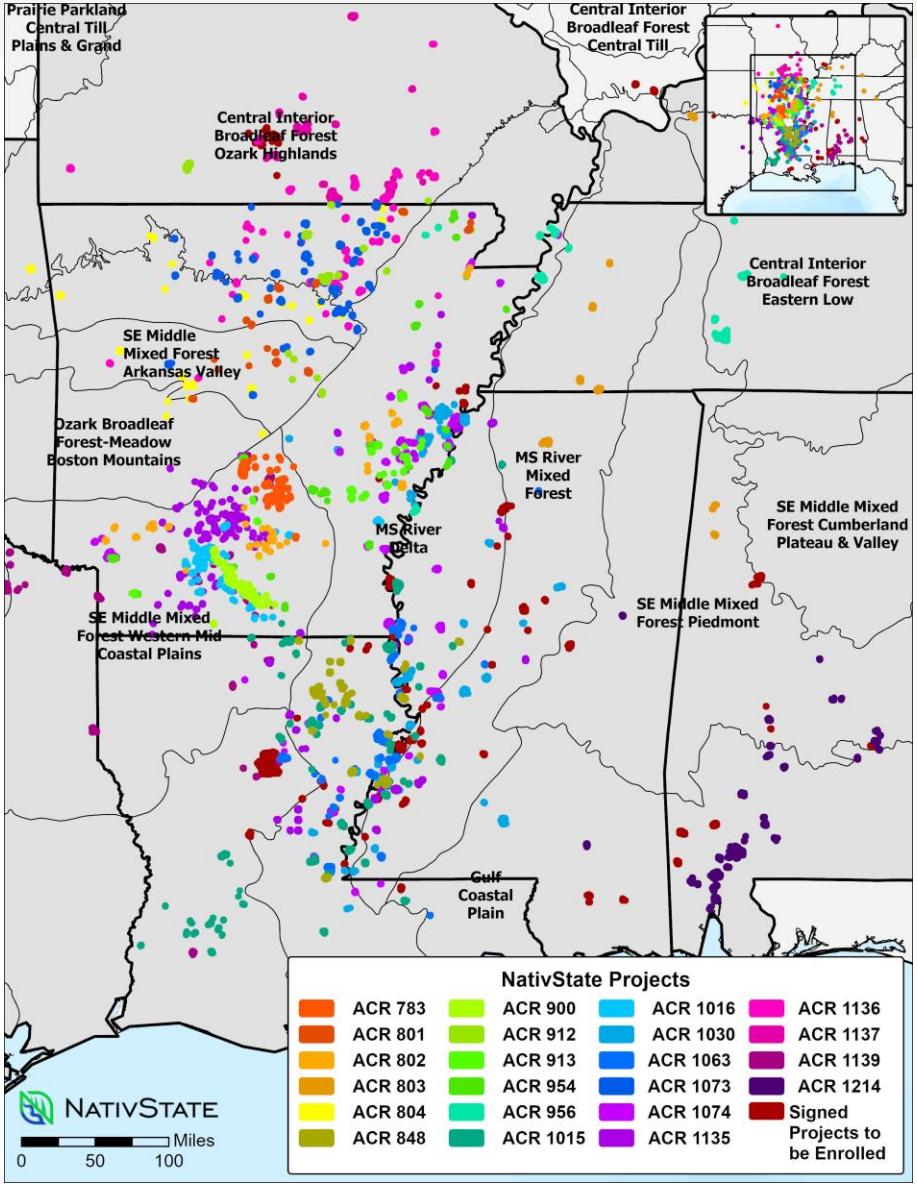


NativState Area Map

NativState (est. 2021) has rapidly expanded its presence through boots-on-the-ground engagement with local communities and landowners. NativState has successfully enrolled 675,000+ gross acres between small and medium-sized forestland owners across the South-Central US.

NativState's core focus is generating **high-quality** carbon credits for the Voluntary Carbon Market (VCM) through the implementation of Improved Forest Management (IFM) over a 40-year project life. Nature-based solutions host a wealth of co-benefits such as improved air, water, and soil quality, improved wildlife habitat, social and community benefits, and other co-benefits.

NativState adheres to the standards and methodologies set forth by the **American Carbon Registry (ACR)** ensuring transparency, credibility, and scientific rigor in the carbon credit generation process. By aligning with this trusted framework, NativState delivers reliable nature-based carbon solutions that help market participants meet their climate goals by changing landowner behavior from aggressive timber harvesting to carbon sequestration and conservation.



Project Co-Benefits

Improved wildlife habitat and biodiversity

NativState

Thank you!

J.T. Schrock - CFO

www.nativstate.com

2025