NANYANG TECHNOLOGICAL UNIVERSITY SINGAPORE
Carbon Markets Academy of Singapore
Nanyang Business School

CMAS **CASE BRIEF #01** | AUGUST 2026

BeZero Carbon: Navigating Market Paradigms

BeZero Carbon set out to rate the quality of carbon credits — and in doing so, ran headlong into a fundamental question for carbon markets: should credits trade as fungible commodities, or as differentiated assets with individual risk profiles, like bonds?

> **Carbon ratings offer a way to thread the needle … The outcome isn't one or none. It's about understanding and pricing the risk that an outcome is somewhere in between.**
>
> Tommy Ricketts, CEO & Co-founder, BeZero Carbon
> (op-ed in Carbon Pulse, April 2023)

A **CMAS Case Brief** is a short companion to a full teaching case published by the **Asian Business Case Centre (ABCC)**. It distils the narrative and the central debate so that practitioners, students, and the public can engage with the ideas, while the complete case and teaching note remain available through the ABCC's distribution channels.

About this Case Brief

CMAS Case Brief #01 is a collaboration between the Carbon Markets Academy of Singapore, the Asian Business Case Centre, and BeZero Carbon. It is a companion to the full case ABCC-2026-002.

Carbon Markets Academy of Singapore (CMAS)

The Carbon Markets Academy of Singapore, hosted at Nanyang Business School, NTU Singapore, is a collaboration between the University, Enterprise Singapore and the Singapore Economic Development Board. It supports the talent and capability needs of the carbon services and trading sector across its focus areas of education, insights and engagement.

Asian Business Case Centre (ABCC)

The Asian Business Case Centre is part of Nanyang Business School at NTU Singapore. Its mission is to be the source of choice for case studies and practice-based insights in business and social innovations in Asia and in particular ASEAN. Given the central role of entrepreneurship and innovation in the region, ABCC pays special attention to these topics. For example, finance, logistics, marketing, human resources management and recruitment, business strategies, and even accounting and law are all influenced by the latest entrepreneurial and technological innovations. ABCC's cases are distributed by its partners, Harvard Business Publishing, Ivey Publishing and The Case Centre.

BeZero Carbon

Founded in 2020, BeZero Carbon is an independent carbon ratings agency. Its ratings, risk tools and datasets equip world-leading organisations with the knowledge and confidence to make better climate decisions, with the aim of scaling climate impact through carbon markets.

KEY TERMS

Voluntary and Compliance Markets
In a voluntary market, buyers purchase credits by choice — typically to meet self-set climate targets. In a compliance market, a government caps emissions and requires regulated firms to surrender allowances, or eligible credits, for what they emit; participation is mandatory, not chosen.

Crediting Standards and Programmes
The bodies that set the rules a project must follow and issue its credits, such as the major carbon registries. They certify that a project's claimed reductions or removals meet an approved methodology.

ICVCM and the Core Carbon Principles
The Integrity Council for the Voluntary Carbon Market — an independent international body that sets quality benchmarks for the voluntary carbon market. Its Core Carbon Principles (2023) define what counts as a high integrity carbon credit.

REDD+
A class of forest-carbon projects that earn credits by reducing emissions from deforestation and forest degradation. The credits at the centre of the 2023 scandal were largely of this type.

Acknowledgements and Notice

This Case Brief is a condensed companion to the full case "BeZero Carbon: Navigating Market Paradigms" (ABCC-2026-002), developed by Associate Professor Daniel Lee with the cooperation of BeZero Carbon. The author thanks Tommy Ricketts, Sebastien Cross, and Finn O'Muircheartaigh for their insights and contributions, acknowledges funding support from the Carbon Markets Academy of Singapore, and thanks Grace Tay for her editorial assistance.

The full case and teaching note (ABCC-2026-002) are the authoritative version. This material is intended for discussion and learning, and not as a source of research data or as an illustration of effective or ineffective management.

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Key Sources

LEE, D. (2026). *BEZERO CARBON: NAVIGATING MARKET PARADIGMS* (CASE NO. ABCC-2026-002). ASIAN BUSINESS CASE CENTRE, NANYANG BUSINESS SCHOOL, NTU SINGAPORE.

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From Footprints to Ratings

BeZero Carbon ("BeZero") was originally founded by Tommy Ricketts and Sebastien Cross as a decarbonisation company, focused on providing carbon footprinting and decarbonisation services. The business case at its founding was that companies wanting to decarbonise first needed to understand their own carbon footprint. Carbon credit ratings was simply one of the tools BeZero developed to help clients choose which credits to buy.

While helping over 100 clients to calculate their footprints and develop decarbonisation strategies, the question of which carbon credits to purchase kept coming up. All credits in the market were labelled as achieving 1 tCO_2e in reductions or removals, but it was clear from BeZero's research that this was not the case. Yet there was no metric available to distinguish the performance or risk of different credits, so the founders decided they had to build their own framework.

Drawing on their financial markets background — both had spent several years at Bank of America Merrill Lynch — they were convinced that since credits were linked to individual, differentiated projects, it simply did not make sense for them to be fully fungible. After much discussion, research, and late nights, they made their call: they would pivot BeZero into a carbon credit rating agency.

Even though the majority of their revenues came from other services, BeZero wound down its other business lines, emulating the independence of conventional financial ratings agencies — a principle the co-founders felt was important to establish from Day One. They also took the decision to make their ratings publicly available, sacrificing near-term revenue for longer-term gain. Between September 2021 and March 2022, BeZero raised £17m via a seed round and a Series A, and by May 2022, a month after launch, it had more than 50 research and ratings analysts.

In April 2022 BeZero launched the world's first publicly available global carbon credit ratings, with around 200 ratings. Then came 2023 — a watershed year. The turning point was a January article questioning the veracity of widely used REDD+ credits, and confidence across the market collapsed. The event proved both a blessing and a curse: it brought the discussion of risk to the fore, and with it the need for carbon ratings, even as it eroded confidence and activity in the market. By the first anniversary of its platform, thousands of organisations had subscribed. In the spring of 2024, BeZero signed its first government client.

AT A GLANCE

2020
Founded — originally a footprinting & decarbonisation advisory

£17m
Raised across seed & Series A, Sep 2021–Mar 2022

50+
Research & ratings analysts by May 2022

~200
Ratings at launch — world's first publicly available, Apr 2022

2024
First government client signed

The BeZero Carbon Rating
BeZero's opinion on the likelihood a credit delivers one tonne of CO_2e avoided or removed — on an eight-point scale, like a bond rating.

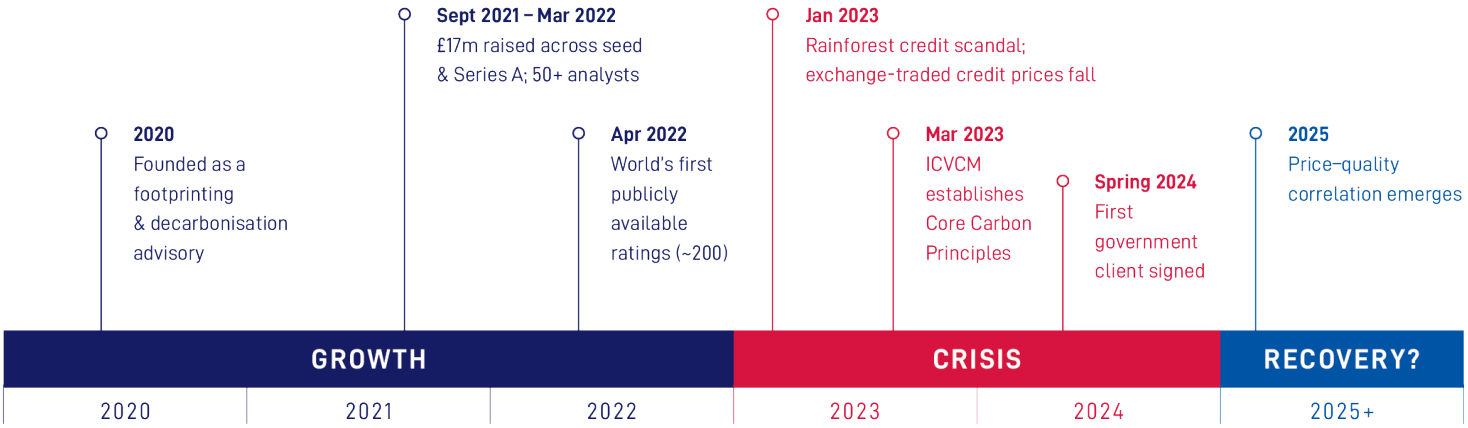
AAA	Highest
AA	Very High
A	High
BBB	Moderate
BB	Moderately Low
B	Low
C	Very Low
D	Lowest

Source: BeZero Carbon

THE MARKET

The Carbon Market's Three Acts

BeZero's story played out against a market that swung from exuberance to crisis and into an uneasy recovery. Understanding those three acts is the key to the debate that follows.



ACT I • GROWTH • 2020-2022

Red-hot

Before the market contracted, it had been red-hot. Value passed US$2 billion in 2021, a near four-fold rise from 2020, fuelled by corporate net-zero targets and ESG trends.

Standardised, exchange-traded reference contracts took hold, and credits were increasingly traded as if they were commodities like Brent crude or natural gas.

ACT II • CRISIS • 2023-2024

Credibility Crisis

The reckoning. In January 2023, a Guardian investigation concluded that at least 90% of one major crediting programme's rainforest credits did not represent real emission reductions, triggering a collapse in market confidence. Under the commodity view, the failures of a subset of projects were extrapolated across the whole market, and exchange-traded prices fell sharply.

ACT III • RECOVERY? • 2025+

Pricing Quality

The quality-assurance ecosystem evolved: projects are now individually assessed by rating agencies, and crediting programme by meta-standards like the ICVCM. By 2025 the market had begun to differentiate on quality, pricing the likelihood that a credit underdelivers rather than treating every tonne as equal. Whether that marks a true recovery — and which paradigm ultimately prevails — remains unsettled.

THE BASICS

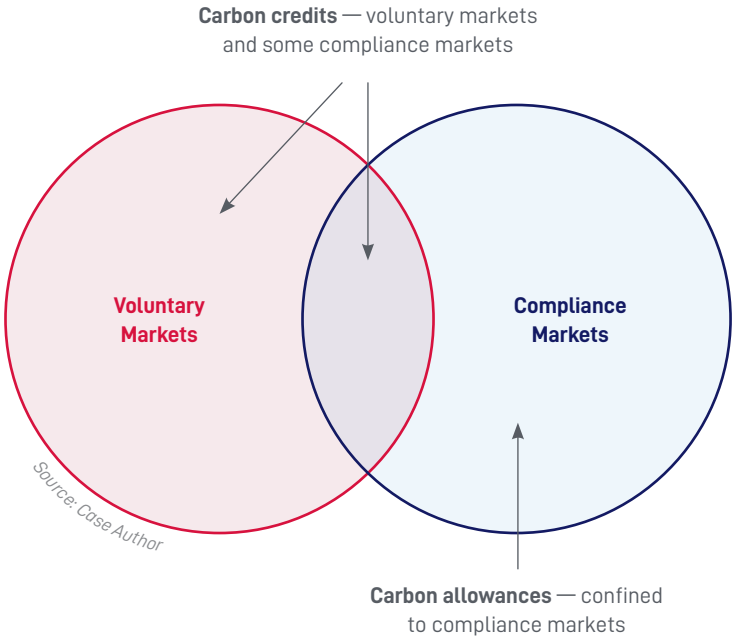
What is a Carbon Credit?

A **carbon credit** is a digital, tradeable instrument issued to a carbon project that has demonstrated verifiable emissions reductions and/or removals. Project activity that delivers measurable emissions reductions and fulfils specific rules can receive carbon credits, which can then be sold — monetising the impact of the activity. Each credit nominally represents one tonne of carbon dioxide equivalent (tCO_2e).

Credits are distinct from carbon **allowances**. An allowance typically forms part of a compliance market and functions like a permit to emit 1 tCO_2e, with its price representing the cost of pollution to emitters. Because each unit represents an identical right to emit, no matter who holds it or when it was acquired, allowances are interchangeable and therefore fungible. Allowances are not typically associated with a specific climate mitigation activity, whereas credits are issued with respect to different projects and thus have more points of difference.

And the simplicity of "one credit per tonne" belies the significant underlying diversity of carbon credits. Credits from different project types, though each nominally representing 1 tCO_2e, can exhibit very different pricing. Even projects in the same jurisdiction relying on the same crediting standard and methodology may vary in their project partners, execution track record and site-specific conditions — all of which affect a credit's risk profile, credibility and market value.

THAT DIVERSITY — AND HOW HARD IT CAN BE TO TELL A STRONG CREDIT FROM A WEAK ONE — IS EXACTLY WHAT MAKES THE QUESTION ON MARKET PARADIGMS SO CONSEQUENTIAL.



> **Every project is different, but the market was treating them all the same. We built BeZero to enable a risk-based understanding of the gap between what a credit claims and what it actually delivers. Carbon markets are now scaling around risk-based architecture.**
>
> Tommy Ricketts & Sebastien Cross
> Co-founders, BeZero Carbon

THE QUESTION

The Paradigm Debate

Beneath BeZero's story sits a structural question the market has not settled. Would carbon credits be viewed as fungible, like **commodities** — scaled through reference contracts and exchanges — or would the differences across credits mean the **fixed income** approach of differentiated risk profiles would prevail? The two views lead to very different market infrastructure.

	The Commodity View	The Fixed Income View
Core Assumption	A tonne is a tonne. Credits are fungible.	Every project is different. Credits are heterogeneous.
Quality Signal	Binary — meets the standard, or doesn't.	Graduated — ratings on a spectrum (AAA to D).
How It Scales	Reference contracts, exchanges, futures.	Disclosure, transparency, risk-based pricing.
Financial Analogy	Oil, gas, agricultural commodities.	Corporate bonds with credit ratings.
When a Scandal Hits	Contagion — all credits tarred by association.	Differentiation — well-rated projects are insulated.
The Compliance Question	Scheme-level criteria are sufficient.	Project-level assessment is still needed.

Datapoints: the World Bank's 2025 State and Trends of Carbon Pricing report confirms a growing positive correlation between prices and carbon credit ratings — reflecting a maturing market where valuation hinges on clear quality signals.

Where Do you Stand?

1. A crediting programme approves a project and issues it credits. An independent agency rates it below average. Should a buyer still purchase those credits?

2. If most rated projects may not deliver a full tonne, is the problem the projects, the crediting programme that approved them, or a market that treated them as equal?

3. Can the market scale fast enough if every project must be assessed individually — or does scale demand standardisation?

Go Deeper

Read the full case via the Asian Business Case Centre's distributors — the teaching note is available to registered educators — and watch the filmed commodity vs fixed income discussion between Tommy Ricketts and Rene Velasquez, moderated by Associate Professor Daniel Lee.

READ THE FULL CASE

WATCH THE DISCUSSION