

SSE Carbon Markets Advisory Group

15 February 2023: 9AM and 4PM CET (Geneva)



Agenda



1. Housekeeping issues & Opening remarks
2. Welcoming the Advisory Group Chair
3. Presentation of the zero draft
4. **Advisory Group Discussion: Open Floor**
5. Closing remarks



*Please feel free to share ideas, feedback, updates and questions at any point during the call
(via chat function or via audio connection)*

Housekeeping

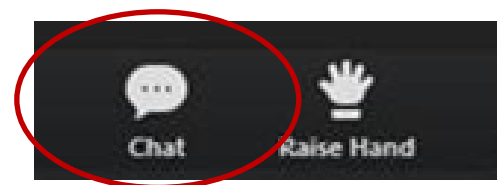


- During the presentations, you can ask questions and provide comments at any time by using the **chat function**.

We will ensure that questions get answered during the Open Floor discussion.

- Please use the **hand symbol** to indicate that you wish to speak during the Open Floor discussion.

The team will allow you to enable your video function while you speak.



Carbon Market Advisory Group



- The task of the Advisory Group is to assist in creating a new guidance on Carbon Markets
- The Co-Chairs of the SSE Carbon Market Advisory Group are **Bursa Malaysia** and **EGX**.

Thank you for your chairmanship and your collaboration!



Rami El-Dokany, *Executive Chairman, EGX*



Muhamad Umar Swift, *CEO Bursa Malaysia*



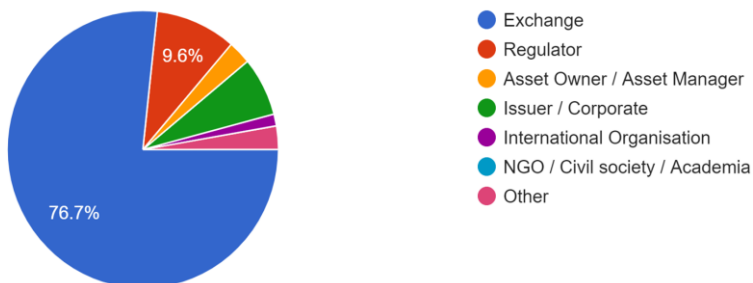
- **What to expect?** The SSE team will prepare **three drafts** in total for consultation with the Advisory Group – Zero Draft, First Draft, Second Draft. The group will have the chance to provide written feedback on all three versions. We plan to launch the final guidance in October at the **World Investment Forum in Abu Dhabi**.

Carbon Market Advisory Group



Who is in the Advisory Group?

71 members from 44 organisations



AIMS	ENEL
Amman Stock Exchange	ICE
B3	IDX
BIVA	Impax Asset Management PLC
Bolsa Mexicana de Valores	Indonesia Stock Exchange
Borsa Istanbul	Japan Exchange Group
Botswana Stock Exchange	JSE
Bourse de Tunis	Korea Exchange
Bulgarian Stock Exchange	Latinex
Bursa Malaysia Berhad	LSEG
Cape Town Stock Exchange	LuxSE
CMB	MAP CAPITAL PARTNERS
Cboe Global Markets	MÉXICO2
CME Group	MSX
EGX	Nairobi Securities Exchange

Nasdaq
Philippine Stock Exchange
Prague Stock Exchange
RepRisk AG
Saudi Stock Exchange
SFC, Hong Kong
Securities Commission, Brazil
SGX Group
SIX
Sydney Stock Exchange
TSX
Ulaanbaatar Securities Exchange
Verra
WFE

Recent SSE Publication: FAQ on VCMs



Why create a guidance on Carbon Markets?

What do we want to do?

- Take stock of current best practices
- Provide useful examples and ideas to exchanges
- Identify gaps in market knowledge

Zero Draft Overview



3. Brief history: provide **definitions & policy context**
4. Provide an overview of the carbon market **value chain**, including explaining the **differences between CCMs and VCMs**
5. Discuss some of the **challenges** related to carbon markets
6. Provide a **framework** for exchanges on how to promote and support the integrity and stability of the markets



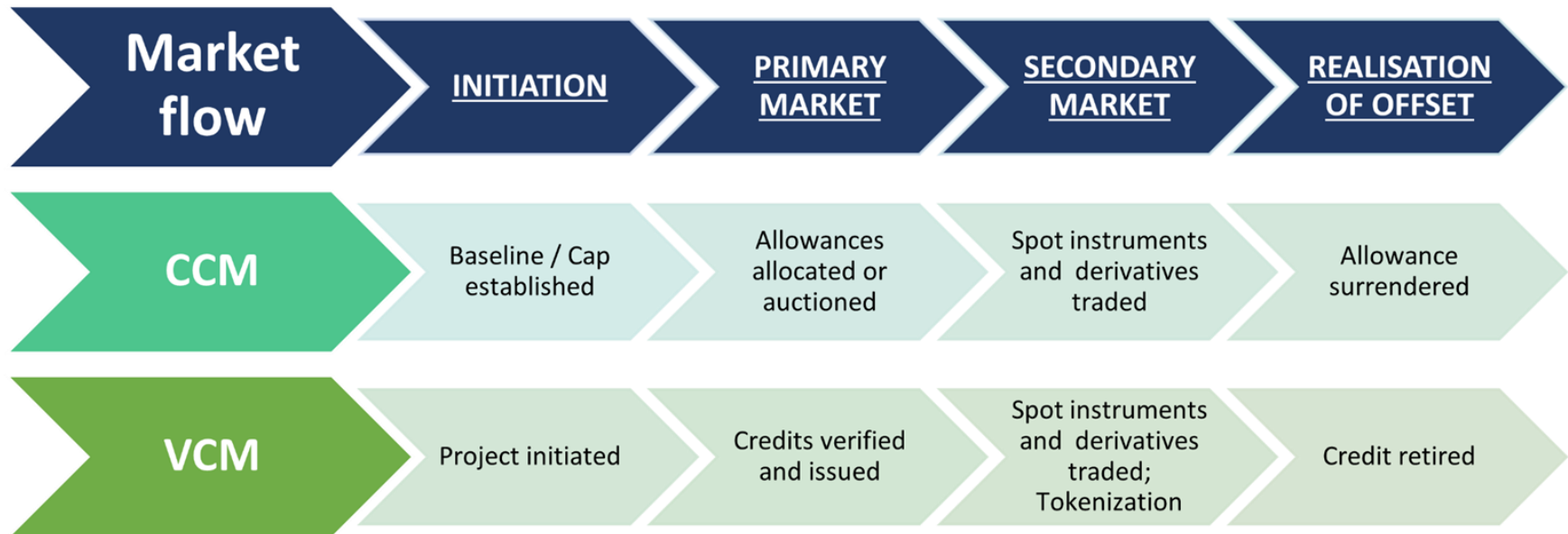
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Zero Draft Overview



1. Overview of value chain of CCM and VCM



Comment areas:

- Completeness and accuracy
- Benefits and disadvantages of various models
- Examples of involvement

Zero Draft Overview



2. Brief review of challenges

- **Concerns across CCMs and VCMs**
 - Policy aspects
 - Legal nature of instruments
 - Governance
 - Carbon Pricing
 - Disclosure
 - Integrity and reputational considerations
 - Scale and liquidity
- **Concerns specific to VCMs**
 - Project realization
 - Transferability



Comment areas:

- Any challenges not reflected
- Clarity and applicability of challenges

Zero Draft Overview



3. Framework for exchanges

Four key areas of influence / involvement

- Facilitating policy and stakeholder dialogue
- Promoting environmental integrity
- Supporting market stability
- Enhancing transparency and data availability



Comment areas:

- Relevance for exchanges
- Clarity of aspect
- Guidance

Advisory Group Discussion



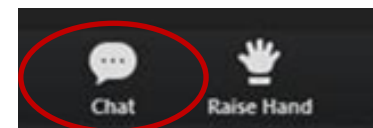
Open Floor: please share your views on:

- **Top Level Content:** What questions are you being asked regarding Carbon Markets? Does the SSE draft guidance cover those topics or is something missing? Is there a particular area of confusion that we can help clear up?
- **Structure and Format:** Does the current format make sense to you? Do you agree with general layout? What would you change?
- **Examples and Case Studies:** Are there any particular topics that you feel examples or case studies are needed to explain or show how it's done?

We want to hear from you on how the paper should develop. Note that detailed comments focused on specific lines of the document are best delivered via our written comment form.

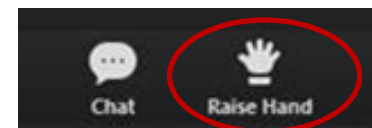
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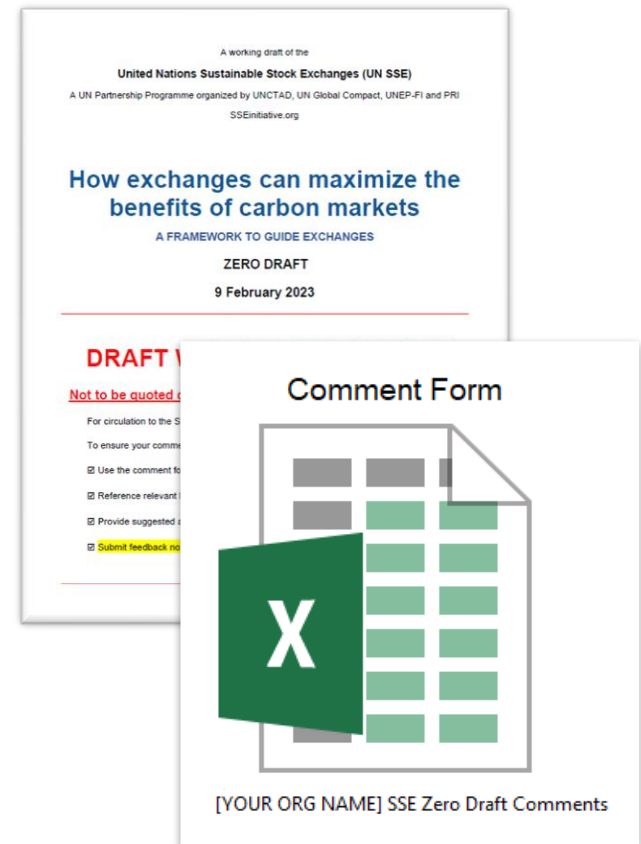


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Closing Comments



- Please submit written comments by **24 February**
- When submitting written comments **please use the Comment Form** (excel file) sent out with the Zero Draft. This is important for making sure your comments are reflected in the next draft.
- **Timeline for the SSE Carbon Markets Advisory Group February 2023 – Q4 2023:**
First Draft to be released for comment in Q1 2023
Second Draft to be released for comment in Q2 2023
Final publication to be launched in Q4 2023 (WIF & COP27)





Sustainable Stock Exchanges Initiative

Thank you!