



# THE NEW CARBON MARKETPLACE FROM HKEX

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# Vision | An International Carbon Market in Hong Kong

**Leading the development  
of an international  
carbon market  
in Hong Kong,  
the Greater Bay Area,  
and beyond**

## Our Carbon Market Journey

- I. Building a presence in voluntary carbon markets
- II. Differentiating our carbon offering
- III. Driving connectivity to leverage on our China strengths
- IV. Creating opportunities through networks and alliances

# Carbon Market Opportunities

## Today Nascent market

### Compliance market:

- Mainland China market in early development stage

### Voluntary market:

- Low trading volumes
- Lack of harmonised guidelines / standards
- Absence of price transparency and counterparty risk mitigation

## Now to 2030 Exponential growth

### Strong long-term fundamentals:

- ✓ 35 Gigatons carbon gap in 2030 to keep emissions at 1.5°C pathway
- ✓ Unified standards for high-quality carbon credits coming later in 2022
- ✓ Regulatory and corporate commitments through COP26 such as Article 6
- ✓ Increasing awareness of ESG across markets and sectors, and active participation and interest from corporates

### The China Factor:

- ✓ Operating the world's largest ETS in terms of covered emissions
- ✓ Home to second biggest carbon credit supply globally
- ✓ Robust net-zero achievement targets

# HKEX Well Positioned to Capture Carbon Opportunities

## Hong Kong's strategic advantage

- ✓ Hong Kong has capacity to add value to global carbon markets because of its ability to facilitate two-way capital flows between China and international markets
- ✓ Robust infrastructure, internationally aligned regulatory regimes, globalised ecosystem and deep talent pools underpin its position as a leading IFC

## Unique role in national and regional carbon objectives

- ✓ Facilitating China's 2030/2060 dual carbon goals with the Greater Bay Area helping lead net-zero efforts
- ✓ Supporting Hong Kong's path to achieving carbon neutrality by 2050

## Trusted infrastructure

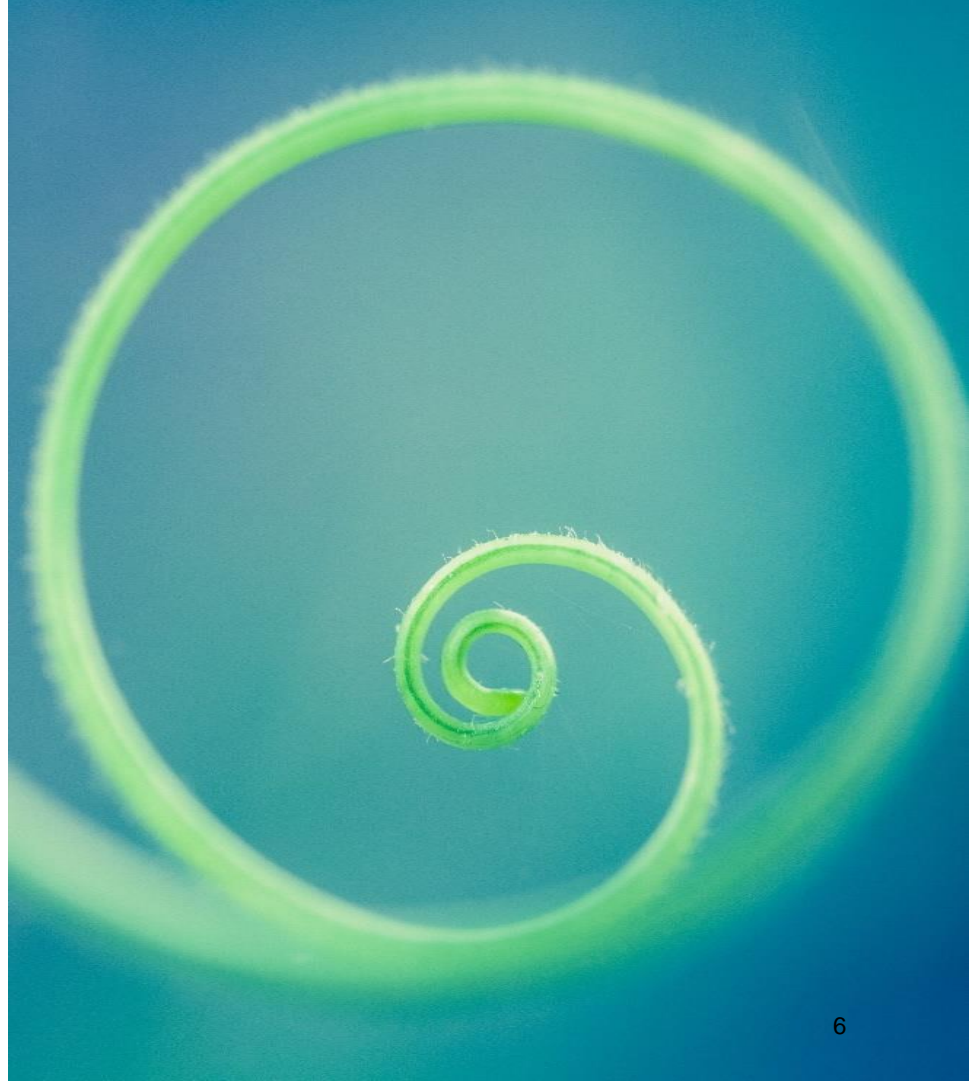
- ✓ HKEX's experience and track record as market operator gives it the credibility to develop a leading carbon marketplace
- ✓ HKEX's ongoing commitment to sustainability and ESG, including GFANZ commitments to Net Zero



# Introducing Core Climate



**Core Climate** is a carbon marketplace that connects capital with climate-related products and opportunities in Hong Kong, Mainland China, Asia and beyond.





Core Climate aims to provide:

An **easy-access, one-stop,  
integrated carbon marketplace**

that includes trading and settlement  
functions for corporates, investors and  
project owners across the climate value  
chain, contributing to the realisation of global  
carbon neutrality goals.



# Core Climate – Hong Kong’s Voluntary Carbon Marketplace



## Trading Platform

- Users can source, purchase, store, sell, settle and retire voluntary carbon credits through Core Climate.
- Carbon credits on the platform come from quality, internationally-certified carbon projects from across the world, including carbon avoidance and reduction projects.



## Trusted Marketplace

- The platform provides best-in-class market infrastructure and mitigates counterparty risk through Delivery-versus-Payment (DvP) Settlement.
- All carbon credits generated by projects listed on Core Climate are issued under international standards, such as the Verified Carbon Standard under Verra.



## Global Community

- In collaboration with members of the International Carbon Market Council, as well as key stakeholders and partners across the climate value chain, Core Climate builds on Hong Kong's position as a leading global financial centre, and connects capital with climate-related products and opportunities in Hong Kong, Mainland China and globally.



*One-stop Solution*

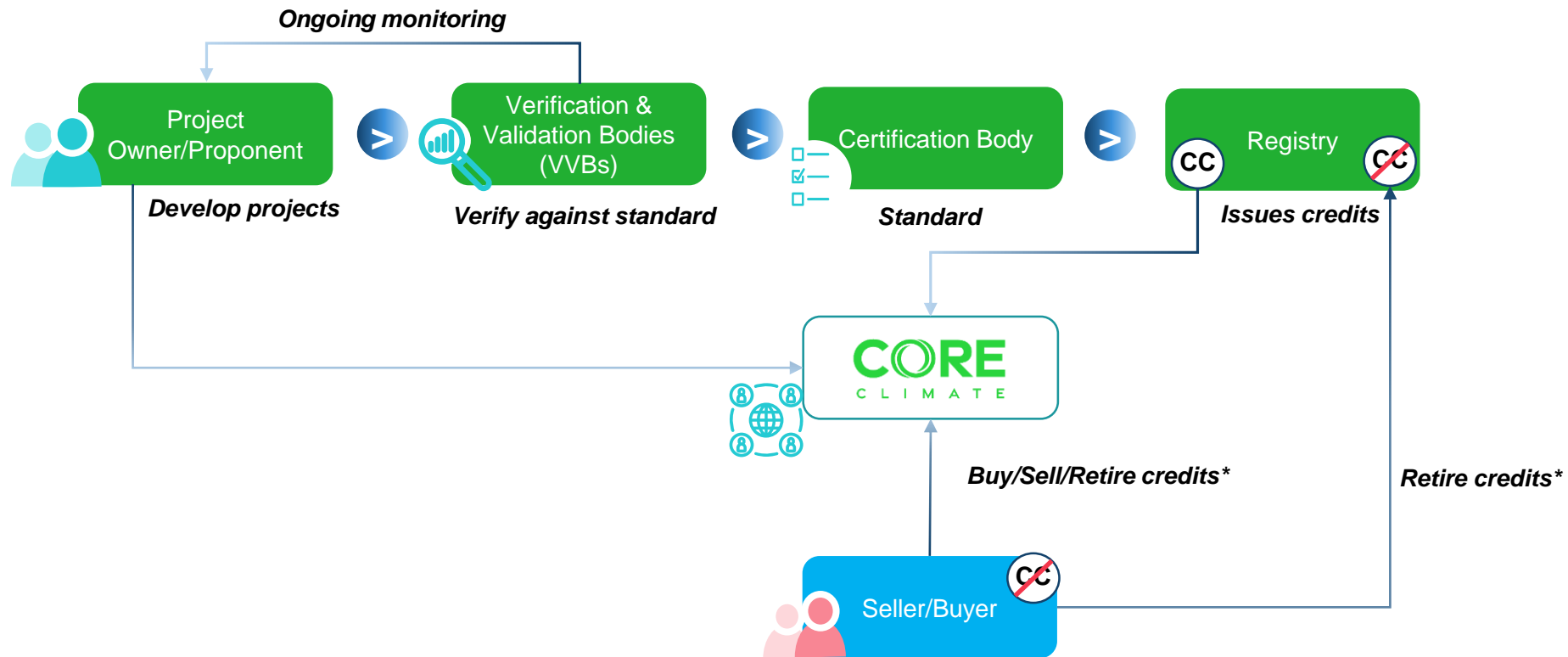
*Price Transparency*

*Trading Security*





# Carbon Credit Lifecycle



\* Retirement of carbon credits can be via intermediary or directly to registry depending on the model

# Platform Overview

## 01 Participants



- Include Chinese enterprises, HK-listed and multinational corporates, financial institutions etc.
- Participants joining from diverse sectors and multiple regions

## 02 Eligibility

Offer to eligible corporate entities only

## 03 Projects available

*Examples:*



Forestry



Wind



Solar



Hydropower



Biomass

Carbon credits on the platform will come from internationally-certified carbon projects from around the world, including carbon avoidance, reduction and removal projects. All projects listed on Core Climate are verified against international standards, such as the Verified Carbon Standard by Verra, covering different regions including China, Southeast Asia etc.

# Hong Kong International Carbon Market Council

## Exploring Carbon Opportunities in the Region

Set up in July – collaborating with leading corporates and financial institutions to develop an international carbon market.

Members' insights help us understand what kind of carbon market our stakeholders need and how they want to fund new climate projects, technologies and businesses.

Members' participation is critically important for the continued development of Core Climate and enables us to create best-in-class carbon market infrastructure, products and services to help our stakeholders in their net-zero transition.

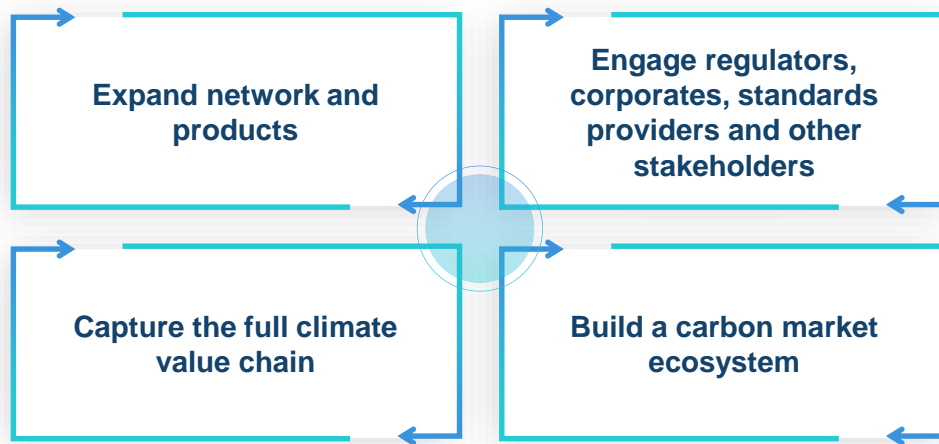


**What's next?**



# Creating a Long-Term Sustainable Carbon Market

Develop network and alliance effect



Creating network effect and leveraging HKEX's unique advantages





# Q&A

**Please submit your questions  
in the Q&A box**



# Thank you

For further information on HKEX, please visit  
**[hkexgroup.com](http://hkexgroup.com)** and **[hkexnews.hk](http://hkexnews.hk)**

For further information on Core Climate,  
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