S&P Global Platts to Publish First Voluntary Carbon Credit Price Assessments

First of planned suite of voluntarily carbon benchmarks covering the full range of GHG emissions projects

LONDON, Dec. 16, 2020 /PRNewswire/ -- S&P Global Platts ("Platts"), the leading independent provider of information and benchmark prices for the commodities and energy markets, today announced that it will begin publishing the world's first daily "CORSIA-eligible" carbon credit price assessments, starting January 4, 2021.

The new assessments will provide a transparent view of the rapidly growing voluntary carbon markets, which are a core part of the world's efforts to reduce Greenhouse Gas (GHG) emissions. The assessments will reflect the daily value of CORSIA-eligible carbon credits – the *Platts CEC*. It follows extensive consultation with market participants and represents the first of a planned suite of benchmark voluntary carbon prices covering the full range of projects including removal, reduction and avoidance of greenhouse gas emissions.

Jonty Rushforth, head of price group, S&P Global Platts said:"Global carbon markets have moved beyond the national and regional compliance arenas. We're now seeing a significant volume in trade in voluntary carbon credits, which are set to grow exponentially. The next Conference of the Parties (COP) is expected to formalize international trade in carbon credits under the Paris Agreement and carbon pricing will be a key driver of efficiency in global emissions reductions. Our new price assessments are one of the first steps on that journey, providing critical transparency to help market participants understand the value of credits as they plan their carbon neutral strategy."

The voluntary carbon markets have evolved to encompass a large range of projects and have been embraced by investors and corporations as a tool for financing the reduction of emissions. A key example is the International Civil Aviation Organization's CORSIA program, which has created the mechanism to allow airlines to credibly offset their Greenhouse Gas emissions.

Roman Kramarchuk, head of energy scenarios, policy and technology, S&P Global Platts Analytics, said: "Despite COVID having weakened eligible credit demand for CORSIA, the number of commitments to reach net zero emissions from businesses and local governments has doubled in less than a year. Engaging carbon markets to offset emissions credibly is increasing becoming a strategy adopted by leading entities to help achieve their goals. S&P Global Platts Analytics forecasts strong credit volumes from eligible projects, despite today's tight supply."

S&P Global Platts will reflect credits from projects certified by the following groups: The Gold Standard, Climate Action Reserve (CAR), Verified Carbon Standard (VCS), Architecture for REDD+ Transactions, and American Carbon Registry. Platts reflects the methodologies for the above standards for the relevant types of carbon credit projects as specified by the International Civil Aviation Organization (ICAO).

The Platts CEC assessment will reflect bids, offers and trades for any CORSIA-eligible credits verified by the above groups as reported in either the Platts Market on Close process, in the brokered market, or on trading and exchange instruments for delivery within the current calendar year. This would include any trading activity in instruments that reflect delivery of CORSIA-

eligible credits.

The CEC daily assessment will be measured in US dollars per metric ton CO2-equivalent ($/mtCO2e) and will represent five lots of 1,000 CO2e units each, reflecting value at 16:30 London time. Additional details about the S&P Global Platts methodology can be found in the Subscriber Note.

Notes to editors

Carbon credits are generated by specific projects that avoid, reduce or remove GHG emissions, and are verified and validated by a set of independent standards that have been created by coalitions of NGOs and market participants over the last few decades.

The voluntary carbon markets have evolved and encompass a large range of project types, geographies and standards ranging from renewables in India to forestry in Brazil. Voluntary carbon credits have been embraced by investors and corporations as a tool for financing the reduction of emissions, best currently implemented at the industry level by the International Civil Aviation Organization's CORSIA program, which has created the mechanism to allow airlines to credibly offset their GHG emissions.

Under the ICAO, airlines have committed to reducing their Carbon footprint through an initial voluntary period (2021-2023) and a subsequent mandatory reduction period (2024 onwards), per the registry and methodology limits set out here: https://www.icao.int/environmental-protection/CORSIA/Pages/default.aspx

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