

Press release

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RVCMC launches voluntary carbon market exchange platform to channel finance to high quality climate projects

- RVCMC's new exchange platform aims to enable scale up of Saudi Arabia's voluntary carbon market, to support net zero goals
- 22 Saudi and international companies join RVCMC's exchange platform on its first day of trading today
- Inaugural auctions on the platform aim to help fund high integrity climate projects across the Global South

The Regional Voluntary Carbon Market Company (RVCMC) today launches its voluntary carbon market exchange platform, bringing 22 Saudi and international companies on board on its first day of trading. The launch of the platform is a major milestone in Saudi Arabia's ambition to become one of the largest voluntary carbon markets in the world by 2030. It aims to scale up the supply and demand of high-quality carbon credits across the Global South and beyond, driving funding to climate projects that require finance, supporting the transition to global net zero emissions.

The platform is designed to meet market requirements for a transparent, scalable and increasingly liquid marketplace, by offering:

- Institutional grade infrastructure, to enable fast and secure transactions
- Price and data discovery for carbon credit projects, key to growing the market globally and providing a price signal on projects from MENA regions
- Open market connectivity, integrated with leading global registries
- Scope to develop specialized infrastructure for trade in carbon credits to enable Islamic Finance
- Auction market, RFQ and block trade functionality today, followed by spot market and other functions launching in 2025

To mark the launch, RVCMC is hosting inaugural transactions on the exchange platform today, auctioning over 2.5 million tonnes of high quality carbon credits. The 22 Saudi and international businesses participating in the platform launch are as follows:

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| 1. Alpha Star | 11. PIF |
| 2. Aramco Trading Company | 12. Red Sea Global (RSG) |
| 3. Eastern Province Cement Company | 13. SAB |
| 4. Energroup Limited | 14. SABIC |
| 5. flynas | 15. Saudi Top Plastic Factory |
| 6. Gulf International Bank (GIB) | 16. SCB Environmental Markets SA |
| 7. Golf Saudi | 17. Saudi Electricity Company (SEC) |
| 8. International Islamic Trade Finance Corporation (ITFC) | 18. SNB |
| 9. Saudi Aramco Base Oil Company Luberef | 19. SOCAR |
| 10. Ma'aden | 20. Valitera |
| | 21. Yamama Cement Company |
| | 22. Yanbu Cement Company |

RVCMC's due diligence aims to ensure the mix of carbon credits offered in the auction meet international high integrity standards. The basket of credits connects buyers with 17 climate projects from across the world, over three quarters of which originated from countries across the Global South, including Bangladesh, Brazil, Ethiopia, Malaysia, Pakistan and Vietnam.

In line with current international standard setters' guidelines, 20 percent of this year's auction baskets include removal credits, including some premium durable removal credits. Credits being sold today originate from diverse climate projects, including:

- From across the Global South: Landfill Gas projects, capturing methane which otherwise would be released into the atmosphere from waste;
- From Ethiopia: An indigenous forest reforestation project in the Humbo region, which also aims to mitigate soil erosion and conserve water resources while providing income benefits to local communities;
- From the United States: A construction technology project, aiming to capture, inject and embed carbon dioxide into fresh concrete;

To deliver the goals of the Paris Agreement and achieve global net zero greenhouse gas emissions targets, emerging markets and developing countries require USD 2.4 trillion of investment in climate action per year by 2030¹. The global voluntary carbon market, which is expected to grow to USD 100 billion by

¹ Independent High-Level Expert Group on Climate Finance (IHLEG) research

2030², can play a vital role in helping to bridge the climate finance gap, which is among the COP29 priorities.

Speaking in Baku, Riham ElGizy, RVCMC's Chief Executive Officer, said, "The message coming into COP is clear: To accelerate global decarbonization we must unlock financial flows to critical climate projects on an enormous scale. High integrity voluntary carbon markets can play an important role in bridging the climate finance gap this decade. But institutional grade infrastructure must be put in place to help buyers and sellers scale up private sector participation and achieve the market's potential.

The launch today of RVCMC's exchange platform, taking place with inaugural auctions of high-quality carbon credits, are an important step in our journey to become one of the largest voluntary carbon markets in the world by 2030. One that funds climate action projects across the world to reduce and remove carbon emissions on a large scale. From projects spanning Asia to Latin America, helping to restore forests and protect biodiversity, as well as supporting carbon storage technology in construction materials or biochar production, we are working with Saudi Arabian and international businesses to move from discussion to action on climate finance in line with the COP29 agenda."

RVCMC was established by the Public Investment Fund (PIF) and Saudi Tadawul Group (STG) in 2022 to offer guidance and resourcing to support businesses and industry in the MENA region as they play their part in the global transition to net zero, helping to ensure the MENA region is at the forefront of climate action and that Saudi Arabia is a leading force in solving the climate challenge. Its mission is to establish a thriving voluntary carbon market in the Kingdom of Saudi Arabia and beyond. The company's two prior record-breaking voluntary carbon credit auctions, the first in Riyadh and the second in Nairobi, sold over 3.6 million tonnes, driving demand in the region. RVCMC supports PIF's ambition to achieve net zero emissions by 2050. PIF is driving the investment and innovation required to address the impact of climate change and support Saudi Arabia's efforts to achieve net zero by 2060.

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About the Regional Voluntary Carbon Market Company (RVCMC)

² <https://www.morganstanley.com/ideas/carbon-offset-market-growth>

RVCMC was established by the Public Investment Fund (PIF) and Saudi Tadawul Group Holding Company (Saudi Tadawul Group) in October 2022. PIF holds an 80% stake and Tadawul Group holds a 20% stake in the company. RVCMC is pioneering a credible path to create a thriving voluntary carbon market at speed and at scale, helping businesses to drive decarbonization. The company prioritizes high quality carbon credits and positive climate action by creating an ecosystem that includes RVCMC's voluntary carbon market platform and RVCMC's advisory services, which support organizations with their decarbonization journeys.

In October 2022, RVCMC hosted its first voluntary carbon market auction at the sixth Future Investment Initiative (FII) in Riyadh, selling 1.4 million tonnes of carbon credits. In June 2023, RVCMC successfully auctioned 2.2 million tonnes of voluntary carbon credits in the largest-ever carbon credit sale in Nairobi, Kenya. In October 2023, RVCMC and PIF hosted the world's first Global South Carbon Market Conference at FII7 in Riyadh.

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