

August 15th 2016

The Ministry of Environment and Natural Resources (SEMARNAT), the Mexican Stock Exchange and MEXICO₂ sign agreement to develop an Emissions Trading Scheme pilot

- The agreement includes the design of a greenhouse gas Emissions Trading Scheme pilot, such as the existing ones in the European Union, China and California.
- This pilot will help prepare companies for future environmental regulation and comply with their emissions reduction goals.
- ETS are the most effective way to tackle greenhouse gas emissions.

Mexico City, August 15th 2016. The Ministry of Environment and Natural Resources (SEMARNAT), the Mexican Stock Exchange and MEXICO₂ signed an agreement to develop an Emissions Trading Scheme (ETS) pilot. This system is one of the key tools that will help the country fulfill its commitments adopted in the Paris Agreement signed in December 2015, including the reduction of 22% of greenhouse gas (GHG) emissions by 2030.

Although Mexico's emissions represent only 1.6% of global emissions, it is one of the most affected countries by climate change due to its geographical position, and the vulnerability of the population to extreme climate events such as floods, droughts and hurricanes. According to official data, the cost of climate change could be up to 3.2% of national GDP by 2050.

ETS are market based tools that set a price to GHG emissions which cause climate change; they are the most cost-effective way a country has to reduce its emissions.

Today, 55 jurisdictions on four different continents have ETS in place, altogether representing 40% of global GDP, including California, China, South Korea, Quebec, Switzerland and the European Union. They currently regulate 10% of the world's GHG emissions and will double their scope upon the entry of China's national ETS.

ETS pilots serve the dual purpose of showcasing private sector leadership in sustainability and helping companies become familiar with the way ETS operate. Sectors to be covered by the pilot have been defined: electricity, oil & gas, industry (cement, glass, iron & steel), petrochemicals, aviation and pulp and paper.

About MEXICO₂

The Mexican Carbon Platform, MEXICO₂, is an initiative that responds to the country's needs regarding climate change. It provides an efficient mechanism that contributes to reduce GHG emissions, helping projects that protect and increase the natural and social capital of the country.

MEXICO₂ is a market initiative jointly supported by the Mexican Stock Exchange and SIF ICAP; together with the British Embassy in Mexico, the United Nations Environment Programme, the Ministry of Environment and Natural Resources (SEMARNAT), the National Forestry Commission (CONAFOR) and the National Institute of Ecology and Climate Change (INECC). Read more: www.mexico2.com.mx

About the Mexican Stock Exchange (Grupo BMV)

Grupo BMV is formed by companies that jointly offer comprehensive services to facilitate the operation and post-negotiations in the stock market in Mexico. It is supported by modern and cutting-edge technology and infrastructure in all its companies.