

Carbon Emissions Solutions

Manage climate risk using international benchmark contracts

Near-term Voluntary Carbon Offset futures to help meet ESG initiatives

CBL Global Emissions Offset (GEO) futures, CBL Nature-Based Global Emissions Offset (N-GEO) futures, and CBL Core Global Emissions Offset (C-GEO) futures provide delivery of physical carbon offset credits that have undergone stringent screening. These contracts help the global market base access standardized and validated instruments for the emerging voluntary emissions market.

Advantages of the CBL Emissions Offset futures

- Standardized voluntary offset benchmarks provide efficient execution.
- Hedge in the future with transparent forward price curve and counterparty risk protection.
- Delivery procedure is seamless through CBL, who is connected via API to all included offset registries.
- Ability to trade without going to the delivery either by rolling or exiting positions or utilizing the Exchange for Physical (EFP) mechanism.

CBL Global Emissions Offset (GEO) futures

Foundation of offset criteria has been vetted for years by the UN specialized agency, International Civil Aviation Organization (ICAO), for use in the pilot phase of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). The physically settled contract allows for delivery of CORSIA-aligned voluntary carbon offset credits as defined by the CBL Standard Instruments Program (SIP) from the following registries: Verra Verified Carbon Standard, American Carbon Registry, and Climate Action Reserve.

CBL Nature-Based Global Emissions Offset (N-GEO) futures

Follows the industry-leading Verified Carbon Standard (VCS) for Agriculture, Forestry, and Other Land Use (AFOLU) projects and require additional certification of Verra Registry's stringent Climate Community and Biodiversity (CCB) Standard, which identifies projects that simultaneously address climate change, support local communities and smallholders, and conserve biodiversity.

CBL Core Global Emissions Offset (C-GEO) futures

Alignment with the initial recommendations for the Core Carbon Principles (CCPs), a developing set of consistent industry standards to apply to the global supply of carbon credits to be overseen by the Integrity Council for the Voluntary Carbon Markets (IC-VCM). Projects approved by the Verra Registry across energy, renewables, and other technology- based offsets establish the supply for these contracts.

Compliance carbon products to help manage EU-ETS exposure

European Union Allowance (EUA) futures provide delivery of physical allowance credits in accordance with the European Union Emissions Trading System (EU-ETS). These contracts can serve as a price discovery and risk management mechanism to help meet regulatory greenhouse gas emissions reduction targets.

European Union Allowance (EUA) futures and options

The EU-ETS is a cap-and-trade system based on a Directive of the European Parliament, operating in all European Union countries, as well as Iceland, Liechtenstein, and Norway. The physically settled contracts allow for delivery of allowances at the Union Registry which operates under EU-ETS regulation.

Voluntary Carbon Emissions Offset Trailing futures

New CBL Core Global Emissions Offset Trailing (C-GEO-TR) and CBL Nature-Based Global Emissions Offset Trailing (N-GEO-TR) futures offer market participants the opportunity to trade futures on vintages no longer covered within benchmark C-GEO and N-GEO futures.

VOLUNTARY CARBON EMISSIONS OFFSET TRAILING FUTURES

Learn about how Trailing futures are used in this video



Voluntary Carbon Emissions Offset futures vintage structure

- **GEO futures:** static five-year period (2016-2020)
- **N-GEO futures:** Rolling vintage. Current eligible vintages are 2018-2023. On July 1, 2024, 2018 -2023 will roll into 2019-2024. On each following July 1, the oldest vintage will become ineligible, and a new vintage will be added.
- **C-GEO futures:** Rolling vintage. Current eligible vintages are 2018-2023. On July 1, 2024, 2018-2023 will roll into 2019-2024. On each following July 1, the oldest vintage will become ineligible, and a new vintage will be added.
- **N-GEO and C-GEO Trailing futures:** Each year, on July 1, the eligibility window is moved forward, meaning the oldest vintage year is no longer eligible and a new year is added to the main N-GEO and C-GEO futures contract. The vintage year that became ineligible in the main contract is added to the eligibility window of the respective Trailing futures contract.

The vintage structure changes/rolls take place on CBL on July 1 of each year. This means these changes will apply from the "July" futures contracts. As a reminder, the listed month on CME Group corresponds to the delivery period of the credit. For example, July-24 futures are for a physical delivery on July 26, 2024.

CME Group currently lists monthly contracts for N-GEO and C-GEO through December 2027 and monthly contracts for N-GEO through December 2029. Below is a summary of the deliverable vintages by contract- month based on the above-mentioned rules.

| FUTURES CONTRACT MONTH | | VINTAGES ELIGIBLE FOR DELIVERY AGAINST FUTURES | | | | | | | | | | | | | | | | |
|------------------------|-----------|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| FROM | TO | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| 01-JUL-23 | 30-JUN-24 | | | | | | | | | | | | | | | | | |
| 01-JUL-24 | 30-JUN-25 | | | | | | | | | | | | | | | | | |
| 01-JUL-25 | 30-JUN-26 | | | | | | | | | | | | | | | | | |
| 01-JUL-26 | 30-JUN-27 | | | | | | | | | | | | | | | | | |
| 01-JUL-27 | 30-JUN-28 | | | | | | | | | | | | | | | | | |
| 01-JUL-28 | 30-JUN-29 | | | | | | | | | | | | | | | | | |

Disclaimer: for illustration purposes only

Please refer to Standard Instrument Program maintained by CBL XPANSIV

<https://xpansiv.com/resources>

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|--|----------|--|----------|
| | C-GEO | | N-GEO |
| | C-GEO-TR | | N-GEO-TR |

CARBON CONTRACT SPECIFICATIONS

| CONTRACT | CBL GLOBAL EMISSIONS OFFSET FUTURES | CBL NATURE-BASED GLOBAL EMISSIONS OFFSET FUTURES | CBL CORE GLOBAL EMISSIONS OFFSET FUTURES | EUROPEAN UNION ALLOWANCE (EUA) FUTURES | EUROPEAN UNION ALLOWANCE (EUA) OPTION |
|-------------------------------|--|--|---|---|---|
| COMMODITY CODE | GEO | NGO | CGO | ECF | ECO |
| RULEBOOK CHAPTER | 1269 | 1258 | 1257 | 1253 | 1254 |
| LISTING SCHEDULE | Monthly contracts listed for the current year and the next three calendar years. List monthly contracts for a new calendar year following the termination of trading in the December contract of the current year. | Monthly contracts listed for the current year and the next five calendar years. List monthly contracts for a new calendar year following the termination of trading in the December contract of the current year. | Monthly contracts listed for the current year and the next three calendar years. List monthly contracts for a new calendar year following the termination of trading in the December contract of the current year. | Monthly contracts listed for 36 consecutive months and all December contracts through and including December 2030. | Quarterly contracts listed for 6 consecutive quarters (Mar/Jun/Sep/Dec cycle). All December contracts through and including December 2030. |
| CONTRACT SIZE | 1,000 environmental offsets | 1,000 environmental offsets | 1,000 environmental offsets | 1,000 EUAs | 1,000 EUAs |
| SETTLEMENT TYPE | Physical | Physical | Physical | Physical | Physically delivered into underlying futures |
| DELIVERABLE OFFSETS | Offsets that meet CBL Standard Instruments Program (SIP) criteria for CORSIA alignment | AFOLU Verified Carbon Standard (VCS) offsets with Climate, Community, and Biodiversity (CCB) Certification | Tech-based offsets that align with the initial recommendations for the Core Carbon Principles (CCPs) set by the Taskforce on Scaling Voluntary Carbon Markets (now the IC-VCM) | Allowances that meet the criteria of the European Union Emissions Trading System (EU-ETS) | Allowances that meet the criteria of the European Union Emissions Trading System (EU-ETS) |
| TERMINATION OF TRADING | Trading terminates three business days prior to the last business day of the contract month. | | | Trading terminates at 6:00 p.m. Netherlands local time on the last Monday of the delivery month for the expiring contract | The option contract shall expire at the close of trading three business days prior to the expiration of the underlying European Union Allowance (EUA) futures contract. |
| MINIMUM PRICE FLUCTUATION | \$0.01 per environmental offset | \$0.01 per environmental offset | \$0.01 per environmental offset | EUR 0.01 per EUA | EUR 0.005 per EUA |
| VALUE PER TICK | \$10.00 | \$10.00 | \$10.00 | EUR 10.00 | EUR 5.00 |
| BLOCK TRADE MINIMUM THRESHOLD | 10 contracts | 10 contracts | 10 contracts | 5 contracts | 5 contracts |
| TRADING AND CLEARING HOURS | <p>CME Globex: Sunday – Friday 6:00 p.m. – 5:00 p.m. Eastern Time/ET (5:00 p.m. – 4:00 p.m. Central Time/CT) with a 60-minute break each day beginning at 5:00 p.m. ET (4:00 p.m. CT)</p> <p>CME Globex Pre-Open: Sunday 5:00 p.m. – 6:00 p.m. ET (4:00 p.m. – 5:00 p.m. CT) Monday – Friday 5.45 p.m. – 6:00 p.m. ET (4:45 p.m. to 5:00 p.m. CT)</p> <p>CME ClearPort: Sunday – Friday 6:00 p.m. – 5:00 p.m. ET (5:00 p.m. – 4:00 p.m. CT) with a 60-minute break each day beginning at 5:00 p.m. ET (4:00 p.m. CT)</p> | | | | |

About Xpansiv Market CBL

CBL is a global exchange platform for transacting energy and environmental commodity products such as carbon, renewable energy, water, and natural gas. CBL's platform is the source for price discovery for all GEO, N-GEO, and C-GEO futures. Due to its connectivity to all applicable offset registries, CBL also serves as the transfer agent for firms who choose to make or take delivery through any of the three emissions offset futures contracts.

Benefits of transaction spot on CBL:

- Commodity-trading nexus
- Price transparency
- Straight-through processing
- Anonymity guaranteed
- Reduced transaction costs
- Easy entry for new participants
- No counterparty or delivery risk
- Same-day settlement

LEARN MORE

Voluntary Carbon Emissions Offset futures



CME DIRECT

Carbon Emissions contracts can be traded on CME Direct, a one-stop platform for futures, options, and blocks



For more information, please contact energy@cmegroup.com

cmegroup.com

Neither futures trading nor swaps trading are suitable for all investors, and each involves the risk of loss. Swaps trading should only be undertaken by investors who are Eligible Contract Participants (ECPs) within the meaning of Section 1a(18) of the Commodity Exchange Act. Futures and swaps each are leveraged investments and, because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for either a futures or swaps position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles and only a portion of those funds should be devoted to any one trade because traders cannot expect to profit on every trade.

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