

MEDIA RELEASE

BURSA CARBON EXCHANGE SIGNS MOC WITH SARAWAK ENERGY, HYDROPOWER SUSTAINABILITY ALLIANCE AND I-REC AT COP28, SIGNALLING ITS FUTURE OFFERING OF RENEWABLE ENERGY CERTIFICATES

Dubai, 4 December 2023 - Bursa Carbon Exchange (“BCX”), a wholly-owned subsidiary of Bursa Malaysia Berhad (“Bursa Malaysia” or “the Exchange”), today signed a Memorandum of Collaboration (MOC) with Sarawak Energy Berhad (“Sarawak Energy”), Hydropower Sustainability Alliance (“HSA”) and the I-REC Standard Foundation (“I-REC Standard”), during the 28th United Nations Climate Change Conference of Parties (COP28) held in Dubai, United Arab Emirates.

The four-way MOC brings together a collaboration between Malaysian and international organisations in paving the way for the offering of renewable energy certificates (RECs) on Bursa Carbon Exchange, Malaysia’s voluntary carbon market exchange. Sarawak Energy is a vertically integrated electricity utility serving the state of Sarawak and also Malaysia’s largest renewable energy developer. Meanwhile, the HSA is an independent and multistakeholder standard-setting body that governs the Hydropower Sustainability Standard an assessment and certification system that advances demonstrable sustainability in the hydropower sector. The I-REC Standard is a non-profit organisation based in Netherlands that provides a robust standard for developing attribute tracking systems for renewable energy.

The scope of the MOC will cover the following four areas:

- To explore potential supply of RECs from Sarawak Energy;
- To facilitate cross-border RECs trading and international attribute tracking standards for RECs, using the I-REC platform;
- To raise awareness through joint knowledge building sessions on sustainability certification, such as the Hydropower Sustainability Standard and understanding credible renewable energy claims; and
- To help promote the use of sustainability certifications in conjunction with RECs, such as by layering the Hydropower Sustainability Standard onto the I-REC’s International Attribute Tracking Standard, to help end-users identify and purchase premium hydropower RECs from BCX.

Datuk Muhamad Umar Swift, Chief Executive Officer of Bursa Malaysia said, “BCX aspires to be a global, multi-asset environmental products exchange, to meet the diverse needs of our customers. By adding RECs to our existing portfolio of high-quality carbon credits, we aim to provide more options and flexibility for our customers to access and trade environmental products. Today, our partners and BCX have formalised this collaboration to promote the trading of hydropower RECs on BCX, targeted to be launched next year. We are honoured to have Sarawak Energy sign this MOC with us, given that they are a very significant renewable energy supplier in Malaysia. We applaud Sarawak Energy commitment to obtain Hydropower Sustainability Standard certification for all its hydropower plants. Meanwhile, BCX is planning to offer RECs from projects complying with the I-REC Standard. This MOC demonstrates our commitment to collaborate with international and domestic partners to advance climate action and support the transition to Net Zero”.

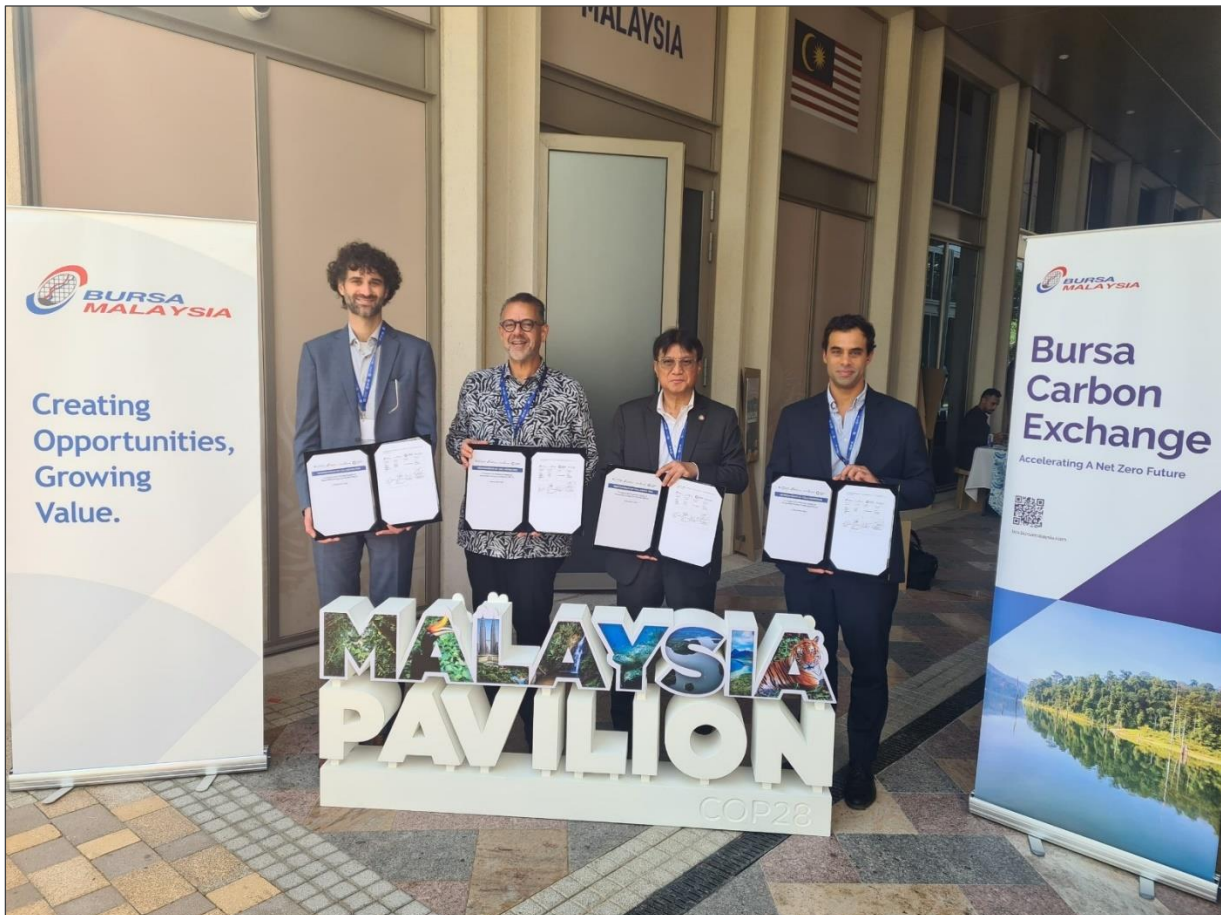
Datuk Haji Sharbini Suhaili, Group Chief Executive Officer of Sarawak Energy highlighted, “Given the increasing awareness and commitment to sustainability among corporates in Southeast Asia, REC plays a key role in ensuring a credible mechanism for tracking renewable energy (RE) consumption and supporting the global transition towards a low-carbon economy. Since our REC launch in 2019 during our inaugural Sustainability and Renewable Energy Forum (SAREF) in Kuching, Sarawak Energy has supported various players from different industries in their sustainability journey through the REC mechanism. Today’s signing empowers all stakeholders by promoting awareness of renewable energy and sustainability, while reinforcing Sarawak’s hydropower as an essential source of renewable and sustainable energy in Malaysia.”

Joao Costa, Executive Director of the Hydropower Sustainability Alliance, expressed optimism about the groundbreaking collaboration. “This partnership underscores the vital role of collaborations between industry, civil society, and financiers in championing sustainable practices and advancing renewable energy. By exploring the potential integration of sustainability certifications onto Sarawak Energy’s RECs that will be part of the product offering on BCX, we aim to contribute to a global movement for a more resilient future. We are not only excited to be part of this impactful venture at COP28 but also see it as a model to be replicated globally, showcasing the potential of cooperative efforts to address socio-environmental challenges and create a more sustainable world. ”

Roble P. Velasco-Rosenheim, Director of Global Partnerships and APAC at the I-REC Standard Foundation highlights that, “This collaboration is a perfect example of how countries, companies, and the non-profit community can come together to support the procurement of high-quality clean electricity products, in line with both national and international ambition. We are confident that BCX will provide significant value to the wider Malaysian market by facilitating transactions. At the same time, HSA will improve the selection process of end-users by making it easier to credibly select RECs from sustainable hydro generation assets. Sarawak Energy’s engagement in the market will facilitate access to end-users across

the country. Overall, we're honoured to be a part of the development of a robust market in Malaysia.”

Bursa Malaysia plans to offer RECs on BCX in 2024, in support of Malaysia's net-zero GHG emissions target by as early as 2050, and in line with the country's National Energy Transition Roadmap.



[L-R] Memorandum of Collaboration signing at the Malaysia Pavilion, COP28, which was formalised by Jared Braslawsky, Managing Director of the International REC Standard Foundation; Datuk Muhamad Umar Swift, Chief Executive Officer of Bursa Malaysia Bhd; Datuk Haji Sharbini Suhaili, Group Chief Executive Officer of Sarawak Energy; and Joao Costa, Executive Director of the Hydropower Sustainability Alliance.

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About Bursa Malaysia

Bursa Malaysia is an exchange holding company incorporated in 1976 and listed in 2005, and has grown to be one of the largest bourses in ASEAN today. Bursa Malaysia operates and regulates a fully-integrated exchange offering a comprehensive range of exchange-related facilities, and is committed to Creating Opportunities, Growing Value. Learn more at www.bursamalaysia.com.

About Bursa Carbon Exchange

Bursa Carbon Exchange (BCX) is a global multi-asset environmental exchange that enables corporates to take practical climate mitigation action through the trading of carbon credits from projects with measurable climate action outcomes that adhere to the international standards. The exchange was incorporated in 2022 and operated by Bursa Malaysia Carbon Market Sdn Bhd. Visit <https://bcx.bursamalaysia.com> for more information.

About Sarawak Energy

Sarawak Energy is an energy development company and a vertically integrated electricity utility with a vision to achieve sustainable growth and prosperity for Sarawak by meeting the region's need for reliable, renewable energy. With a multidisciplinary workforce comprising about 5,500 employees, Sarawak Energy serves 760,000 customers and a population of nearly 3 million across the state.

Building on a strong foundation of 100 years as an effective utility company, Sarawak Energy is taking bold steps to support the transformation of Sarawak in its vision to become a developed state by the year 2030. In line with its broader roles and responsibilities, Sarawak Energy has embarked on a massive transformation journey since 2010, to advance from a traditional utility company into a modern and agile corporation. For more information, visit www.sarawakenergy.com.

About the Hydropower Sustainability Alliance

The Hydropower Sustainability Alliance is a non-profit multistakeholder organisation dedicated to standardising Environmental, Social, and Governance (ESG) requirements within the hydropower sector worldwide. Through the Hydropower Sustainability Standard, an assessment and certification system, the Alliance promotes demonstrable sustainability to optimise hydropower's role as a key player in the global energy transition, contributing positively to people, the planet, and businesses everywhere.

About The I-REC Standard Foundation

The I-REC Standard Foundation is a non-profit organization that provides a robust standard for developing attribute tracking systems. The I-REC Standard Foundation is acknowledged by major reporting frameworks, including the RE100 and Science Based Targets initiative, as a reliable backbone for credible and auditable tracking

instruments. It ensures the highest quality systems and adherence to best practices designed to avoid double counting, double certificate issuance, and double attribute claims.

The I-REC Standard Foundation's International Attribute Tracking Standard (Standard) ensures that market facilitators adhere to best practices and good governance principles for the tracking instrument and the associated markets they manage. In this way, the I-REC Standard represents a globally recognized standard, often referred to as I-REC, which can be implemented for myriad products both within and beyond the energy sector that can benefit from harmonization, recognition, market support, and independent oversight. Recognized Issuers, stakeholders, and government bodies can consistently rely on the Standard and its associated Product Codes while implementing and running robust attribute tracking systems. The I-REC Standard Foundation is committed to ensuring unbiased access to product information and allowing end-users to confidently procure products whose origins are well documented and clearly accounted for, thus empowering renewable energy consumption choices around the world, and supporting claims of sustainability.

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