SGX accelerates sustainability drive with launch of ESG derivatives

- Suite of four new derivatives a key thrust of SGX FIRST initiative
- Launch further broadens multi-asset partnership with FTSE Russell

Singapore Exchange (SGX) is accelerating its SGX FIRST sustainability agenda with the launch of its pioneering suite of ESG derivatives today.

SGX developed the new contracts in partnership with FTSE Russell to offer investors more choice in promoting the integration of Environment, Social and Governance (ESG) factors into institutional investment portfolios on an award-winning market infrastructure. The SGX FIRST (Future in Reshaping Sustainability Together) initiative, announced in December, is a multi-pronged expansion of the exchange’s sustainability capabilities and supports the introduction of new ESG-focused products, services and platforms.

Michael Syn, Head of Equities at SGX, said, “Our leadership in developing a pan-Asia shelf of benchmark equity derivatives has placed us in a distinct position to drive the change the world needs to see today. Together with FTSE Russell’s strengths in investable multi-asset products and ESG, our offering of sustainable risk-management solutions in Asia is unrivalled.”

Backed by major global pension funds and drawn from leading international standards, the indices provide a combination of improved ESG profile while maintaining risk and return characteristics largely similar to benchmark equity indices. The new derivatives are designed to enable seamless adoption of ESG factors into investment portfolios:

- SGX FTSE Emerging ESG Index Futures
- SGX FTSE Emerging Asia ESG Index Futures
- SGX FTSE Asia exJapan ESG Index Futures
- SGX FTSE Blossom Japan Index Futures

All four contracts have been certified by the Commodity Futures Trading Commission (CFTC), enabling market participants to trade them directly from the U.S.

About Singapore Exchange
Singapore Exchange is Asia’s leading and trusted market infrastructure, operating equity, fixed income and derivatives markets to the highest regulatory standards. It also operates Asia’s only multi-partner, multi-asset exchange-led sustainability platform (sgx.com/first).
As Asia’s most international, multi-asset exchange, SGX provides listing, trading, clearing, settlement, depository and data services, with about 40% of listed companies and over 80% of listed bonds originating outside of Singapore. SGX is the world’s most liquid international market for the benchmark equity indices of China, India, Japan and ASEAN and offers commodities and currency derivatives products. Headquartered in AAA-rated Singapore, SGX is globally recognised for its risk management and clearing capabilities. For more information, please visit www.sgx.com.

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