

## CME Group Launches First-Ever Sustainable Derivatives Clearing Service

September 20, 2021

**Clearing firms and clients will now be able to demonstrate support of ESG objectives and green hedging activities through clearing**

CHICAGO and LONDON, Sept. 20, 2021 /PRNewswire/ -- CME Group, the world's leading and most diverse derivatives marketplace, today announced the launch of the derivatives industry's first-ever Sustainable Clearing service to help market participants track and report on how their hedging activities are advancing their sustainability goals. The service will be available from September 27, 2021.

Sustainable derivatives encompass both the trading of products such as carbon offsets, battery metals and bioenergy as well as interest rate and foreign exchange futures hedging activity that is carried out to support a sustainable business.

"Sustainability continues to be an increasing priority for our global clients as they significantly expand both the risk management that they provide to green businesses and environmental projects," said Julie Winkler, Chief Commercial Officer, CME Group. "This new framework for clearing sustainable derivatives will make it easier for our clients to measure the impact of their support for sustainable activities and can be part of the solution to encourage further growth in this key sector as the economy transitions to net-zero emissions."

"This innovative clearing offering makes it simple for firms to track their sustainable derivatives positions by seamlessly integrating reporting into their existing workflows," said Sunil Cutinho, President, CME Clearing. "Our solution ensures that all sustainable trades continue to benefit from our established risk management approach, including full margin offsets where applicable, which creates efficiencies for clients and end users."

"As the bank for a changing world, we consider it our duty to assist our clients in reaching their sustainable related goals through the Sustainable Clearing service," said Raphael Masgnaux, Global Head of Prime Solutions and Financing and G10 Rates, BNP Paribas.

"As a firm believer in how finance can catalyse a positive impact on our environment, Standard Chartered is delighted to have contributed to CME's Sustainable Clearing solution and support the sustainable agenda of market participants," said Mick Hill, Global Product Owner, Exchange Traded Derivatives, Standard Chartered Bank.

All participating futures commission merchants will be provided with Sustainable Clearing eligibility criteria to identify and tag their sustainable trades. The eligibility criteria will be aligned to external standards, such as the International Capital Markets Association (ICMA) Social & Green Bond Principles. CME Group will be 'criteria neutral' to ensure that only independent third-party standards are applied.

The criteria and governance of Sustainable Clearing will be administered by CME Benchmark Administration Limited, an independent legal entity within CME Group, that manages and operates the company's benchmarks and indices. A robust governance framework and an inclusive criteria committee based on ICMA principles will ensure that Sustainable Clearing operates with integrity and transparency, staying close to relevant standards in the industry as they evolve and mature.

For more information on Sustainable Clearing and details on how trades will be defined and allocated please visit: [www.cmegroup.com/sustainable-clearing](http://www.cmegroup.com/sustainable-clearing).

As the world's leading and most diverse derivatives marketplace, CME Group ([www.cmegroup.com](http://www.cmegroup.com)) enables clients to trade futures, options, cash and OTC markets, optimize portfolios, and analyze data – empowering market participants worldwide to efficiently manage risk and capture opportunities. CME Group exchanges offer the widest range of global benchmark products across all major asset classes based on [interest rates](#), [equity indexes](#), [foreign exchange](#), [energy](#), [agricultural products](#) and [metals](#). The company offers futures and options on futures trading through the [CME Globex](#)® platform, fixed income trading via BrokerTec and foreign exchange trading on the EBS platform. In addition, it operates one of the world's leading central counterparty clearing providers, CME Clearing.

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