

FTSE Russell launch green impact bond index series using Refinitiv data

- The FTSE Green Impact Bond Index Series will provide coverage of the rapidly growing green bond market
- The index series is aligned to Climate Bond Initiative (CBI) industry standards to prevent greenwashing
- New indexes are underpinned by Refinitiv's extensive database of bond pricing and reference data

FTSE Russell, a leading global index provider, has launched a comprehensive range of green impact bond indexes covering the rapidly growing green impact bond market. The FTSE Green Impact Bond Index Series is designed to measure the performance of green fixed income markets and offers investors a choice of global, European or US market coverage. The index series consists of Investment grade and high-yield multi-currency green debt issued by government, government-sponsored, supranational organisations and corporations.

FTSE Russell has set rigorous eligibility requirements for index inclusion based on the Climate Bond Initiative's (CBI) widely adopted Aligned Green Bond List as well as other criteria including minimum market size, credit, and currency requirements. Available in multiple currencies, the index series includes several investment grade sub-indexes such as the FTSE WorldBIG Green Impact Bond Index, FTSE EuroBIG Green Impact Bond Index, FTSE USBIG Green Impact Bond Index and the FTSE Global Green Impact Bond Index, which comprises of investment grade and high-yield debt. Pricing and reference data for these benchmarks is provided by Refinitiv.

As of June 2021, the total market value for bonds in the FTSE Global Green Impact Bond Index is approximately \$661.4 billion and \$632.7 billion of par value with a weighted average coupon of 1.52%.

Green impact bonds ensure that proceeds derived from the debt issuance are specifically earmarked for projects that have environmental benefit such as renewable energy and low carbon transport. Continued inclusion on the CBI's Aligned Green Bond List requires issuers to update the market on the use of proceeds at least annually. Compared to 2019 issuance, total impact bond issuance grew 56% in 2020 to US\$538 billion, with green impact bonds accounting for US\$306bn.

A second phase of the index series will see the introduction of social and sustainability bond indexes, compliant with ICMA's Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG).

Arne Staal, CEO, FTSE Russell comments:

"As a global multi-asset index provider, FTSE Russell has a strong track record in sustainable fixed income markets. The FTSE Green Impact Bond Index Series leverages widely adopted green bond standards to prevent greenwashing and Refinitiv's bond reference data to give investors granular coverage of this growing market. The index series provides investors with comprehensive coverage of government and corporate green bond issuance, with dedicated benchmarks for Europe and US markets."

Scott Harman, Global Head of Fixed Income and Multi-Asset Product Management, FTSE Russell comments:

“Global green bond markets now represent an increasingly sizeable market opportunity. Rapid growth in recent years especially in Europe and other developed markets has meant investors lack a choice of rigorous benchmarks. The new index series will meet investor demand for targeted exposure to CBI approved green bonds, which clearly set out use of proceeds for environmentally beneficial projects and mandate regular reporting. This rich level of information adds significant transparency for investors.”

– Ends –

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About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

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A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

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