

# S&P Dow Jones Indices

A Division of **S&P Global**

## PRESS RELEASE

### S&P Dow Jones Indices Introduces Two New Benchmarks to Measure Companies' Alignment with the United Nations' Sustainable Development Goals (SDG)

**NEW YORK, LONDON, January 9, 2024:** S&P Dow Jones Indices ("S&P DJI"), the world's leading index provider, today announced the expansion of its suite of sustainability-oriented indices with the launch of the **S&P 500 SDG Index** and the **S&P Global LargeMidCap SDG Index**.

This pair of SDG-focused indices are designed to offer market participants broad-based equity performance measurements and diverse exposures to companies that are collectively more aligned with the United Nations' 17 Sustainable Development Goals (SDGs).

Adopted by the UN's member countries in September 2015, the 17 SDGs were established to address the world's most critical and urgent environmental, social and governance challenges such as climate change; access to affordable and clean energy; industry, innovation and infrastructure; and decent work and economic growth amongst others.

From a performance benchmarking perspective, the S&P 500 SDG Index and the S&P Global LargeMidCap SDG Index utilize underlying data that does not focus on assessing the financial materiality of environmental, social and governance (ESG) factors for an industry or specific company. Instead, these indices leverage data intended to measure and reflect specific external impact that companies' products and activities are making on society and the environment, regardless of the financial materiality implications.

"S&P Dow Jones Indices is excited to bring to market these two new indices that offer market participants a unique and alternative way of tracking and measuring companies' alignment with specific UN sustainability targets. These indices utilize the **S&P 500 Index** and the **S&P Global Large MidCap Index** as their underlying parent and reference benchmarks for constituent screening and selection," **said Jas Duhra, Global Head of Sustainability Indices at S&P DJI.**

"With this approach, S&P DJI is offering broad-based sustainability performance measurement tools, one that is based on the S&P 500, which is the best single gauge of large-cap U.S. equities, and the other based on the S&P Global Large MidCap Index, which represents the top 85% market capitalization of each developed and emerging country," added Ms. Duhra.

S&P DJI licensed and utilized the Corporate SDG alignment data from **Impact Cubed**, a London-based provider of ESG impact data and portfolio solutions. Impact Cubed's data includes a quantitative view of SDG alignment using a granular revenue and operations mapping approach that focuses on what a company makes and how the products and services are made rather than a focus on financial materiality and risk. The SDG company alignment and net impact is determined through a company's

revenue-generating activities by considering where it sells its goods and services, and how it operates as a business and engages with its community and other stakeholders.

The research and methodology on the Sustainable Development Goals (SDG) Indices is published and available at S&P DJI's website: <https://www.spglobal.com/spdji/en/>. More information on Impact Cubed can be seen: <https://www.impactcubed.com/>

## **ABOUT S&P DOW JONES INDICES**

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

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## **FOR MORE INFORMATION:**

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