

# S&P Dow Jones Indices

A Division of **S&P Global**

## PRESS RELEASE

### S&P Dow Jones Indices Launches S&P/TSX ESG Indices

**TORONTO, OCTOBER 8, 2020:** S&P Dow Jones Indices (S&P DJI), the world's leading index provider, and TMX Datalinx<sup>(R)</sup>, TMX Group's information services division, today announced the launch of the S&P/TSX ESG Indices, the latest in S&P DJI's growing family of global ESG indices based on some of the world's most highly-tracked regional and country-specific benchmarks.

The new indices are:

- **S&P/TSX Composite ESG Index:** a broad-based benchmark maintaining similar overall industry group weights as the underlying S&P/TSX Composite.
- **S&P/TSX 60 ESG Index:** weights the S&P/TSX 60 Index according to S&P DJI ESG score by overweighting and underweighting companies with relatively high and low scores.

The objective of the S&P/TSX ESG Indices is to give investors core exposure to the Canadian equities market while providing a significant boost in ESG score performance.

S&P DJI recently entered into a license agreement with Invesco Ltd. to launch a Canadian-listed ETF today tracking the S&P/TSX Composite ESG Index.

#### Eligibility and Construction

The S&P/TSX Composite ESG Index and the S&P/TSX 60 ESG Index exclude companies involved in controversial weapons, tobacco, and thermal coal as well as companies with disqualifying United Nations Global Compact (UNGC) scores. Companies with low S&P DJI ESG scores as defined in the index methodology are also ineligible for the S&P/TSX Composite ESG Index.

Eligible companies are then selected and weighted accordingly:

- **S&P/TSX Composite ESG Index:** eligible companies in each GICS Industry Group are selected for inclusion in decreasing order of their respective S&P DJI ESG score until as close to 75% as possible of the float-adjusted market cap (FMC) is reached for each group. Constituents are weighted by FMC.
- **S&P/TSX 60 ESG Index:** All eligible companies are selected for inclusion. Within each GICS Industry Group, companies with relatively high S&P DJI ESG Scores are overweighted while relatively low scoring companies are underweighted to improve the index's overall ESG exposure.

The full methodology for the S&P/TSX ESG Indices and S&P DJI ESG Scores are available at: [www.spdji.com](http://www.spdji.com).

"In the last year, ESG has joined the mainstream of investing as market participants increasingly see the importance and relevance of indices that incorporate sustainability data and principles," said **Reid**

## PRESS RELEASE

**Steadman, Managing Director and Global Head of ESG Indices at S&P DJI.** “The S&P/TSX ESG Indices are designed to target the core of an investor’s portfolio by giving them broad equity exposure in line with their sustainable investment goals. We’re thrilled to work with TSX to bring this strategy to the Canadian market.”

“We are excited to be working with S&P Dow Jones Indices to launch these enhanced tools to help integrate ESG considerations into the investment process,” said **Sarah Ryerson, President, TMX Datalinx.** “As global interest in sustainable investing continues to grow, these indices will provide investors with increased exposure to sustainable investments and enable them to more efficiently manage risks associated with ESG in their portfolios.”

S&P DJI has been a leader in ESG indexing for 20 years. Since the 1999 launch of the Dow Jones Sustainability Index (DJSI), the first global sustainability benchmark, S&P DJI now offers a range of ESG index solutions including carbon-efficient indices introduced in 2018. In April 2019, S&P DJI introduced the S&P 500 ESG Index based on the S&P 500®.

Please visit [www.spdji.com](http://www.spdji.com) for more information about the methodology behind our global family of ESG indices.

## **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.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit [www.spdji.com](http://www.spdji.com).

## **FOR MORE INFORMATION:**

### **S&P Dow Jones Indices**

Raymond McConville

Americas Communications

(+1) 212 438 1678

[raymond.mcconville@spglobal.com](mailto:raymond.mcconville@spglobal.com)

The S&P/TSX Composite ESG Index and the S&P/TSX 60 ESG Index are products of S&P Dow Jones Indices LLC (“SPDJI”) and TSX Inc. (“TSX”). Standard & Poor’s® and S&P® are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); and TSX® is a registered trademark of TSX. SPDJI, Dow Jones, S&P and TSX do not sponsor, endorse, sell or promote any products based on the S&P/TSX Composite ESG Index and the S&P/TSX 60 ESG Index and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions or interruptions of the S&P/TSX Composite ESG Index and the S&P/TSX 60 ESG Index or any data related thereto.

## **PRESS RELEASE**