S&P Global Trucost analysis shows Sustainable Development Goals-aligned portfolio maintains returns while allowing investors to identify company's risk exposure

LONDON, Nov. 10, 2020 /PRNewswire/ -- A recent analysis by S&P Global Trucost indicates that a portfolio of companies aligned with the United Nations' Sustainable Development Goals (SDGs) outperformed the S&P 500® over the study period. The research indicated that incorporating the Trucost Sustainable Development Goals (SDG) dataset into a portfolio led to a better performance than a non-SDG aligned portfolio.

The analysis looked at the past six-years and showed the S&P 500 SDG portfolio increased by 136.2%, compared to the S&P 500 portfolio which went up by 125.8%, showing a difference of 10.4%. The analysis which conducted historical portfolio performance against the set SDG criteria, while not indicative of future performance, showed a positive correlation.

Richard Mattison, CEO of S&P Global Trucost, said: "We have seen an increased interest in the positive impact that companies have on a society, especially since the start of the pandemic. Trucost SDG Analytics provides information to investors on the alignment of companies to the United Nations' Sustainable Development Goals. We also analysed the extent to which a company may be exposed to SDG-related risks. Our analysis showed that a portfolio aligned to top tier SDG companies over the past six years achieved a higher return while maintaining the underlying benchmark characteristics."

The research also indicated that companies that have a higher proportion of their revenues coming from SDG-related products and services tend to outperform companies with lower proportions. When constructing a portfolio of these companies with high proportions of SDG-aligned revenues, it outperformed the S&P 500 over the past six years.

The SDGs have garnered a widespread support for their effective harmonization of the three dimensions of sustainable development – social inclusion, environmental protection, and economic growth.

The study was authored by Liam Hynes, EMEA Head, Capital Markets Product Specialists at S&P Global Market Intelligence.

To learn more about Trucost SDG analytics, visit: https://www.spglobal.com/marketintelligence/en/campaigns/i-need-to-maximize-positive-impact.

Disclosure: *Performance quoted represents past performance and does not guarantee future results or future performances.*

About S&P Global Market Intelligence
At S&P Global Market Intelligence, we understand the importance of accurate, deep and insightful information. We integrate financial and industry data, research and news into tools that help track performance, generate alpha, identify investment ideas, perform valuations and assess credit risk. Investment professionals, government agencies, corporations and universities around the world use this essential intelligence to make business and financial decisions with conviction.

S&P Global Market Intelligence is a division of S&P Global (NYSE: SPGI), the world's foremost provider of credit ratings, benchmarks and analytics in the global capital and commodity markets, offering ESG solutions, deep data and insights on critical business factors. S&P Global has been providing essential intelligence that unlocks opportunity, fosters growth and accelerates progress for more than 160 years. For more information, visit www.spglobal.com/marketintelligence.

S&P Global Trucost
S&P Global Trucost is operated by S&P Global Market Intelligence. Trucost assesses and prices risks relating to climate change, natural resource constraints and broader ESG factors. Companies and financial institutions use Trucost intelligence to understand exposure to ESG factors, inform resilience and identify the transformative solutions of tomorrow. Trucost data also underpins ESG indices, including the S&P 500 Carbon Efficient Index® and S&P 500 Paris-Aligned Climate Index. For more information, visit www.trucost.com

Media Contact

Sabrina Mayeen
S&P Global | Market Intelligence
+44 (0)20 7176 0495
Sabrina.Mayeen@spglobal.com

SOURCE S&P Global

---

https://press.spglobal.com/2020-11-10-S-P-Global-Trucost-analysis-shows-Sustainable-Development-Goals-aligned-portfolio-maintains-returns-while-allowing-investors-to-identify-companys-risk-exposure