S&P Dow Jones Indices Expands Global ESG Suite with Launch of S&P MidCap 400 ESG and S&P SmallCap 600 ESG Indices

NEW YORK, Feb. 3, 2021 /PRNewswire/ -- S&P Dow Jones Indices ("S&P DJI"), the world's leading index provider, today announced the debut of its latest S&P ESG Indices, **the S&P MidCap 400 ESG Index and the S&P SmallCap 600 ESG Index.**

The new indices' methodologies are consistent with the rest of S&P DJI's Global ESG Index family and are designed to closely replicate the risk and return profile of their underlying benchmarks, the S&P MidCap 400 and the S&P SmallCap 600, while providing a significant boost in ESG score performance. Together with the existing S&P 500 ESG Index, S&P DJI now offers ESG versions of its three headline U.S. equity indices that combine to form the S&P 1500 Composite covering 90 percent of U.S. market capitalization.

"We are proud to grow our core ESG indexing capabilities to cover the mid- and small-cap markets," said **Dan Draper, Chief Executive Officer of S&P Dow Jones Indices**. "At S&P DJI, we continue to find more ways to promote sustainability in global financial markets and economies through our innovative indices and benchmarks."

"Since the launch of the S&P 500 ESG Index nearly two years ago, sustainability has become a top focus of not only investors but corporations as well," said **Reid Steadman, Managing Director and Global Head of ESG Indices at S&P DJI.**"As we expand our global family of ESG benchmarks, one of our goals is to encourage companies to embrace the adoption and transparency of ESG factors. Our launch of mid-cap and small-cap ESG indices reflects that it's no longer just the largest companies recognizing the need to better position themselves globally through sustainable business practices."

The new ESG benchmarks come as investor interest in ESG products continues to soar. In 2020, assets under management (AUMs) tied to ESG ETFs nearly tripled from just under $60 billion to more than $170 billion, with flows of $81 billion according to data compiled by S&P Dow Jones Indices. Mid-cap and small-cap ESG ETFs grew even faster with AUMs increasing by more than 260 percent in 2020.

Methodology
The S&P MidCap 400 ESG and S&P SmallCap 600 ESG Indices target 75% of the traditional S&P MidCap 400 and S&P SmallCap 600's market capitalization for each Global Industry Classification Standard (GICS) sector. Companies involved in the production of controversial weapons, thermal coal and tobacco are excluded as well as companies that perform poorly in relation to the United Nations Global Compact Principles.

For each GICS industry group, companies are then selected in decreasing order of S&P DJI ESG score until as close to 75% of the float-adjusted market cap in the eligible universe is reached. By targeting industry group neutrality, the indices are designed to have a risk and return profile that is closely in line with that of the broader U.S. mid- and small-cap markets. S&P DJI ESG scores are calculated by SAM (part of S&P Global) and are based on the Corporate Sustainability Assessment using company-provided data, publicly available information, or a combination thereof.

The full methodologies for the S&P MidCap 400 ESG and S&P SmallCap 600 ESG indices as well as the S&P DJI ESG scores are available at www.spglobal.com/spdji.

S&P DJI has been a leader in ESG indexing for more than 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 across the globe.

In 2020, S&P DJI expanded its global suite of ESG Indices in Canada and Latin America with the launch of the S&P/TSX ESG Indices, the S&P/BMV Total Mexico ESG Index, the S&P/B3 Brazil ESG Index, and the S&P/IPSA ESG Index in Chile last month. In Europe, S&P DJI created the Paris-Aligned Climate (PA) and Climate Transition (CT) Eurozone Indices to include securities compatible with a 1.5ºC global warming climate scenario and to meet several other climate-focused objectives. And in Asia, S&P DJI launched the ESG version of the iconic S&P/ASX 200 Index and introduced the S&P/KRX Carbon Efficient Capped Index, an important addition to the Carbon Efficient index family.

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

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