



## Press Release

# New Zealand's Exchange and S&P Dow Jones Indices launch S&P/NZX 50 Portfolio ESG Tilted Index

## *ESG index launches as Kiwi investors increasingly incorporate ESG principles in their portfolios*

**WELLINGTON, 20 JULY 2021 – S&P Dow Jones Indices** ("S&P DJI"), the world's leading index provider, and **New Zealand's Exchange** ("NZX") continue to grow their family of indices with the launch of the [S&P/NZX 50 Portfolio ESG Tilted Index](#).

**Jaspreet Duhra, Global Head of ESG Indices at S&P Dow Jones Indices** said: "We are pleased to collaborate with NZX on the launch of this innovative index to support the growing interest in sustainability factors from investors in the New Zealand market."

"With the heightened focus on the impact of companies' environmental, social and governance (ESG) footprints, this index serves as an independent and transparent tool in measuring ESG performance as more investors incorporate sustainability targets in their investment decisions."

**NZX Chief Executive, Mark Peterson**, said: "An important role for New Zealand's Exchange is to ensure capital can be invested with confidence into companies that provide opportunities for sustainable growth."

"There is a real interest and growing focus on ESG, and this index now provides a performance benchmark for the development of product that the market is demanding. Investors will have more choice and, importantly, another lens on the New Zealand market, that allows them to retain diversification while giving more weight to high-ESG performance companies."

Mark Peterson said: "We also see this as further rewarding and encouraging the focus on disclosing and discussing companies' approaches to sustainability and how they are managing ESG risks and opportunities. The performance of companies who advance will be reflected in improved weightings in the index."

He said many NZX-listed companies are already strongly focused on ESG performance, with the five-year annualised return of the new index (measured to June 2021) clearly outperforming the S&P/NZX 50 Portfolio Index.

### Index Methodology

The S&P/NZX 50 Portfolio ESG Tilted Index is based on the S&P/NZX 50 Portfolio Index but offers enhanced ESG characteristics than its parent. The S&P/NZX 50 Portfolio ESG Tilted Index over or under-weights companies based on their respective S&P DJI ESG Score<sup>1</sup>.

<sup>1</sup> More information regarding the S&P DJI ESG Scores can be found at the following link:  
<https://www.spglobal.com/spdji/en/documents/additional-material/faq-spdji-esg-scores.pdf>

The Index uses the universe of stocks from the S&P/NZX 50 Portfolio Index which is comprised of the same constituents as New Zealand's headline equity index, the S&P/NZX 50 Index, but with a 5% cap on the float-adjusted market capitalisation. The tilted approach is designed to provide exposure to a diversified portfolio across various sectors while targeting high ESG-performing companies.

In addition to the S&P DJI ESG Scores, the Index follows eligibility criteria based on the companies' business activities and their alignment with the UN Global Compact (UNGC) Principles. Companies that produce controversial weapons, thermal coal, and tobacco are excluded. In response to regulation and demand in the New Zealand market, the Index also excludes companies within the energy sector as well as those that operate in certain GICS sub-industries such as casinos and gaming.

**For further information, please contact:**

NZX Media – David Glendining +64 27 301 9248, [david.glendining@nzx.com](mailto:david.glendining@nzx.com)

NZX Investors – Graham Law +64 29 494 2223, [graham.law@nzx.com](mailto:graham.law@nzx.com)

S&P Dow Jones Indices – Nadja Jiang +852 2841 1017, [nadja.jiang@spglobal.com](mailto:nadja.jiang@spglobal.com)

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**About NZX**

For more than 150 years we have been creating opportunities for Kiwis to grow their personal wealth and helping businesses prosper. As New Zealand's Exchange, we are proud of our record in supporting the growth and global ambitions of local companies.

NZX operates New Zealand's equity, debt, funds, derivatives and energy markets. To support the growth of our markets, we provide trading, clearing, settlement, depository and data services for our customers. We also own Smartshares, New Zealand's only issuer of listed Exchange Traded Funds (ETFs), and KiwiSaver provider SuperLife. NZX Wealth Technologies is a 100%-owned subsidiary delivering rich online platform functionality to enable New Zealand investment advisors and providers to efficiently manage, trade and administer their client's assets. Learn more about us at: [www.nzx.com](http://www.nzx.com)