

SAM's Corporate Sustainability Assessment for the Dow Jones Sustainability Indexes 2005

Key Facts

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Benefits of Participating

- **Sustainability investing:** Shares of DJSI members are recommended for sustainability investing. Your company may therefore directly benefit from the growing demand for sustainability-related investments.
- **Benchmarking feedback:** All companies participating will receive a benchmarking report free of charge. This report covers all criteria assessed and shows your company's sustainability performance compared to the industry average and the sector's best-in-class company on a global basis.
- **Reputation and brand:** Identification as a global sustainability leader in your sector can enhance your company's reputation in the eyes of stakeholders, financial analysts and the public at large.
- **DJSI member label:** Companies that qualify for the DJSI will receive the DJSI member label for internal and external marketing and communication purposes..
- **Questionnaire:** The questionnaire is a useful tool for a company to identify sustainability criteria. The completed online questionnaire can be printed as a PDF-file and be used to communicate to internal and external stakeholders how the company is managing corporate sustainability. If you participated in last year's assessment, you can download your completed questionnaire and benchmarking report after having logged in your password protected site.



DJSI – The venture and its partners

- The Dow Jones Sustainability Indexes family (DJSI) are the world's first financial benchmarks tracking the financial performance of leading companies in terms of corporate sustainability.
- Launched in 1999, the 2005 corporate sustainability assessment for the DJSI is the seventh of its kind.
- The DJSI is a partnership between the following:



Creates and licenses indexes for use in investment products, calculates 3,000+ indexes in real time



Provides and services the Dow Jones STOXXSM indexes, Europe's leading regional equity indexes.



Focuses exclusively on sustainability investments, offers indexes, asset management and private equity services

DJSI assessment and selection process

DJSI World



DJSI STOXX









DJSI Information sources





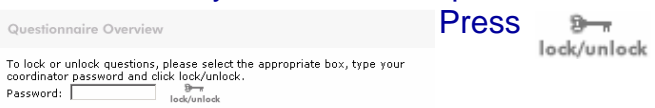


SAM uses the following sources of information to conduct the DJSI assessment:

- Online Questionnaire
- Company documents and policies
- Media and Stakeholder Analysis (MSA)
- Company interaction & visits

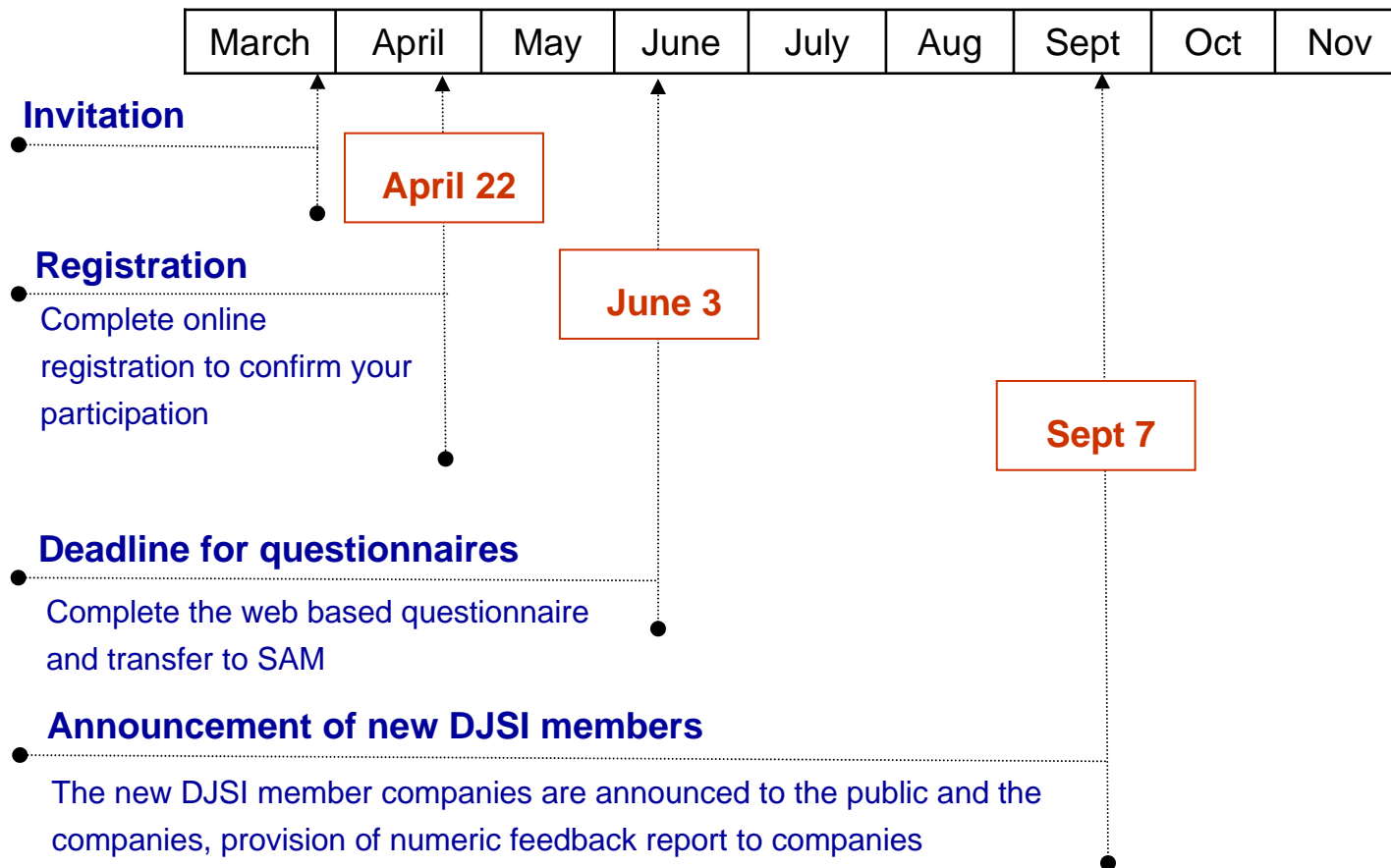
Completion of the Questionnaire

<p>How to start</p>	<ul style="list-style-type: none"> • Login at http://www.sam-group.com/assessment2005 • Select the link that leads to the DJSI 2005 questionnaire • Complete the registration information and press  save + start questionnaire
<p>How to complete</p>	<ul style="list-style-type: none"> • Provide your responses to the questions in the left side of the questionnaire. All questions that belong to one criteria are listed there. If you have responded to the questions in last year's questionnaire, the responses are already provided in the question. You only need to confirm or update. After saving with  or , the question color will change from red to blue and a tick  appears in the right window to indicate that this question was updated.
<p>How to attach supporting information</p>	<ul style="list-style-type: none"> • You have four possibilities to support your responses given in the questionnaire: <ul style="list-style-type: none"> • Provide a comment to the question: <div style="text-align: center;">  Comment </div> • Attach an electronic document • Refer to a hard copy document <div style="text-align: center;">  References </div> • Refer to a web-page

Submission of the Questionnaire

<p>How to print or store the completed questionnaire</p>	<ul style="list-style-type: none"> You can create a PDF version of the completed questionnaire Choose „Create PDF“ in the „View manager“ in the top right corner  <ul style="list-style-type: none"> Press the „Generate PDF“-button . The provided responses will be transferred to a PDF version of the questionnaire. This might take some time. You can save this file at your local computer environment or print it. The  opens the lastly generated PDF File.
<p>How to submit to SAM</p>	<ul style="list-style-type: none"> After you have updated all questions (e.g. all criteria in the right window have a tick icon ) you need to lock the questionnaire: Tick „lock the whole questionnaire“ in the overview and enter your coordinator password in the textfield  <p>Press  lock/unlock</p> <ul style="list-style-type: none"> Select the „Finalize/Send“ section in the questionnaire manager. You will be asked to print an Approval Form, having it signed by two senior company representatives and send it to SAM. Submit the questionnaire by entering the coordinator password and press „Approve and send“. Send all supporting hard copy documents to the indicated address. 

Timeline of 2004 Assessment





Introducing Evalueserve

- Since 2004, SAM Research is assisted by professional service provider Evalueserve for parts of the Corporate Sustainability Assessment
- Evalueserve was founded in 2000 by former executives of McKinsey and IBM and now has 650 employees.
- Full responsibility and accountability for the results of the Corporate Sustainability Assessment rests with SAM Research
- To learn more about Evalueserve, please refer to www.evalueserve.com or contact us directly at index@sam-group.com



The Role of Evaluateserve

2004

In 2004, EVS gathered data on companies that did not actively participate in the assessment. EVS was at the same time successfully trained to validate company answers to the questionnaire based on additional company and non-company sources.

2005

In 2005, EVS covers the research tasks of data gathering and data validation allowing the SAM analysts to focus further on the development of criteria and data interpretation. The full responsibility and accountability for the results of the Corporate Sustainability Assessment rests with SAM Research.

SAM`s „Use of Information Policy“

Use of Information Policy and Disclaimer

SAM Research Inc. (this term shall include its related, affiliated and subsidiary companies) will use the information provided by your company in connection with this survey as a basis for defining and distributing index products. In addition, this information may be used in aggregated form for other commercial activities of SAM Research Inc. such as research, advisory or investment activities. In aggregated - but never in individual - form, this information may also be used for publication. Aggregated information refers to information that is expressed in scores, not to the detailed information contained in the SAM Corporate Sustainability Assessment Questionnaire. By completing and returning to us this questionnaire, you agree to the use of such information as specified herein and that such information may be transferred abroad. To the extent permitted by law, SAM Research Inc. shall not be liable for any direct, indirect or consequential damages arising out of the use of such information. With regard to other important legal issues we refer to the disclaimer as stated on <http://www.sam-group.com/assessment2005> (after login). This policy and the disclaimer may be updated occasionally. Our use of such information is subject to the policy and disclaimer in effect at the time of use.

Transparency and contact details

SAM is committed to full transparency on its assessment for the DJSI and the communication of the selection results. You find the following information on the DJSI webpages at www.sustainability-indexes.com:

- SAM Online Questionnaire
- Methodology, Criteria and weightings
- DJSI Guidebooks
- Overviews of results for all 18 market sectors
- Detailed benchmarking reports of market sector leaders
- External verification letter from PWC

For further questions on the 2004 assessment for the DJSI please visit:

- www.sam-group.com/assessment2004 for a list of frequently asked questions (FAQs)
- Contact SAM by email through index@sam-group.com
- Call our DJSI helpline at +41 1 397 10 30, between 8:30 am – 6 pm CET

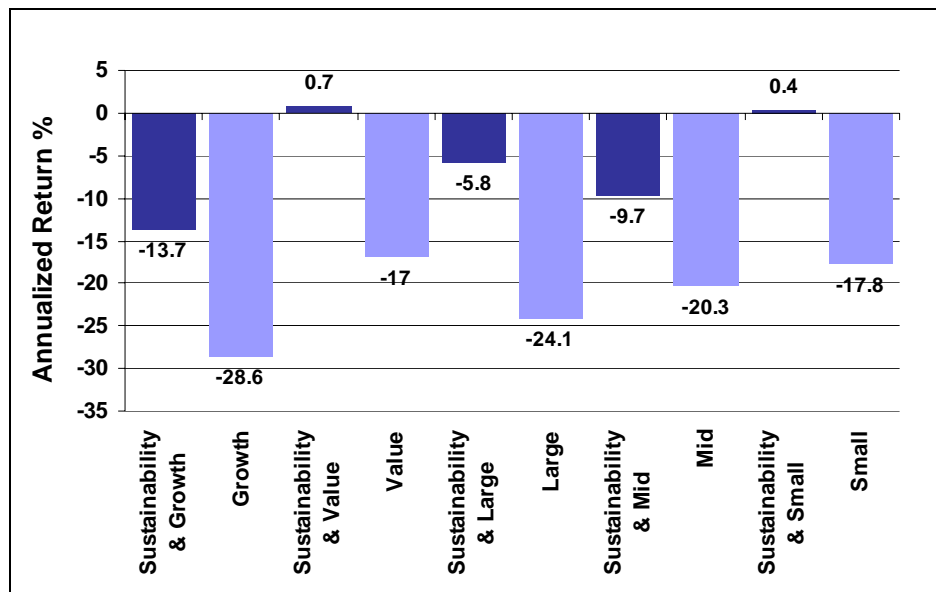


What is behind the DJSI and Sustainability Investing?

Appendices

Sustainability and Financial Performance

- Traditional investment styles can be complemented by sustainability.
- Enhancing Growth, Value, Large, Mid and Small cap investment styles with sustainability considerations has shown to add value.
- Indicators of a company's sustainability performance are increasingly used by mainstream investors to select which stocks they own.
- Corporate sustainability allows companies to generate value for shareholders by enabling better access to capital, better talent attraction, enhanced innovation, strengthened stakeholder license to operate, optimized cost, access to new markets and strengthened reputation.



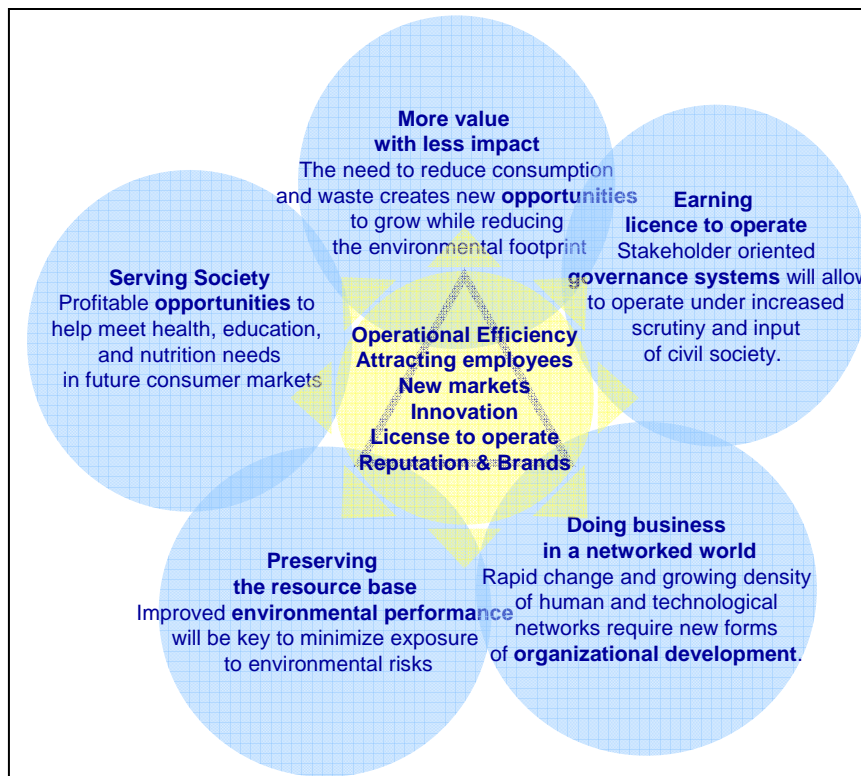
Source: WestLB Panmure, Datastream

Linking sustainability to the drivers of financial value within a company

SAM uses assessment criteria that are linked to a company's value drivers in certain areas:

- **Operational efficiency and risk reduction**
- **Aligning and attracting employees**
- **New markets**
- **Innovation**
- **Stakeholders' license to operate**
- **Reputation and brands**

SAM's criteria can also be grouped along the three dimensions of corporate sustainability: the economic, social and environmental dimension. SAM thereby uses the following definition of corporate sustainability: Corporate Sustainability is a business approach to create long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments

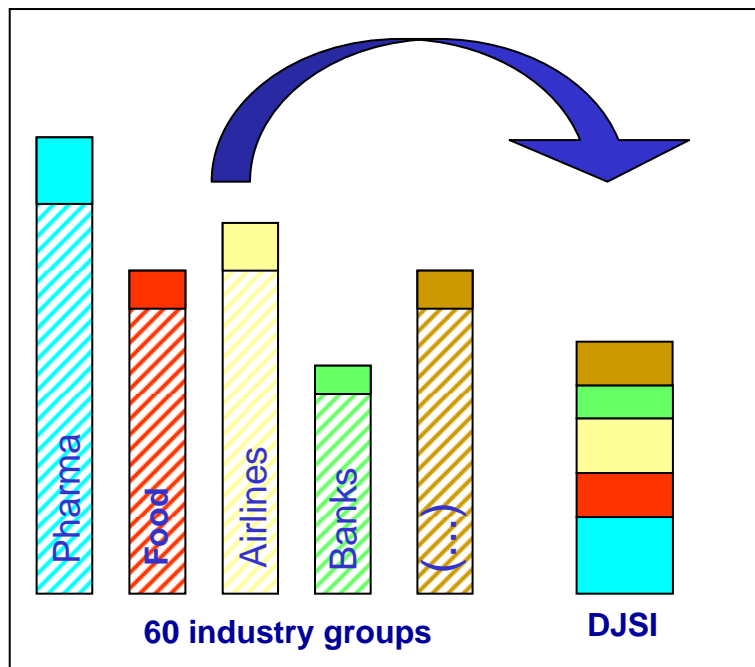


Based on the WBCSD Study „Tomorrow's markets“, adopted by SAM Research.

Further details on how sustainability adds value can be found by downloading the document „Value through sustainability“ on www.sam-group.com/assessment2004

The DJSI use a „best in class“ selection

- The selection of companies for the indexes is based on a “best in class” approach, i.e. the aim of the assessment is to identify the best companies in each sector. No sector is excluded.
- The starting universe for the DJSI World are the 2500 biggest companies in terms of market capitalization. For the DJSI STOXX it is the 600 companies listed in the STOXX 600 Index.
- The DJSI World has a 10% selection rule. That means, that the best 10% of companies by number are selected for the index. A minimum market cap rule of 20% is applied to each industry.
- The DJSI Stoxx has a 20% selection rule. That means, that the best 20% of European companies by numbers are selected for the index. A minimum market cap rule of 45% is applied.
- To minimize turnover within the DJSI a “buffer rule” is applied in the selection process. For the DJSI World, this means that existing DJSI members need only to qualify amongst the best 13%, whereas a new component needs to be ranked amongst the best 7% in its industry group. The numbers for the DJSI STOXX are 25% and 15% respectively.



Visualization of the „Best in Class“-Selection

SAM's Corporate Sustainability Assessment Criteria

DJSI 2005 General Criteria - Economic
Corporate Governance
Investor Relations
Risk & Crisis Management
Codes of Conduct/Compliance/ Corruption&Bribery
Customer Relationship Management (CRM)

DJSI 2005 General Criteria - Social
Labor Practices Indicators
Human Capital Development
Talent Attraction & Retention
Stakeholder Engagement
Corporate Citizenship/Philanthropy
Social Reporting

DJSI 2005 General Criteria - Environmental
Environmental Policy/Management
Environmental Performance
Environmental Reporting

2005 Assessment Criteria

- The table shows the 2005 assessment criteria of the general part of the questionnaire. To reflect unique sustainability challenges, specific questions for each industry sector have been developed in addition to the general criteria. They can be found in your company's specific questionnaire.
- 75% of the questions in the SAM questionnaire remain the same as in 2004. The overall number of questions has been reduced by an average of 25%. Other major changes from 2004 to 2005 are indicated in the table.
- Several criteria are not assessed based on the SAM questionnaire but by using publicly available information, such as the criteria of environmental, social reporting and Media and Stakeholder Analysis (MSA). These criteria/questions are visible in your company's specific questionnaire. The evaluation will be filled in by the responsible analyst of your industry. No additional information is required from your company.

DJSI 2005 General Criteria	Changes compared to 2004
Corporate Governance	Executive/Non-executive on board refined Audit/non-audit related fees refined
Investor Relations	Integration of SD in communication deleted. Perception studies: refined Transparency and accounting of stock option programs refined
Strategic Planning	Criteria deleted. Reason: Integration of sustainability issues into corporate strategy tested by other parts of questionnaire.
Scorecards/Measurement Systems	Criteria deleted. Reason: Execution corporate strategy tested by other parts of questionnaire.
Risk & Crisis Management	No change
Codes of Conduct/Compliance/Corruption&Bribery	Corruption&Bribery coverage: question extended to Codes of Conduct coverage as well
Customer Relationship Management (CRM)	Customer feedback process refined
Environmental Policy/Management	No change
Environmental Performance	No change
Environmental Reporting	Refined

Main changes at a criteria level in 2005 (cont. on the next slide)

2005 Assessment Criteria (cont.)

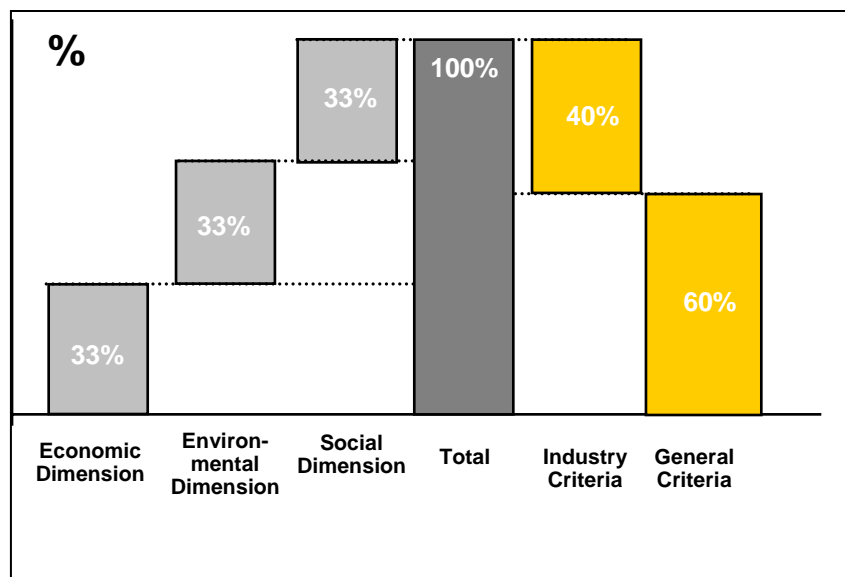
- Human Capital Development, Talent Attraction & Retention as well as Knowledge Management/Organizational learning have been changed considerably. Our internal empirical analysis as well as our discussions with external experts provided new insights into the link to value creation.
- In Corporate Citizenship/Philanthropy the questions regarding the alignment with the corporate strategy and the types of contribution have been deleted. The first is covered by the remaining questions and the second has already been covered by industry specific criteria.
- Standards for Suppliers has been integrated at industry specific level to better account for industry specific characteristics of suppliers.

DJSI 2005 General Criteria	Changes compared to 2004
Labor Practices Indicators	Performance Indicator: reporting dropped and integrated into Social Reporting.
Human Capital Development	Changed.
Talent Attraction & Retention	Changed.
Knowledge Management /Organizational learning	Aims of systems and coverage deleted. Tools/processes integrated in Human Capital Development.
Standards for Suppliers	Deleted.
Stakeholder Engagement	External stakeholders' satisfaction refined
Corporate Citizenship/Philanthropy	Alignment and type of contribution deleted.
Social Reporting	Refined

Main changes at a criteria level in 2005 (cont. from slide before)

Criteria Weightings and Scoring

- 60% of SAM's assessment criteria are of general nature and are applied to companies across all sectors. 40% are of a sector specific nature.
- The criteria are allocated to the three dimensions of sustainability – economic, environmental and social. These dimension are, in general, equally weighted – however, some industries might have a non-equal exposure to the three dimensions, which is reflected in the industry specific assessment part (e.g. software industry vs. mining industry).
- A company gets a score for each criteria depending on the performance – these scores are added to a total sustainability score which forms the basis for the best in class selection.
- The weighting of each criteria for 2005 will be published at the same time as the announcement for the new DJSI members will be made. Last year's weightings can be found in the DJSI guidebook at www.sustainability-indexes.com.



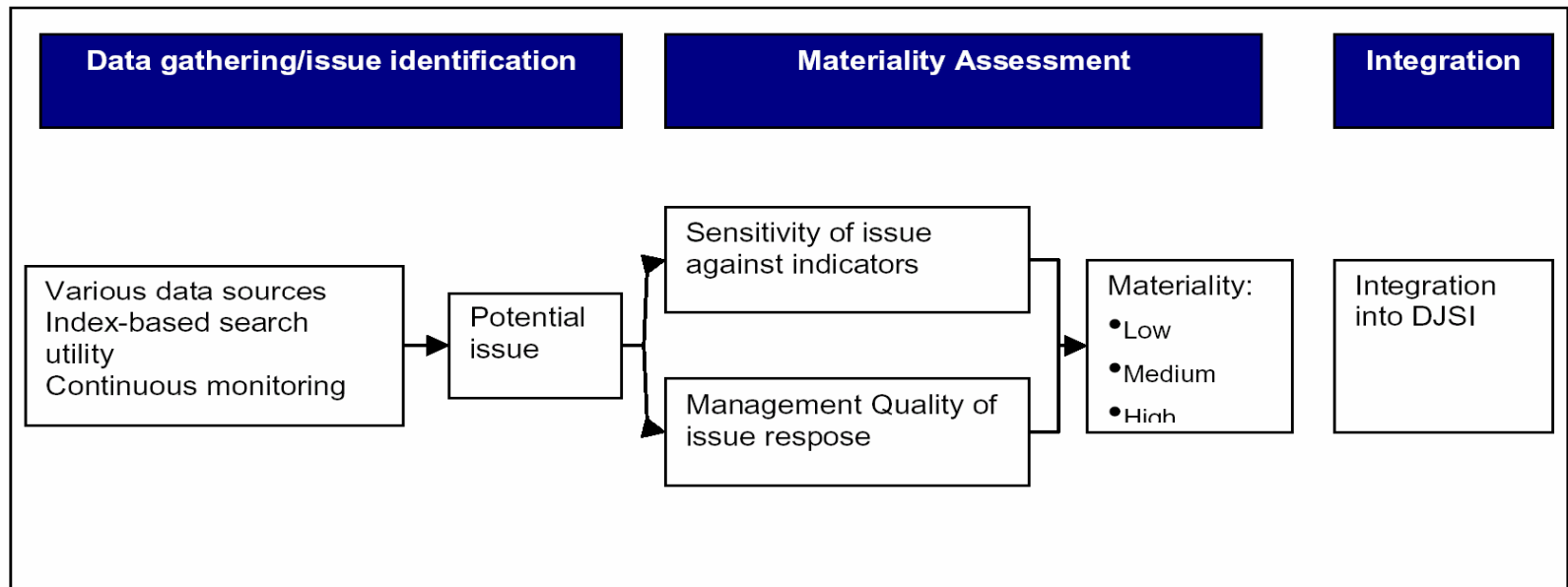
Media and Stakeholder Analysis

The media and stakeholder analysis can add up to 50% of the weighting in a criteria and covers issues such as:

- Price fixing, Insider trading, Financial statement frauds
- Corruption & bribery
- Corporate governance breaches
- Extensive layoffs & labor disputes
- Environmental accidents
- Workplace accidents & occupational health
- Environmental, workplace and human rights in supply chain

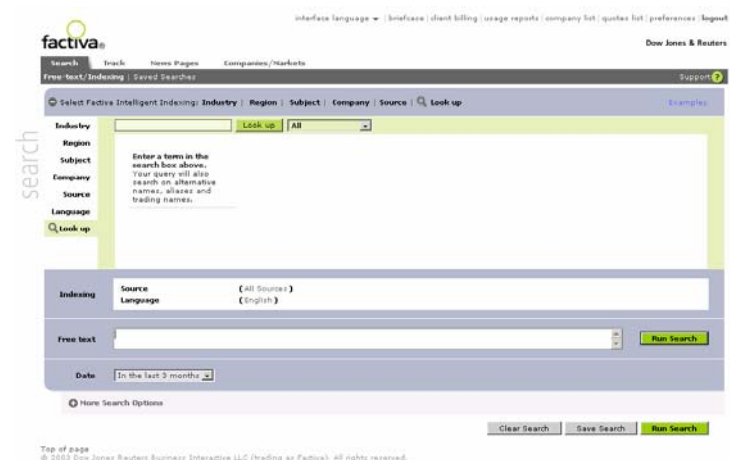
Media and Stakeholder Analysis (cont.)

- MSA helps to verify a company's involvement and management of critical economic, social and environmental issues or crisis situations
- MSA can add up to 50% of the weighting in an individual criteria
- Cases identified in the MSA can lead to exclusion of the DJSI anytime during the year



Media and Stakeholder Analysis (cont.)

- Access to global media databases and news service, e.g. factiva, a joint venture between Dow Jones & Co and Reuters
- Screening of more than 8000 news services and journals
- Structured dialogue with key opinion leaders, industry „watchdogs“, and NGOs
- Following an issue mapping, SAM Research produces an index of key words that is fed into media and database services



The screenshot shows the Factiva search interface. At the top, there are navigation links for 'interface language', 'briefcase', 'client billing', 'usage reports', 'company list', 'quotes list', 'preferences', and 'logout'. Below this is the 'factiva' logo and 'Dow Jones & Reuters'. The main search area has a 'Search' tab and a 'Track' tab. There are buttons for 'Free text/ indexing', 'Save Searches', and 'Pages 1'. A search bar contains the text 'Select Factiva Intelligent Indexing: Industry | Region | Subject | Company | Source | Look up'. Below the search bar are filters for 'Industry', 'Region', 'Subject', 'Company', 'Source', and 'Language', each with a 'Look up' button. A 'Run Search' button is at the bottom right. The search results area is empty, showing a message: 'Enter a term in the search box above. Your query will also search on alternative names, aliases and trading names.'

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