



Dow Jones Sustainability Indexes

A cooperation of Dow Jones Indexes, STOXX Ltd. and SAM Group

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Corporate Sustainability

Corporate sustainability is an attractive business approach to create long-term shareholder value. By integrating economic, environmental and social success factors in their strategies and operations sustainability-driven companies position themselves for the future.

Being proactive and innovative with regard to sustainability issues is increasingly regarded as crucial for long-term success. Economic, environmental and social developments have a growing impact on companies and financial markets. Sustainability leaders embrace the opportunities and manage the risks which derive from these trends. They look beyond the next quarterly results. And they benefit from the increasing attention customers, employees and other stakeholders pay to sustainability.

Leading sustainability companies actively set industry-wide best practices with regard to five corporate sustainability principles:

- **Strategy:** Sustainability leaders integrate long-term economic, environmental and social aspects in their business strategies.
- **Innovation:** Sustainability leaders invest in product and service innovations that focus on technologies and systems, which use financial, natural and social resources in an efficient, effective and economic manner.
- **Governance:** Sustainability leaders implement the highest standards of corporate governance, including management quality and responsibility, organizational capabilities and corporate culture.

- **Shareholders:** Sustainability leaders meet shareholders' demands for sound financial returns, long-term economic growth, long-term productivity increases, sharpened global competitiveness, superior intellectual capital and reputation.

- **Employees and other stakeholders:** Sustainability leaders encourage long lasting social well being in communities where they operate, engage in an active dialog with different stakeholders and respond to their specific and evolving needs thereby securing a long term "license to operate", as well as superior customer and employee loyalty.

These principles are also the criteria by which sustainability companies can be identified and ranked for investment purposes. They facilitate a quantification of corporate sustainability performance by focusing on a company's pursuit of sustainability opportunities – e.g., meeting market demand for sustainable products and services – and reduction, ideally avoidance, of sustainability risks and costs.

As a result, a growing number of investors is attracted to corporate sustainability. This development is crucial in driving interest and investments in sustainability to the mutual benefit of companies and investors. As this benefit circle strengthens, it will have a positive effect on the societies and economies of both the developed and developing world.

Investable Sustainability Indexes

Increasingly investors are diversifying their portfolios by investing in companies committed to corporate sustainability. A growing number of private and institutional investors share the conviction that integrating economic, environmental and social success factors into their business results in a competitive edge. They regard sustainability as a proxy for enlightened and disciplined management and, thus, use the concept to identify companies with favourable risk/return profiles.

The family of Dow Jones Sustainability Indexes (DJSI) offers consistent, flexible and, most importantly, investable benchmarks for sustainability portfolios. Both, the Dow Jones Sustainability World Indexes as well as the Dow Jones STOXX Sustainability Indexes, provide private and institutional investors with reliable and independent benchmarks and, thus, a platform for professional sustainability-driven asset management.

The DJSI components are selected according to a systematic corporate sustainability assessment that identifies the leading sustainability-driven companies worldwide. The indexes are derived from and are fully integrated with the Dow Jones Global Indexes and the Dow Jones STOXX Indexes. They share the same methodology for calculating, disseminating and reviewing.

The Dow Jones Sustainability World Indexes include the leading 10% in terms of sustainability out of the biggest 2,500 companies in the Dow Jones Global Index. The Dow Jones STOXX Sustainability Indexes identify the top 20% from the Dow Jones STOXXSM 600 Index. All Dow Jones Sustainability Indexes are reviewed annually to ensure that the composition of the indexes accurately represents the sustainability leaders within the initial universe.

Key Attributes

The Dow Jones Sustainability Indexes (DJSI) are based on the world's first systematic methodology to identify the leading sustainability-driven companies on a global basis. Four key market-driven attributes ensure that the DJSI are ideal as benchmarks and as the basis for financial products:

- **Comprehensive:** The corporate sustainability assessment consists of a comprehensive multi-factor analysis including economic, environmental and social criteria. The assessment covers general criteria applicable to all companies as well as specific criteria which derive from future trends and technologies in each industry. The criteria also distinguish between sustainability-related opportunities and risks based on widely accepted standards and definitions of sustainability. Annual reviews of the assessment criteria guarantee compliance with state-of-the-art practice.

- **Consistent:** The assessment is based exclusively on the research of SAM Group, which maintains the world's largest corporate sustainability database built on the same consistent methodology. The same yardstick is applied to all companies within the same industry group. External audits ensure highest standards in comparability and consistency.

- **Flexible:** The methodology facilitates sustainability-specific indexing – e.g., ex tobacco, ex alcohol, ex gambling, ex armaments and firearms or ex all these industries. It can easily accommodate other market-driven customized indexes such as indexes covering other regions and/or excluding other business activities.

- **Investable:** By deriving the DJSI from the Dow Jones Global Index and the Dow Jones STOXXSM 600, the DJSI only includes liquid stocks. Investors are thereby ensured that all components in the DJSI are easily tradable.

Further details of the methodology are presented in the DJSI Guide Books which can be downloaded from the DJSI website.

Dow Jones Sustainability Index Family

The Dow Jones Sustainability Index family consists of a set of global and a set of European indexes. Each of these sets includes a composite and several narrower, specialized sustainability indexes.

The Dow Jones Sustainability World Indexes (DJSI World) track the performance of the global sustainability leaders. The DJSI World components are the top 10% of the biggest 2,500 companies in the Dow Jones Global Index. Subsets derived from this benchmark are available to exclude companies of the tobacco, alcohol, gambling, armaments and/or the firearms industry. The DJSI World benchmarks are the following:

- Dow Jones Sustainability World Index (DJSI World)
- Dow Jones Sustainability World Index ex Alcohol (DJSI World ex Alcohol)
- Dow Jones Sustainability World Index ex Tobacco (DJSI World ex Tobacco)
- Dow Jones Sustainability World Index ex Gambling (DJSI World ex Gambling)
- Dow Jones Sustainability World Index ex Armaments and Firearms (DJSI World ex Armaments and Firearms)
- Dow Jones Sustainability World Index ex Alcohol, Tobacco, Gambling, Armaments and Firearms (DJSI World ex All)

The Dow Jones STOXX Sustainability Indexes (DJSI STOXX) track the European sustainability leaders. The DJSI STOXX components are the leading 20% of the Dow Jones STOXXSM 600 Index. A regional subset derived from this benchmark is available for the sustainability leaders in the Eurozone. Furthermore, for both indexes specialized

subsets are available that exclude companies of the tobacco, alcohol, gambling, armaments and the firearms industry. The DJSI STOXX benchmarks are the following:

- Dow Jones STOXX Sustainability Index (DJSI STOXX)
- Dow Jones STOXX Sustainability Index ex Alcohol, Tobacco, Gambling, Armaments and Firearms (DJSI STOXX ex All)
- Dow Jones EURO STOXX Sustainability Index (DJSI EURO STOXX)
- Dow Jones EURO STOXX Sustainability Index ex Alcohol, Tobacco, Gambling, Armaments and Firearms (DJSI EURO STOXX ex All)

Each of the DJSI indexes is calculated as price and total return indexes in both Euros and US dollars, for a total of 40 indexes. All DJSI indexes can be converted into any other currency upon request.

The indexes are free float market capitalization weighted. The price value of the DJSI World in US dollars and the EUR price values of the DJSI STOXX, DJSI EURO STOXX, DJSI STOXX ex All and of the DJSI EURO STOXX ex All are calculated and disseminated in real time. The remaining index values are calculated and disseminated at the end of each trading day.

	DJSI World	DJSI STOXX	DJSI EURO STOXX
Composite	X	X	X
Ex Alcohol	X		
Ex Tobacco	X		
Ex Gambling	X		
Ex Armaments and Firearms	X		
Ex All	X	X	X

Partnership of Experience and Expertise

The DJSI family reflects the combined expertise and resources of the three partners: the publisher of the world's best known stock indicator, Dow Jones Indexes, the leading European index provider, STOXX Limited, and the internationally renowned pioneer in sustainability investing, SAM Group.

Dow Jones Indexes develops, maintains and licenses market indexes for investment products. Among its more than 3,000 indexes are the Dow Jones Industrial Average, the Dow Jones Global Indexes, the pan-European Dow Jones STOXXSM Indexes, the Dow Jones-AIG Commodity Index, the Dow Jones Internet Indexes, the Dow Jones Islamic Market Index and the Dow Jones Global Titans.

Dow Jones Indexes is part of Dow Jones & Company, which publishes The Wall Street Journal and its international and interactive editions, Barron's and SmartMoney magazines and other periodicals, the Dow Jones Newswires, dowjones.com, and the Ottaway group of community newspapers.

STOXX Limited provides and services the Dow Jones STOXXSM indexes, Europe's leading regional equity indexes. The indexes cover the European equity markets in several complementary ways, i.e. by region, by size, by sector, and by style. The design, development and delivery of these indexes ensure that they are investable, tradable and transparent; key factors that underlie their commercial success. STOXX Limited is a joint venture between Deutsche Boerse AG, Dow Jones & Company, Euronext Paris SA and SWX Swiss Exchange. Together, these four joint venture partners provide STOXX Limited with all the necessary expertise, i.e. international credibility, considerable index calculation and equity market experience, and technological synergies.

SAM Group is an independent Switzerland-based and internationally active financial services institution with an exclusive focus on sustainability. Established in 1995, SAM was among the first companies to specialize in sustainability investments. Its services include research, asset management, private equity and indexes. As a pioneer in this field SAM has built up a large pool of specialist knowledge and experience. With its unique corporate sustainability assessment SAM analyses companies in terms of economic, environmental and social criteria and identifies sustainability leaders on a worldwide basis.

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