

# Dow Jones Sustainability Indexes



Annual Review  
September 4, 2008

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



# Content

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# SAM in Brief

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- **Specialised Investment Group for Sustainability Investments**  
Founded 1995
- **Strategic Cooperation SAM – Robeco**  
Creating the world's leading platform for sustainability investments
- **100 Employees worldwide with Headquarters in Zurich**
- **First Swiss Company with Carbon Neutral<sup>®</sup> Status (2001)**

# SAM – Indexes

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- Cooperation with Dow Jones Indexes and STOXX for the publication and licensing of the **Dow Jones Sustainability Indexes (DJSI)**. Launch in 1999.
- Broad family of DJSI benchmarks including **global, European, Eurozone, North American, and US** indexes.
- **Close to US\$6bn** in DJSI-based investment vehicles.
- Launch of the **Australian SAM Sustainability Index (AuSSI)** in 2005.
- Launch of further indexes (e.g. **DJ Islamic Market Sustainability Index, World Water Index, World Solar Energy Index**) in 2005 and 2006.

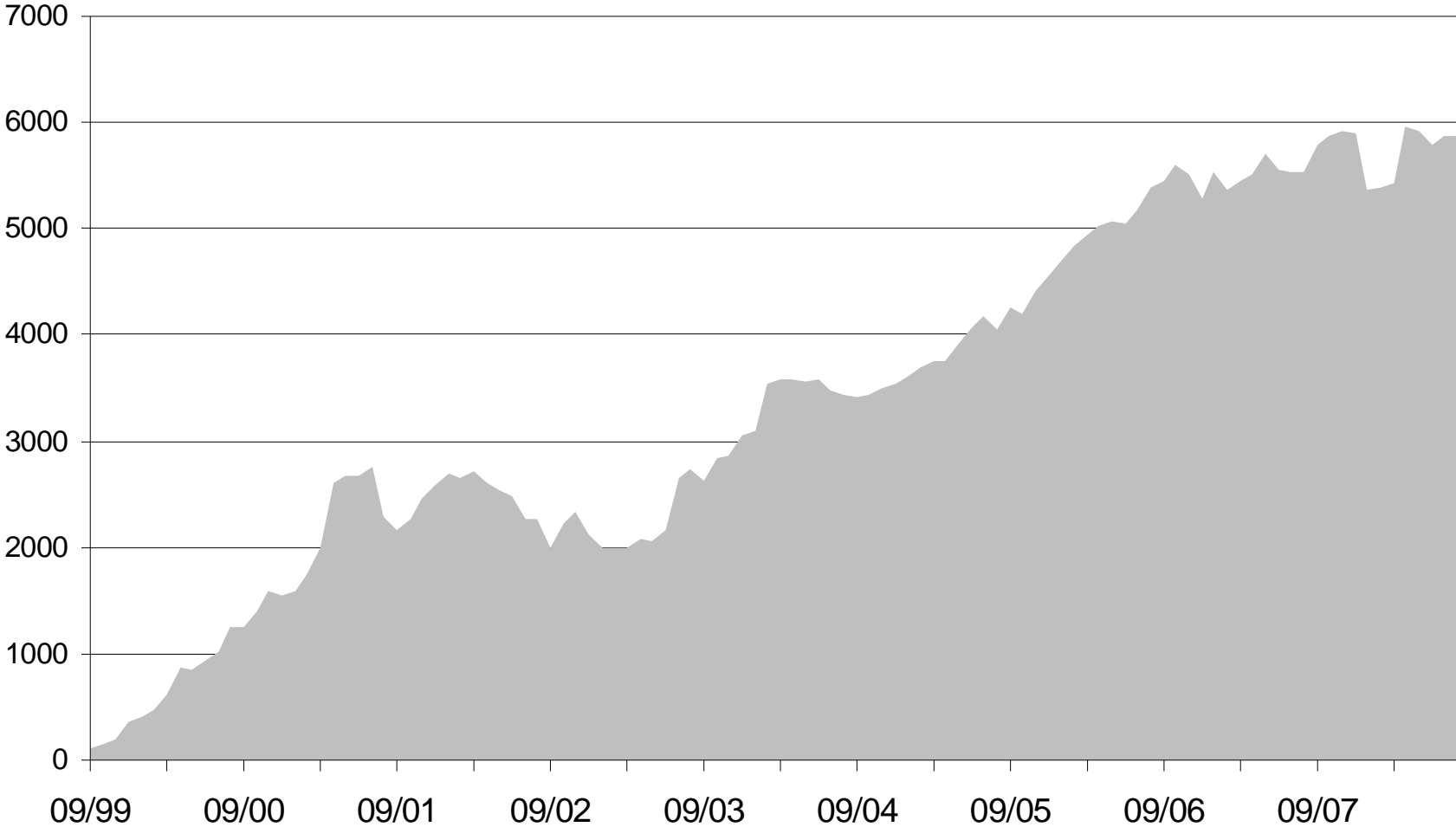
# DJSI – Overview

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- Integrated assessment of **economic, environmental** and **social criteria** with a strong focus on **long-term shareholder value**.
- Consistent **rules-based methodology**, primary research (direct contact to companies).
- Focus on **best-in-class** companies. Yearly review and continuous monitoring of companies.
- Assurance of the assessment process by **Deloitte**.

# DJSI – Assets

Assets based on DJSI (in million USD)



# DJSI – Licensees

as of August 31, 2008

Aegon (NL)	Landesbank Berlin (DE)
Ahorro (ES)	Mandatum Asset Management (FI)
Baloise Insurance (CH)	MEAG Munich Ergo (DE)
Banca IMI S.p.A. (IT)	Metzler Asset Management (DE)
Banca Monte dei Paschi di Siena (IT)	Monte Paschi Asset Management (IT)
Barclays Capital (UK)	Nikko Asset Management (JP)
Barclays Global Investors (DE)	Rabo Bank (UK)
BNL Gestioni (IT)	Raiffeisen Centrobank (AT)
BT Financial Group (AU)	SAM Sustainable Asset Management (CH)
Chicago Climate Exchange (US)	Skandinaviska Enskilda Banken (SE)
CIC Asset Management (FR)	Seligson & Co Fund Management (FI)
Credit Suisse Asset Management (CH)	Sella Gestioni (IT)
Credit Suisse (CH)	SH Asset Management (South Korea)
Credit Union Central Alberta (CA)	Sparinvest (DK)
Credit Union Central of Ontario (CA)	State Street Global Advisors (US)
Danske Bank (SE)	Synchrony Asset Management (CH)
Danske Invest (DK)	TD Asset Management (CA)
Deutsche Bank (DE)	Theodoor Gilissen Bankiers (NL)
Deutsche Postbank (DE)	UBS Deutschland AG (DE)
Dresdner Kleinwort (UK)	UBS Global Asset Management Ltd (Japan)
DZ Bank (DE)	Union Investment (DE)
Folksam Sak (SE)	Vontobel (CH)
Fortis Investment Management (BE)	VZ VermögensZentrum (CH)
Handelsbanken (SE)	WestAM (DE)
Invesco (DE)	WestLB (DE)
Kepler Fonds (AT)	

# DJSI – Assessment Universe 2008

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## Number of invited and assessed companies

- DJSI World Universe = 2,500 (+10)
- DJSI STOXX Universe = 600
- DJSI North America Universe = 600 (+5)
- Invitations sent = 2,545
- Companies analyzed globally = 1122
  - North America: 411
  - Latin America: 18
  - Europe: 398
  - Japan: 133
  - Asia ex Japan: 109
  - Australia: 40
  - South Africa: 11
- Companies completing questionnaire = 558
- Companies analyzed based exclusively on public information = 564

# DJSI Review 2008 – Key Insights

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Participation rates have increased compared to 2007 – in particular in the US.

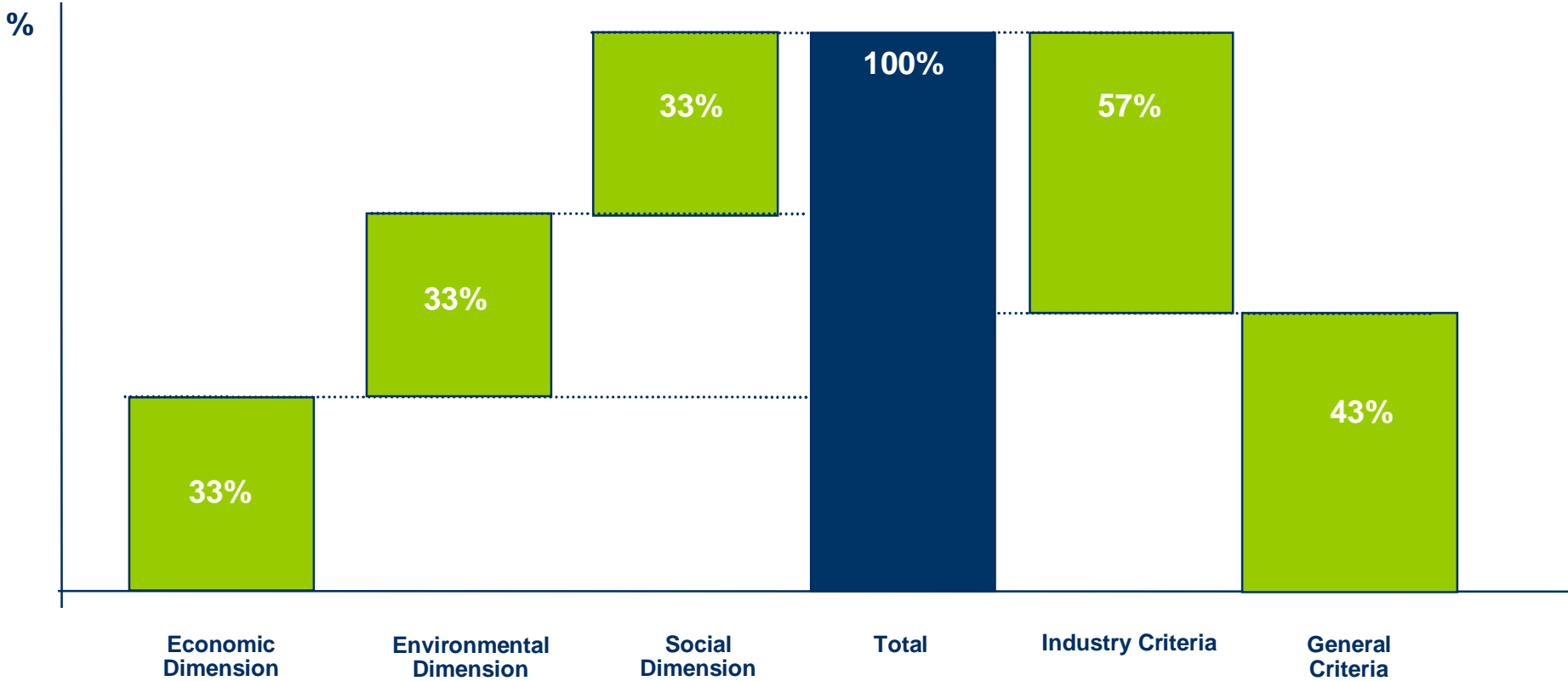
Companies have improved their results on a wide variety of cross-industry criteria such as risk & crisis management as well as human capital development.

Progress has also been made in several industry-specific areas including climate change mitigation strategies in the utility industry, raw material sourcing in the food sector, and supply chain standards in textiles, technology, and telecommunication.

At the same time, substantial room for progress in sustainability remains on the corporate agenda. Scope for improvements in the areas of environmental and social reporting as well as labor practice indicators and innovation management are cases in point for this.

# DJSI – Assessment Criteria (I)

## Overview



Actual weightings for the economic, environmental and social dimension may differ between industry groups to reflect the sector's specific exposure to certain sustainability trends. The graph above is illustrative of the approximate weightings.

# DJSI – Assessment Criteria (II)

## Criteria & Weightings

Economic	Weighting (in%)
Corporate Governance	6.0
Risk & Crisis Management	6.0
Codes of Conduct/Compliance/Anti-Corruption & Bribery	6.0
Industry Specific Criteria	Depends on Industry
Environmental	
Environmental Reporting	3.0
Industry Specific Criteria	Depends on Industry
Social	
Human Capital Development	5.5
Talent Attraction & Retention	5.5
Labor Practice Indicators	5.0
Corporate Citizenship / Philanthropy	3.0
Social Reporting	3.0
Industry Specific Criteria	Depends on Industry

A complete survey for the entire general part of SAM's assessment is available at [www.sustainability-indexes.com](http://www.sustainability-indexes.com) (-> Assessment -> Information Sources)

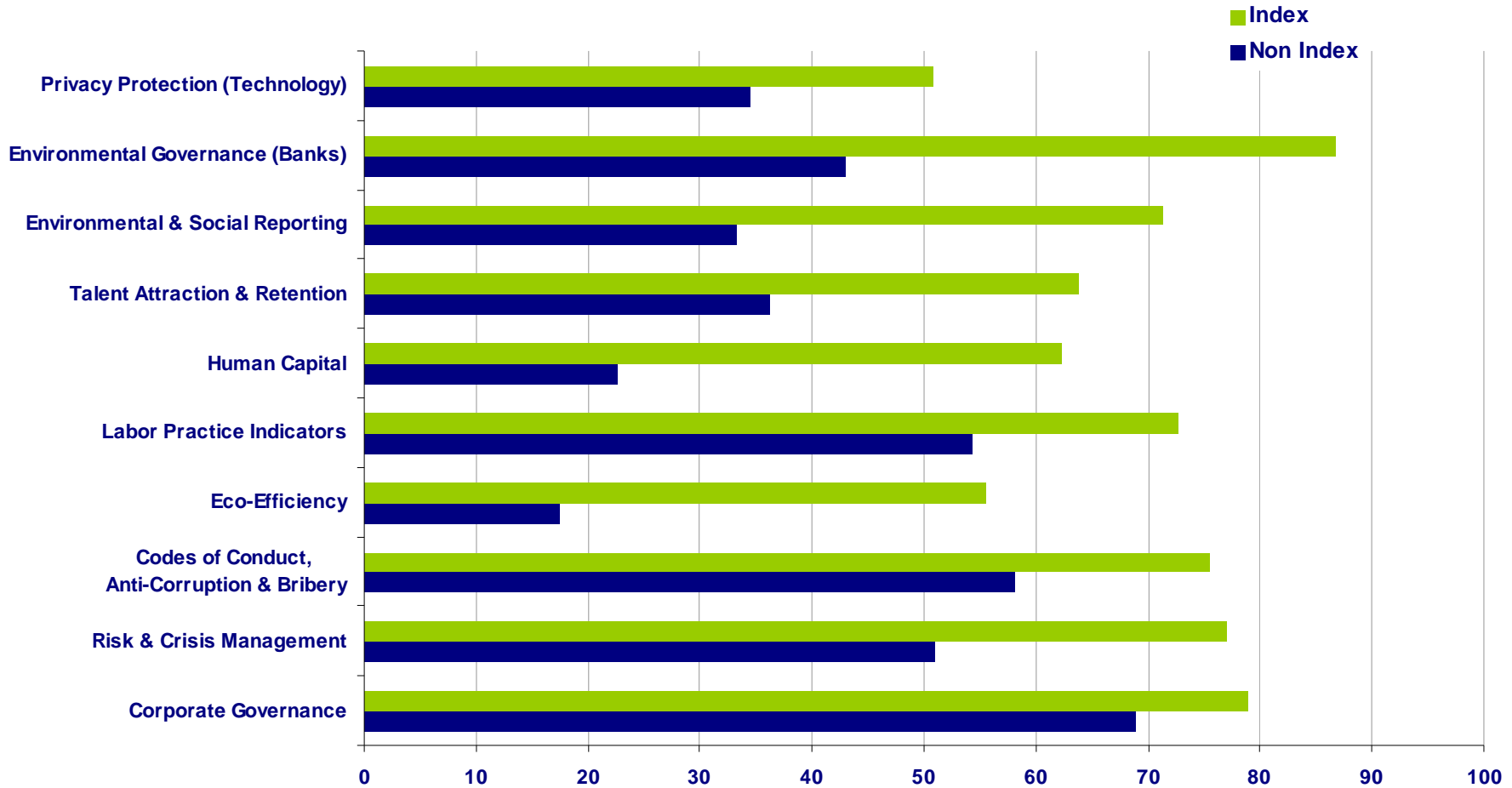
# DJSI – Assessment Criteria (III)

## Examples of criteria changes compared to 2007

Criteria	Key changes compared to 2007
Advanced Environmental Performance	Environmental Performance moved to sector-specific level, merged with Advanced Environmental Performance. For 17 sectors new approach to evaluate Eco-efficiency.
Environmental & Social Reporting	Revised changes in weights.
Climate Strategy	Enhanced assessment of climate strategy criteria across sectors.
Privacy Policy	Added criteria to focus on privacy policy framework to counter the potential misuse of information within the global information economy.
Strategy for emerging markets	Expanded criteria to assess emerging markets position and strategy in various industries.
Innovation Management	Introduced criteria in selected industries to address the growing need for companies to stimulate employee creativity, knowledge growth and entrepreneurship

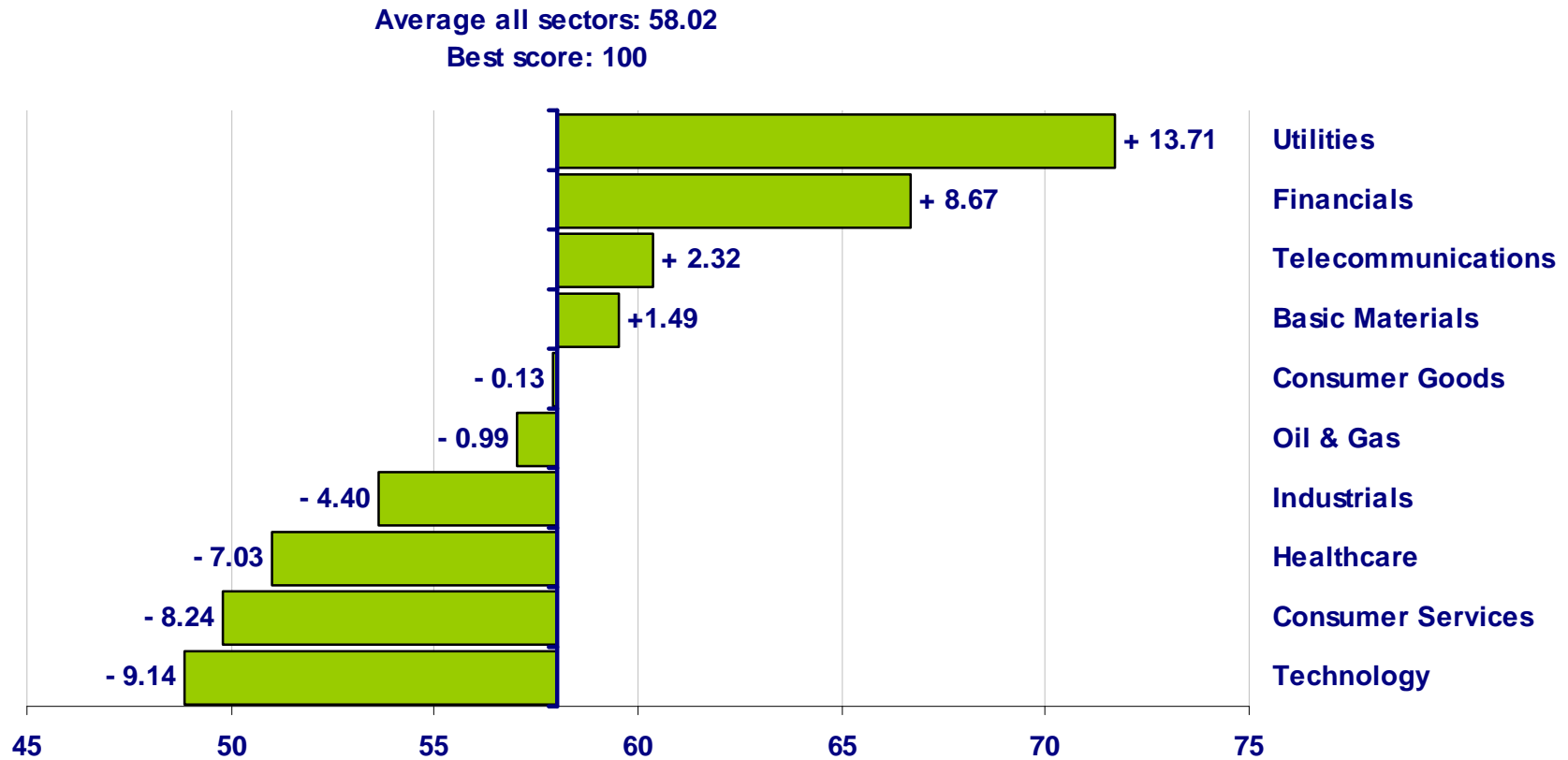
# DJSI – Focus (I)

## Average Sustainability Scores 2008 for Selected Criteria



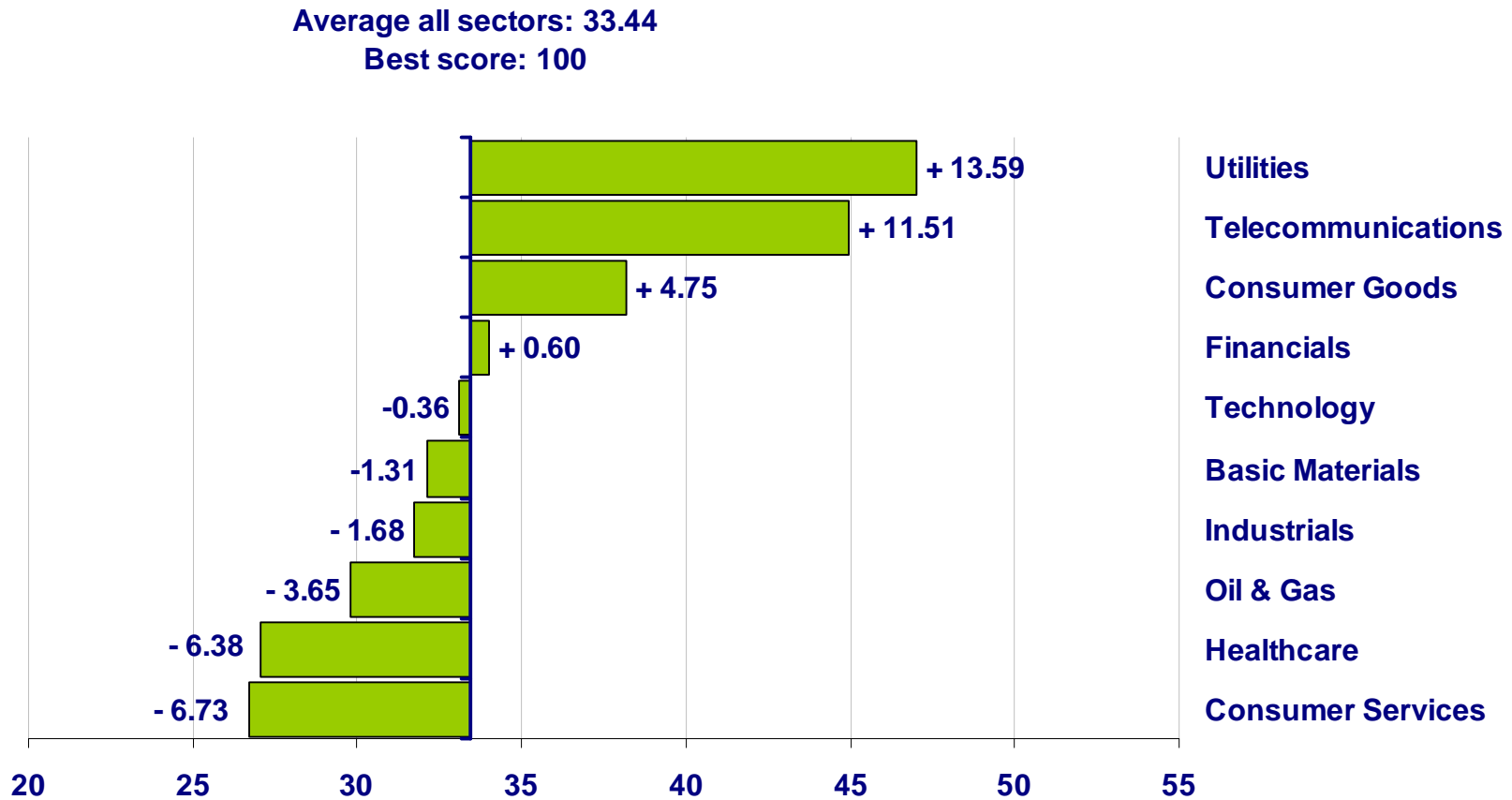
# DJSI – Focus (III)

## Risk Management – 2008 Score and Deviation from Average Score by Industry



# DJSI – Focus (III)

## Human Capital Development – 2008 Score and Deviation from Average Score by Industry



# DJSI World – Selection 2008

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## Dow Jones Wilshire Global Index

2,500 largest companies

57 DJSI sectors

51 countries

## Component Selection

Top 10% of companies in terms of sustainability in each DJSI sector

15% target market cap coverage in each supersector

## DJSI World

320 Components

57 DJSI sectors

27 countries

Annual Review 08: 33 Adds (3.7% of mcap), 25 Deletes (7.8% of mcap)

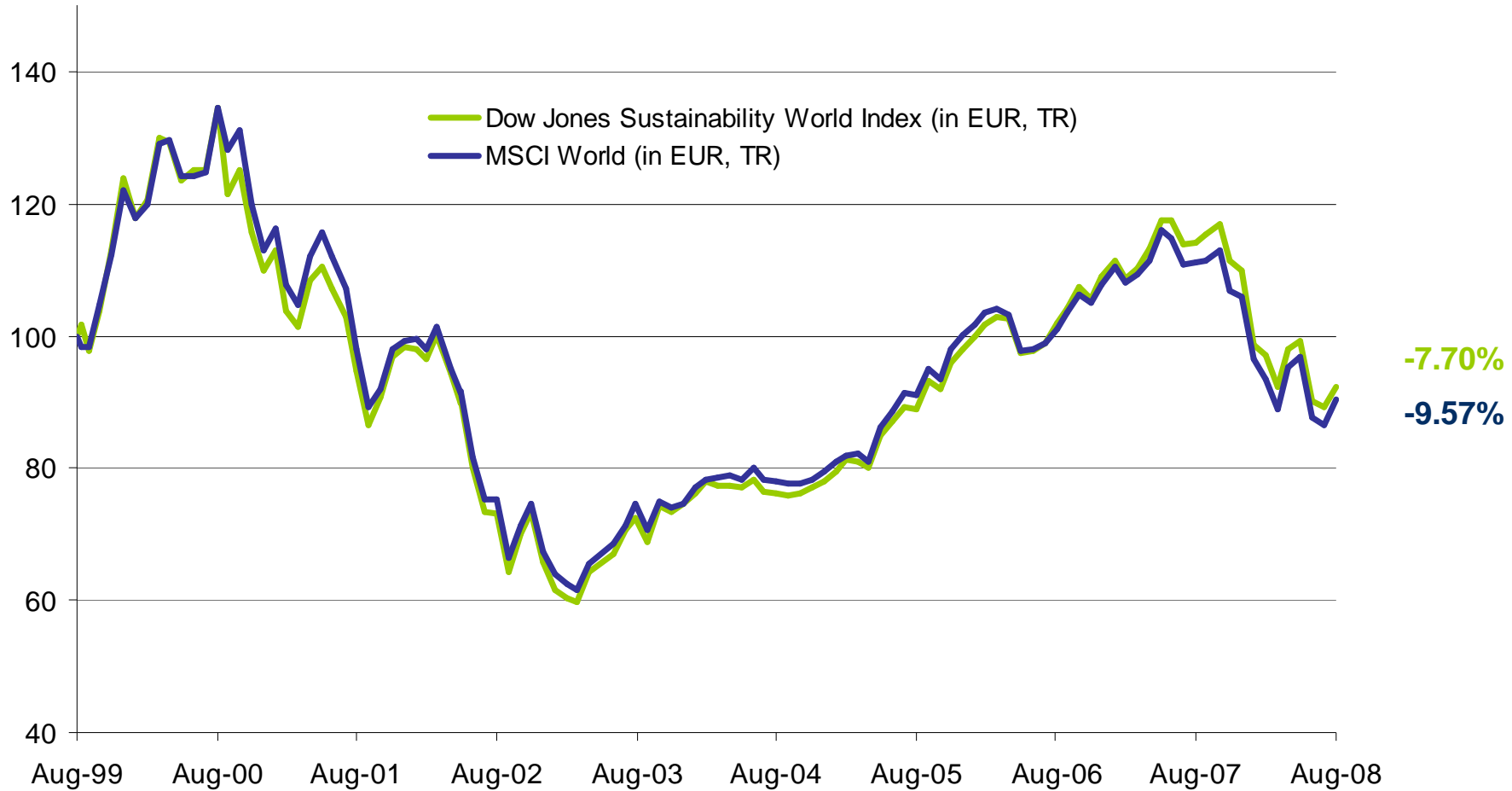
# DJSI World – Index Range

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<b>DJSI World</b>	320 Components
<b>DJSI World ex Alcohol</b>	312 Components
<b>DJSI World ex Tobacco</b>	318 Components
<b>DJSI World ex Gambling</b>	305 Components
<b>DJSI World ex Armaments &amp; Firearms</b>	314 Components
<b>DJSI World ex Alcohol, Tobacco, Gambling, Armaments &amp; Firearms</b>	290 Components
<b>DJSI World ex Alcohol, Tobacco, Gambling, Armaments &amp; Firearms, Adult Entertainment</b>	282 Components
<b>DJSI World 80</b>	80 Components
<b>DJSI World ex US</b>	269 Components
<b>DJSI World ex US 80</b>	80 Components

# DJSI World – Performance

Since Launch, 08/99 – 08/08 (EUR, Total Return)



# Global Super Sector Leaders

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Automobiles & Parts	BMW
Banks	Australia & New Zealand Banking Group
Basic Resources	Xstrata
Chemicals	BASF
Construction & Materials	Holcim
Financial Services	Investimentos Itau
Food & Beverage	Unilever
Healthcare	Novartis
Industrial Goods & Services	TNT

## Global Super Sector Leaders (cont'd)

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Insurance	Swiss Re
Media	Pearson
Oil & Gas	ENI
Personal & Household	adidas
Real Estate	Land Securities Group
Retail	Kingfisher
Technology	Intel
Telecommunications	BT Group
Travel & Leisure	Air France-KLM
Utilities	Iberdrola

# DJSI STOXX – Selection 2008

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## Dow Jones STOXX® 600

600 companies  
48 DJSI clusters

## Component Selection

Top 20% of companies in terms of sustainability in each DJSI cluster  
45% target market cap coverage in each super sector

## DJSI STOXX

162 Components  
48 DJSI cluster  
Annual Review 08: 30 Adds (15.8% of mcap), 21 Deletes (12.4% of mcap)

# DJSI STOXX – Index Range

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<b>DJSI STOXX</b>	162 Components
<b>DJSI STOXX ex Alcohol, Tobacco, Gambling, Armaments &amp; Firearms</b>	139 Components
<b>DJSI STOXX ex Alcohol, Tobacco, Gambling, Armaments &amp; Firearms, Adult Entertainment</b>	137 Components
<b>DJSI STOXX 40</b>	40 Components
<b>DJSI EURO STOXX</b>	83 Components
<b>DJSI EURO STOXX ex Alcohol, Tobacco, Gambling, Armaments &amp; Firearms</b>	70 Components
<b>DJSI EURO STOXX ex Alcohol, Tobacco, Gambling, Armaments &amp; Firearms, Adult Entert.</b>	69 Components
<b>DJSI EURO STOXX 40</b>	40 Components

# DJSI STOXX 40 – Selection 2008

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## DJSI STOXX

162 Components  
Europe's Sustainability Leaders

## Component Selection

Largest 40 components out of the DJSI STOXX  
(maximum 5 per super sector)

## DJSI STOXX 40

40 components weighted by sustainability score

# DJSI EURO STOXX 40 – Selection 2008

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## DJSI EURO STOXX

83 Components  
Europe's Sustainability Leaders

## Component Selection

Largest 40 components out of the DJSI EURO STOXX  
(maximum 5 per super sector)

## DJSI EURO STOXX 40

40 components weighted by sustainability score

# DJSI STOXX 40 / DJSI EURO STOXX 40

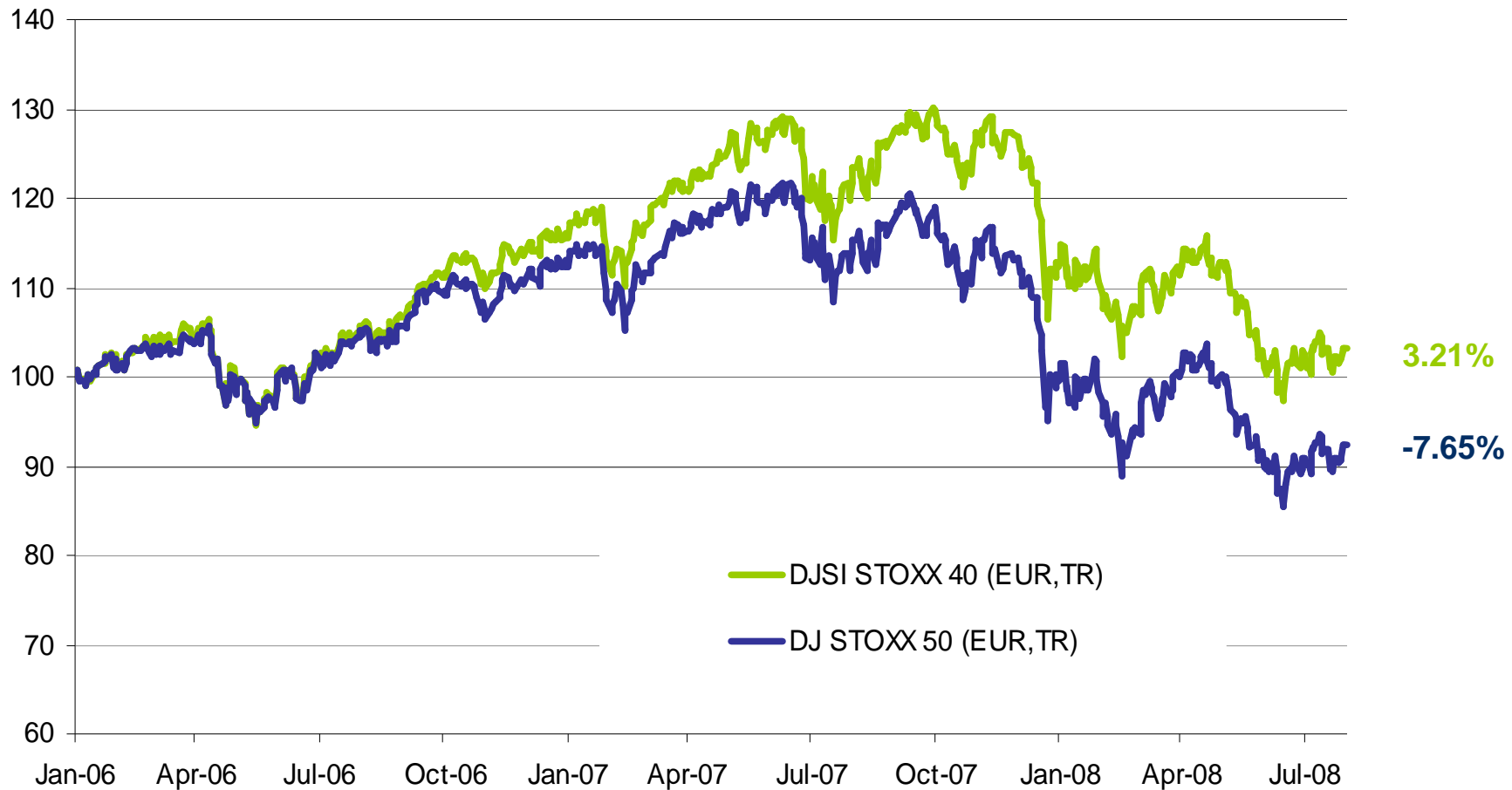
## Weighting

	Market Cap (in million EUR)	Sustainability Score*	Weighting
Company 1	10'000	100	$100/3000 = 3.3\%$
Company 2	60'000	80	$80/3000 = 2.7\%$
Company 3	30'000	60	$60/3000 = 2.0\%$
...	...	...	...
...	...	...	...
...	...	...	...
...	...	...	...
...	...	...	...
...	...	...	...
Company 39	50'000	50	$50/3000 = 1.7\%$
Company 40	90'000	40	$40/3000 = 1.3\%$
<b>Total</b>		<b>3000</b>	

\* The 40 components of the DJSI STOXX 40 and DJSI EURO STOXX 40 are weighted by their normalized sustainability score, i.e. the result of the company in SAM's annual assessment of economic, environmental and social criteria.

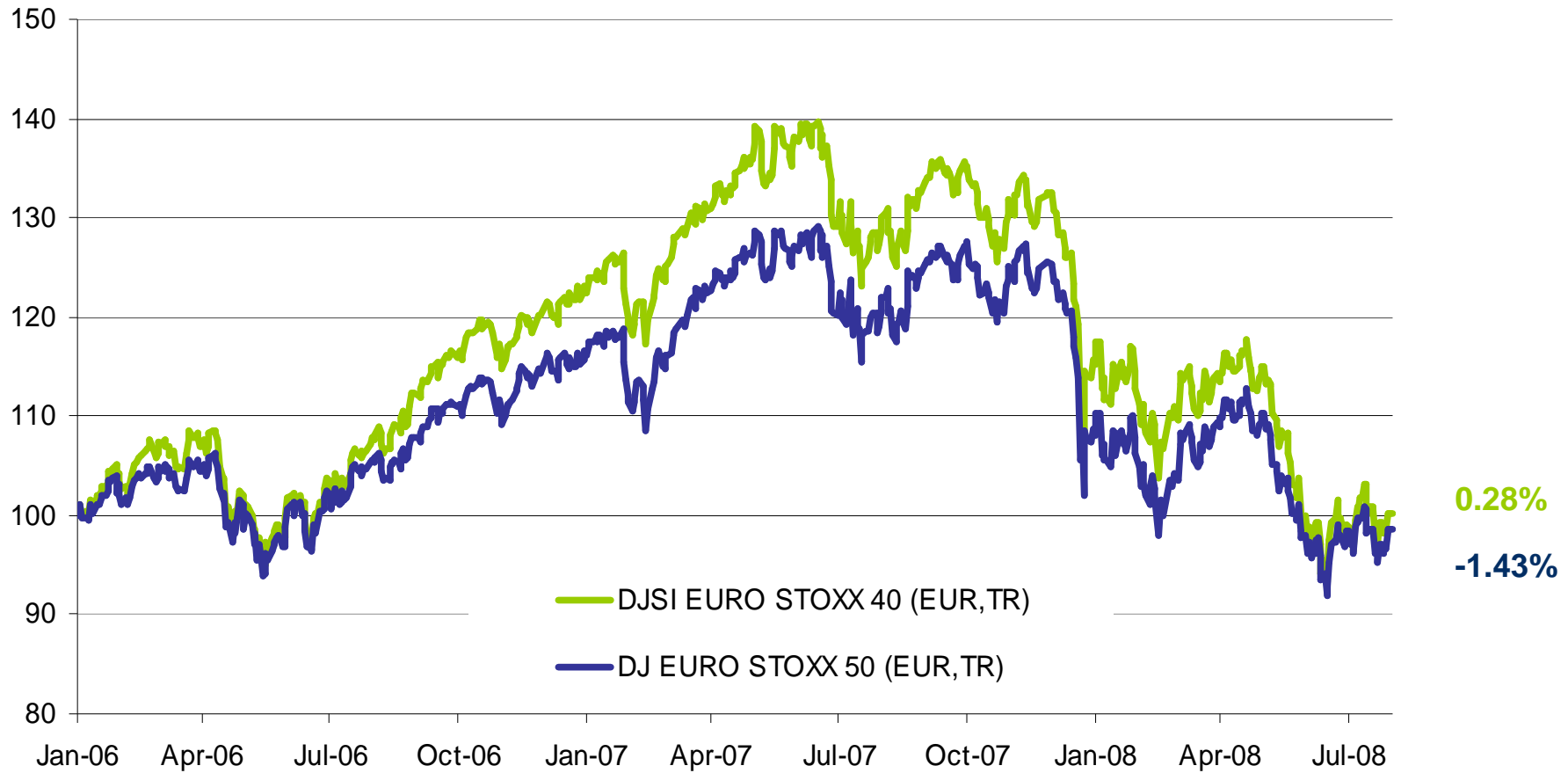
# DJSI STOXX 40 - Performance

Since Launch, 01/06 – 08/08 (EUR, Total Return)



# DJSI EURO STOXX 40 - Performance

Since Launch, 01/06 – 08/08 (EUR, Total Return)



# DJSI North America – Selection 2008

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## Dow Jones Wilshire Global Index

600 largest companies from North America  
48 DJSI clusters

## Component Selection

Top 20% of companies in terms of sustainability in each DJSI sector  
45% target market cap coverage in each super sector

## DJSI North America

125 Components  
44 DJSI clusters  
Annual Review 08: 18 Adds (8.8% of mcap), 9 Deletes (3.5% of mcap)

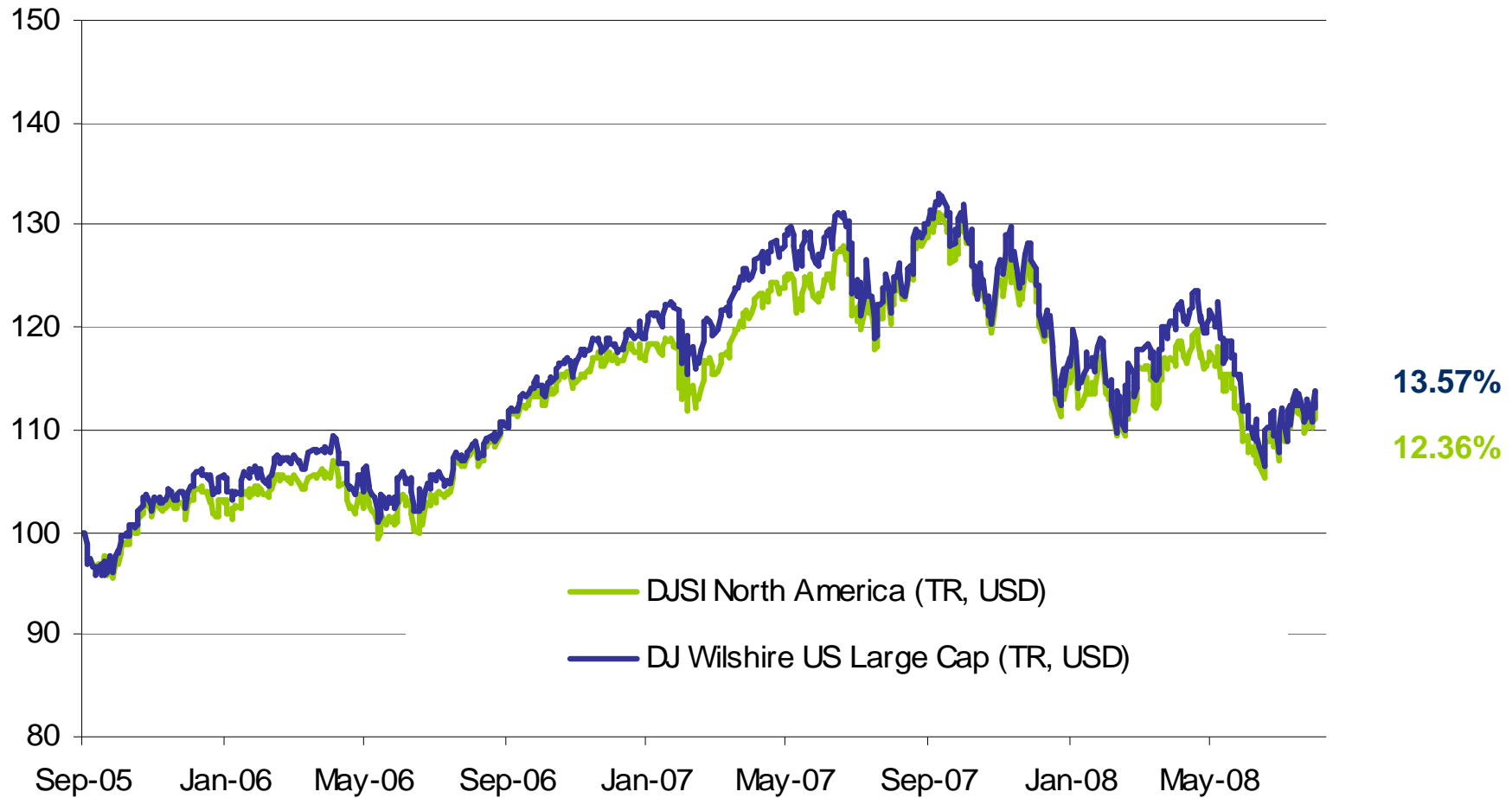
# DJSI North America – Index Range

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<b>DJSI North America</b>	125 Components
<b>DJSI North America ex Alcohol, Tobacco, Gambling, Armaments &amp; Firearms</b>	121 Components
<b>DJSI North America 80</b>	80 Components
<b>DJSI United States</b>	102 Components
<b>DJSI United States ex Alcohol, Tobacco, Gambling, Armaments &amp; Firearms</b>	98 Components
<b>DJSI United States 80</b>	80 Components

# DJSI North America – Performance

Since Launch, 09/05 – 08/08 (USD, Total Return)



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