



# Dow Jones Sustainability Indexes

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

Press Release  
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## Results of the DJSI Review 2005

SAM today announced the results of the annual review for the Dow Jones Sustainability Indexes (DJSI). Effective with the opening of equity markets on 19 September, the Dow Jones Sustainability World Index will have 57 companies added and 54 firms deleted. The pan-European sustainability benchmark – the Dow Jones STOXX Sustainability Index – will include 25 new companies and have 29 firms taken off. The results reflect SAM's latest analysis of corporate sustainability leadership across the world.

Accounting for issues such as corporate governance, climate change, supply chain standards, and labor practices, the annual review of the DJSI family is based on a thorough assessment of corporate economic, environmental and social performance. Its results will influence the investment decisions of asset managers in 14 countries who have licensed the DJSI family as benchmarks and underlying for a variety of sustainability-driven portfolios – including mutual funds, segregated accounts, structured products, as well as an exchange traded fund that is listed on Euronext. Total assets under management in DJSI-based investment vehicles currently amount to 3.3 billion Euro (4.1 billion USD).

The assessment results also provide detailed information about recent sustainability developments in the corporate world:

- **Sustainability is continuing its move from corporate strategy and operations into product and service offerings.** Advanced integration of eco-design requirements in the electronics industry, increasing implementation of environmental criteria in project financing and a wider use of life cycle analysis in the chemical industry are examples of this trend.
- **Companies are converging in first generation sustainability themes** such as corporate governance and environmental reporting. Corporate focus and the differentiation between leaders and laggards is shifting towards sector-specific issues such as healthy nutrition in the food industry, business opportunities for consumer goods in emerging markets, as well as anti-crime prevention in the financial sector.
- **Transparency and accountability along the whole supply chain are increasingly visible through policies and control mechanisms.** Key aspects in that context include the definition of environmental and social supplier standards as well as auditing procedures. Industry groups such



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as the Business Social Compliance Initiative (BSCI) are adding further impetus to this development.

- **Sustainability indicators are increasingly linked to financial value drivers and integrated into Annual Reports.** New regulations, such as the UK Operating & Financial Review (OFR) standard, are important drivers behind this trend.
- **Corporations widely recognize and acknowledge the importance of human capital management for their success.** However, there is still considerable scope for improvements in all industries in measuring, controlling and reporting on issues such as talent attraction, organizational learning, and employee performance indicators.
- **Overall, sustainability performance continues to advance across all sectors. At the same time, substantial room for progress in sustainability remains on the corporate agenda.**

The DJSI family currently includes global, European and Eurozone benchmarks. Later this month, this range will be expanded with the launch of the Dow Jones Sustainability North America Index (DJSI North America) and the Dow Jones Sustainability United States Index (DJSI United States). The new indexes will track the performance of North America's sustainability leaders to provide investors objective and dedicated benchmarks for sustainability driven equity portfolios in this important market. The new offering will be introduced at a launch event in New York on 23 September.

"SAM has been serving the market for sustainability investments since 1995 and started offering dedicated benchmarks for this expanding area in 1999. We are excited about the accelerating momentum that this market has created. Assets are going up, mainstream brokers are moving in, and investment managers are expanding their offering. This is certainly an encouraging development that we will continue to support with objective and professional benchmarks," said **Alexander Barkawi, managing director, SAM Indexes.**

"Over the last years, the Dow Jones Sustainability Indexes have gained solid recognition within financial markets around the globe. We are delighted about the market confidence placed in these benchmarks and are looking forward to building up on this strong platform with the launch of dedicated Dow Jones Sustainability Indexes for North America and the US," said **Michael A. Petronella, president, Dow Jones Indexes/Ventures.**



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## **Note to the editor:**

Launched in 1999, the Dow Jones Sustainability Indexes track the financial performance of the leading sustainability-driven companies worldwide. Based on the cooperation of Dow Jones Indexes, STOXX Limited and SAM Group the indexes provide asset managers with reliable and objective benchmarks to manage sustainability portfolios. The Dow Jones Sustainability World Indexes (DJSI World) cover the top 10% of the biggest 2,500 companies in the Dow Jones World Index in terms of economic, environmental and social criteria. As a benchmark for European sustainability investments, the Dow Jones STOXX Sustainability Indexes (DJSI STOXX) cover the leading 20% in terms of sustainability of the companies in the Dow Jones STOXX<sup>SM</sup> 600 Index. The Dow Jones EURO STOXX Sustainability Index (DJSI EURO STOXX) is the Eurozone subset of the DJSI STOXX and, thus, tracks the financial performance of sustainability leaders in this particular region. The selection of index components follows a rules-based process defined in the DJSI Guidebooks. It is based on a thorough assessment of general and industry-specific sustainability criteria covering economic, environmental and social issues. The analysis is assured by an external auditor. Full details about the design philosophy, review methodology and index components are freely available at [www.sustainability-indexes.com](http://www.sustainability-indexes.com).

## **Further information:**

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