

Advisory

Dow Jones Sustainability Index (DJSI)

Gaining recognition for sustainability achievements

*Strictly Private
and Confidential*

June 2014

pwc

Section 1

The case for sustainability reporting

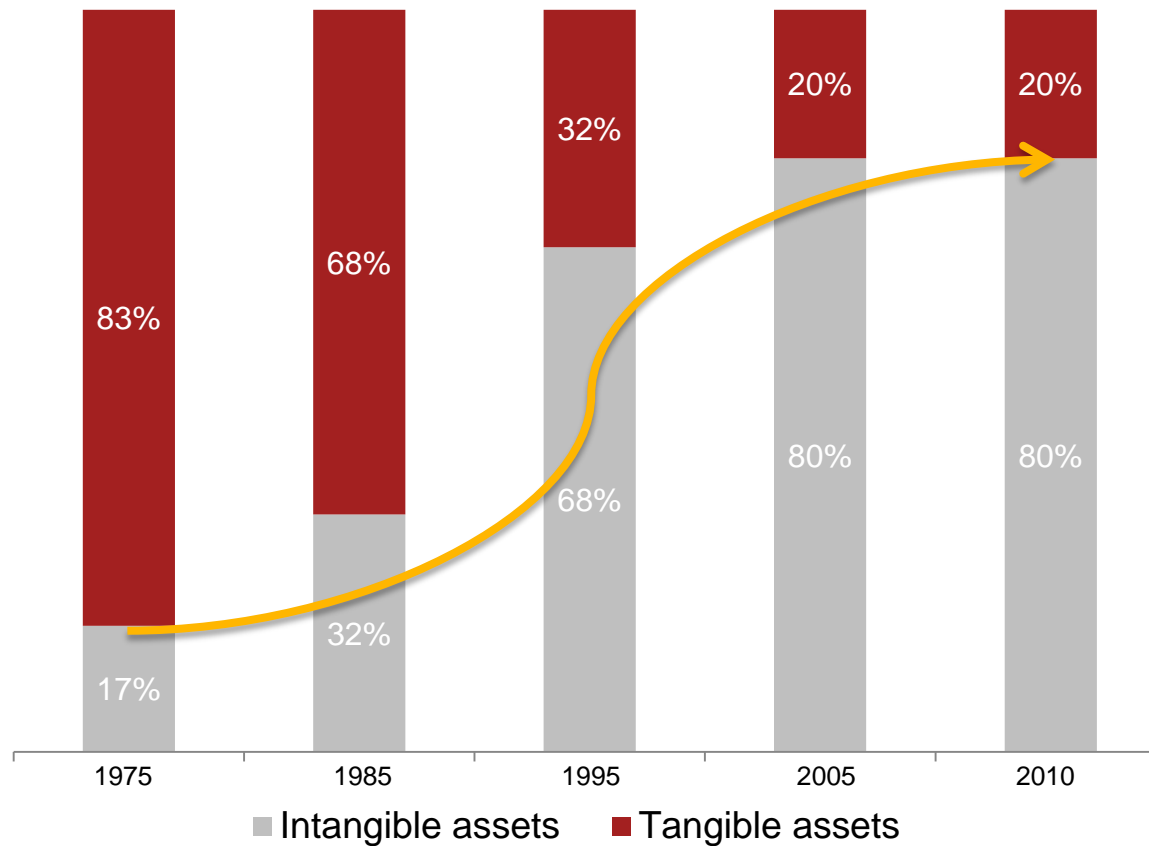
Our changing world requires businesses to consider the financial implications of non-financial megatrends



Social, economic and environmental megatrends are changing the way we do business. To identify opportunities and manage risk, companies need a more integrated perspective.

Non-financial information is increasingly important to a company's market value

Components of S&P 500 Market Value



Source: Ocean Tomo, LLC Annual Study of Intangible Asset Market Value

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As a result, information providers are embedding sustainability data in their platforms...

- Bloomberg’s corporate pages provide detailed information on **environmental, social and governance (ESG) performance indicators**—data is pulled from corporate disclosures or the Bloomberg Sustainability Survey
- Google Finance incorporates **CDP scores** on its “Key Stats and Ratios” snapshot

Bloomberg

GRAB EquityFA
1<GO> to Show Charts, 2<GO> to Hide Templates, Click numbers for transparency

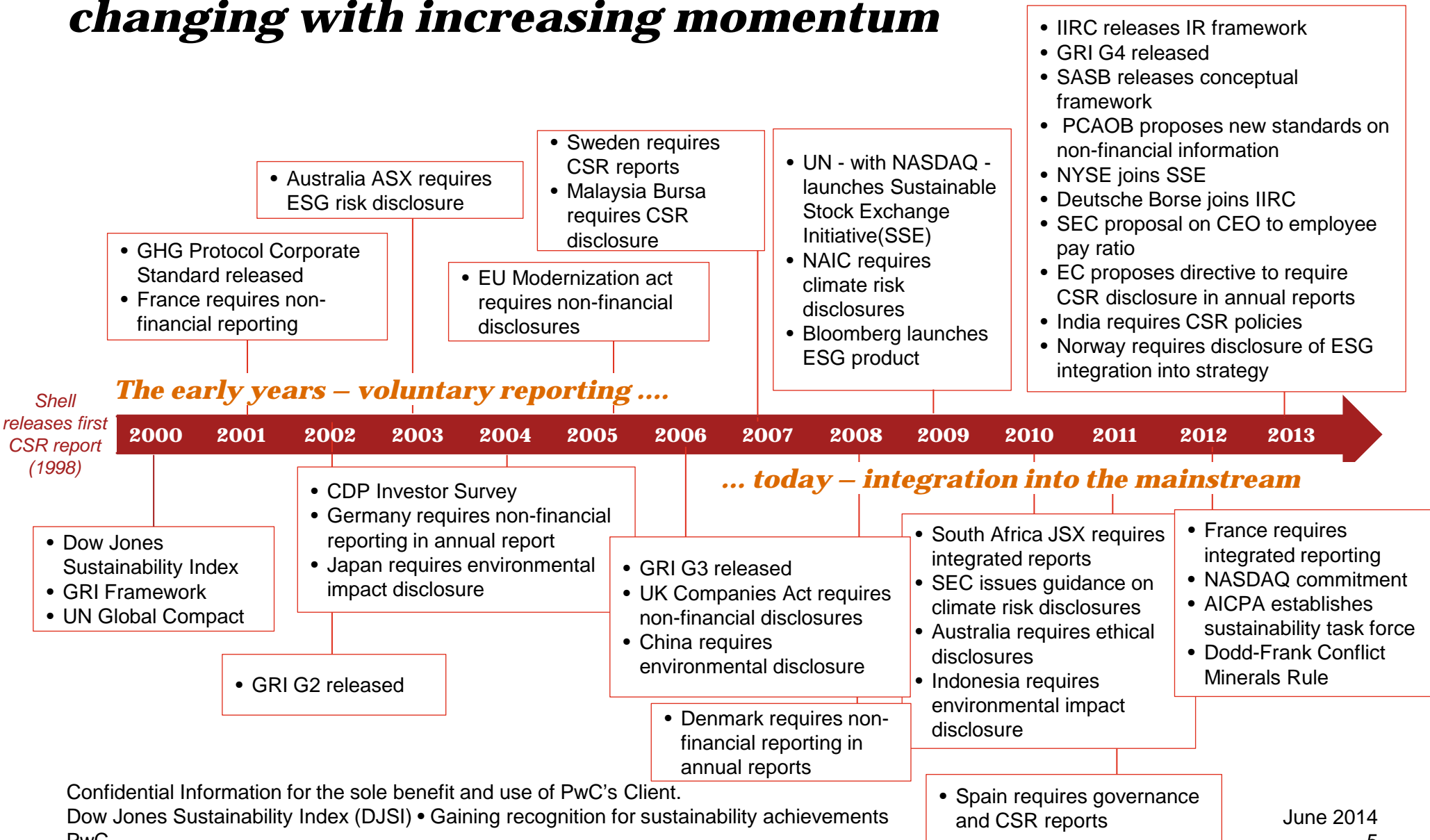
Environmental	0-Dec '08 A	0-Dec '07 A	0-Dec '06 A
Back to ESG			
Environmental (Th Tonnes)			
Direct CO2 Emissions	57,000.00	59,200.00	59,300.00
Indirect CO2 Emissions	9,200.00	10,700.00	10,100.00
Total CO2 Emissions	66,200.00	69,900.00	69,400.00
CO2 Intensity (Tonnes)	0.25	0.24	0.24
GHG Scope 1	61,400.00	63,500.00	59,300.00
GHG Scope 2	9,200.00	10,700.00	10,100.00
GHG Scope 3	516,000.00	521,000.00	520,000.00
Total GHG Emissions	700,000.00	700,000.00	690,000.00
NOx Emissions	70.00	70.00	70.00
SO2 Emissions	70.00	70.00	70.00
Methane Emissions	70.00	70.00	70.00
Carbon Disclosure Proj			
Scope 1 Activity Emi			
Scope 2 Activity Emi			
Scope 3 Activity Emi			
Emissions from Disp			
Total Energy Consum			

Google Finance

Key stats and ratios

	Q4 (Nov '13)	2013
Net profit margin	11.58%	16.92%
Operating margin	17.98%	24.02%
EBITD margin	-	28.16%
Return on average assets	6.53%	12.30%
Return on average equity	11.46%	20.26%
Employees	21,900	-
CDP Score	-	70 D

...and the sustainability reporting landscape is changing with increasing momentum



Section 2

The benefits of DJSI

DJSI is among the world's most respected sustainability reporting programs

According to the 2013 *Rate the Raters* survey, the DJSI is one of the top two **most credible** of the world's 18 leading sustainability ratings programs:



Source: *GlobeScan/SustainAbility, Rate the Raters, 2013*

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Reporting to DJSI can have important business benefits

- As stakeholders place increasing importance on sustainability performance, your company's DJSI standing carries strategic significance **for brand value, access to capital, and competitive advantage.**
- The DJSI was created by the **investor community**. Currently, 60 DJSI licenses are held by asset managers in 16 countries managing over **\$6.5 billion USD** based on the DJSI. ¹ These asset managers have access to DJSI data and use it to manage their sustainability portfolios.
- Of the \$33.3 trillion in total assets under management tracked by Thomson Reuters Nelson, \$3.74 trillion or **11.3%** is invested according to SRI criteria. This is a **29.2% increase** since year-end 2010.²

1. RobecoSAM DJSI Website, 2014 (<http://www.sustainability-indices.com/index/index.jsp>)

2. Report on Socially Responsible Investing Trends in the United States, Social Investment Forum (SIF), 2012

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Section 3

Overview of DJSI

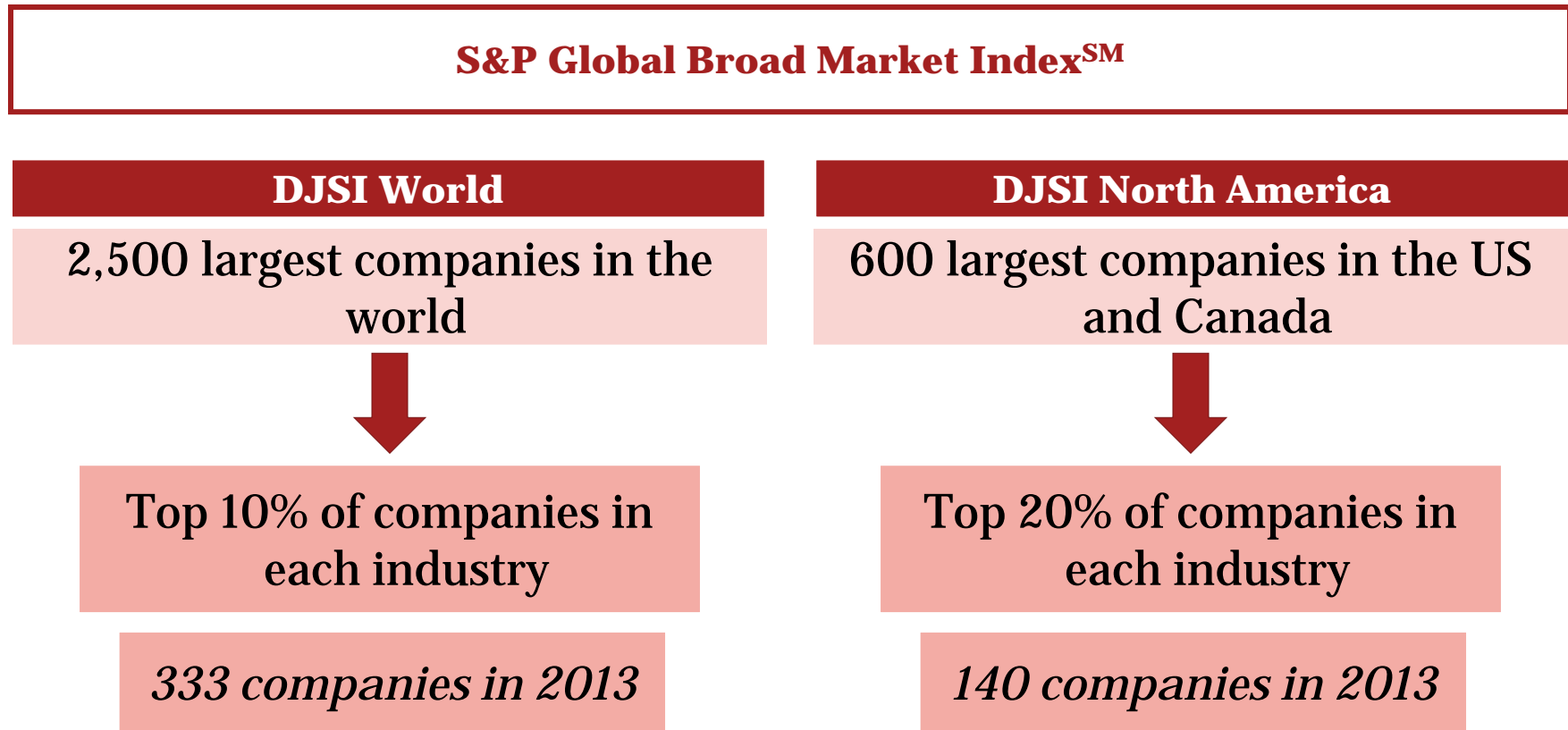
History of DJSI

- **Launched in 1999/2000**, the DJSI were the first global indexes tracking the financial performance of the leading sustainability-driven companies worldwide
- The DJSI were founded by **Sustainable Asset Management (SAM)**, a Zurich-based investment boutique focused exclusively on sustainability investing that was acquired in 2006 by Dutch asset management firm Robeco
- RobecoSAM was acquired by Rabobank Group in 2007 and sold to the Japanese financial services group **Orix Corporation** in 2013
- Today, with approximately **130 specialists** located in Zurich and Rotterdam, RobecoSAM offers sustainability investing products and services in over **20 countries**
- RobecoSAM jointly publishes and markets the DJSI with **S&P Dow Jones Indices LLC**, a part of McGraw Hill Financial and the world's largest, global resource for index-based concepts, data and research

How does DJSI work?

- Participation in the DJSI is by **invitation-only**—questionnaires are sent to the world’s largest companies across various industries and regions
- RobecoSAM uses **company responses** to the questionnaire combined with an assessment of publicly-available data to select the components of the DJSI, and S&P Dow Jones Indices is responsible for index calculation and data dissemination
- The DJSI family uses a **best-in-class** approach to select sustainability leaders based on pre-defined sustainability criteria. Best-in-class means that:
 - No industry is excluded from the indices, with the most sustainable companies in each industry selected for index membership
 - Companies receive a Total Sustainability Score between 0 – 100 and are ranked against other companies in their industry
- The DJSI is updated on an **annual basis**. Companies can respond to the questionnaire from April to May, and results are usually announced in early September.

Only the largest publicly-listed companies are eligible to participate in the DJSI



Source: RobecoSAM 2013 DJSI World Index Guide and 2013 DJSI North America Index Guide

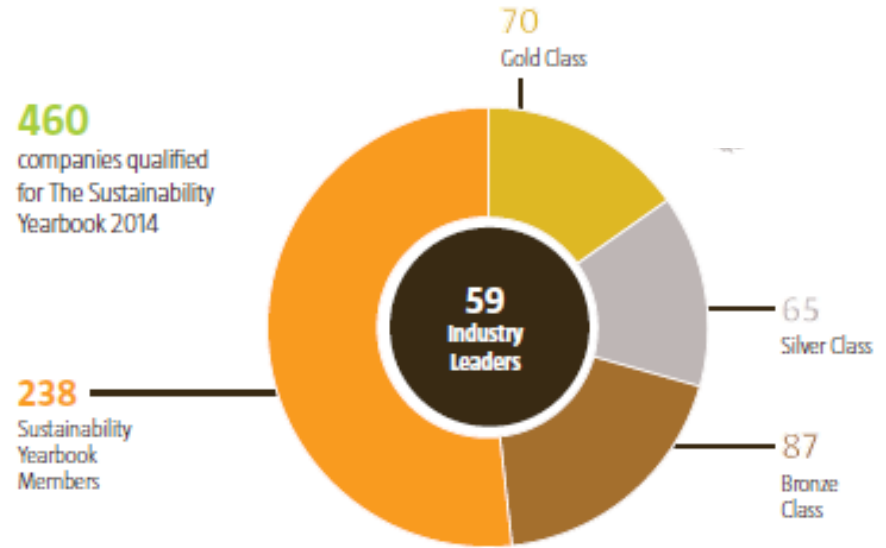
Note: Other indices include: DJSI Europe, DJSI Asia Pacific, DJSI Emerging Markets, DJSI Australia, and DJSI Korea

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DJSI results are confidential, except for leaders



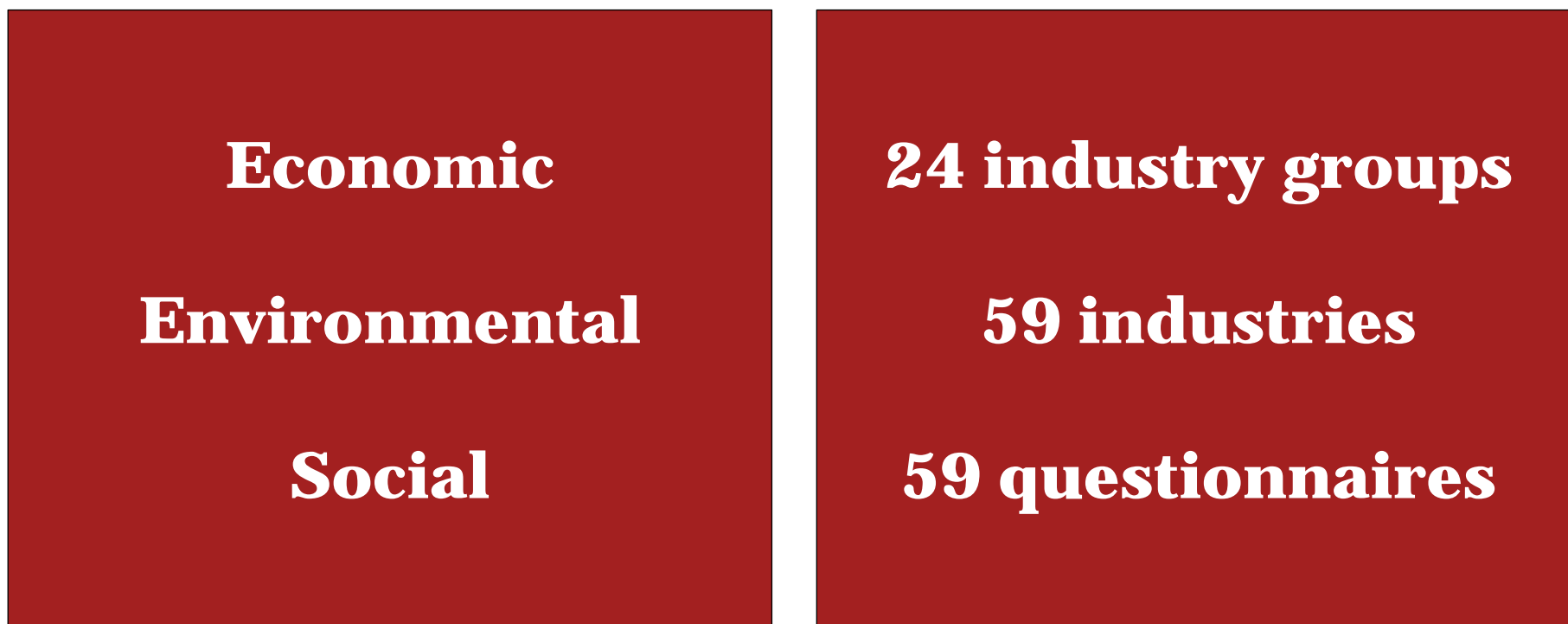
Sample of 2014 DJSI leaders:

Company Name	Industry	Country
Abbott Laboratories	Health Care Equipment & Supplies	United States
Adecco SA	Professional Services	Switzerland
Adidas AG	Textiles, Apparel & Luxury Goods	Germany
Air France-KLM	Airlines	France
Akzo Nobel NV	Chemicals	Netherlands
Alcatel-Lucent	Communications Equipment	France
Alcoa Inc	Aluminum	United States
Allianz SE	Insurance	Germany

Source: RobecoSAM 2014 Sustainability Yearbook

The DJSI questionnaire is tailored to each industry

Each DJSI questionnaire covers economic, environmental and social topics—with some questions posed to all companies, and others industry-specific



Source: RobecoSAM 2013 DJSI World Index Guide

Example of topics covered by the DJSI questionnaires

Economic Dimension

Anti-crime policy/measures

Brand Management

Codes of Conduct/Compliance/Corruption & Bribery

Corporate Governance

Customer Relationship Management

Innovation Management

Market Opportunities

Marketing Practices

Price Risk Management

Research & Development

Risk & Crisis Management

Stakeholder Engagement

Scorecards/Measurement Systems

Environmental Dimension

Biodiversity

Business Opportunities Financial Services/Products

Business Risks Large Projects/Export Finance

Climate Change Governance

Climate Strategy

Electricity Generation

Environmental Footprint

Environmental Policy/Management System

Environmental Reporting

Operational Eco-Efficiency

Transmission & Distribution

Water-Related Risks

Social Dimension

Addressing Cost Burden

Bioethics

Corporate Citizenship and Philanthropy

Controversial Issues, Dilemmas in lending/financing

Financial Inclusion/Capacity Building

Health Outcome Contribution

Human Capital Development

Labor Practice Indicators

Occupational Health & Safety

Social Reporting

Stakeholder Engagement

Standards for Suppliers

Strategy to Improve Access to Drugs or Products

Talent Attraction & Retention

Source: RobecoSAM 2013 DJSI North America Index Guide

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Questions?

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