



Sustainability Investing –
Measuring Intangibles

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Head Indexes

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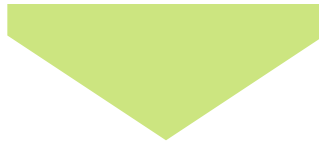
Introduction to SAM

- Investment boutique focused exclusively on Sustainability Investing since 1995
- Offering complementary capabilities to Sustainability Investing
- Powering Dow Jones Sustainability Indexes since 1999
- Member of Robeco
- EUR 8.8 billion total assets (as per 31.12.2011)
- Servicing a global and diversified client base
- Approximately 100 employees based in Zurich, Switzerland

Corporate Sustainability and Sustainability Investing

Corporate sustainability ...

... is a business approach to create long-term shareholder value by seizing the opportunities and managing the risks that stem from sustainability trends and challenges.



Sustainability investing ...

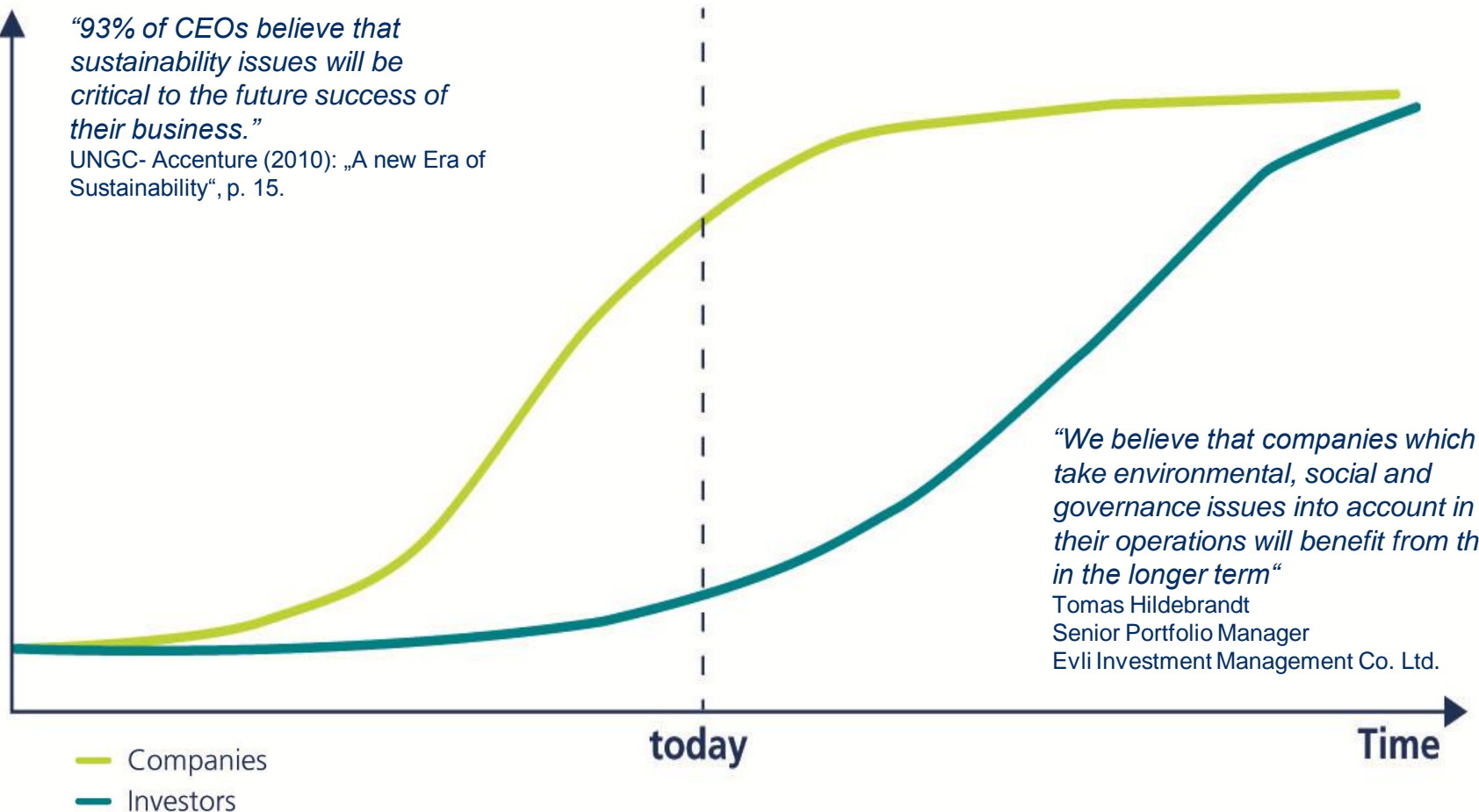
... is a long-term investment approach that integrates economic, environmental and social considerations in the selection and retention of investments.

→ *The aim of sustainability investing is creating alpha*

Companies are in the Lead – Investors will close the gap

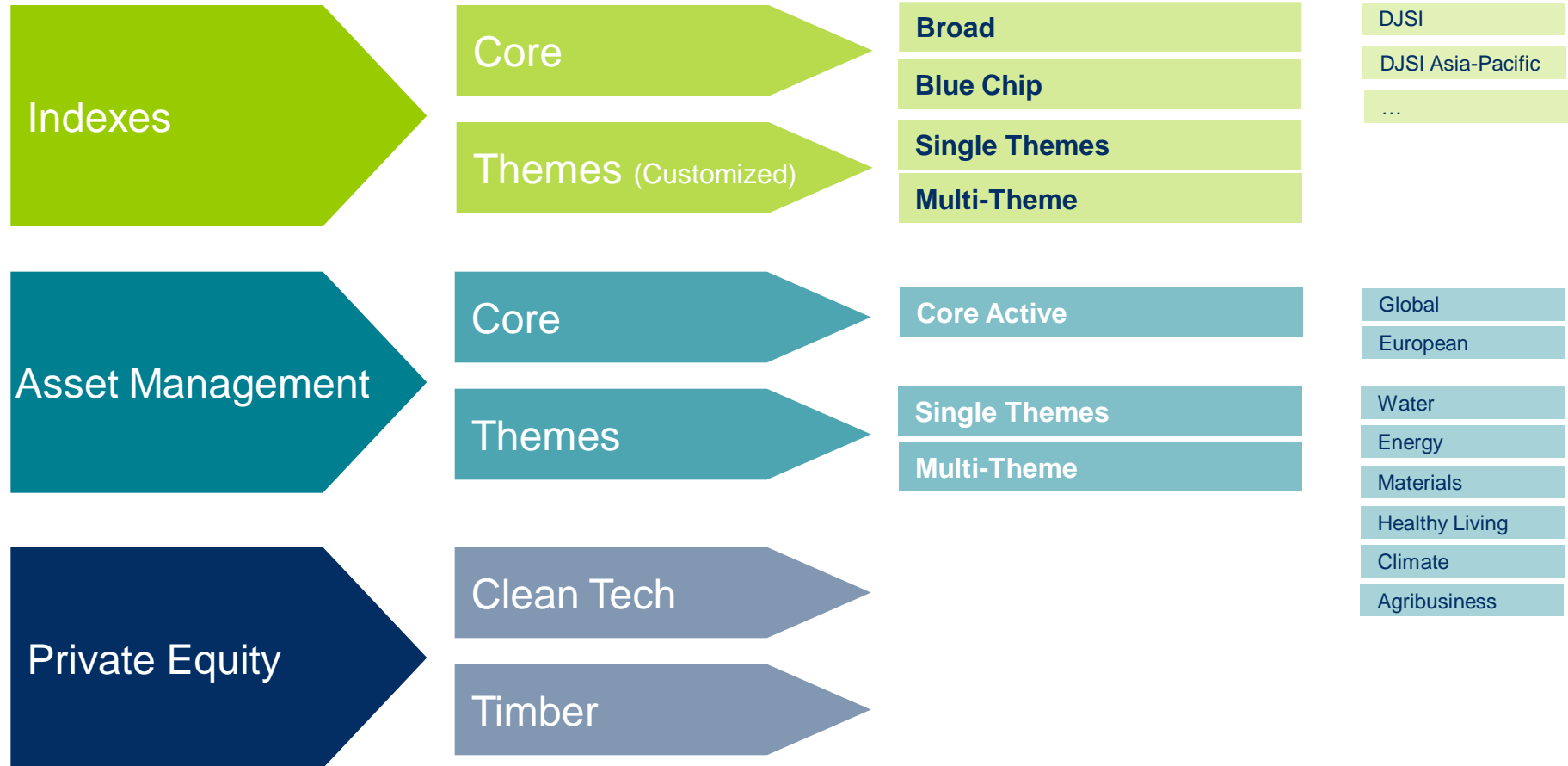
Integration of Sustainability Best Practices

“93% of CEOs believe that sustainability issues will be critical to the future success of their business.”
UNGC- Accenture (2010): „A new Era of Sustainability“, p. 15.



“We believe that companies which take environmental, social and governance issues into account in their operations will benefit from this in the longer term“
Tomas Hildebrandt
Senior Portfolio Manager
Evli Investment Management Co. Ltd.

Sustainability Integrated in All Investment Products





Measuring
Sustainability

SAM Corporate Sustainability Assessment

Assessment: ~3000 Companies annually (58 sectors)
3 dimensions / 20 criteria / 130 questions > 1000 data points

Environmental Dimension

- Climate Strategy
- Water-related Risks
- Environmental Management System
- Environmental Performance
- Product Stewardship
- ...

Social Dimension

- Talent Attraction & Retention
- Human Capital Development
- Occupational Health & Safety
- Stakeholder Engagement
- Human Rights
- ...



Economic Dimension

- Corporate Governance
- Code of Conduct, Compliance
- Risk & Crisis Management
- Customer Relationship Management
- Innovation Management
- ...



SAM Corporate Sustainability Assessment

One of the largest proprietary database worldwide

Information Gathering

| Questions | Status |
|--|--------|
| DJSI SA 2010 (19.04.2010 - 31.08.2010) | |
| 1 Economic Dimension | |
| 1.1 Corporate Governance | |
| 1.2 Risk & Crisis Management | |
| 1.3 Codes of Conduct/Compliance/Corruption&Bribery | |
| 1.4 Customer Relationship Management | |
| 1.5 Brand Management | |
| 1.6 Anti-crime policy/measures | |
| 1.7 Stakeholder Engagement | |
| 1.7.1 Stakeholder engagement framework | |
| 1.7.2 Stakeholder expectations management | |
| 1.7.3 MSA External engagement | |
| 2 Environmental Dimension | |
| 2.1 Environmental reporting | |

SAM Corporate Sustainability Database

| | A | B | C | D | E | F | G | H |
|----|--------------------|--------------|----------|-------------|-------|-------------|----------|--------|
| 1 | Questionnaire Name | Company Name | Industry | Total Score | Total | Environment | Economic | Social |
| 2 | DJSI 2004 | Company A | INS | 64.5554 | 5 | 5 | 5 | 5 |
| 3 | DJSI 2004 | Company B | BLD | 63.33972 | 5 | 5 | 5 | 5 |
| 4 | DJSI 2004 | Company C | FTS | 83.31386 | 5 | 5 | 5 | 5 |
| 5 | DJSI 2004 | Company D | BLD | 58.02794 | 5 | 5 | 5 | 5 |
| 6 | DJSI 2004 | Company E | INS | 53.77254 | 4 | 5 | 5 | 5 |
| 7 | DJSI 2004 | Company F | INS | 42.97924 | 3 | 5 | 5 | 5 |
| 8 | DJSI 2004 | Company G | INS | 50.50928 | 4 | 5 | 5 | 5 |
| 9 | DJSI 2004 | Company H | FTS | 44.14142 | 3 | 5 | 5 | 4 |
| 10 | DJSI 2004 | Company I | INS | 38.96452 | 3 | 5 | 5 | 5 |
| 11 | DJSI 2004 | Company J | INS | 36.88264 | 3 | 5 | 5 | 5 |
| 12 | DJSI 2004 | Company K | INS | 53.01768 | 4 | 5 | 5 | 5 |
| 13 | DJSI 2004 | Company L | COS | 54.85636 | 5 | 5 | 5 | 5 |
| 14 | DJSI 2004 | Company M | BLD | 65.33284 | 5 | 5 | 5 | 5 |

Sources

- Web-based questionnaire
- Company documents
- Company interactions
- Media & Stakeholder analysis
- SAM Network (e.g. experts, NGOs)

Corporate Sustainability Scores

Key input factor for investment universes for:

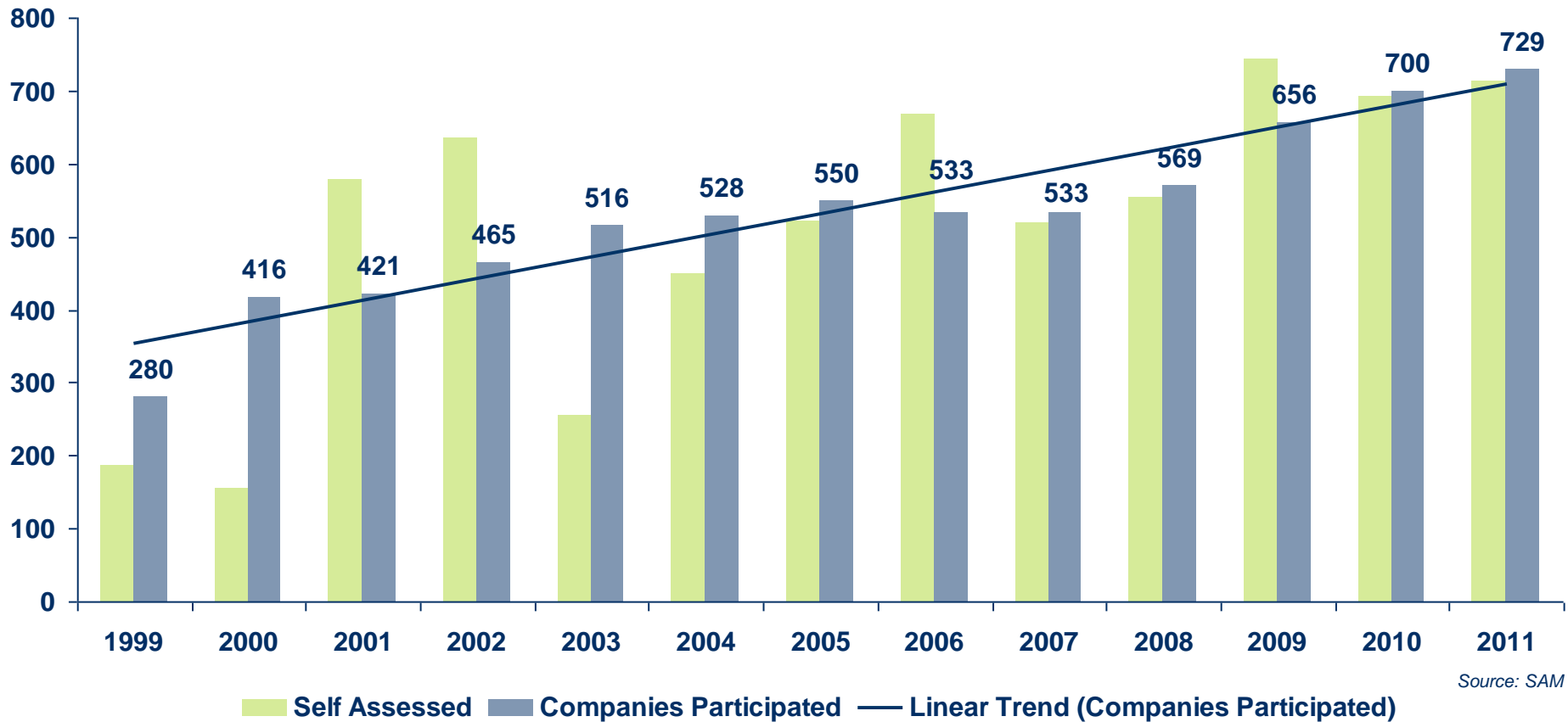


SAM Benchmarking Scorecard as Broad Engagement

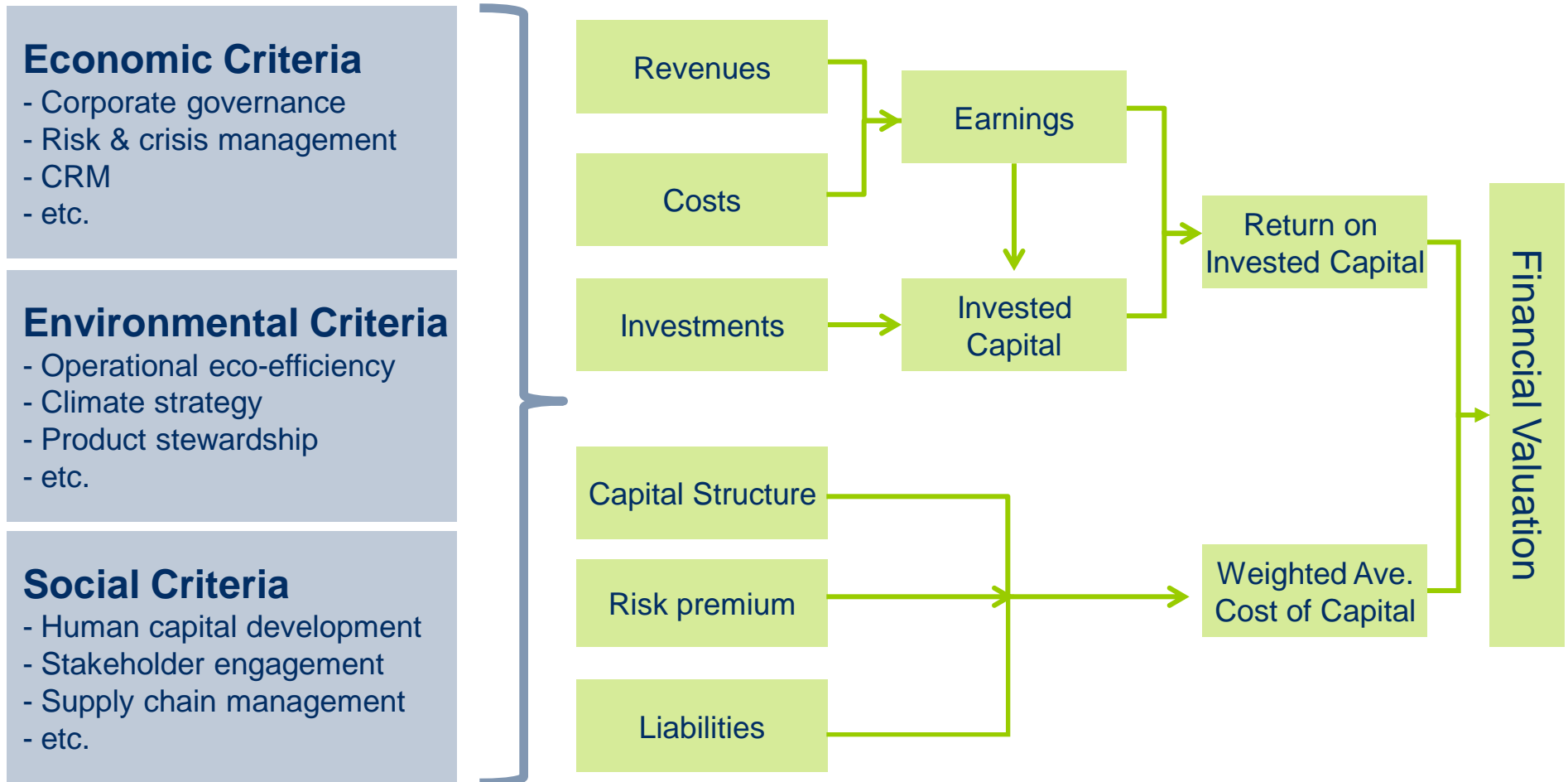
| Corporate Sustainability Assessment Results | | | | |
|--|---------------|---------------|------------|-------------------------|
| Total Scores: | | | | |
| | Company Score | Average Score | Best Score | Lowest Score DJSI World |
| Total Score | 78 | 57 | 90 | 78 |
| Dimension Scores: | | | | |
| | Company Score | Average Score | Best Score | Lowest Score DJSI World |
| Economic Dimension | 86 | 61 | 93 | 79 |
| Environmental Dimension | 77 | 58 | 93 | 75 |
| Social Dimension | 73 | 54 | 88 | 73 |
| Criteria Scores: | | | | |
| Economic Dimension | | | | |
| | Company Score | Average Score | Best Score | Lowest Score DJSI World |
| Codes of Conduct/Compliance/Corruption&Bribery | 89 | 67 | 92 | 79 |
| Corporate Governance | 84 | 68 | 89 | 69 |
| Customer Relationship Management | 66 | 58 | 91 | 66 |
| Innovation Management | 80 | 40 | 94 | 68 |
| Risk & Crisis Management | 97 | 65 | 100 | 72 |
| Environmental Dimension | | | | |
| | Company Score | Average Score | Best Score | Lowest Score DJSI World |
| Climate Strategy | 88 | 49 | 100 | 72 |
| Environmental Policy/Management System | 93 | 79 | 100 | 93 |
| Environmental reporting | 78 | 65 | 99 | 74 |
| Genetically Modified Organisms | 100 | 89 | 100 | 65 |

Participation Trend

Participation of Companies in DJSI has been Constantly Increasing Over the Years

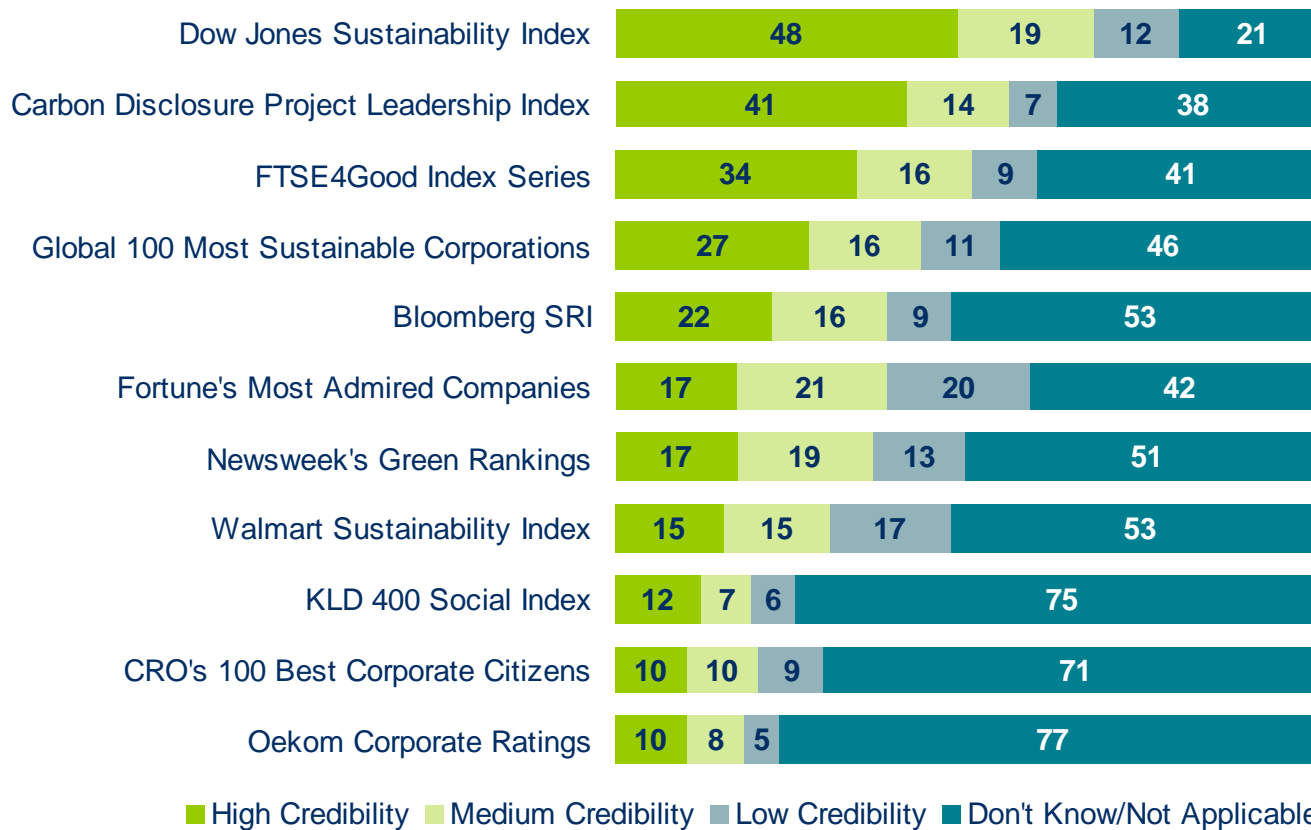


Transmission Of Non-financials to Financial Performance



DJSI - #1 Corporate Responsibility Benchmark in the World

How credible do you find the following ratings and rankings to be? Only rate the ratings and rankings that you are familiar with.





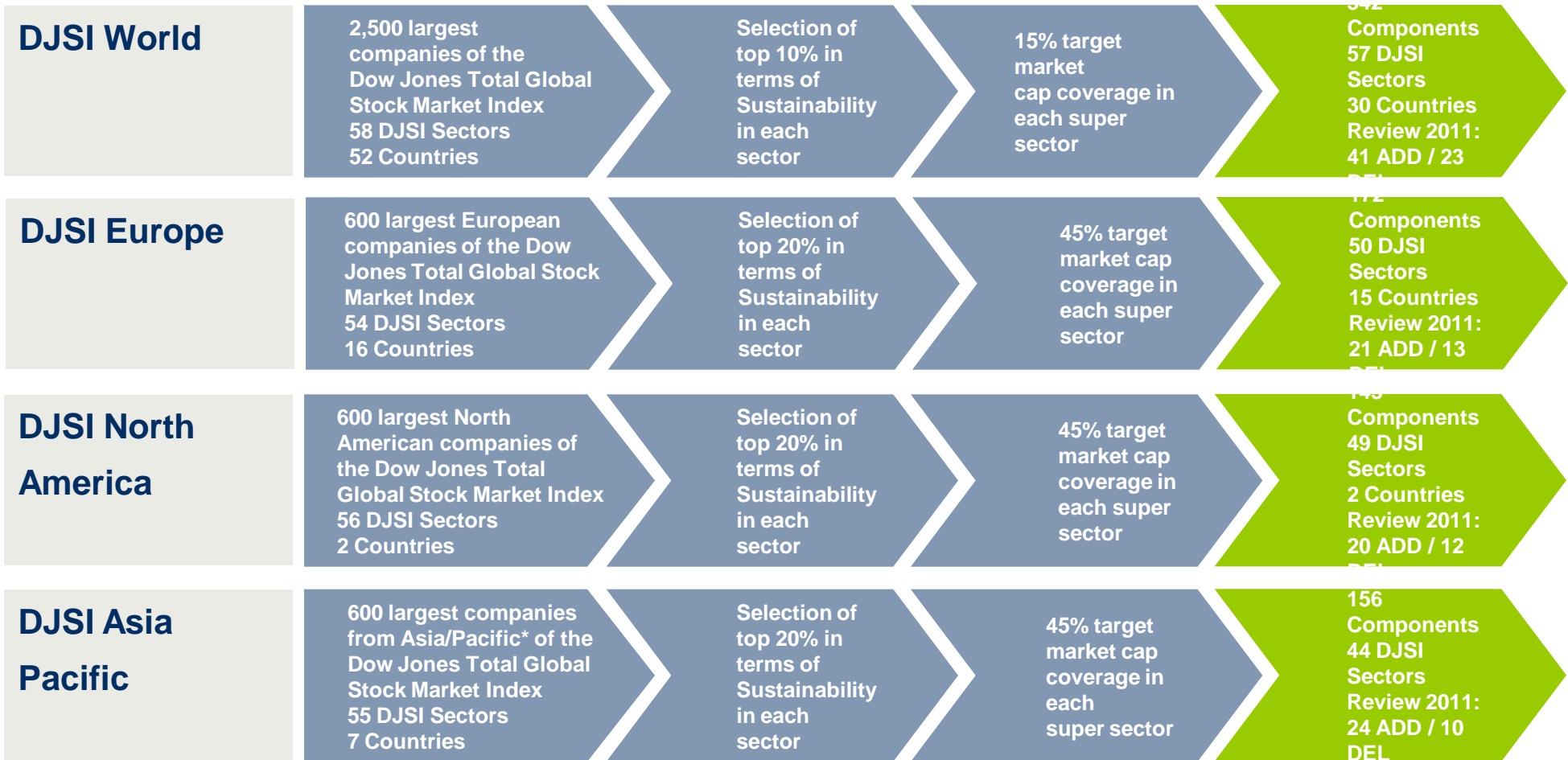
Sustainability
Investing:
The DJSI Index
Family

Dow Jones Sustainability Indexes (DJSI)

Overview

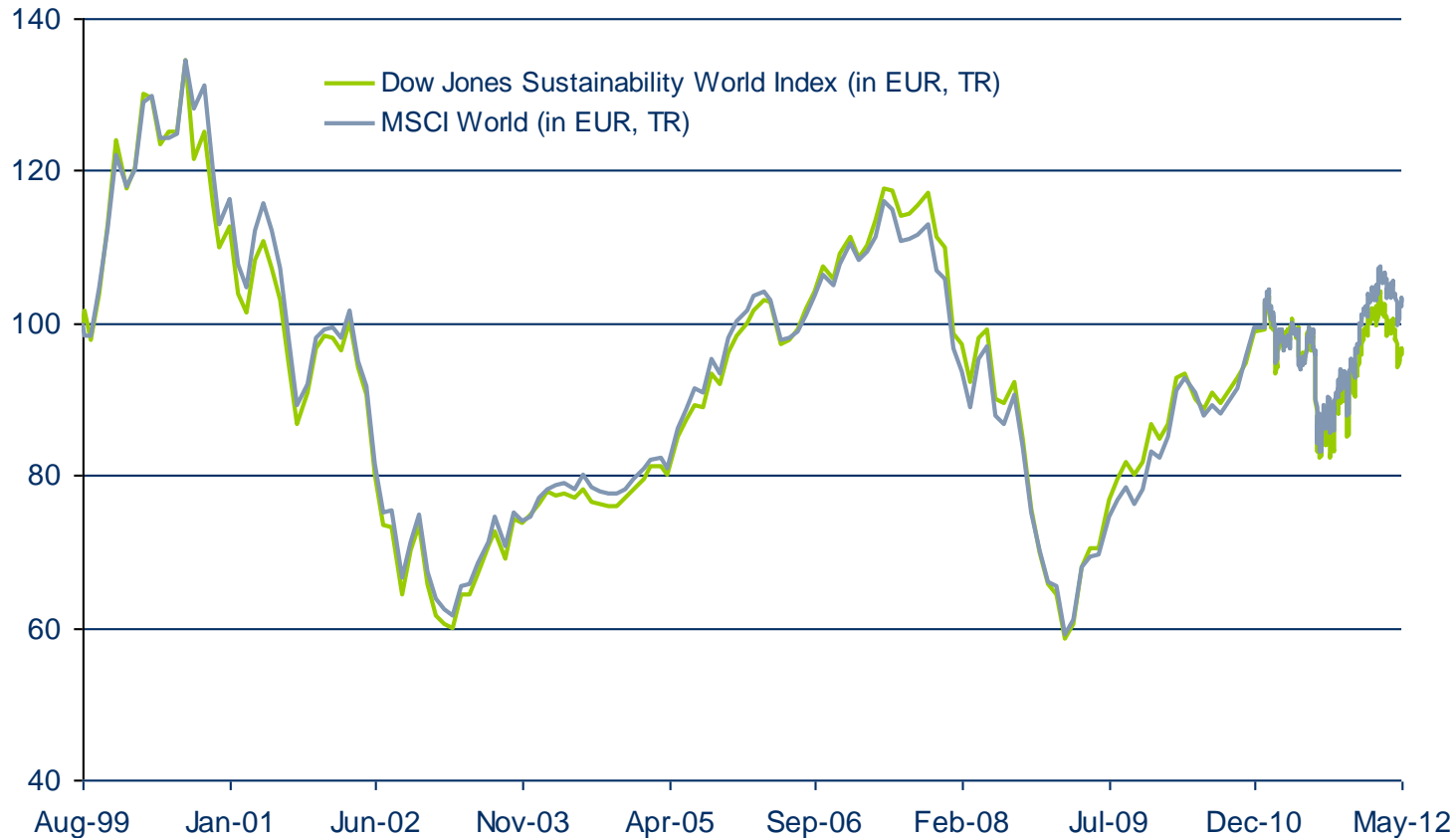
- Cooperation with Dow Jones Indexes for the publication and licensing of the DJSI, **since 1999**.
- Integrated assessment of **economic, environmental** and **social criteria** with a strong focus on **long-term shareholder value**.
- **Rules-based methodology** and use of primary research.
- Focus on **best-in-class** companies. Yearly review of component selection and continuous monitoring of companies.
- Broad family of geographic benchmarks.
- **5.6 billion USD** in DJSI-based investment vehicles (as per 31.12.2011).
- Assurance of the assessment process by **Deloitte**.

DJSI Assessment and Selection Process



DJSI World – Performance

Since Launch, 08/99 – 05/12 (EUR, Total Return)



Indexes - Investment Vehicles

Branded Index-Replication Fund

Pension Fund

Enhanced Replication Fund

Structured Product

Branded Actively-Managed Fund

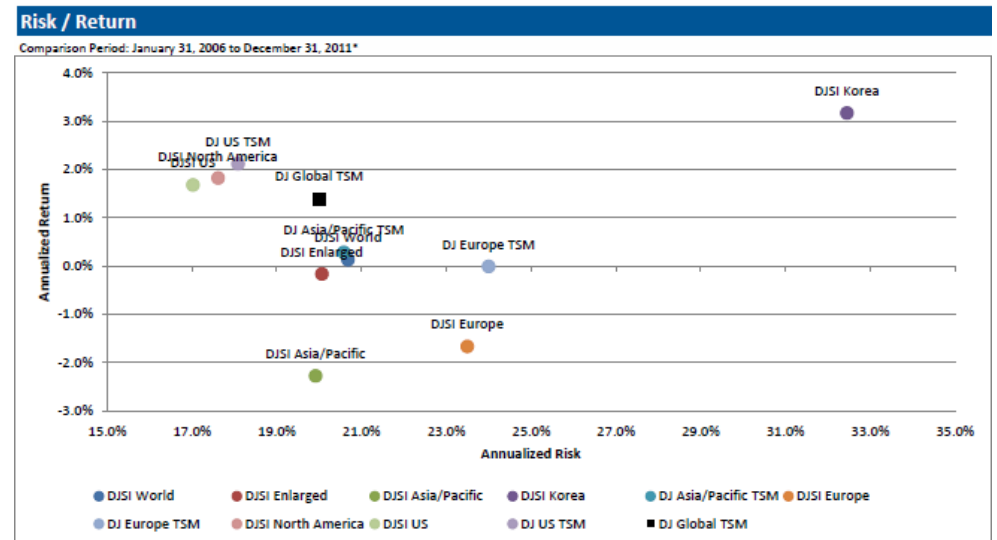
Actively/Passively-Managed Separate Account

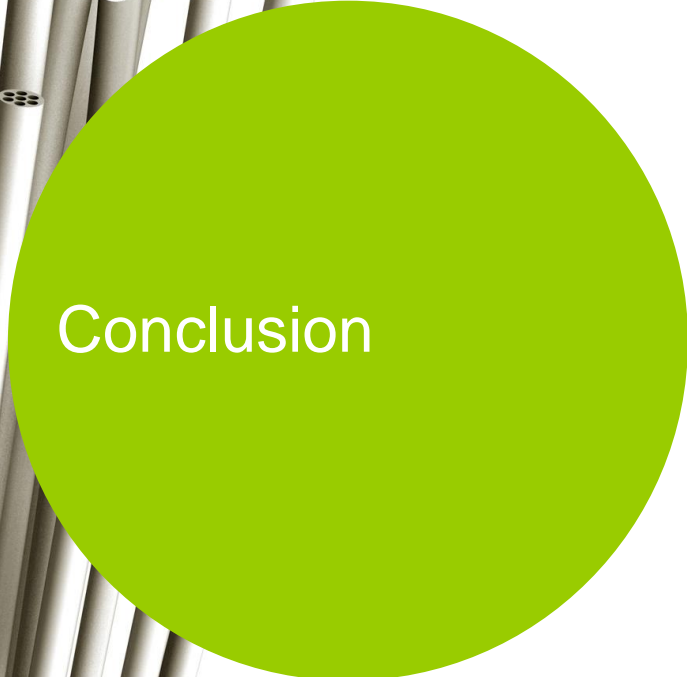
Exchange Traded Fund (Replication/Representative Sampling)

Services provided to Licensees – Analytics

The Analytics provided by SAM's partner S&P Dow Jones Indexes include:

- Performance Overviews and Statistics
- Risk and Risk / Return Analysis
- Rolling Correlation Statistic
- Other Statistics (Sharpe Ratio, Standard Deviation, Tracking Error, Information Ratio etc.)





Conclusion



Conclusion

- SAM uses an integrated sustainability research approach that integrates ESG factors into the financial analysis of companies
- Key idea is to research ESG factors that can impact the long term business success of a company
- Objective standardized research approach covering over 3000 large and mid-caps globally
- Broad variety of investment solutions including private equity, active funds and investable indexes covering all global regions
- Index based investment products are available in the form of certificates, structured products and ETFs

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