



ESG Data,
Ratings &
Benchmarking

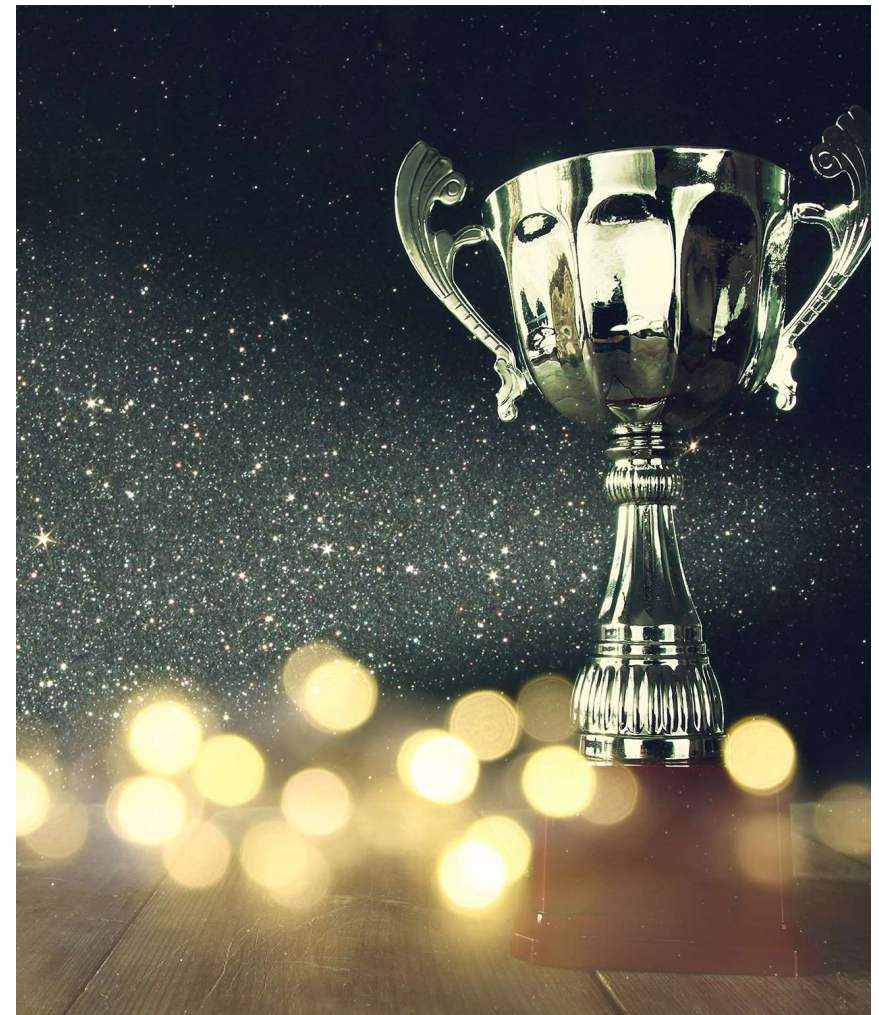


Dow Jones Sustainability Indices Results 2019

September 2019

Agenda

- Key Facts
- 2019 SAM Corporate Sustainability Assessment
- Overview of global and regional results
- Dow Jones Sustainability Index Committee Decisions
- Additional Resources



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Source: ESG Ratings

Key Facts- Dow Jones Sustainability Indices (DJSI)

Overview

- **Cooperation with S&P Dow Jones Indices** for the publication and licensing of the DJSI
- Launched in **1999**, the DJSI were the first global indices tracking the financial performance of leading sustainability-driven companies worldwide
- Integrated assessment of **economic, environmental and social criteria** with a strong focus on **long-term shareholder value**
- **Rules- based methodology** using primary research
- Focus on **best-in-class** companies
- Yearly review of component selection and continuous monitoring of companies
- Broad family of global, regional and country DJSI benchmarks
- Assurance of the assessment process **by Deloitte**

Assessment 2019- Universe

Number of invited companies:

Total number of invited companies: 3,519

- DJSI World Universe: 2,526
- DJSI Europe Universe: 607
- DJSI North America Universe: 614
- DJSI Asia Pacific Universe: 612
- DJSI Emerging Markets Universe: 808
- DJSI Korea Universe: 204
- DJSI Australia Universe: 203
- DJSI Chile Universe: 90
- DJSI MILA Universe: 190

Number of assessed companies:

Total number of companies analyzed: 2,296

Completed questionnaires: 1,166

Completed assessments based exclusively on public information: 1,130

Assessment 2019- Assessment Criteria Changes

Criteria	Key changes
Information Security/Cybersecurity & System Availability	RobecoSAM has updated several questions in this criterion and expanded it to an additional 19 industries to reflect the growing importance and prominence of the topic. The criterion now applicable to 29 industries, represented by eight GICS® sectors focuses on how well companies are prepared to prevent major information security/cybersecurity incidents and if they can react appropriately in case of an attack. It also evaluates whether companies have experienced information security/cybersecurity incidents in the past and what the financial consequences were. Furthermore, we have expanded the questions to include vulnerability analysis and testing companies may undertake for cybersecurity threats and the information security experience of the board of directors.
Privacy Protection	In 2019, RobecoSAM updated and expanded the Privacy Protection criterion to more industries. As opposed to 2018, this criterion is now applicable to 18 additional industries, meaning the criterion now covers 29 of the 61 industries. Across the criterion this year, RobecoSAM has increased the number of questions which reward companies who publicly disclose on their privacy protection measures, procedures and policies. As well as this, the scope of questions such as Customers Information has been broadened to encompass the ongoing increase in expectations and requirements of companies handling of customers' data.
Sustainable Finance	The Sustainable Finance criterion has been introduced to replace the former 'Business Risks and Opportunities' criterion and the 'Controversial Issues, Dilemmas in Lending & Financing' criterion from the 2018 CSA. The criterion impacts three financial industries, BNK Banks, FBN Diversified Financials, and INS Insurance. The questions focus on 1) the integration of ESG into each business segment, and 2) the ESG products and services offered. Due to the diversity amongst financials companies, we have developed a separate question for each business unit depending on the type of business area a financial institution is a part of. Therefore, companies are requested to only answer those questions which are relevant to their business; the threshold being whether that business segment represents more than 5% of the company's overall revenue. Each of the questions pertaining to the integration of ESG criteria, as well as the ESG products/services offered for the respective business segments provide additional points to those companies that have the information publicly available.

Assessment 2019- Assessment Criteria Changes

Criteria	Key changes
Energy Mix	In the context of the new Task Force on Climate-related Financial Disclosures (TCFD) reporting recommendations, and to capture companies' contribution to a low carbon economy, RobecoSAM reviewed the questions of the existing "Exploration & Production" & "Gas Portfolio" criteria and will replace it with a new criterion "Energy Mix." The criterion is built on elements of existing questions, focusing on companies' ability to transform their business models while reducing their dependency on fossil fuels and towards more sustainable forms of energy. The criterion consists of 5 questions and applies only to the OGX Oil & Gas Upstream & Integrated Industry.
Raw Material Sourcing	In 2019, the Raw Material Sourcing criterion has been updated to better address the topic of agricultural raw materials and commodities. In particular, the questions "Guidelines and Standards for Agricultural Commodities" and "Certification of Agricultural Raw Materials" have both been updated and apply to the following industries: Beverages (BVG), Food & Staples Retailing (FDR), FOA Food Products (FOA), and Tobacco (TOB).
Living Wage	RobecoSAM has introduced the living wage criterion this year in the future questions section for selected industries (11) that, due to the relatively high percentage of low-pay workforce in their operations or in their supply chain, are particularly exposed to labour issues. The criterion aims at identifying those companies that have 1) adopted a living wage methodology to ensure that their employees/ suppliers/ contractors and/or franchisees are paid a living wage. From an investor perspective, companies paying a living wage not only reduce their risk exposure to labor issues but also sustain long-term growth based on 1) greater ability to attract and retain talent, 2) lower absenteeism, 3) increased productivity, and 4) reduced exposure to reputational risks leading to customer dissatisfaction.

DJSI Selection Rules

1. **Eligibility:** Companies are only eligible for selection if their score is at least 40% of the highest score within the respective index universe.
2. **Best-in-class selection*:** Select 10% best companies per industry for World (20% for World Enlarged/regional indices, 30% for country indices, 10% for Emerging Markets).
3. **Error margin:** Select companies outside the best-in-class interval if they are within an absolute 0.3 score distance of the last company selected in the respective industry in step 2.
4. **Buffer rule:** Select existing components if they are within the top 15% of their industry for World (30% for World Enlarged/regional indices, 45% for country indices, 15% for Emerging Markets).

* Industries may be merged to ensure that at least one company can be selected at the best-in-class level (provided it passes the eligibility criteria).

Assessment 2019- Industry Leaders

As of September 13th, 2019

Aerospace & Defense	Leonardo SpA	Italy
Airlines	Air France-KLM	France
Aluminium	Alcoa Corp	United States
Auto Components	Pirelli & C SpA	Italy
Automobiles	Peugeot SA	France
Banks	Banco Santander SA	Spain
Beverages	Thai Beverage PCL	Thailand

Assessment 2019- Industry Leaders

As of September 13th, 2019

Biotechnology	Biogen Inc	United States
Building Products	Owens Corning	United States
Casinos & Gaming	Star Entertainment Grp Ltd	Australia
Chemicals	PTT Global Chemical PCL	Thailand
Coal & Consumable Fuels	Banpu PCL	Thailand
Commercial Services & Supplies	Waste Management Inc	United States
Communications Equipment	Cisco Systems Inc	United States

Assessment 2019- Industry Leaders

As of September 13th, 2019

Computers & Peripherals and Office Electronics	Hewlett Packard Enterprise Co	United States
Construction & Engineering	Ferrovial SA	Spain
Construction Materials	Grupo Argos SA/Colombia	Colombia
Containers & Packaging	BillerudKorsnas AB	Sweden
Diversified Financial Services and Capital Markets	UBS Group AG	Switzerland
Electric Utilities	Terna Rete Elettrica Nazionale SpA	Italy
Electrical Components & Equipment	Signify NV	Netherlands

Assessment 2019- Industry Leaders

As of September 13th, 2019

Electronic Equipment, Instruments & Components	Delta Electronics Inc	Taiwan
Energy Equipment & Services	Saipem SpA	Italy
Food & Staples Retailing	CP ALL PCL	Thailand
Food Products	Thai Union Group PCL	Thailand
Gas Utilities	Naturgy Energy Group SA	Spain
Health Care Equipment & Supplies	Abbott Laboratories	United States
Health Care Providers & Services	Cigna Corp	United States

Assessment 2019- Industry Leaders

As of September 13th, 2019

Homebuilding	Sumitomo Forestry Co Ltd	Japan
Hotels, Resorts & Cruise Lines	Hilton Worldwide Holdings Inc	United States
Household Durables	Arcelik AS	Turkey
Household Products	Colgate-Palmolive Co	United States
Industrial Conglomerates	SK Holdings Co Ltd	Republic of Korea
Insurance	Allianz SE	Germany
Interactive Media, Services & Home Entertainment	Alphabet Inc	United States

Assessment 2019- Industry Leaders

As of September 13th, 2019

IT Services	Atos SE	France
Leisure Equipment & Products and Consumer Electronics	LG Electronics Inc	Republic of Korea
Life Sciences Tools & Services	Agilent Technologies Inc	United States
Machinery and Electrical Equipment	CNH Industrial NV	United Kingdom
Media, Movies & Entertainment	Telenet Group Holding NV	Belgium
Metals & Mining	Teck Resources Ltd	Canada
Multi and Water Utilities	Engie SA	France

Assessment 2019- Industry Leaders

As of September 13th, 2019

Oil & Gas Refining and Marketing	Thai Oil PCL	Thailand
Oil & Gas Storage & Transportation	Enagas SA	Spain
Oil & Gas Upstream & Integrated	PTT Exploration & Production PCL	Thailand
Paper & Forest Products	UPM-Kymmene Oyj	Finland
Personal Products	Unilever NV	Netherlands
Pharmaceuticals	GlaxoSmithKline PLC	United Kingdom
Professional Services	SGS SA	Switzerland

Assessment 2019- Industry Leaders

As of September 13th, 2019

Real Estate	Dexus	Australia
Restaurants & Leisure Facilities	Sodexo SA	France
Retailing	Wesfarmers Ltd	Australia
Semiconductors & Semiconductor Equipment	ASE Technology Holding Co Ltd	Taiwan
Software	SAP SE	Germany
Steel	Hyundai Steel Co	Republic of Korea
Telecommunication Services	True Corp PCL	Thailand

Assessment 2019- Industry Leaders

As of September 13th, 2019

Textiles, Apparel & Luxury Goods	Moncler SpA	Italy
Tobacco	British American Tobacco PLC	United Kingdom
Trading Companies & Distributors	ITOCHU Corp	Japan
Transportation and Transportation Infrastructure	Royal Mail PLC	United Kingdom

DJSI World- Selection



Effective as of September 23rd, 2019

Source: ESG Ratings

DJSI World – Largest Additions & Deletions

Largest 10 Additions

(Ranked by Float Adjusted Market Capitalization as per 31st July 2019)

Name	Country	Industry Group
Alphabet Inc	United States	Media & Entertainment
CVS Health Corp	United States	Health Care Equipment & Services
Reckitt Benckiser Group PLC	United Kingdom	Household & Personal Products
National Australia Bank Ltd	Australia	Banks
Prologis Inc	United States	Real Estate
Takeda Pharmaceutical Co Ltd	Japan	Pharmaceuticals, Biotechnology & Life Sciences
Edwards Lifesciences Corp	United States	Health Care Equipment & Services
Illumina Inc	United States	Pharmaceuticals, Biotechnology & Life Sciences
eBay Inc.	United States	Retailing
Hilton Worldwide Holdings Inc	United States	Consumer Services

Largest 10 Deletions

(Ranked by Float Adjusted Market Capitalization as per 31st July 2019)

Name	Country	Industry Group
Citigroup Inc*	United States	Banks
Royal Dutch Shell PLC	United Kingdom	Energy
3M Co	United States	Capital Goods
Novo Nordisk A/S	Denmark	Pharmaceuticals, Biotechnology & Life Sciences
Schlumberger Ltd*	United States	Energy
DuPont de Nemours Inc	United States	Materials
Vinci SA	France	Capital Goods
ING Groep NV	Netherlands	Banks
EssilorLuxottica SA	France	Consumer Durables & Apparel
Nokia OYJ	Finland	Technology Hardware & Equipment

*Remains a component of another DJSI (DJSI North America)

DJSI Europe- Selection



*Countries: United Kingdom, Sweden, Netherlands, Norway, Spain, France, Ireland, Germany, Italy, Switzerland, Portugal, Finland, Belgium, Denmark
Effective as of September 23rd, 2019

DJSI Europe– Largest Additions & Deletions

Largest 5 Additions

(Ranked by Float Adjusted Market Capitalization as per 31st July 2019)

Name	Country	Industry Group
Sanofi	France	Pharmaceuticals, Biotechnology & Life Sciences
Reckitt Benckiser Group PLC	United Kingdom	Household & Personal Products
BNP Paribas SA	France	Banks
Anglo American PLC	United Kingdom	Materials
Telefonaktiebolaget LM Ericsson	Sweden	Technology Hardware & Equipment

Largest 5 Deletions

(Ranked by Float Adjusted Market Capitalization as per 31st July 2019)

Name	Country	Industry Group
Schneider Electric SE*	France	Capital Goods
ING Groep NV	Netherlands	Banks
EssilorLuxottica SA	France	Consumer Durables & Apparel
Nokia OYJ	Finland	Technology Hardware & Equipment
Experian PLC	United Kingdom	Commercial & Professional Services

*Remains a component of another DJSI (DJSI World)

Source: ESG Ratings

DJSI Asia Pacific- Selection



*Countries: Japan, Australia, Hong Kong, Singapore, Republic of Korea, New Zealand
Effective as of September 23rd, 2019

DJSI Asia Pacific– Largest Additions & Deletions

Largest 5 Additions

(Ranked by Float Adjusted Market Capitalization as per 31st July 2019)

Name	Country	Industry Group
Recruit Holdings Co Ltd	Japan	Commercial & Professional Services
Hang Seng Bank Ltd	Hong Kong	Banks
Eisai Co Ltd	Japan	Pharmaceuticals, Biotechnology & Life Sciences
Olympus Corp	Japan	Health Care Equipment & Services
MEIJI Holdings Co Ltd	Japan	Food, Beverage & Tobacco

Largest 5 Deletions

(Ranked by Float Adjusted Market Capitalization as per 31st July 2019)

Name	Country	Industry Group
Hitachi Ltd	Japan	Technology Hardware & Equipment
Insurance Australia Group Ltd*	Australia	Insurance
Sumitomo Mitsui Trust Holdings Inc	Japan	Banks
Sumitomo Electric Industries Ltd	Japan	Automobiles & Components
Lotte Chemical Corp**	Republic of Korea	Materials

*Remains a component of another DJSI - DJSI Australia

**Remains a component of another DJSI - DJSI Korea

DJSI North America- Selection



*Countries: North America, Canada.
Effective as of September 23rd, 2019

Source: ESG Ratings

DJSI North America– Largest Additions & Deletions

Largest 5 Additions

(Ranked by Float Adjusted Market Capitalization as per 31st July 2019)

Name	Country	Industry Group
Alphabet Inc	United States	Media & Entertainment
QUALCOMM Inc	United States	Semiconductors & Semiconductor Equipment
Lowe's Cos Inc	United States	Retailing
BlackRock Inc	United States	Diversified Financials
Marathon Petroleum Corp	United States	Energy

Largest 5 Deletions

(Ranked by Float Adjusted Market Capitalization as per 31st July 2019)

Name	Country	Industry Group
Johnson & Johnson	United States	Pharmaceuticals, Biotechnology & Life Sciences
Walt Disney Co	United States	Media & Entertainment
Intel Corp	United States	Semiconductors & Semiconductor Equipment
3M Co	United States	Capital Goods
Enbridge Inc	Canada	Energy

DJSI Emerging Markets- Selection



*Countries: South Africa, Brazil, Colombia, Thailand, Mexico, Chile, Taiwan, China, Turkey, Philippines, India, Malaysia, United Arab Emirates, Russian Federation
Effective as of September 23rd, 2019

DJSI Emerging Markets- Largest Additions & Deletions

Largest 5 Additions

(Ranked by Float Adjusted Market Capitalization as per 31st July 2019)

Name	Country	Industry Group
Ping An Insurance Group Co of China Ltd	China	Insurance
WH Group Ltd	Hong Kong	Food, Beverage & Tobacco
Advanced Info Service PCL	Thailand	Telecommunication Services
Yuanta Financial Holding Co Ltd	Taiwan	Diversified Financials
President Chain Store Corp	Taiwan	Food & Staples Retailing

Largest 5 Deletions

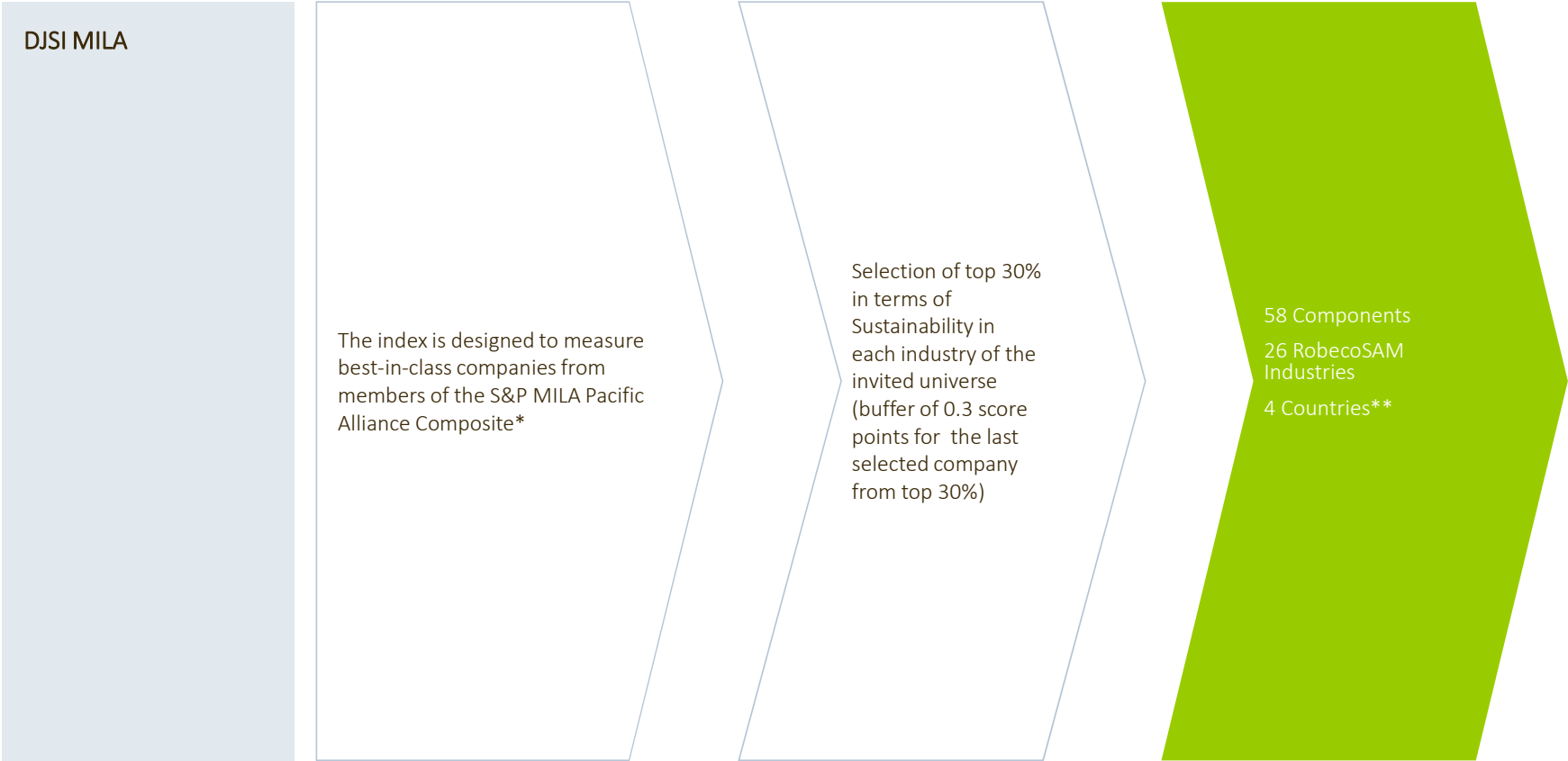
(Ranked by Float Adjusted Market Capitalization as per 31st July 2019)

Name	Country	Industry Group
Sanlam Ltd	South Africa	Insurance
Siam Cement PCL*	Thailand	Materials
Woolworths Holdings Ltd/South Africa*	South Africa	Retailing
Embraer SA	Brazil	Capital Goods
Yes Bank Ltd	India	Banks

*Remains a component of another DJSI (DJSI World)

Source: ESG Ratings

DJSI MILA- Selection



*S&P/BMV IPC CompMx, S&P/BMV FIBRAS Index, S&P/BVL Peru General Index, S&P Colombia BMI, S&P/CLX IGPA LargeCap, S&P/CLX IGPA MidCap, S&P/CLX IGPA SmallCap

**Countries: Colombia, Chile, Mexico, Peru

Effective as of September 23rd, 2019

Source: ESG Ratings

DJSI MILA Pacific Alliance- Largest Additions & Deletions

Largest 5 Additions

(Ranked by Float Adjusted Market Capitalization as per 31st July 2019)

Name	Country	Industry Group
America Movil SAB de CV	Mexico	Telecommunication Services
Southern Copper Corp	Peru	Materials
Kimberly-Clark de Mexico SAB de CV	Mexico	Household & Personal Products
Arca Continental SAB de CV	Mexico	Food, Beverage & Tobacco
Cia Cervecerias Unidas SA	Chile	Food, Beverage & Tobacco

Largest Deletions

(Ranked by Float Adjusted Market Capitalization as per 31st July 2019)

Name	Country	Industry Group
Qualitas Controladora SAB de CV	Mexico	Insurance
Axtel SAB de CV	Mexico	Telecommunication Services

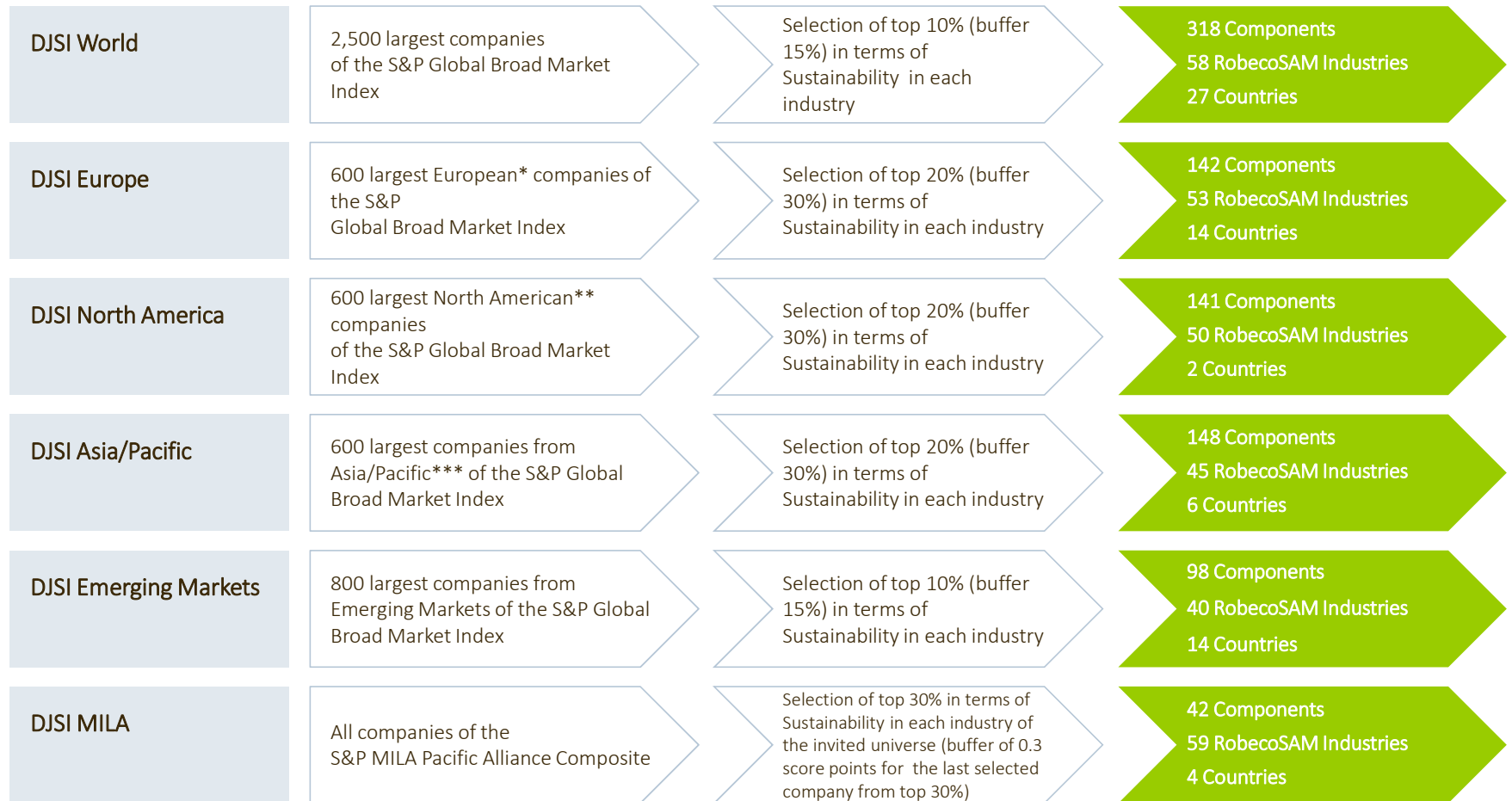
Evaluation process and DJSI selection

*Countries: United Kingdom, Sweden, Netherlands, Norway, Spain, France, Ireland, Germany, Italy, Switzerland, Portugal, Finland, Belgium, Denmark

** Countries: Canada and United States

*** Countries: Japan, Australia, Hong Kong, Singapore, Republic of Korea, New Zealand

Existing index members will be re-invited if their market capitalization is above a specified threshold eg. 500 million USD for DJSI World.



Dow Jones Sustainability Index Committee Decisions

- The indices are governed by the DJSI Index Committee consisting of an equal number of S&P Dow Jones Indices and RobecoSAM representatives.
- It is the sole responsibility of the Index Committee to decide on all matters relating to methodology, maintenance, constituent selection in accordance with the index rules and index procedures.
- One of the crucial roles of the Dow Jones Sustainability Index Committee is evaluating exclusions of components of the Indices as a result of reputational issues and crisis situations
- This year the Dow Jones Sustainability Index Committee (DJSIC) decided to **exclude 3 new companies, maintain the exclusion on 10 companies and lift the exclusion on 2 companies.**

Additional Resources

- **Information for companies on the Corporate Sustainability Assessment (CSA):**
www.robecosam.com/csa
- **Further information about the 2019 DJSI Review:**
<https://www.robecosam.com/csa/csa-resources/djsi-csa-annual-review.html>
- **RobecoSAM CSA 2019 – Annual Methodology & Scoring Review**
https://assessments.robecosam.com/documents/DJSI_CSAMethodology_MethodologyReview.pdf
- **Deloitte Assurance Statement**
https://assessments.robecosam.com/documents/DJSI_CSA_Assurance_Statement.pdf
- **For other documents visit our CSA Resource Center:**
www.robecosam.com/csa/resources

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