

DJSI World: two years on



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In the inaugural issue of this magazine, and in its first anniversary issue, this column described the impact of sustainability on asset management. We focused on the Dow Jones Sustainability World Index (DJSI World) as the industry leader in sustainable investing. As promised, this is our annual update.

In September 2001 Dow Jones Indexes and the SAM Group announced the results of their annual review. The DJSI World, as of 5 October 2001, will include 311 companies representing 62 industries in 26 countries. They have a market capitalisation of approximately €6 trillion (\$5.5 trillion). This compares with last year's index of 236 companies and a market capitalisation of around €4 trillion. The full list of constituents can be seen on the following web page: http://www.sustainability-index.com/djsi_world/components.html

This year's annual review was marked by greater corporate interest in the indexes. An additional 500 companies were added to last year's universe of 2,000 screened companies. 1,000 companies were rated and 500 questionnaires were completed and returned. Companies could also make use of an interactive web-based questionnaire.

The focus on independent verification and transparency was heightened. For the first time, a list of the leading companies in the DJSI World by corporate sustainability score and market sector was published.

Market acceptance of DJSI World continues. The number of licensees has almost doubled in the last year and it includes some of the premier financial institutions in the world. Products range from mutual funds and segregated accounts to equity baskets. Assets managed in these portfolios now amount to more than €2.2 billion.

The reason for this growth appears to be one single factor: performance. The recent bear market suggests that this index is still quite robust during difficult economic times.

Expanding on the success of the DJSI World, Dow Jones Indexes, STOXX Ltd and SAM Group recently announced the launch of a new set of sustainability indexes for European portfolios, containing only European companies. There will be more on this in a future column.

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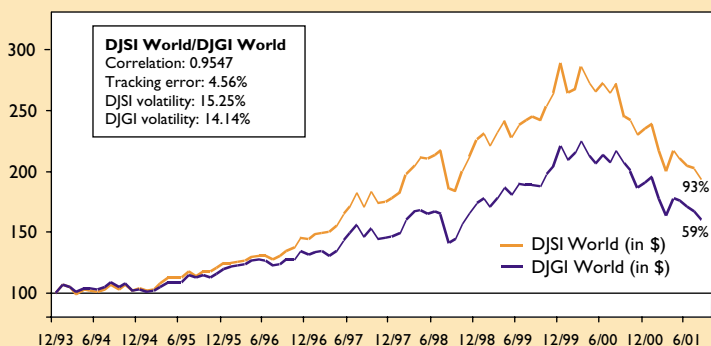
Table 1. Leading companies by score and sector

Company (country)	Market sector
Volkswagen (Ger)	Auto
UBS Group (Switz)	Bank
Dofasco (Can)	Basic resources
Dow Chemical Co (US)	Chemical
Skanska (Swe)	Construction
Sony Corp (Jap)	Cyclical goods/services
Royal Dutch Petroleum/Shell Transport & Trading (Neth)	Energy
ING Groep (Neth)	Financial Services
Unilever (Neth)	Food & beverage makers
Bristol-Myers Squibb (US)	Healthcare
Minnesota Mining & Manufacturing (US)	Industrial goods/services
Swiss Re (Switz)	Insurance
Granada Media (UK)	Media
Procter & Gamble (US)	Non-cyclical goods/services
Ito-Yokado Co (Jap)	Retail
Intel Corp (US)	Technology
British Telecommunications (UK)	Telecommunications
Severn Trent (UK)	Utilities

Table 2. Current licensees

Institution (country)	Product offered
Westpac IM (Australia)	Index fund
Kepler Fonds KAG (Austria)	Fund
Cordius Asset Management (Bel)	Fund
Rothschild & Cie Gestion (Fr)	Fund
HypoVereinsbank (Ger)	Warrant
DWS (Ger)	Fund
Fürst Fugger Privatbank (Ger)	Fund
Gerling Investment KAG (Ger)	Fund
GZ Bank (Ger)	Equity linked note
Invesco (Ger)	Fund
Oppenheim KAG (Ger)	Fund
State Street Global Advisors (Ger)	Fund
Union Investment (Ger)	Fund
BNL Gestioni (Italy)	Fund
Nikko Asset Management (Jap)	Fund
Banque Générale de Luxembourg	Fund
Deutsche Postbank (Lux)	Fund
Aegon (Neth)	Fund
ING Fund Management (Neth)	Fund
Rabobank (Neth)	Certificate
Robeco Groep (Neth)	Fund
Folksam Sak (Swe)	Fund
Skandinaviska Enskilda Bank (Swe)	Fund
SPP (Swe)	Fund
Baloise Insurance (Switz)	Fund
Credit Suisse Asset Man (Switz)	Fund
Sustainable Asset Man (Switz)	Fund
Sustainable Perf Group (Switz)	Investment co
Synchrony Asset Man (Switz)	Certificate

DJSI World/DJGI World: comparative performance



IN MEMORIAM

Carlton Bartels (1958–2001)

A dear friend and colleague, Carlton's vision and work on emissions trading will stay with us. Our feelings are perhaps best expressed by John Donne's poem:

"No man is an island, entire of itself; every man is a piece of the continent, a part of the main. If a clod be washed away by the sea, Europe is the less, as well as if a promontory were, as well as if a manor of thy friend's or of thine own were: any man's death diminishes me, because I am involved in mankind, and therefore never send to know for whom the bells tolls; it tolls for thee."

John Donne (1624)