

DJSI

Driving Performance; Maximising Value

Since its launch in 1999, the Dow Jones Sustainability Index's (DJSI) ground-breaking approach – focusing on the economic, environmental and social factors that directly affect companies' long-term financial performance – has helped to firmly establish these issues with mainstream investors.

Over the course of nearly twenty years, Corporate Citizenship has worked with companies around the world to complete their Corporate Sustainability Assessment (CSA) from RobecoSAM.

Although some find the questionnaire taxing, in our experience, effective engagement with DJSI can drive not just external recognition but internal improvements too.

DJSI can act as a baseline to drive performance improvements.

There are three main internal benefits:

1. It establishes an understanding of the most financially material sustainability issues for a company.
2. It helps secure buy-in from senior management.
3. It facilitates discussions about leading-edge practices that can help create leading companies.

We've seen how the assessment can help with everything from benchmarking best practice, setting targets and providing independent validation of policies to building the internal case for sustainability, understanding external expectations and engaging with customers, stakeholders, and investors.



How can companies improve their performance in DJSI?

There are six crucial steps that need to be addressed for companies to improve on their previous year's scores.

1. Get in alignment with DJSI thinking

Year-on-year improvement can only be achieved if those submitting dedicate a large proportion of their time to thoroughly preparing responses. Many companies make the error of thinking DJSI is about sharing their perspectives.

DJSI is a rational, rules-driven exercise that collects key pieces of information and evaluates them. Each question has a rationale. Each question precisely outlines what information is needed.

Understand what is being asked and why. Then answer the questions fully.

2. Identify the right colleagues to help

The questions are focussed on a variety of topics, ranging from environmental management to human resources. You can only succeed if you secure the co-operation of colleagues from a range of functions. Their co-operation is crucial to success.



1	Economic Dimension	
▶ 1.1	Corporate Governance	
▶ 1.2	Materiality	
▶ 1.3	Risk & Crisis Management	
▶ 1.4	Codes of Business Conduct	
▶ 1.5	Customer Relationship Management	
▶ 1.6	Policy Influence	Environmental Dimension
▶ 1.7	Supply Chain Management	Environmental Reporting
▶ 1.8	Brand Management	Environmental Policy & Management Systems
▶ 1.9	Tax Strategy	Rational Eco-Efficiency
▶ 1.10	Impact Measurement & Valuation	Climate Strategy
▶ 1.11	Innovation Management	Genetically Modified Organisms
▶ 1.12	Health & Nutrition	Marketing
▶ 1.13	Strategy for Emerging Markets	Raw Material Sourcing
		▶ 2.8 Water Related Risks

3. Get colleagues on board

With the exception of colleagues in Investor Relations, few will have seen anything quite like the DJSI questionnaire. Left to themselves they may answer questions in line with their own professional discipline and character type. They require support and assistance to prepare the appropriate response, thus collaboration with colleagues is key.

4. Recognise the purpose of each question

Each question comes with a question rationale. This explains the background to the issue. It also states the specific purpose of the Question: *“With this question RobecoSAM seeks to...”* These are designed to provide useful guidance on *highly* structured questions *tightly* organised around the data that is used to determine scores.

Lead colleagues through the logic of the structure. Enable them to ask questions. Once they can see the logic, they will be able to provide the answer.

5. Remember if it's not in your answer, it won't get a mark

The marks are generated by the data shared. If the data is not shared, an assessment cannot be made, so no mark will follow. In the first year of responding, some companies are unduly sensitive about sharing internal information, even confidentially. This often has a negative impact on the score. If your aim is to maximise your mark, then you must maximise the completeness of the answer.

6. Use the detailed scorecard provided to identify a path to improvement

In September each responding company receives a detailed scorecard. Companies should use it to target improvements, going back to answers and working out where there was a failure to answer or performance was below par.

You should discuss with the relevant colleague what steps they can take to improve performance.

Corporate Sustainability Assessment Results

	Company Score	Percentile Ranking	Industry Average	Industry Best	Average Score of DJSI Members					Weight (%)
					World	Europe	North America	Asia Pacific	Emerging Markets	
Total Sustainability Score:	65	54	56	93	87	86	78	84	67	100
Economic Dimension	62	46	61	90	86	85	77	83	70	44
Antitrust Policy	25	0	57	100	81	76	53	95	83	2
Brand Management	83	76	58	100	91	92	76	84	64	4
Codes of Conduct/Compliance/Corruption&Bribery	75	50	76	98	91	91	90	85	82	6
Corporate Governance	77	82	66	88	74	76	74	68	58	6
Customer Relationship Management	29	24	51	94	87	84	67	84	75	6
Innovation Management	30	52	32	98	84	79	57	84	52	2
Privacy Protection	89	58	75	100	98	97	98	97	89	6
Risk & Crisis Management	60	68	54	93	79	77	70	80	66	6
Supply Chain Management	67	56	59	99	90	91	85	82	61	4
Tax Strategy	30	0	54	100	81	81	65	73	52	2
Environmental Dimension	60	64	49	98	86	84	77	86	56	21
Climate Strategy	74	64	56	100	94	96	94	92	66	4
Electro Magnetic Fields	68	70	41	100	85	83	71	97	52	3
Environmental Policy/Management System	57	52	61	100	89	87	70	89	58	4
Environmental Reporting	86	76	55	99	92	91	79	87	67	4
Operational Eco-Efficiency	32	48	34	100	75	72	73	73	44	6
Social Dimension	70	64	54	94	87	87	80	86	68	35
Corporate Citizenship and Philanthropy	80	60	52	100	96	97	95	85	85	3
Digital Inclusion	89	92	53	100	84	84	66	80	74	4
Human Capital Development	30	34	44	100	78	74	74	87	61	5
Impact of Telecommunication Services	100	68	48	100	98	100	79	92	50	3
Labor Practice Indicators and Human Rights	65	50	66	100	92	92	76	93	77	5
Occupational Health and Safety	79	54	66	99	95	94	95	97	75	3
Social Reporting	87	84	52	98	88	90	74	77	61	4
Stakeholder Engagement	84	76	58	98	91	90	83	83	60	3
Talent Attraction & Retention	49	40	52	94	76	71	84	80	69	5
Minimum Total Sustainability Score for Index Inclusion					84	84	73	70	55	

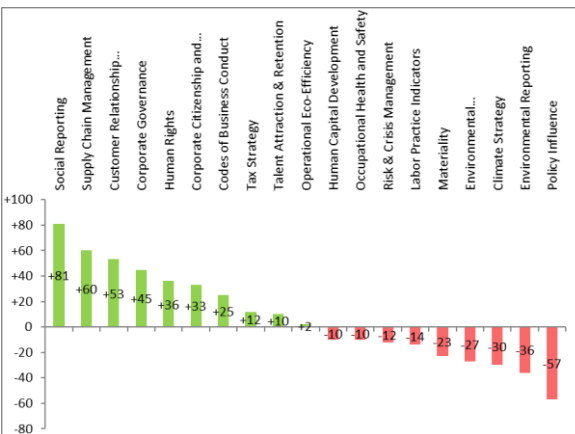
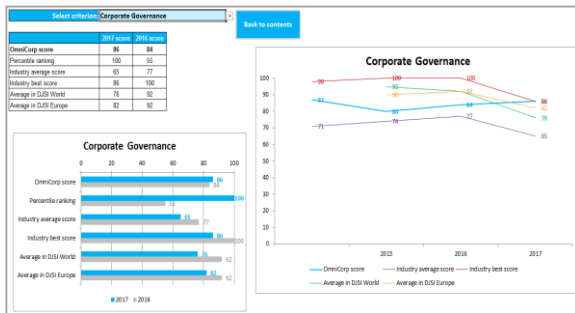
Explanations: Percentile ranking, industry average and industry best scores are presented for comparison within the industry. Average scores on criterion level are provided for index members within each industry. The minimum lowest score for inclusion in each index is provided at the bottom, excluding the buffer rule and the error margin. For each row, weightings are shown in the last column as a percentage of the total weight of 100. All values are on a scale from 0 to 100. Further information on the assessment methodology can be found on www.sustainability-indices.com

Creating Value from DJSI

DJSI is not just another index or ranking that benefits only the sustainability department. The process takes an organisation on a collaborative journey, identifying areas of improvement to increase its performance in sustainability and as a business as a whole. Working with colleagues in different departments can establish valuable material insights that needn't otherwise be known, and likewise highlight areas that may be lacking in policy.

External support brings a wealth a deep knowledge and expertise to the process. Corporate Citizenship has been working with clients on their submissions for almost 20 years and has taken companies through the process as it has evolved, bringing simplicity to what can be deemed a complex journey. We facilitate the process of responding to enable companies to confidently approach the questionnaire with guidance and assurance – maximising value in the process.

Criteria	Dow Jones score	Best score	Gap to best	Weighted gap to best
Totals (Company best and "best possible")	77	94		95
Policy Influence	69	100	31	2.48
Occupational Health and Safety	67	97	30	1.60
Operational Eco-Efficiency	76	95	19	1.33
Environmental Reporting	65	91	26	1.30
Talent Attraction & Retention	66	94	28	1.30
Human Rights	73	91	18	1.26
Human Capital Development	74	99	25	1.00
Social Reporting	57	90	33	0.99
Risk & Crisis Management	83	100	17	0.85
Climate Strategy	59	100	41	0.77
Corporate Citizenship and Philanthropy	68	88	20	0.60
Materiality	81	100	19	0.57
Environmental Policy/Management System	83	93	10	0.50
Customer Relationship Management	92	98	6	0.48
Supply Chain Management	92	97	5	0.40
Tax Strategy	76	85	9	0.18
Labor Practice Indicators	92	94	2	0.08
Codes of Business Conduct	100	100	0	0.00
Corporate Governance	86	88	2	0.09





To learn more about our approach or for support on your own materiality assessment, please contact our team:
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