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.
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.

3. Get colleagues on board

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.

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

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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.
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 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.
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