

Indexes in the Area of Corporate Responsibility



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Structure of the presentation

1. Why do we have CR indexes?
2. Examples of indexes
3. Process of CRI
4. Corporate Sustainability Assessment
5. Examples of companies using indexes
6. Results & Summary

Questions

Is it necessary to measure performance of CSR?

What benefits does a company have from it?



1. Why do we have CR indexes?

- Socially responsible investing (SRI) more popular
- The indexes -> more investors and other interest groups to concentrate on socially and environmentally responsible investing.
- CSR has become a part of the overall business strategy
- Benchmark your business
- Seek recognition for CSR best practice - eg in publications such as [CR Index Insights Report](#) or responsible business award

2. Examples of indexes

- The indexes:
 - encourages reporting
 - spreads information regarding CR performance
 - supports the organisations in developing their CR strategies
- The different indexes have different basic underlying criteria.

2. Examples of indexes

- **The Dow Jones Sustainability Indexes (1999)**
 - analyses 3 aspects; economy, environmental protection and social responsibility
- **Calvert Social Index**
 - economic situation of American companies
 - select companies according to the type of product, environment, workplace and integrity



Dow Jones
Sustainability Indexes



2. Examples of indexes

CRITERIA AND WEIGHTINGS

Corporate Sustainability Assessment Criteria

Dimension	Criteria	Weighting (%)
Economic	Codes of Conduct / Compliance / Corruption & Bribery	5.5
	Corporate Governance	6.0
	Risk & Crisis Management	6.0
	Industry Specific Criteria	Depends on Industry
Environment	Environmental Performance (Eco-Efficiency)	7.0
	Environmental Reporting*	3.0
	Industry Specific Criteria	Depends on Industry
Social	Corporate Citizenship/ Philanthropy	3.5
	Labor Practice Indicators	5.0
	Human Capital Development	5.5
	Social Reporting*	3.0
	Talent Attraction & Retention	5.5
	Industry Specific Criteria	Depends on Industry

*Criteria assessed based on publicly available information only

(The McIlvaine Company, 2018)

2. Examples of indexes

- **FTSE4GOOD series**
 - Calculate entire world, selected markets and regions
 - Negative selection; tobacco, nuclear power and arms industries
 - Positive selection; environmental protection & positive relations, human rights and social issues
- **Business in the Community CR Index**



FTSE4Good



2. Examples of indexes

- **S&P Dow Jones Indices**
- **STOXX Sustainability Indices**
- **KLD Global Sustainability Index Series**
- **ESIs – Ethibel Sustainability Indices**
- **SIX Swiss Exchange Indices**
- **ASPI Eurozone**
- **ECPI Ethical Index**
- **Global Compact 100 Index**
- **Jantzi Social Index**
- **FTSE Johannesburg Stock Exchange Socially Responsible Index**
- **Sao Paulo Stock Exchange Corporate Sustainability Index**

STOXX



3. Process of CRI

1. Preparation
2. Self-assessment
3. Validation
4. Scores & feedback
5. Results Publication
6. Implement change

3. Process of CRI

- CRI operates on an annual cycle. Survey opens each September.
- Scores and feedback is given to all participants. Publicly available via media partners (Financial Times)
- Participating companies
 - > Turnover of £250 m
 - > £125 m in assets
 - >1500 employees
- In what is CRI different?

4. The Corporate Sustainability Assessment CSA



- RobecoSAM CSA is an annual evaluation of companies' sustainability practices
- over 3400 companies around the world are asked between 80 - 120 questions -> industry-specific questionnaire
- based on a range of financially relevant sustainability criteria covering the economic, environmental and social dimensions
- Companies receive a Total Sustainability Score between 0-100 and are ranked against other companies in their industry
- it is the backbone for the construction of the Dow Jones Sustainability Indices (DJSI)

4. CSA – What Drives Companies to Participate?

- Gives visibility and credibility to your sustainability performance
- Drives strategic decisions within the company
- Communicating CSA results to employees makes them proud
- Eases stakeholder dialogues, for example with critical NGOs
- CSA participation can be seen as a management tool
- Attract a growing number of sustainability-focused investors
- Reputation and brand – Identify yourself as a sustainability leader to your internal and external stakeholders

Increasing company participation since 1999



The list of the
most
performing
companies in
the field of CSR
(*CR Magazine, 2018*)

Russell 1000 Index



Results & Summary

- ➔ Advantages
- ➔ Part of business strategy
- ➔ Reflection of CR in company
- ➔ Different kinds of indexes
- ➔ 6 steps to introduce CRI
- ➔ Ranking list

Thank you
for your attention

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