

# DJSI Corporate Sustainability Assessment Methodology and Review 2002

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## Highlights of corporate sustainability review 2002

- Strong increase in companies' interest and participation – many sectors with an increased level of sustainability competition and quality
- 2500 companies invited, 1000 companies screened, over 500 questionnaires returned
- Use of a web-based interactive questionnaire
- Stronger focus on verification of company information

## Focus on transparency

Available at [www.sustainability-indexes.com](http://www.sustainability-indexes.com):

- Questionnaire, methodology, criteria and their relative weightings (DJSI Guidebook)
- Overviews of rating results
- Detailed Benchmarking Reports of Sector Leaders
- Feedback: over 500 Benchmarking Reports (3 pg) and detailed Excel report listing all criteria sent all participating company's
- External verification letter (PriceWaterhouseCoopers)

## Attributes of the SAM Methodology

- **Integrated** assessment of economic, social and environmental criteria with a strong focus on long-term value creation
- **Consistent rule-based methodology**, primary research
- **Coverage** of 59 industries world-wide using specific assessment criteria
- **Yearly review** to reflect best-practices
- **Continuous monitoring** of companies throughout the year

## Highlights of SAM Corporate Sustainability Screening Methodology 2002

- Alignment with **shareholder value creation drivers**
- Integration of **financial soundness** criteria
- **Integrated** assessment of sustainability and core business
- Validation of company policies and management systems with **performance** data
- Stronger focus on **verification** of company information

## Global Sustainability Trends

### Economic trends

- Innovation
- Intellectual capital
- Accountability/  
reputation & brands at  
stake
- Empowerment of  
consumers

### Environmental trends

- Ecological risk-  
awareness
- Dematerialization
- Global warming
- Scarcity of natural  
resources

### Social trends

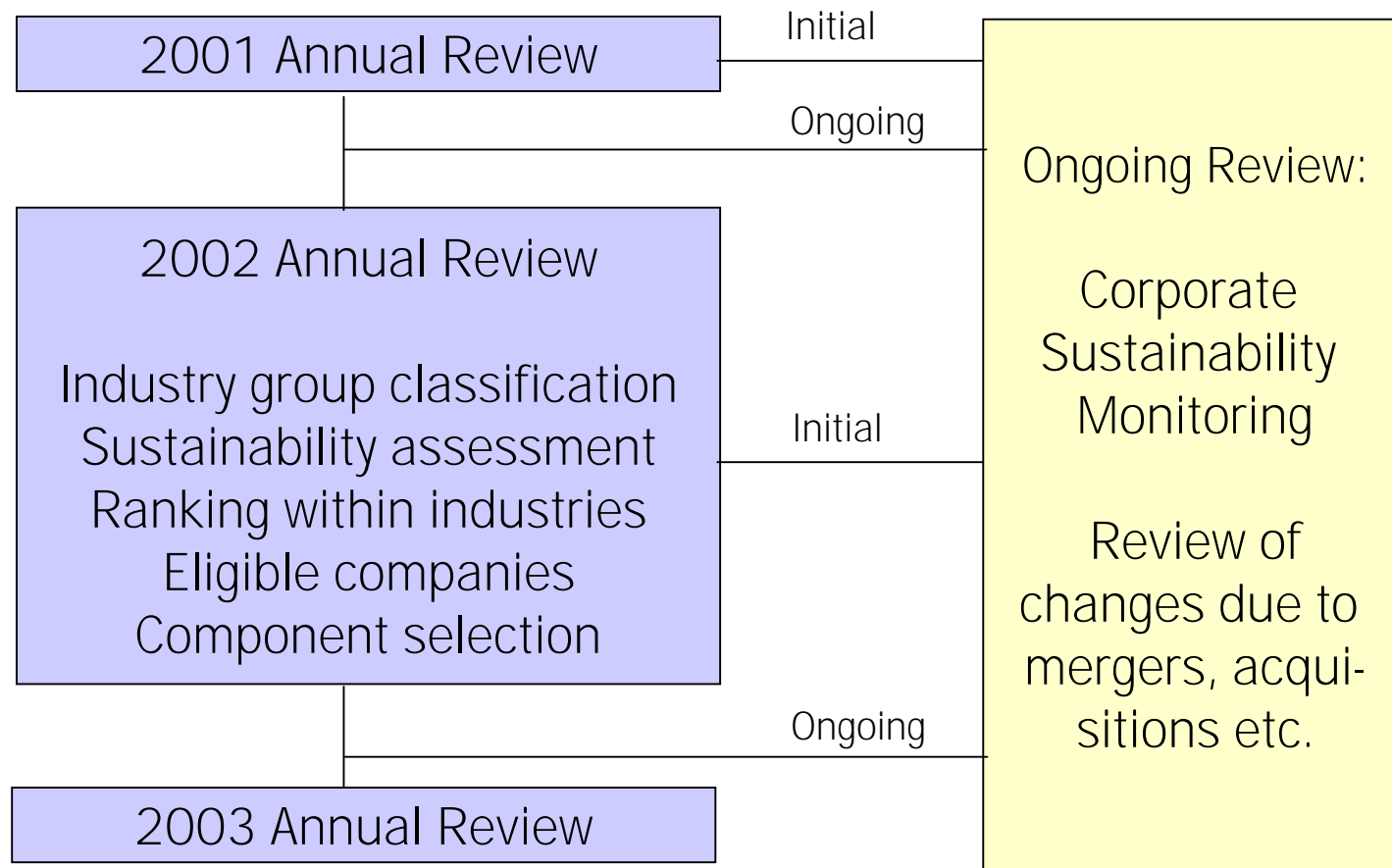
- Human rights
- Life-long learning
- Ageing populations
- New lifestyles

## Selected assessment criteria

Complete list available at [www.sustainability-indexes.com](http://www.sustainability-indexes.com)

	Strategy / Management	Products / Industry specific aspects
Economic	<ul style="list-style-type: none"> <li>• Strategic planning</li> <li>• Corporate governance</li> <li>• Intellectual capital mgmt.</li> </ul>	<ul style="list-style-type: none"> <li>• Product focus on sustainability trends</li> <li>• Alliances/partnerships</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Environmental mgmt. Systems</li> <li>• Env. Performance</li> <li>• Sustainability reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Eco-design of products</li> <li>• Genetic engineering</li> <li>• Animal testing</li> </ul>
Social	<ul style="list-style-type: none"> <li>• Employee relations</li> <li>• Stakeholder involvement</li> <li>• Human rights policies</li> </ul>	<ul style="list-style-type: none"> <li>• Social guidelines for suppliers</li> </ul>

## Component selection process



## Results of selection process 2002 DJSI World

### Dow Jones Global Index

2,500 largest companies  
59 DJSI Industry Groups  
33 countries

### Component Selection

Best-In-Class, Top 10% leading  
sustainability companies in each  
industry group

20% target market cap coverage  
in each industry group

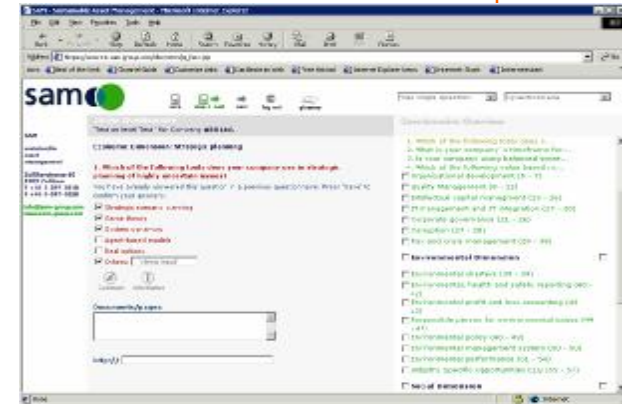
### DJSI World

310 Components  
59 DJSI industry groups  
23 countries

## Corporate Sustainability Assessment

### 1. Online Questionnaire

- 59 industry specific questionnaires
- Detailed glossary
- Indicate overlap with GRI questions
- Comments field



### 2. Verification

- Company documents and policies
- Publicly available information
- Contact to company
- Media and stakeholder analysis



# Online Questionnaire 2002

**sam**

View single question | Questionnaire

**Online Questionnaire**  
'Test on level Test ' for Company **ABB Ltd.**

**Economic Dimension: Strategic planning**

**1. Which of the following tools does your company use in strategic planning of highly uncertain issues?**

You have already answered this question in a previous questionnaire. Press 'Save' to confirm your answers.

- Strategic scenario planning
- Game theory
- System dynamics
- Agent-based models
- Real options
- Others: [string input]

Comment Information

**Documents/pages:**

http:// [input field]

**Questionnaire Overview**

1. Which of the following tools does y...
2. What is your company`s timeframe for...
3. Is your company using balanced score...
4. Which of the following value based m...

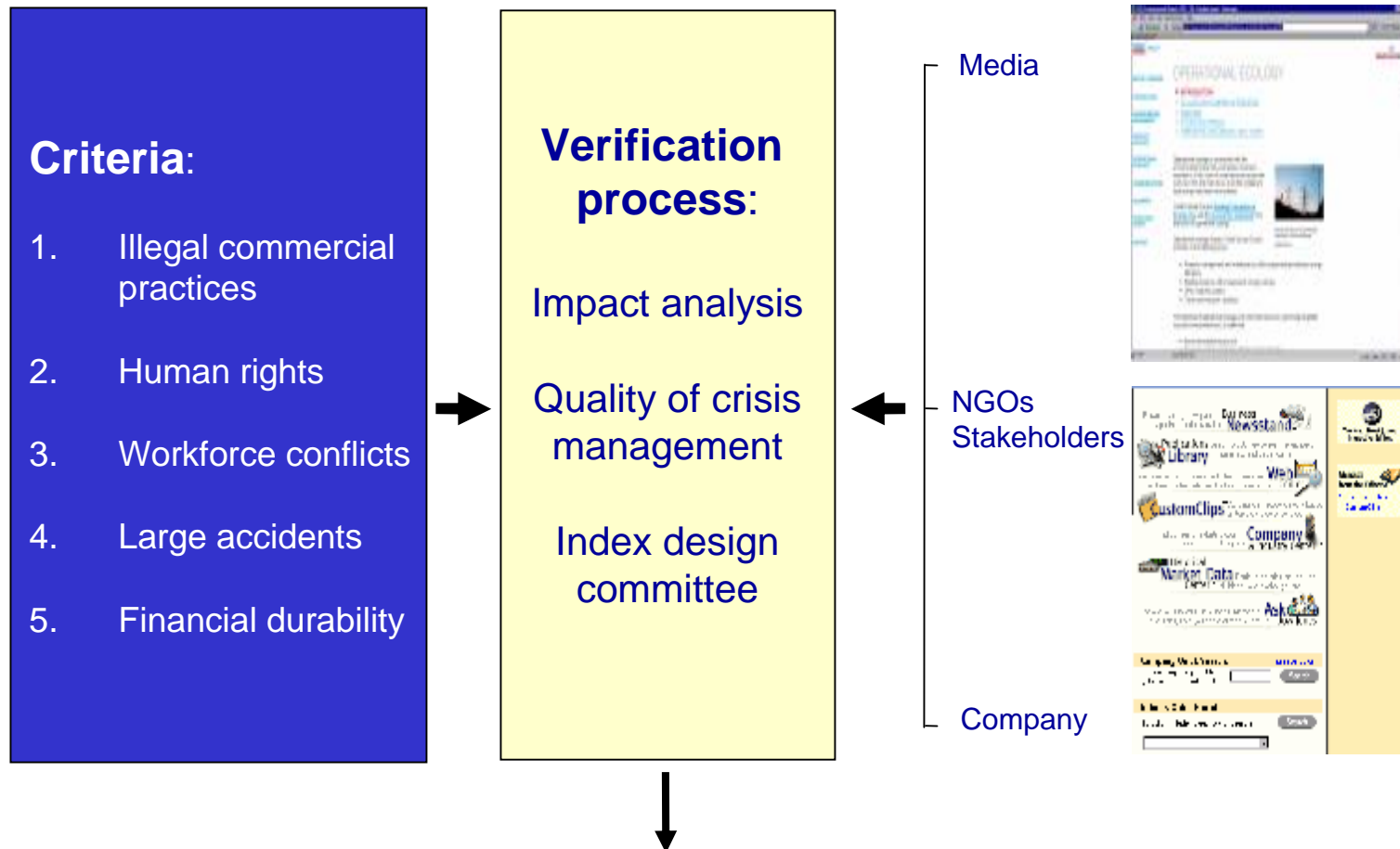
- Organizational development (5 - 7)
- Quality Management (8 - 12)
- Intellectual capital management (13 - 16)
- IT management and IT integration (17 - 20)
- Corporate governance (21 - 26)
- Corruption (27 - 28)
- Risk and crisis management (29 - 38)

**Environmental Dimension**

- Environmental charters (39 - 39)
- Environmental, health and safety reporting (40 - 42)
- Environmental profit and loss accounting (43 - 43)
- Responsible person for environmental issues (44 - 47)
- Environmental policy (48 - 49)
- Environmental management system (50 - 50)
- Environmental performance (51 - 54)
- Industry Specific Opportunities ELQ (55 - 57)

**Social Dimension**

## Corporate Sustainability Verification



Can lead to exclusion of company/industry from DJSI

## Leading companies DJSI World

Name	Market Sector	Country
Volkswagen AG	Automobiles	Germany
Westpac Banking Corp.	Banks	Australia
Dofasco Inc.	Basic Resources	Canada
E.I. DuPont de Nemours & Co.	Chemicals	USA
Lafarge S.A.	Construction	France
Teijin Ltd.	Cyclical Goods & Services	Japan
The Royal Dutch/Shell Group of companies	Energy	Netherlands/UK
Lend Lease Corp. Ltd.	Financial Services	Australia
Unilever	Food & Beverage	Netherlands/UK
Novozymes A/S	Healthcare	Denmark
Minnesota Mining & Manufacturing Co.	Industrial Goods & Services	USA
Swiss Reinsurance	Insurance	Switzerland
Pearson PLC	Media	UK
Procter & Gamble Co.	Non-cyclical Goods & Services	USA
Marks & Spencer PLC	Retail	UK
Intel Corp.	Technology	USA
BT Group Plc	Telecommunications	UK

## Highlights of company assessment 2002

- Overall **improvement** in sustainability performance in most industries - Leading companies with total scores over 70%
- Move towards **integration** of triple bottom line – Truly stakeholder oriented approaches still rare
- **Early movers** (eg. chemicals, oil, with early public exposure) must be careful not to lose dynamism
- Strong improvement in **financials** – **Industrials, Food, Mobility** with relatively few strong leaders, but overall weak
- **Natural resources**, mining: leading companies learning to engage with stakeholders in planning local operations
- "**Sleeping industries**" (software, technology, homebuilders, real estate, media) slowly waking up

## Outlook

- Ongoing review of corporate sustainability assessment methodology
- Focus on transparency of methodology and results
- Focus on verification of company information and interaction with companies
- Alignment to international standardizing initiatives, e.g. Global Reporting Initiative