


Corporate Social Responsibility
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Lecture - 30
Measurement of CSR: Sustainability Indexes

Welcome back to the MOOC course on corporate social responsibility. My name is Aradhna Malik and I am helping you with this course and we have been talking about measurement and valuation of corporate social responsibility and the activities that different organizations take on to assess to evaluate whether the efforts that have gone into planning into executing their way of expressing their concern their responsibility of fulfilling the responsibility towards society have actually made a difference or not.

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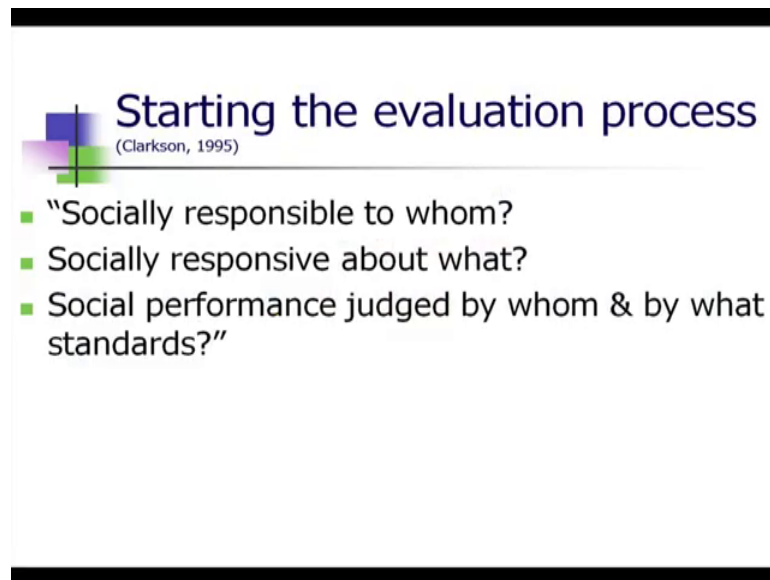


The benchmark for CSR

- SDG: United Nations Sustainable Development Goals:
 - <http://www.un.org/sustainabledevelopment/>
 - <https://www.youtube.com/watch?v=89tInECFdQ4>

So, we will start this discussion today with how CSR is benchmarked you know in the real world of course, last time we talked about the variety of questions we talked about you know these different questions that we start with.

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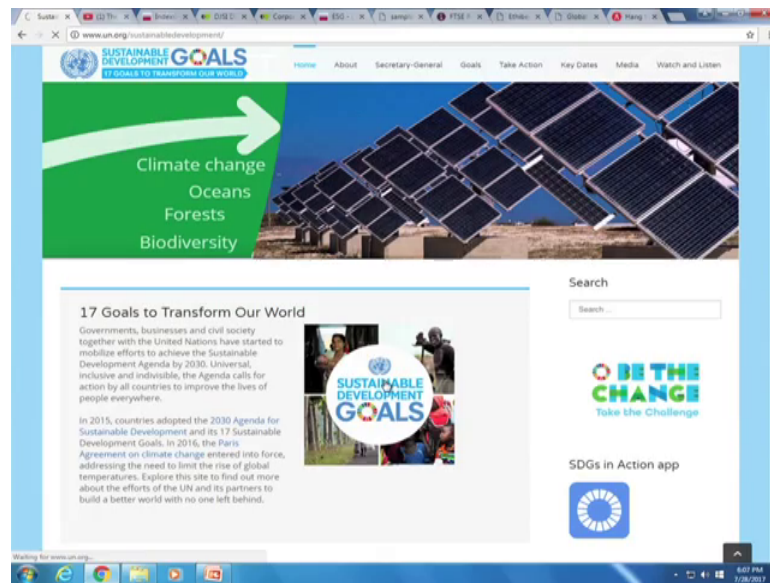
Starting the evaluation process
(Clarkson, 1995)

- "Socially responsible to whom?
- Socially responsive about what?
- Social performance judged by whom & by what standards?"

Who are we socially responsible to whom socially responsive about what social performance judged by whom and by what standards.

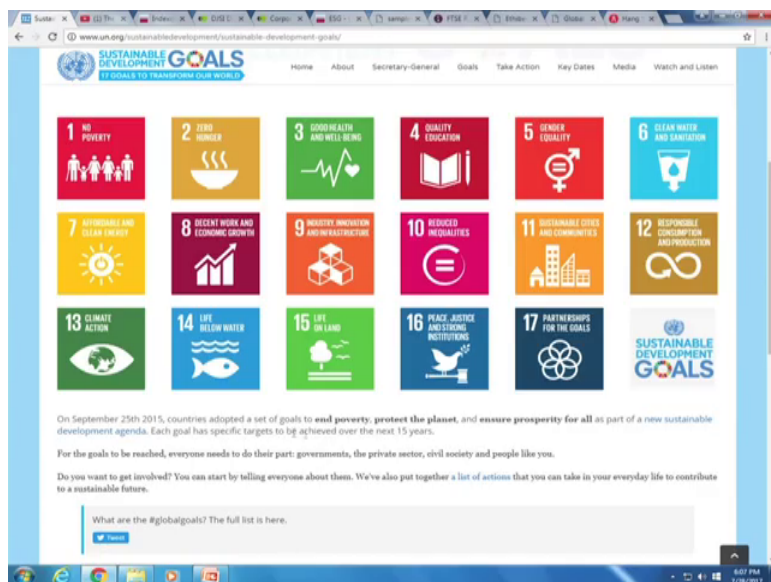
So, we need to have some standards to judge our social responsibility and or to judge whether we have really been responsible to the society or not, but you know. So, different ways this has come about and one of the ways in which the social responsibility is now assessed is by setting a benchmark in terms and the one of the most widely adopted benchmarks for finding out whether the organization has been responsible to its physical environment is the united nations sustainable development goals and I have a you know these are the sustainable development goals.

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Let me show you what these goals are here sustainable development goals of a united nation there are seventeen goals let see what these are.

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So, on 25th of September 2015 countries adopted a set of goals to end poverty protect the planet and ensure prosperity for all as part of a new sustainable development agenda each goal has specific targets to be achieved over 15 years.

We are talking about the country in general we are not at this point talking about the profit making organization, but countries have come together and adopted these united these sustainable development goals and what organizations do is assessed is mapped against these goals that have been set for different countries by the united nations I will give you the links to all of these I have an nice video that describes these goals and this video has been put up by the united nations you will get the link in the text that you receive. So, you can watch it.

The United Nations general assembly was the scene of a celebration in 2015 when 193 member countries adopted the sustainable development goals a unanimous commitment to end poverty fight inequality and tackle climate change we need action from everyone everywhere seventeen sustainable development goals of our guide. They are a to do list for people and planet and the blueprint for success the DSGs are an agenda to balance human prosperity with protecting the planet UNICEF goodwill ambassador Shakira asked global leaders to imagine a world where we achieve the goals by twenty thirty while fellow UNICEF goodwill ambassador Angelique Kidjo underscored a focus on Africa in developing countries, but the universal agenda is important to all nations as leaders from developed countries also pledged to make the goals a reality.

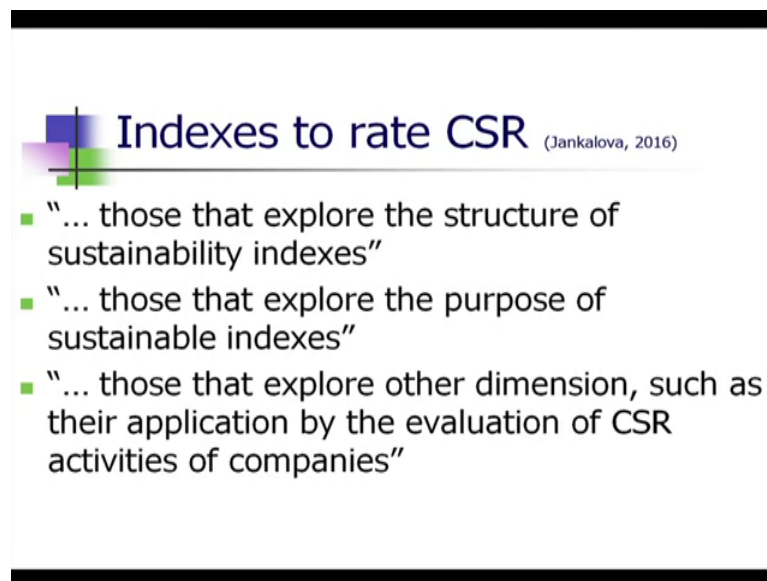
Poverty growing inequality exists in all of our nations and all of our nations have work to do and that includes here in the United States that is why today I am committing the United States to achieving the sustainable development goals the sustainable development goals build on the success of another 15 year plan created in the year 2000. The millennium development goals sunset at the end of 2015 the MDGs have extreme poverty achieved equal primary education for girls and boys and dropped HIV infection by 40 percent.

Among many successes the SDGs go beyond the MDGs by improving the lives of everyone everywhere and create a better world for future generations today we are one hundred and ninety 3 young people representing billions more the youngest Nobel peace laureate Malala calls on world leaders to keep their promise to every child each London we hold represents the hope we have for our future. Because of the commitments you have made to the global goals and Pope Francis advised world leaders to put humanity and the environment over politics government leader must do everything possible to ensure that all can have the spiritual and material means needed to live in dignity and to

create and support an family a 193 nations unanimously committed to the sustainable development goals it is so, decided, but the journey starts here.

Now the time to take mobile action for local results and move our people and planet towards a sustainable future, so, these are the sustainable development goals that united nations has decided and that many countries have adopted and are working towards achieving and the what organizations do what profit making organizations do is mapped against the sustainable development goals they are an international benchmark for finding out whether what we are doing is really necessary for finding out whether the deduction we are going in is proper they also give us a direction to proceed. And so they very useful and they are they effect what the kinds of resources we get and the way we disperse our resources.

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Indexes to rate CSR (Jankalova, 2016)

- "... those that explore the structure of sustainability indexes"
- "... those that explore the purpose of sustainable indexes"
- "... those that explore other dimension, such as their application by the evaluation of CSR activities of companies"

Now, different index is have been have come up over the years to rate corporate social responsibility and these index is have been grouped into 3 broad categories by Jankalova and so, these indexes are either indexes that explore the structure of sustainability there is group in which the structure of sustainability indexes is explore those that explore the purpose of sustainability indexes and those that explore other dimensions such as their application by the valuation of CSR activities of the company. So, 3 different types of index are there and their evaluation is based on these parameters.

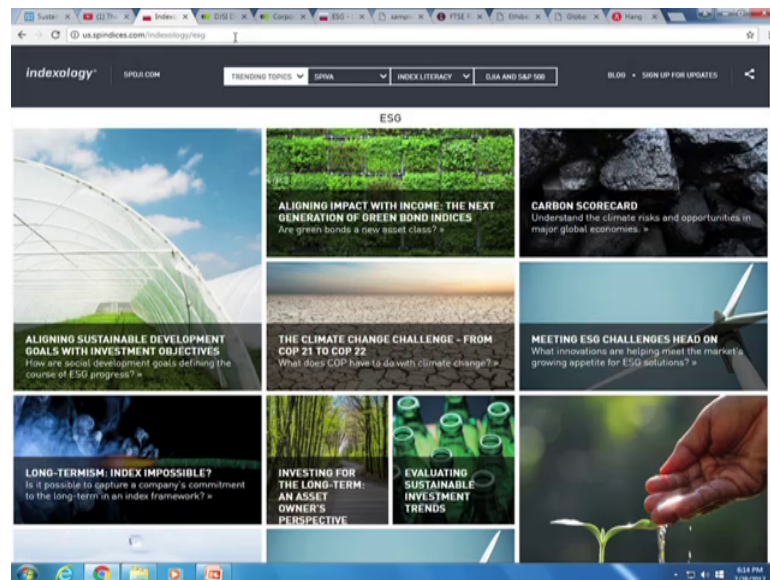
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Sustainability indexes

- Dow Jones Sustainability Index:
 - <http://us.spindices.com/indexology/esg>
 - <http://www.sustainability-indices.com/index-family-overview/djsi-diversified-family-overview/index.jsp>
 - <http://www.robecosam.com/en/sustainability-insights/about-sustainability/corporate-sustainability-assessment/index.jsp>
 - <http://eu.spindices.com/index-family/esg/djsi>
- RobecoSAM :
 - <http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>

Now, different types of sustainability indexes are we will discuss one of these in great detail in the next lecture, but in this lecture let me show you a few things here.

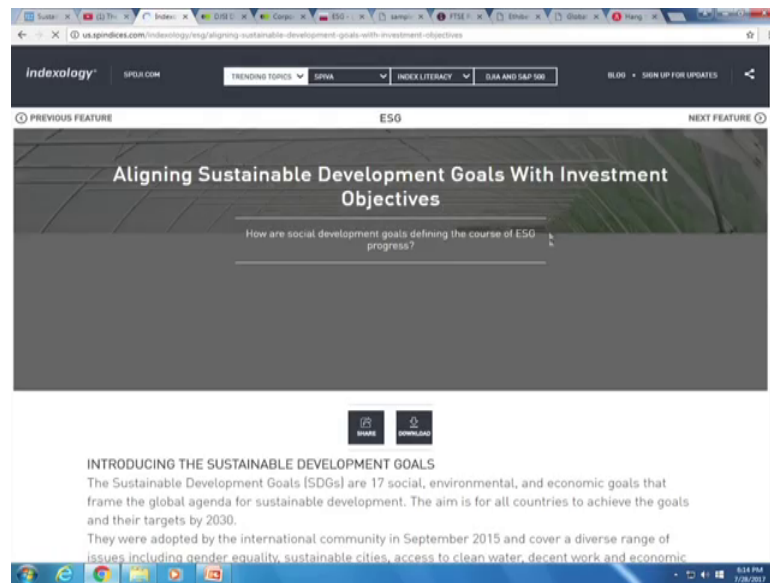
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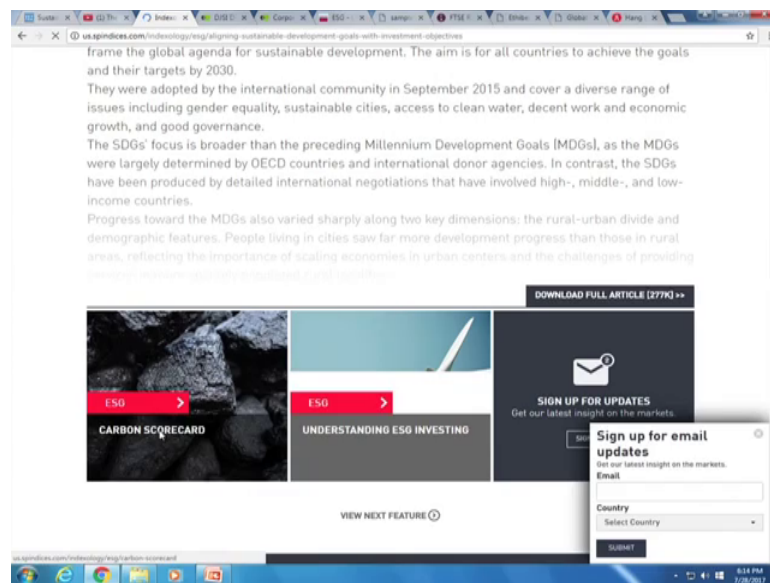
The screenshot shows the Indexology website interface. The header includes the 'Indexology' logo, 'SPDR.COM', and navigation menus for 'TRENDING TOPICS', 'SPVA', 'INDEX LITERACY', and 'DJA AND S&P 500'. The main content area is titled 'ESG' and features a grid of nine article thumbnails. The thumbnails include titles such as 'ALIGNING IMPACT WITH INCOME: THE NEXT GENERATION OF GREEN BOND INDICES', 'CARBON SCORECARD', 'ALIGNING SUSTAINABLE DEVELOPMENT GOALS WITH INVESTMENT OBJECTIVES', 'THE CLIMATE CHANGE CHALLENGE - FROM COP 21 TO COP 22', 'MEETING ESG CHALLENGES HEAD ON', 'LONG-TERMISM: INDEX IMPOSSIBLE?', 'INVESTING FOR THE LONG-TERM: AN ASSET OWNER'S PERSPECTIVE', and 'EVALUATING SUSTAINABLE INVESTMENT TRENDS'. The website is displayed in a browser window with a Windows taskbar at the bottom.

Now, this is the us spin in this is dot com this is this is the output of these indexes in various ways ESG stands for economic social and governance 3 criteria that are that performed the core of these indexes. So, you can go to this website and see how these are I am sorry I am not.

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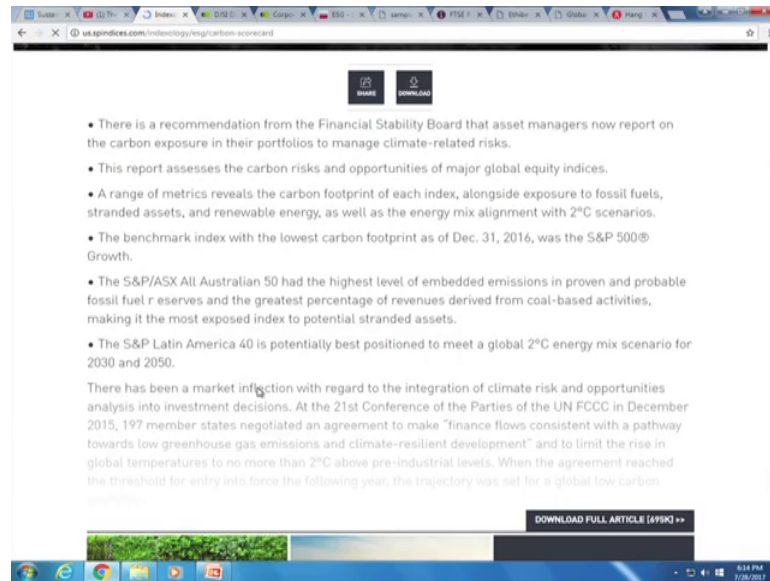


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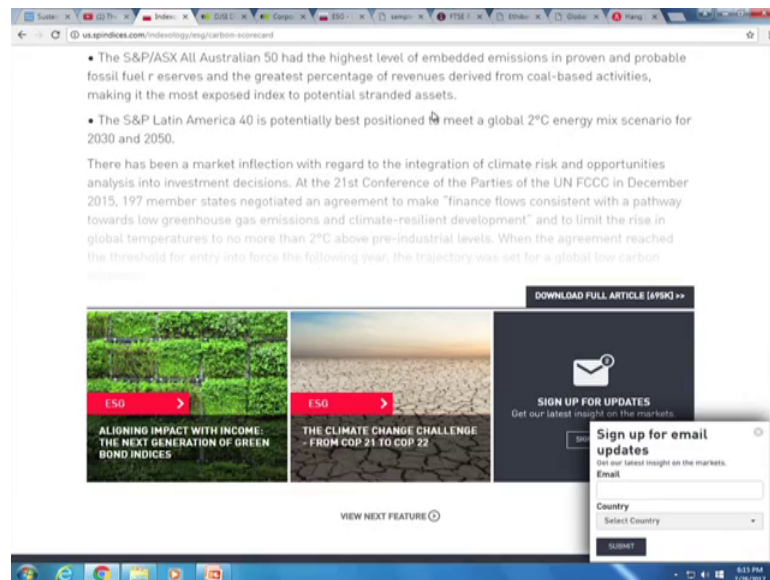
Aligning impact with income for example, aligning sustainable development goals within investment objectives. So, you can see here and see you know this is carbon score card for example.

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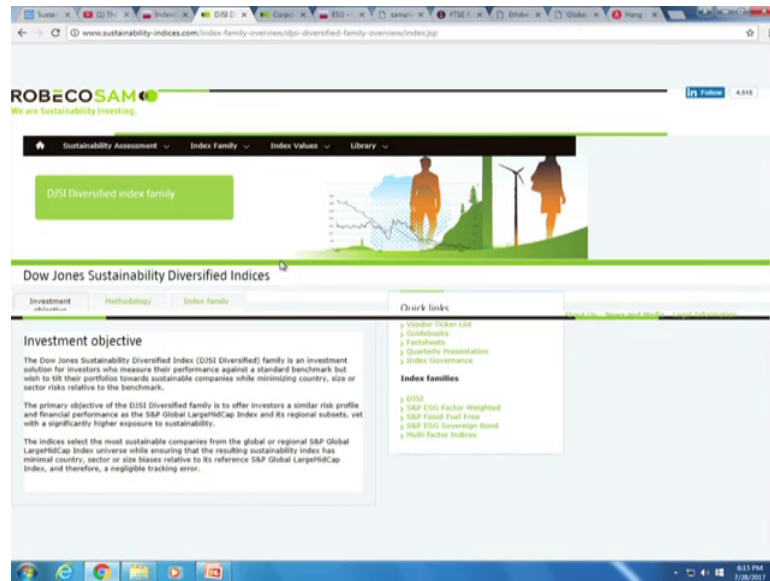
So, you know whether it is really making a difference or not and there are reports that find out how much of carbon footprint different companies are leaving on the environment and whether it is really affecting the environment and whether reducing the footprint adds value tangible value to the organizations or not.

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So, you can actually go through these can this time the very good idea of how the output of these indexes is the other one here is hold on I will just show you.

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This is the Dow Jones diversified index family and you can actually see how this shapes up here.

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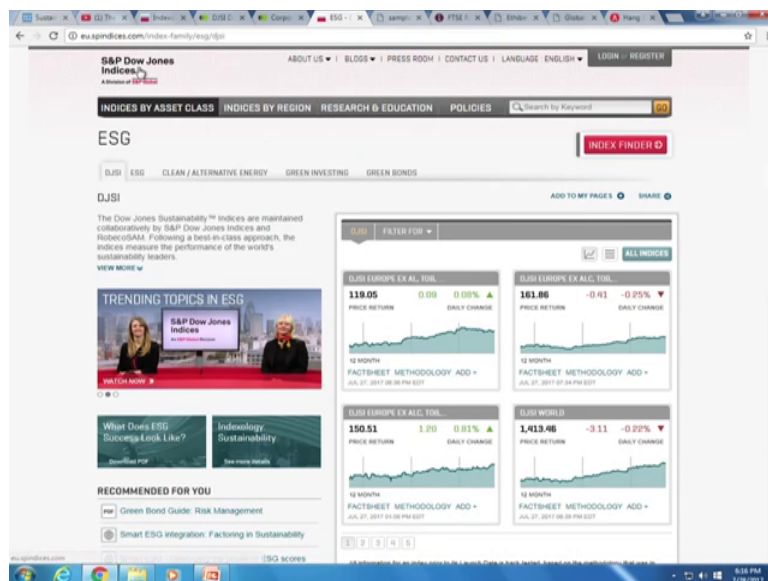


So, you can go the online assessment portal and see how this shapes up and the off shoot of this is ROBESCOSAM corporate sustainability assessment we will discuss this in greater detail in the next lecture.

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The screenshot shows a web browser displaying a questionnaire titled "sample questionnaire-diversified-consumer-services.pdf". The document is from RobecoAM, dated July 2017. It includes contact information for RobecoAM AG and a registration form for a "Company Name: CSD Test Company RobecoAM". The form fields include: Registration Date, Main contact person (with a note: "Person to be contacted in the case of questions"), Function/location, Department, Address, Town/city, Zip, Country, Phone, Fax, E-mail, and Web.

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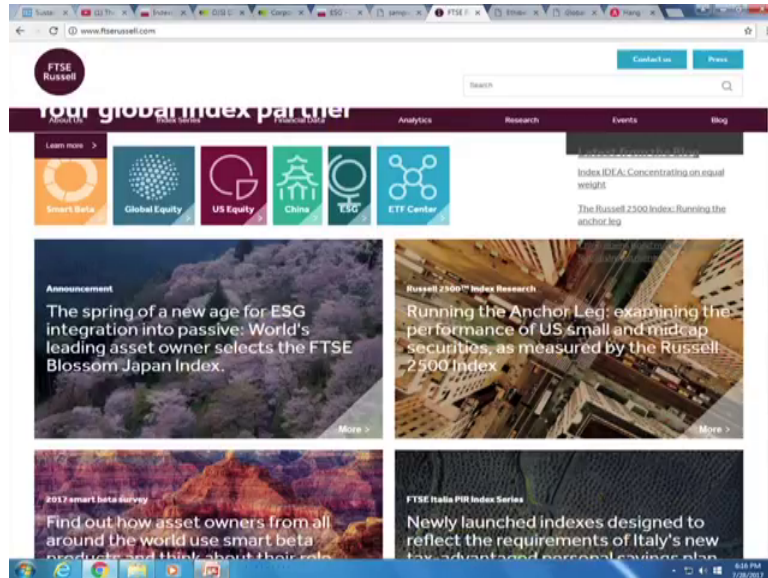


But for now I am just showing you different things S and P Dow Jones indices various types of indices that are there and how the effect and how the impact is measured is all over here.

So, you can find your index or you can search by keyword you can you can see you know what does ESG success look like. So, you can actually download these files and go through them and see what their success look like and what happens as a result of

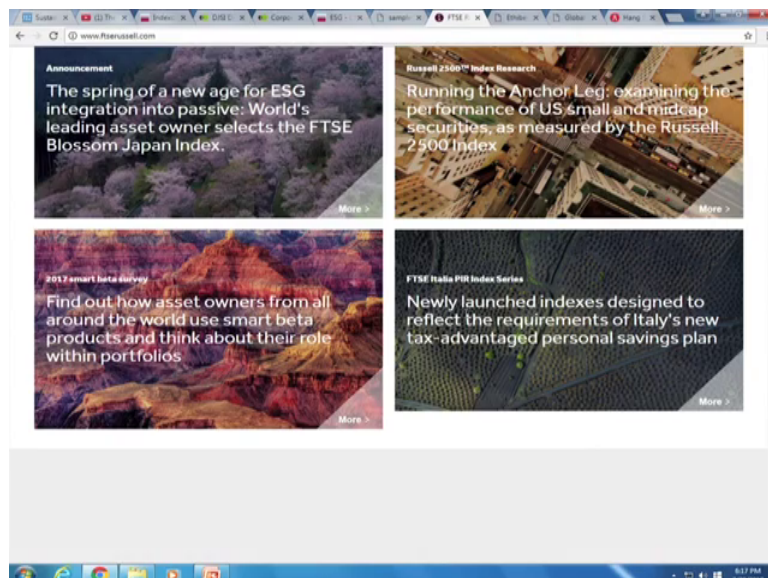
adopting or going by certain benchmarks and doing something about the; are commitment to the environment.

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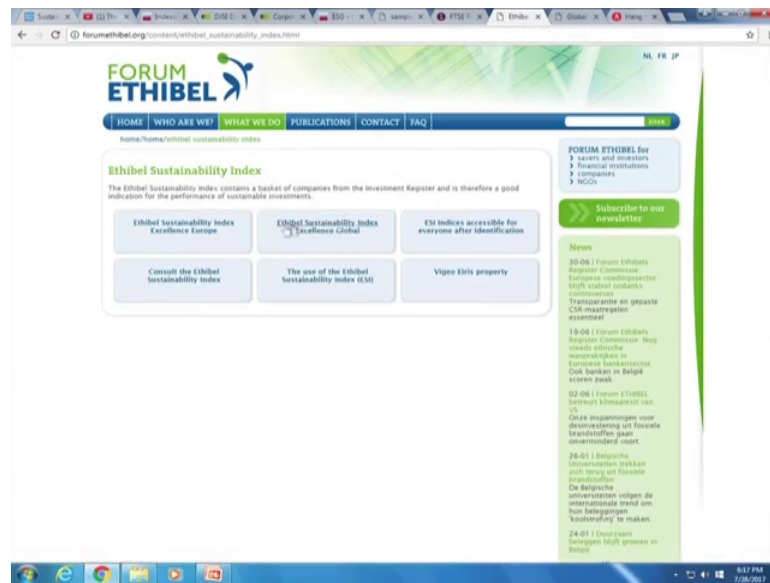


Then there is the food sea Russell index which is which is come out of United Kingdom and so you can go through this index here.

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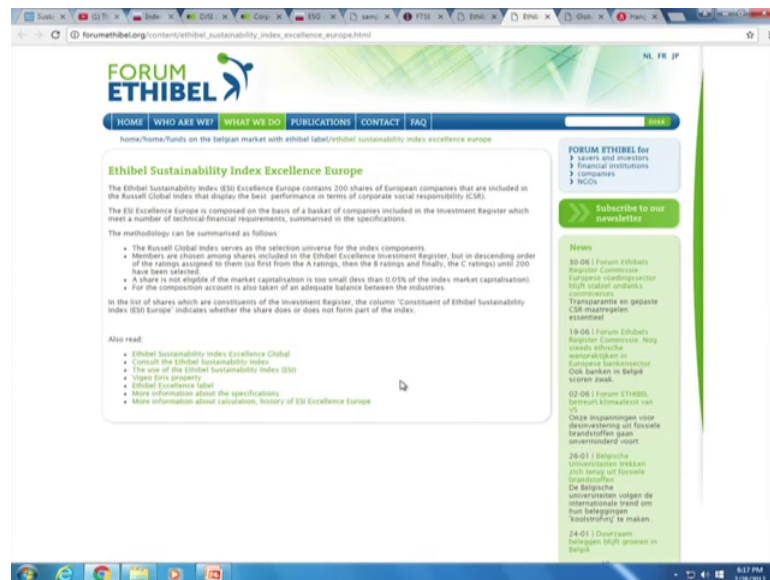


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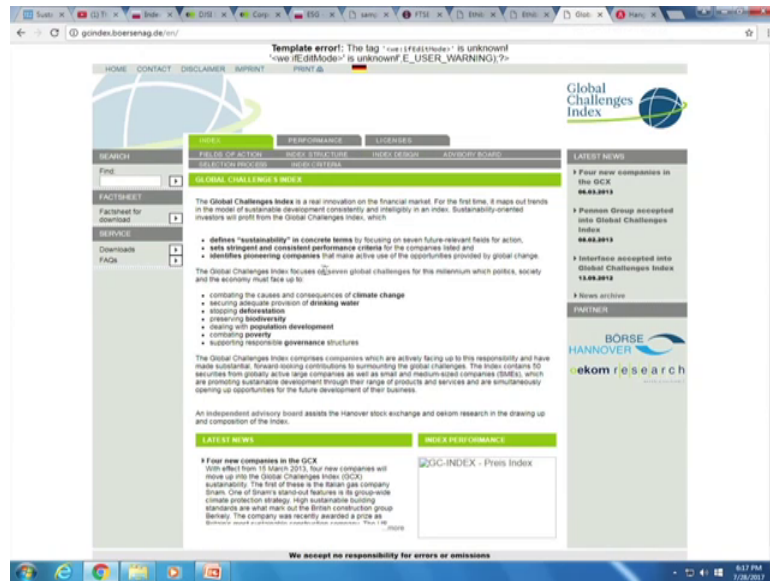
So, various ways in which they assess the impact of responsibility efforts on the environment and on the organizations themselves then you have the Ethibel forum which is based start of Belgium Ethibel; Ethibel sustainability index and this to then here Ethibel sustainability index excellence Europe. So, you can go through this.

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And you can see what they do. So, its serves as the selection universe for the index components and then the ratings come up and the impact those ratings is assessed.

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Then we have this global we have the these Stoxx Global ESQ leaders we have the global challenges index which has come out of Germany and this focuses on 7 global challenges for this millennium which politics society and economy must face up. So, they have identified these challenges.

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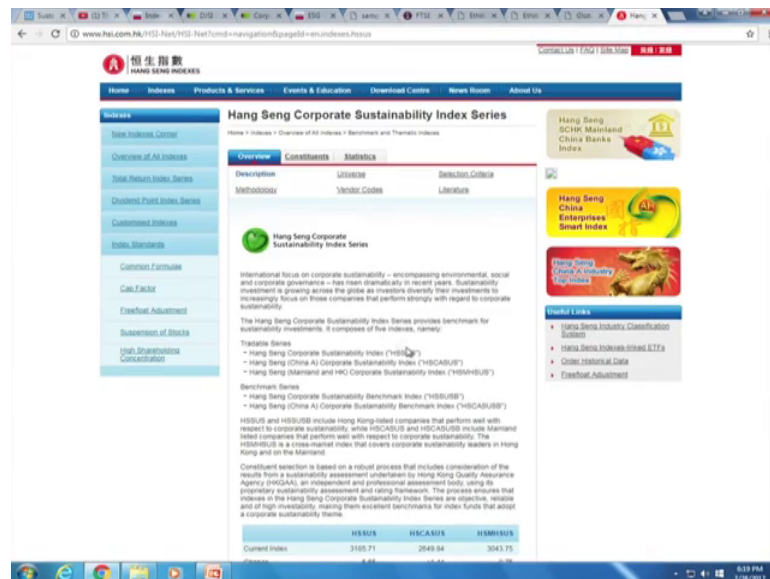


Let me increase the screen size. So, that you can see this yeah I hope it is or may be the little bit more yeah I think. Now it be visible combating the causes on consequences of climate change in securing adequate provision of drinking water stopping deforestation

preserving biodiversity dealing with population development combating poverty supporting responsible governance structures.

So, what the activities that the organizations do are mapped against these guidelines that are given the there are questions that are asked on each of these parameters I will just show you an example and that may that will make things very very clear that will be in the next lecture, but this is just an example of how CSR is assessed. So, global challenges index is there then we have the Heng sustainability index series which was come out of Hong Kong and I have that pulled up here also.

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Let us see if I can show this to you. So, you have the international focus on corporate sustainability and compressing environmental social and corporate governance. So, they also have these 3 parameters and their indexes available on the websites. So, this is how the corporate responsibility is assessed in or mapped measured and then you know there are certain things that are asked off the organizations there responses are taken in they are rated they are compared with others and the business and then these comparative ratings come out and that is where we will stop in this class in this lecture and I will take you through a detailed sort of over view of one of these indices that I have just talked about to give you an idea of what these corporate responsibility reports look like.

So, thank you very much for listening and please watch this 2 lectures this one the next one and the one after that together please make sure you have time it makes sense to you

only if you watch these 3 lectures all and one go these will start making sense to you because there is a continuity here.

Thank you very much for listening I will see you in the next class.