

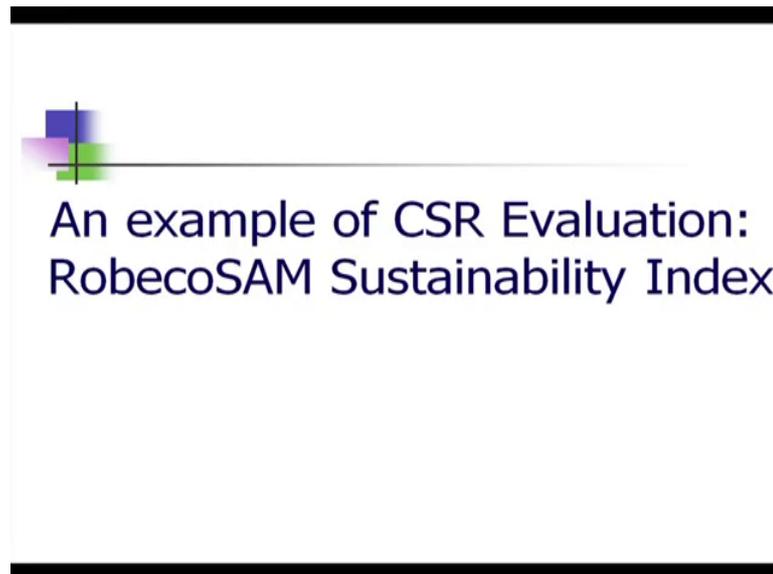
Corporate Social Responsibility
Prof. Aradhna Malik
Vinod Gupta School of Management
Indian Institute of Technology, Kharagpur

Lecture - 31

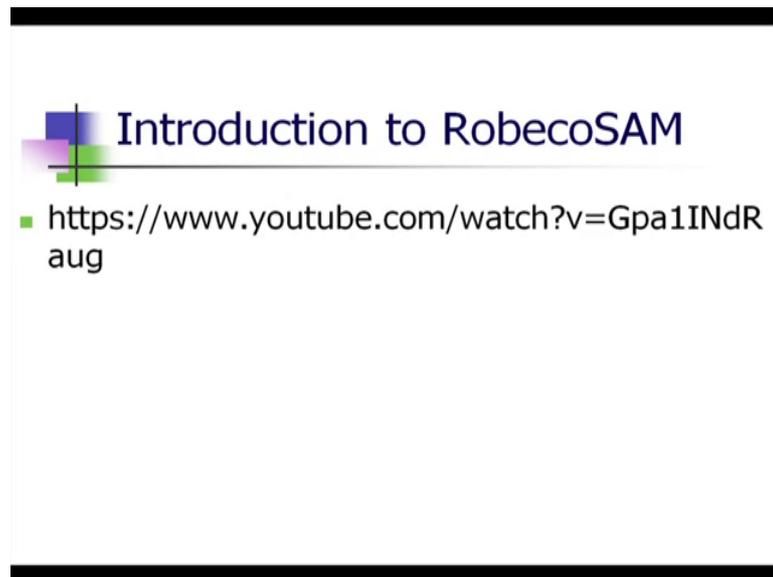
An Example of CSR Evaluation: RobecoSAM Sustainability Index

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 the measurement of CSR. Now in this in lecture I am going to show you an example of a world renowned very credible reputed CSR responsibility valuation tool and that is the RobecoSAM sustainability index which is widely used and everything here has been taken from a their pdf version which is a 106 pages long.

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So, I have condensed everything, but before we get into it let's watch your video about RobecoSAM and see what it is all about

every year RobecoSAM invites over 3 thousand of the world's largest companies to participate in the corporate sustainability assessment the assessment is based on our core belief that sustainability champions are more successful over the long run it evaluates how companies across fifty nine different industries incorporate economic environmental and social strategies into their operations. For example, how do companies approach topics like supply chain management or operational eco efficiency or human capital development policies do companies have in place to attract and retain talent companies are compared to their industry peers. And only the top performing 15 percent from each industry make it into the sustainability yearbook to see which companies have won gold silver or bronze medals visit the sustainability yearbook website and yearbook dot RobecoSAM dot com RobecoSAM we are sustainability investing

So this is and the other one the next video is the DJSI world diversified select index which is also you know the RobecoSAM is an offshoot of this. So, let us see what this is.

Investors are increasingly concerned about the many environmental social and economic risks facing the world today and wish to mobilize their capital to tackle these challenges, but they fear that doing so will come at the expense of performance what if there

was a way to invest in more sustainable companies while maintaining the same risk profile and financial performance as standard benchmarks the DJSI diversified select index does just that not only does the index exclude companies exposed to controversial activities. Such as weapons manufacturing tobacco alcohol adult entertainment and gambling it also selects the most sustainable companies from each sector based on their performance in the annual RobecoSAM corporate sustainability assessment within each country in sector companies are ranked according to their sustainability profile and only the top performing companies representing one third of the market cap are selected for inclusion in the index.

The index construction methodology is designed to match the country industry and size characteristics of standard global benchmarks the resulting index has an improved sustainability profile and equally importance a low tracking error this means that investors can easily switch to the DJSI diversified select index without changing the rest return profile with their portfolio there is no longer any excuse for not investing sustainably DJSI diversify in size the no excuse ESG index.

Ah. So, the video is talked about the different types of indexes very reputed credible indexes all over the world that I have been followed to find out whether the company is doing what it is expected to do. Now let us see what the specifically the RobecoSAM criteria are and this is directly from this from their sample questioner that I have here for you I will give you a link to this you can go through this questioner yourself this is available through the RobecoSAM website RobecoSAM is based on Zurich, Switzerland.

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RobecoSAM - Corporate Sustainability Assessment

DJSI 2017 - Test Companies / CSV Test Company RobecoSAM

RobecoSAM AG
Josefstrasse 218
CH-8005 Zurich
Phone +41 44 6531030
Fax +41 44 6531050
www.robecosam.com
index@robecosam.com

Company Name: CSV Test Company RobecoSAM

Registration Data:

Main contact person:
(Person to be contacted in the case of questions)

Function/position:

Department:

Address:

Company name; you know it. So, they ask you for your company name registration data contact people etcetera all the details about your organization then the denominator of your revenues which means the currency in which your revenues are generated.

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0.1 Denominator - Revenues

Please provide the following information for your organization. This information will be used throughout the questionnaire to normalize other reported data, as well as for research purposes by RobecoSAM. Please provide information for all parts of this question.

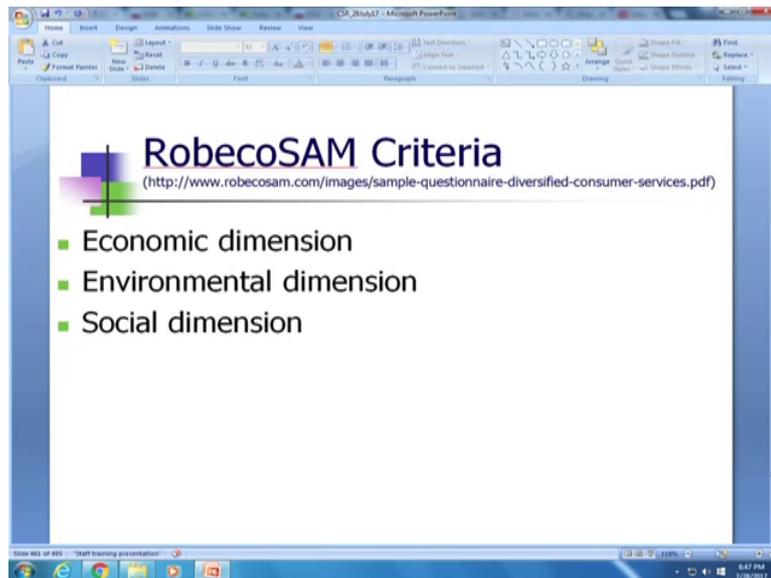
Reporting Currency
Please select your company's reporting currency. This currency will be used throughout the questionnaire for consistency purposes, and will automatically be selected for questions asking for monetary data. If you would like to change the default currency, you can do so by changing the currency selection below. Unless otherwise specified, all monetary values should be reported in their absolute values.

- EUR - Euro
- USD - US Dollar
- AED - UAE Dirham
- AUD - Australian Dollar
- BMD - Bermudian Dollar
- BRL - Brazilian Real
- CAD - Canadian Dollar
- CHF - Swiss Francs
- CLP - Chilean Peso
- CNY - Yuan Renminbi
- COP - Colombian Peso
- CZK - Czech Koruna

Then they gone to ask you they have normalization criteria and normalization factors and then they go on to asking you about they your performance on different dimensions. So, let us see I have condensed everything in this pdf file on to this slides, but all the headings have been taken from this particular pdf file. So, RobecoSAM criteria are on 3

dimensions what I am going to here is I will increase the size of this slide, but I will keep it in this mode because it becomes easier for me to switch from this mode to the pdf file RobecoSAM criteria. So, you have the economic dimension environmental dimension and social dimension.

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Now, here the economic dimension includes corporate governance materiality risks and risk and crisis management codes of business conduct customer relationship

management policy influence brand management tax at strategy etcetera the impact measurement and valuation I think I will have to switch to this mode.

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Corporate Governance
(http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf)

- "CG systems ensure that a company is managed in the interests of shareholders" – checks and balances for control & alignment of shareholder and management interests.
 - Board structure
 - Non-executive chairman/ Lead director
 - Responsibilities & committees
 - Diversity policy
 - Gender diversity
 - Board effectiveness
 - Average tenure
 - Board industry experience
 - Executive compensation
 - Management ownership requirements
 - Compensation disclosure
 - Media & stakeholder analysis: Consistency of management behavior during crisis situations

Information security and cyber security and privacy protection now corporate governance refers to systems that ensure that a company is managed in the interest of shareholders these are checks and balances for control and alignment of shareholder and management interests and these include board structure let me show you what the file looks like here the kinds of questions that are asked.

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Please indicate the number of executive and non-executive directors on the board of directors/supervisory board of your company. In addition, please indicate if your company has an independence statement for its board of directors in place. Additional clarification on one-tier and two-tier systems is available in the information text.

Board Type

Please select whether your company has a one-tier or two-tier board

ONE-TIER SYSTEM (companies with a board of directors)

	Number of members
Executive directors	
Independent directors	
Other non-executive directors	
Total board size	

TWO-TIER SYSTEM (companies with a supervisory board)

		Number of members
SUPERVISORY BOARD	Independent directors	
	Other non-executive directors	
	Employee representatives (if not applicable, please leave the field empty)	
MANAGEMENT BOARD/ EXECUTIVE MANAGEMENT	Senior executives	

So, organizations are asked for the board type one tier system you know do they have a one tier system to a 2 tier system etcetera companies with the board please select whether your company has a 1 tier or 2 tier board. So, all this is asked of the company the company is provide information and the assumption is that companies will give accurate information please board independence statement is asked please indicate if your company has an independence statement for the board of directors in place then non executive chairman on lead directors all of these points are here chairman is non executive and independent what kind is the board of directors supervisory board headed by a non executive and independent chairman or an independent lead director.

All of these things you know the questions like these then the third party's responsibilities and committees within corporate governance board committee's functions responsibilities the details are asked.

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1.1.3 Responsibilities and Committees

What committees does your company have in place that fall under the formal responsibility of the board?

Board Committees
Please indicate the functions and associated committee names, for which the board of directors/supervisory board explicitly assumes formal responsibility in the table below.

Function	Responsibilities	Name of committee
Audit, accounting, risk management	<input type="checkbox"/> All members are non-executive directors	
Selection and nomination of board members and top management	<input type="checkbox"/> All members are non-executive directors	

of 106, Copyright © RobecoSAM AG, 2001 - 2015

So, do you have a committee in place which is formally responsible for sustainability if yes; please specify the following about the constitution of the committee.

(Refer Slide Time: 08:10)

The screenshot shows a survey form with the following content:

Remuneration of board members and top management	<input type="checkbox"/> All members are non-executive directors	Name of committee
--	--	-------------------

Responsibility for Sustainability
Do you have a committee (at board and/or management level) in place which is formally responsible for sustainability? If yes, please specify the following about the constitution of the committee.

- Yes, the sustainability committee consists only of board members. Please specify the name of the board committee:

- Yes, we have a sustainability committee but it is not a formal board committee. Please specify the name of the committee and indicate the committee's composition. If the CEO is also a board member, please tick both options.

- The Committee consists of at least one board member. Please specify the name(s) of the board member(s):

- The Chief Executive Officer is part of the Committee
- The Chief Financial Officer is part of the Committee
- Other Senior Executive(s) are part of the Committee, please specify function and name(s):

- No, we do not have a sustainability committee in place
- We do not have any committees that assume responsibility for the functions described above
- Not applicable. Please provide explanations in the comment box below.

So, you say yes you have the sustainability committee and it consists only of board members and then you give the board committee or we have a sustainability committee, but it is not a formal board committee.

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The screenshot shows the 'both options' section of the survey form:

- The Committee consists of at least one board member. Please specify the name(s) of the board member(s):

- The Chief Executive Officer is part of the Committee
- The Chief Financial Officer is part of the Committee
- Other Senior Executive(s) are part of the Committee, please specify function and name(s):

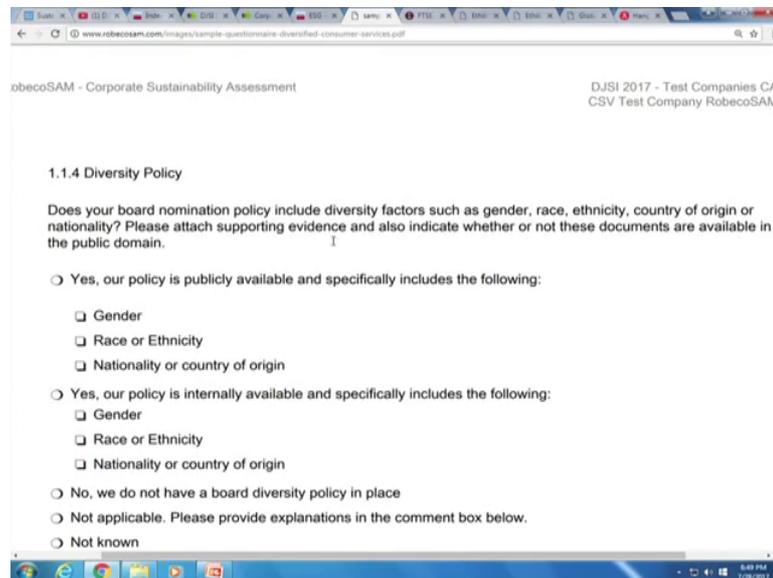
- No, we do not have a sustainability committee in place
- We do not have any committees that assume responsibility for the functions described above
- Not applicable. Please provide explanations in the comment box below.
- Not known

Question Rationale: In this question we assess whether or not the board of your company formally assumes responsibility for important business functions. We also assess whether the responsibility is clearly allocated within the board and if the responsibility for important functions is held by non-executive directors. In addition to committees related to audit, nomination and remuneration, we aim to find out how responsibilities related to sustainability are organized at management level and to what extent the board and executive management support sustainability strategies and initiatives. Key definitions: In the Board Committees section it should be made clear that the respective functions/responsibilities are clearly allocated to a specific committee, and ultimately if all members on that committee are non-executives (or independent directors) according to the definitions below. It is possible that the same committee has responsibility for two of the functions indicated (e.g. both nomination and remuneration) – if this is the case, the same committee should be indicated for both options. Non-executive directors are not employees. They are not involved in the company's day-to-day management and are removed from operational pressures linked to running the company. Independent directors must fulfill the following criteria in addition to being a non-executive director: - The director must not have been employed by the company in an executive capacity within the last five years. - The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or a member of the company's senior management. - The director must not be affiliated with a significant customer or supplier of the company. - The director must have no personal services contract(s) with the company or a member of the company's senior management. - The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company. If you indicate the first option "Yes, we have a board committee formally responsible for sustainability which consists only of board members" in the Board-Level Responsibility for Sustainability section, all members of the committee need to be members of the board of directors (for public boards).

So, you specify the name of the committee and indicate the committee's composition and give further details. So, or you say we do not have a sustainability committee in place. So, great mode of detail is asked I am not going to go through all the questions of all the aspects and I will show you what each thing includes.

So, this is diversity policy this should be interesting here the diversity policy.

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The screenshot shows a web browser window displaying a questionnaire from RobecoSAM. The page title is 'robecoSAM - Corporate Sustainability Assessment' and the URL is 'www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf'. The page content is as follows:

robecoSAM - Corporate Sustainability Assessment DJSI 2017 - Test Companies C/ CSV Test Company RobecoSAM

1.1.4 Diversity Policy

Does your board nomination policy include diversity factors such as gender, race, ethnicity, country of origin or nationality? Please attach supporting evidence and also indicate whether or not these documents are available in the public domain.

- Yes, our policy is publicly available and specifically includes the following:
 - Gender
 - Race or Ethnicity
 - Nationality or country of origin
- Yes, our policy is internally available and specifically includes the following:
 - Gender
 - Race or Ethnicity
 - Nationality or country of origin
- No, we do not have a board diversity policy in place
- Not applicable. Please provide explanations in the comment box below.
- Not known

So, does your board nomination policy include diversity factors such as gender race ethnicity country of origin or nationality please attach reporting evidence it is not only you answering things on paper it is also asking for the relevant documentation. So, thick packet goes to these people and they assessed they evaluated in going to depth and verify that the information that has been given is worth anything and then we move to assessing whether you are in the top ranked organizations or not.

Now, you will ask what does diversity or gender have to do with responsibility this is an example of responsibility to the environment to the social environment, but this is corporate governance; so, its corporate governance being responsible for or to the environment that the people are coming from. So, we are trying to be inclusive we are trying to be connected with our environment in the earlier lectures I said that the corporate social responsibilities all about connection to a social and physical environment and that is what is being explored here.

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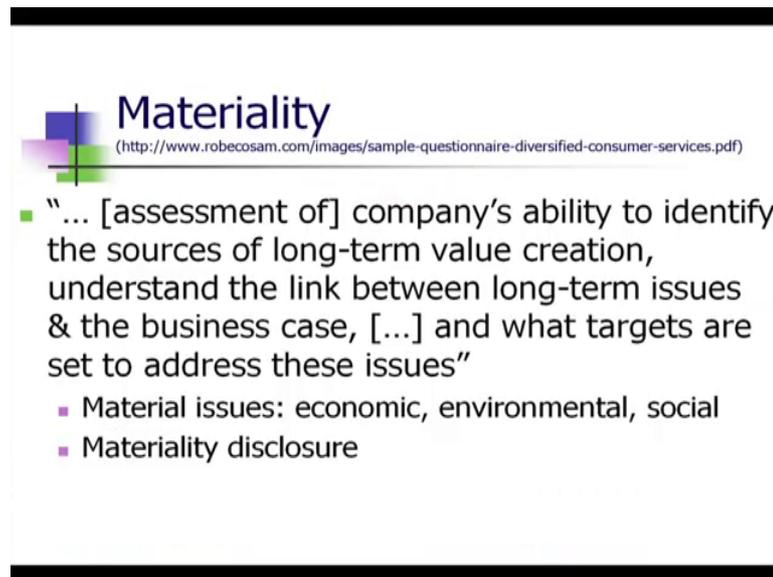
Corporate Governance
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- "CG systems ensure that a company is managed in the interests of shareholders" – checks and balances for control & alignment of shareholder and management interests.
 - Board structure
 - Non-executive chairman/ Lead director
 - Responsibilities & committees
 - Diversity policy
 - Gender diversity
 - Board effectiveness
 - Average tenure
 - Board industry experience
 - Executive compensation
 - Management ownership requirements
 - Compensation disclosure
 - Media & stakeholder analysis: Consistency of management behavior during crisis situations

So, board effectiveness average tenure of people board industry experience executive compensation management ownership requirements compensation disclosure procedures details are asked here media and stakeholder analysis refers to its again an index which judges whether the organization is consistent that the man the behaviour of the management is consistent in different types of crisis situations.

So, we have a MSA for various things. So, this is media and stakeholder analysis for corporate governance is any corporate governance stable or is the organization stable in terms of its governance policies and is it consistent during times of crisis or not that is what this assesses.

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Materiality
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- "... [assessment of] company's ability to identify the sources of long-term value creation, understand the link between long-term issues & the business case, [...] and what targets are set to address these issues"
 - Material issues: economic, environmental, social
 - Materiality disclosure

So, you will see this MSA in various other aspects then you have materiality which is which refers to the assessment of the company's ability to identify the sources of long term value creation understand the link between long term issues and the business case and what targets are set to address these issues and within materiality you have material issues economic environmental and social and materiality disclosure these are the things that are assessed.

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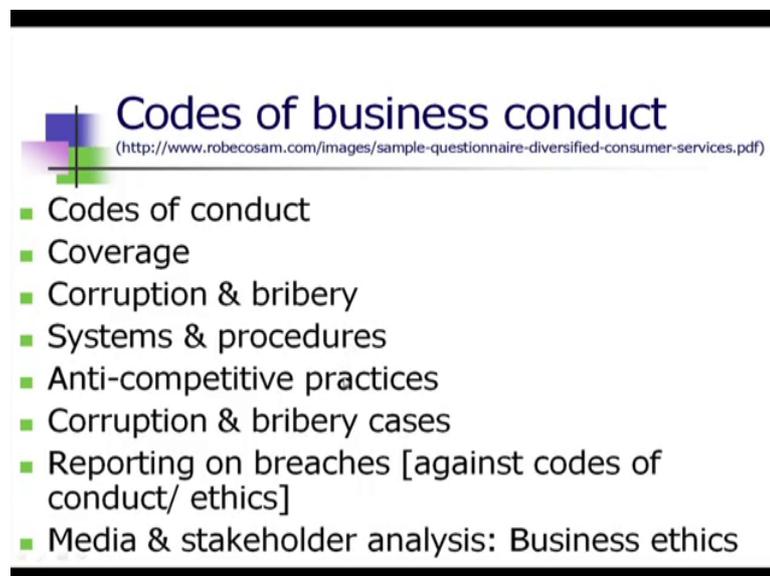
Risk & crisis management
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- Development of internal control processes & compliance with existing regulations & proactive development of control mechanism
 - Risk governance
 - Risks correlation
 - Sensitivity analysis & stress testing
 - Emerging risks
 - Risk culture
 - Media and stakeholder analysis: Risk & crisis management

Now risk and crisis management we have development of internal control processes and compliance with existing regulations and proactive development of control mechanisms within this risk governance risks correlation sensitivity analysis and stress testing is done emerging risks are assessed risk culture is assessed media and stakeholder analysis for risk and crisis management is done. So, a lot of things are and the details for each of these terms are available.

This is your homework please go through this document read it find out what each one in tells codes of business conduct would include codes of conduct coverage of course, of conduct corruption and bribery systems.

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And procedures and take comparative practices and take comparative corruption bribery cases how many cases were filed how many were result reporting on breaches against codes of conduct or ethics be MSA for business ethics.

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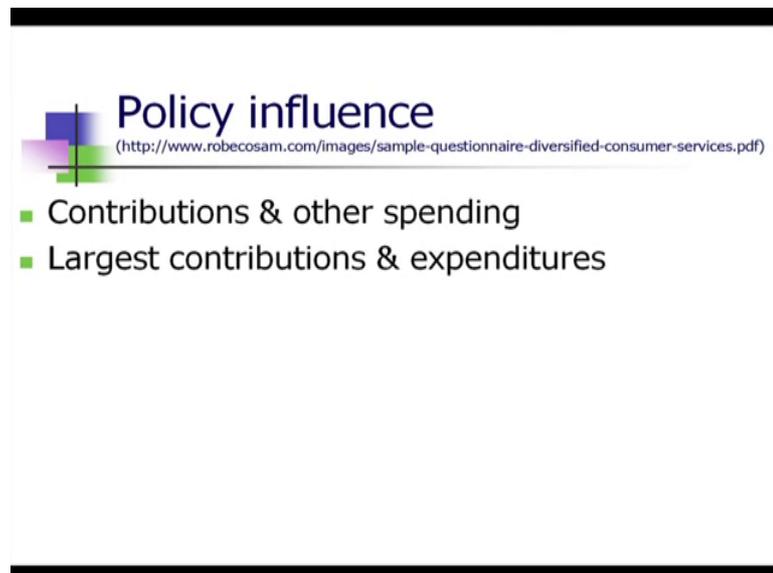


Customer relationship management
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- Online strategies & customers online
- Satisfaction management
- Media & stakeholder analysis: CRM

Then customer relationship management is the other aspect of the economic environment online strategies on customers online satisfaction management MSA for CRM; excuse me policy influence again contributions and other spending largest contributions and expenditures the details are all here brand management.

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Policy influence
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- Contributions & other spending
- Largest contributions & expenditures

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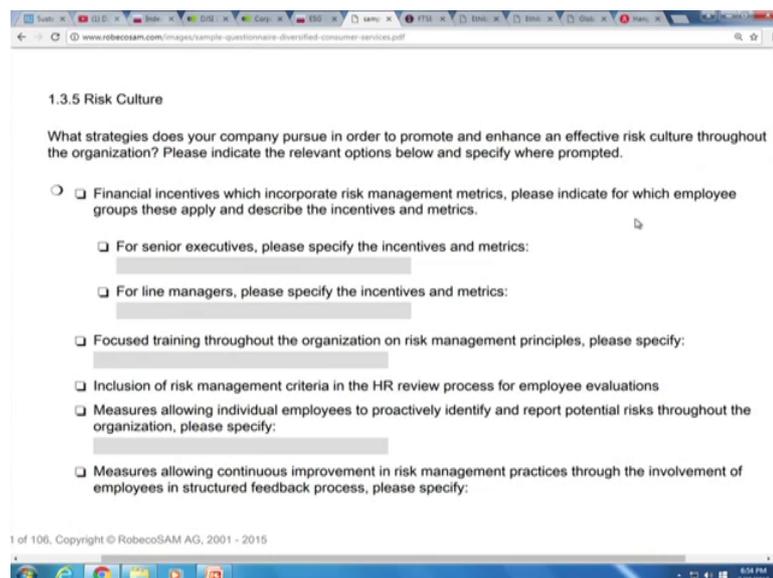


Brand management
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- "... how brand management strategies support a company's brand strength & align its approach to sustainability"
 - Brand values
 - Brand strategy & sustainability strategy
 - Brand management metrics
 - Media & stakeholder analysis: Brand management

Let us see this; this is a 106 page document. So, you are not going to be test it on the on your knowledge of the document because you are probably not filing for RobecoSAM assessment you are been invited this is again through invitation only so, but still it helps to know how the rest of the world is assessing things you know here is risk culture. So, what strategies does your company per sew in order to promote and enhance and effective risk through a throughout the organisation do you give financial incentives do you get focused training to you include risk management criteria etcetera.

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1.3.5 Risk Culture

What strategies does your company pursue in order to promote and enhance an effective risk culture throughout the organization? Please indicate the relevant options below and specify where prompted.

- Financial incentives which incorporate risk management metrics, please indicate for which employee groups these apply and describe the incentives and metrics.
 - For senior executives, please specify the incentives and metrics:

 - For line managers, please specify the incentives and metrics:

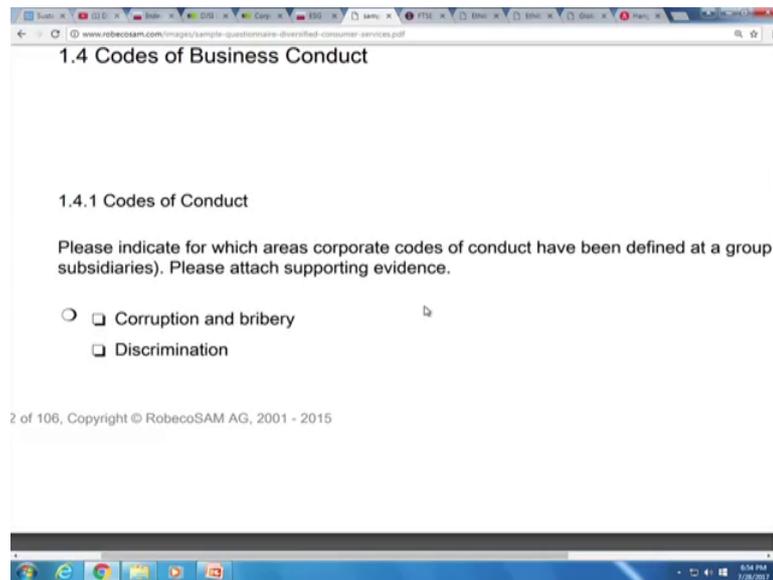
- Focused training throughout the organization on risk management principles, please specify:

- Inclusion of risk management criteria in the HR review process for employee evaluations
- Measures allowing individual employees to proactively identify and report potential risks throughout the organization, please specify:

- Measures allowing continuous improvement in risk management practices through the involvement of employees in structured feedback process, please specify:

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So, yeah already 200 percent; may be 250 percent, alright.

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So, codes of conduct corruption and bribery. So, please indicate for which areas corporate codes of conduct have been defined at a group level including subsidiaries please attach supporting evidence confidentiality of information conflicts of interest antitrust anti comparative practices money laundering environment health and safety or you say we do not have a group wide code of conduct or you say not applicable and you say why it is not applicable why do you not have a code of conduct that in your

organization or you say I do not know and that pitch you know is very bad, right. So, you better have something coverage the coverage of your codes of conduct whether acknowledgement has been obtained and training has been given to people do people know that they are suppose to follow a code of conduct or not.

(Refer Slide Time: 14:14)

Please complete the following table related to coverage of your codes of conduct, and when acknowledgement has been obtained and training has been provided in the past three years

<input type="radio"/> % relative to total number of:	Coverage	Written Acknowledgement	Train
Employees			
Contractors / Suppliers / Service Providers			
Subsidiaries			
Joint ventures (including stakes below 51%) <input type="checkbox"/> Not applicable. We do not have any joint ventures.			

None of the above are covered in our anti-corruption and bribery policy or codes of cond
 Not applicable. Please provide explanations in the comment box below.
 Not known

Question rationale: In order to successfully govern a company's behavior and mitigate adverse effects, Code of Conduct, corruption & bribery policies should be as comprehensive as possible – not only in content but also in the scope of any

So, and people includes employees contractors suppliers subsidiaries service providers joint ventures etcetera. So, you know all of these then a corruption and bribery.

(Refer Slide Time: 14:30)

1.4.3 Corruption & Bribery

Please indicate which of the following aspects are covered by your anti-corruption and bribery level (including subsidiaries). Please attach supporting evidence. Please ensure that the mark covered by your company's policy and are clearly disclosed in the attached documents .

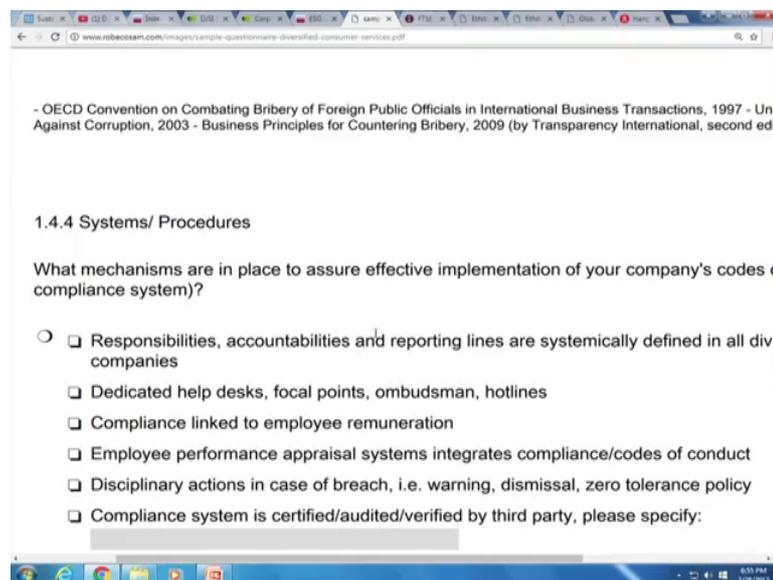
Bribes in any form (including kickbacks) on any portion of contract payments or soft dc
 Direct or indirect political contributions
 Political contributions publicly disclosed. Please attach supporting evidence and/or ind
 Charitable contributions and sponsorship
 Charitable contributions and sponsorship publicly disclosed. Please attach supporting indicate web address:

No anti-corruption & bribery policy
 Not applicable. Please provide explanations in the comment box below.
 Not known

Student: (Refer Time: 14:31)

Please indicate which of the following aspects are covered by or an anti corruption and bribery policy at a group level including subsidiaries. So, bribes in any form or any portion of contact payments or soft taller practices direct or indirect political contributions you know; how do you get all these money where as I mean all of that no anti corruption bribery policy. So, then systems and procedures; so, what mechanisms are in placed to assure effective implementation of your company's codes of conduct for example, compliance system.

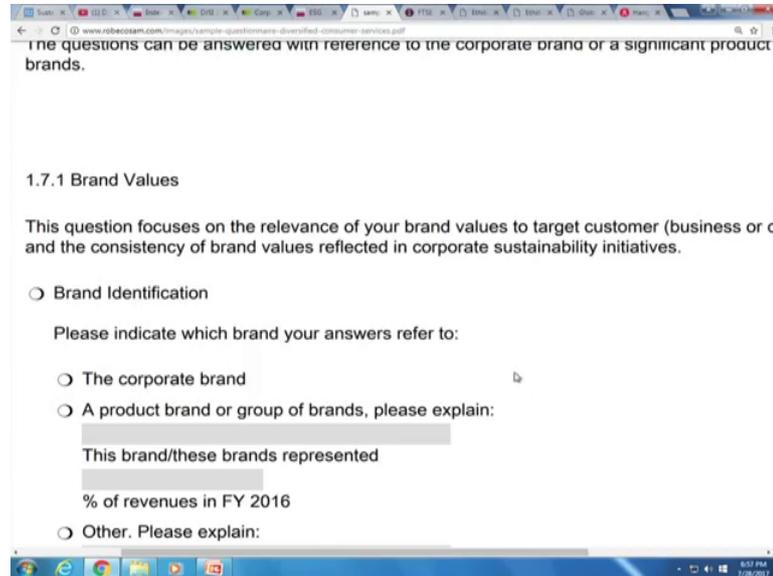
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Then responsibilities accountabilities and reporting lines of system systemically defined in all divisions and group companies dedicated help this. So, for example, you know, so what how what kinds of mechanisms are in place then anti comparative practices.

wanted to get item sorry. So, you know all this is here see policy influence contributions and other spending then we have come to CRM brand management.

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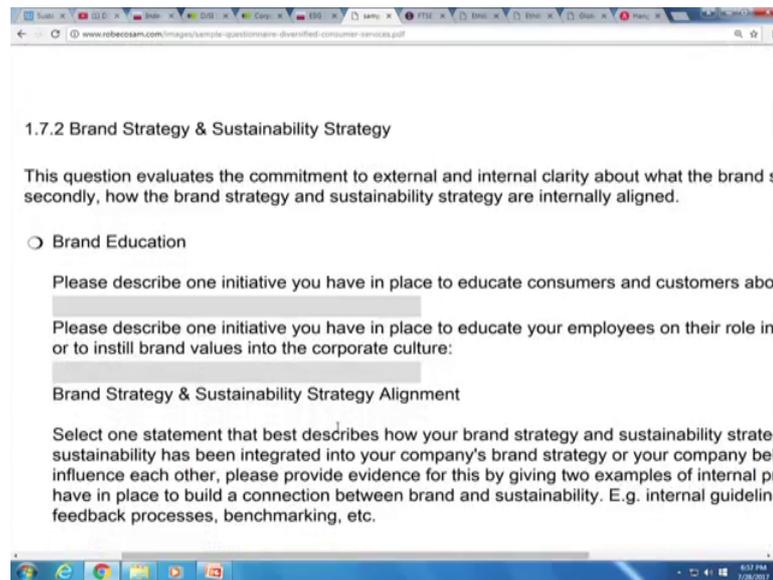


The screenshot shows a survey form titled "1.7.1 Brand Values". The text on the slide reads: "This question focuses on the relevance of your brand values to target customer (business or c) and the consistency of brand values reflected in corporate sustainability initiatives." Below this, there is a radio button labeled "Brand Identification". Underneath, it says "Please indicate which brand your answers refer to:". There are two radio button options: "The corporate brand" and "A product brand or group of brands, please explain:". The second option is selected. Below this, there are two text input fields: "This brand/these brands represented" and "% of revenues in FY 2016". At the bottom, there is another radio button labeled "Other. Please explain:".

Brand identification please this questions focuses on the relevance of your brand values to target customer.

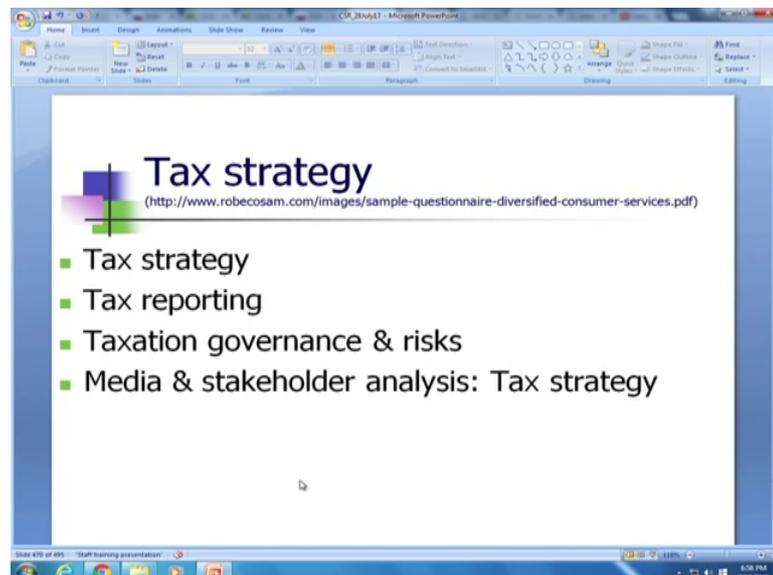
We were talking about the fit between what the company dose and what it is known for in the last lecture and the consistency brand values reflected in the corporative sustainability initiative. So, brand identification please indicate which brand you are answers refer to the corporate brand or a product brand then brand values how do your brand values address your target audiences needs how did is your approach to sustainability reflect your brand values etcetera. So, so much of detail is there brand strategy and sustainability strategy brand education, please describe one initiative.

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You have in place to educate customer and consumers about the brand please describe one initiative you have in place to educate to educate your employees on their role in building the brand or to instil the brand values in to the corporate culture. So, just see brand management metrics etcetera.

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Then here tax strategy tax reporting tax governance and risks media and stakeholder analysis a tax strategy is there.

(Refer Slide Time: 17:27)

The screenshot shows a PowerPoint slide with the following content:

- "... to assess whether companies have business programs for social needs & if they are measuring & valuing their broader societal impacts"
 - Business programs for social needs
 - Impact valuation
 - Valuation disclosure

A small circular inset in the bottom right corner shows a woman speaking.

(Refer Slide Time: 18:06)

The screenshot shows a questionnaire titled "1.9.2 Impact Valuation" with the following text:

Does your company measure its environmental and/or social profit and loss (SEP&L), monetary value of your positive and/or negative externalized impacts? Ideally, a comp P&L includes or three or more environmental externalities and a social P&L includes but all valued impacts are welcome. Please refer to the information text for more detail provide supporting evidence.

Yes, we conduct an environmental and/or a social profit & loss analysis. Please provide number of externalities measured.

Number of environmental externalities (positive or negative)	
Number of social externalities (positive or negative)	

We value our environmental and/or social impacts qualitatively or quantitatively, but into monetary values. Please describe:

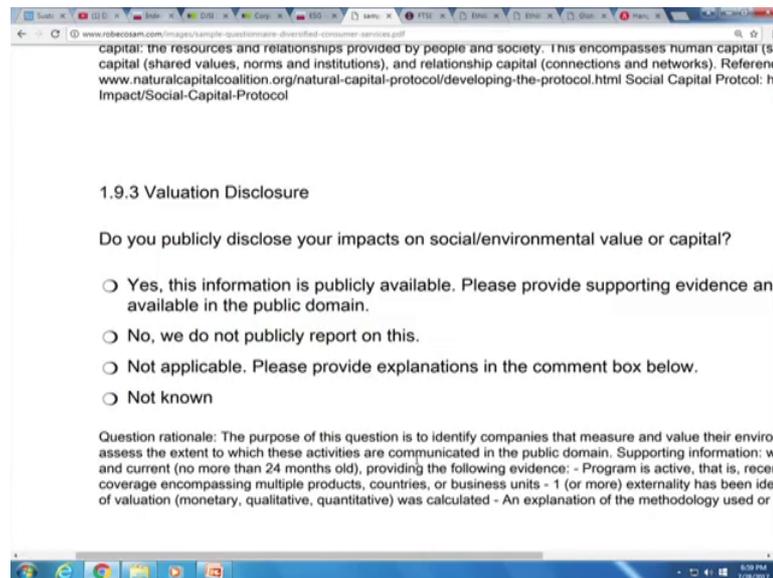
43 of 106, Copyright © RobecoSAM AG, 2001 - 2015

Then impact measurement and valuation to assess where the companies have business programs for social needs and if they are measuring and valuing their broader societal impacts business programs for social needs impact valuation disclosure. Let us look at this yeah here do you carry out programs which address a clear social need and a way that they also provide financial benefits to the company yes we have programs no we do not carry out such programs impact valuation does your company measure its environmental. And or social profit and loss that do you estimate the monetary value of your positive and or negative externalized impacts yes we conduct a social profit and

loss analysis we value our environmental and or social impacts qualitatively or quantitatively, but they are not converted into monetary value.

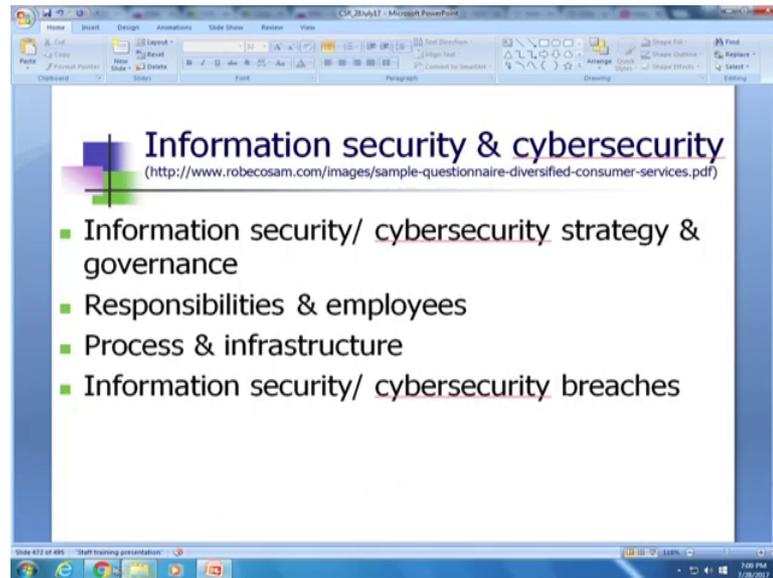
So, people who convert these impacts into monetary value are of course, you know. So, or I mean they are expected to have some sort of method of a valuating what they are doing then valuation disclosure do you publicly disclose your impacts on social or environmental value or capital.

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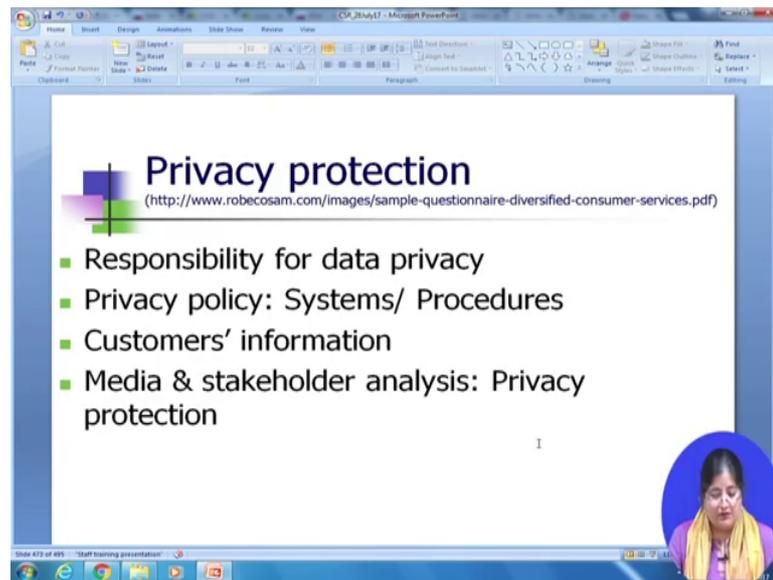
So, for example, yes this information is publicly available we have a factory its sending out effluents into the environment this is the amount of damages doing to the environment.

(Refer Slide Time: 18:56)



So, information security and cyber security information security and cyber security strategy and governance responsibility and employees process and infrastructure I am going through the whole list you will say you are wasting one full lecture that is not the case this is just to give people who are interested in idea of the detail this these index companies these companies that come up with these indexes go into in order to ensure that they pick the best of the lot like you know we saw in the video only 15 percent best companies 15 percent are of the top and they make it to the list of top 50 privacy protection responsibility for data privacy media customers information privacy policy systems and procedures then we have environmental dimension you know.

(Refer Slide Time: 19:36)

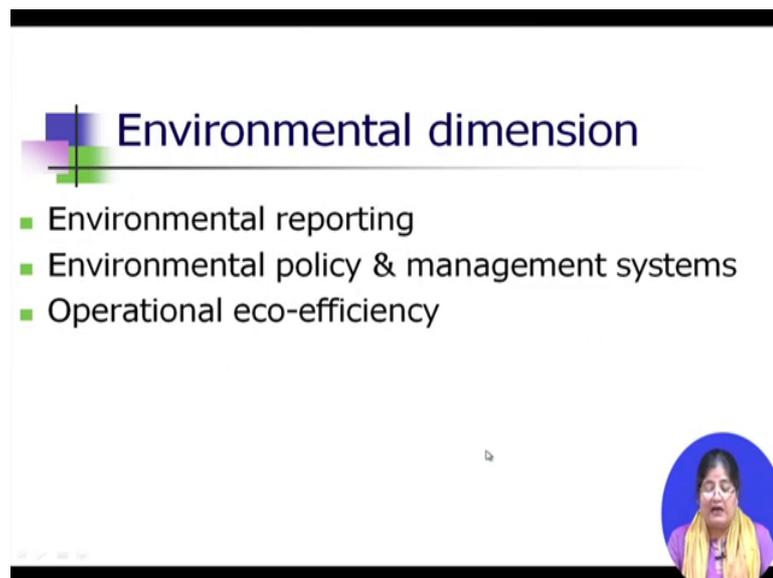


The screenshot shows a Microsoft PowerPoint window with the following content:

- Privacy protection**
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)
- Responsibility for data privacy
- Privacy policy: Systems/ Procedures
- Customers' information
- Media & stakeholder analysis: Privacy protection

A small circular video inset in the bottom right corner shows a woman with a yellow shawl speaking.

(Refer Slide Time: 19:46)



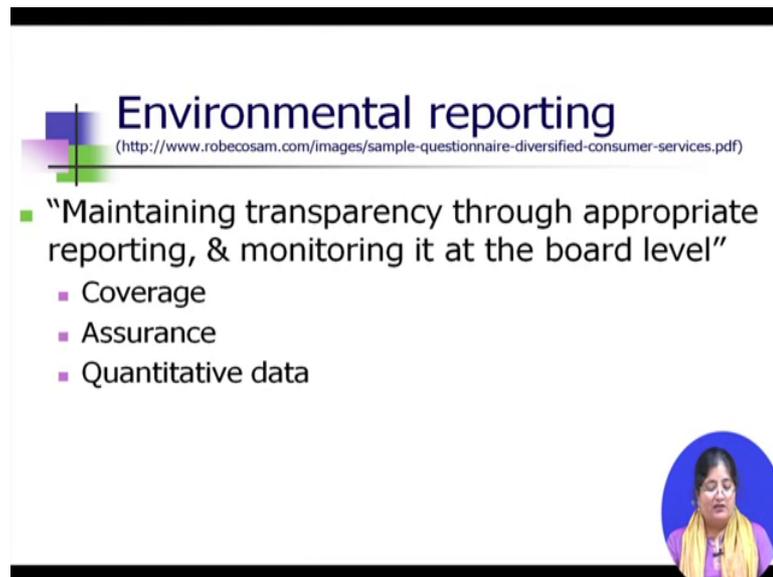
The screenshot shows a PowerPoint slide with the following content:

- Environmental dimension**
- Environmental reporting
- Environmental policy & management systems
- Operational eco-efficiency

A small circular video inset in the bottom right corner shows the same woman from the previous slide speaking.

So, we were talking about the economic dimension environmental dimension has 3 major aspects environmental reporting environmental policy and management systems operational eco-efficiency reporting refers to maintaining transparency through appropriate reporting.

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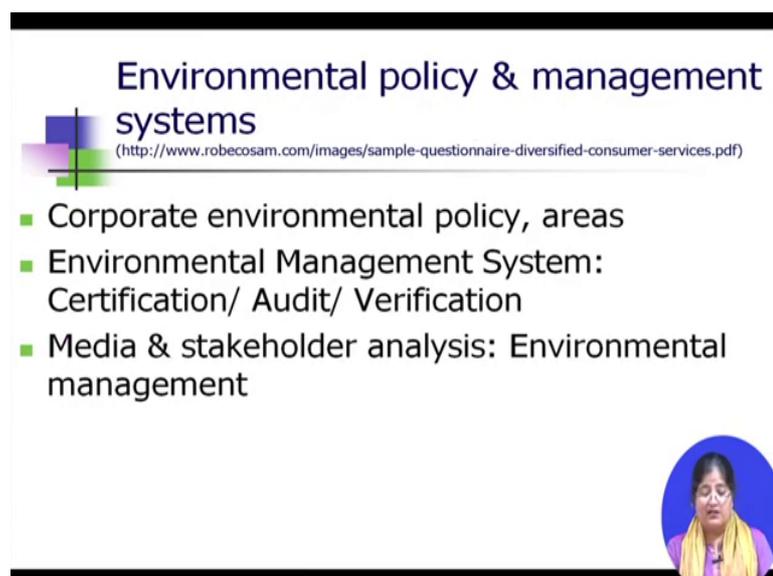


Environmental reporting
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- "Maintaining transparency through appropriate reporting, & monitoring it at the board level"
 - Coverage
 - Assurance
 - Quantitative data



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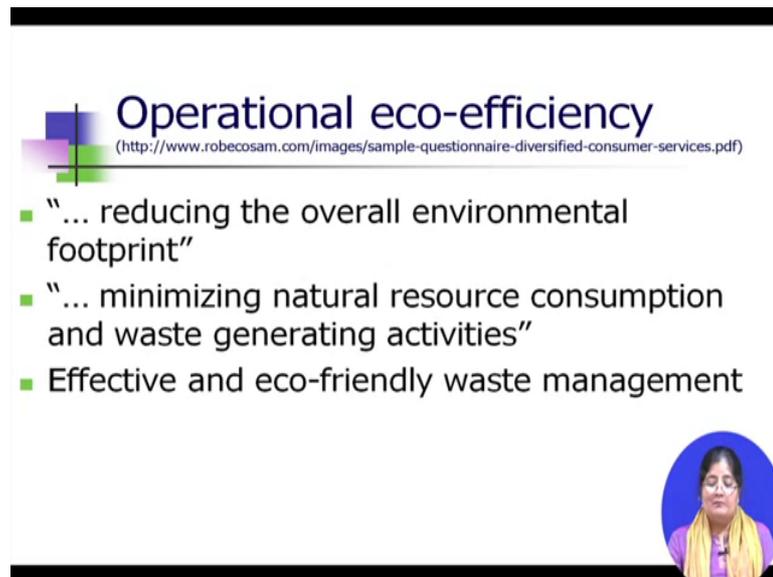
Environmental policy & management systems
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- Corporate environmental policy, areas
- Environmental Management System: Certification/ Audit/ Verification
- Media & stakeholder analysis: Environmental management



And monitoring at the board level there is coverage assurance and quantitative data policy and management systems include corporate environmental policy areas including the areas that are identified environmental management system is a formal management system for or a formal system for managing the interaction between the organisation and the environment certification audit verification.

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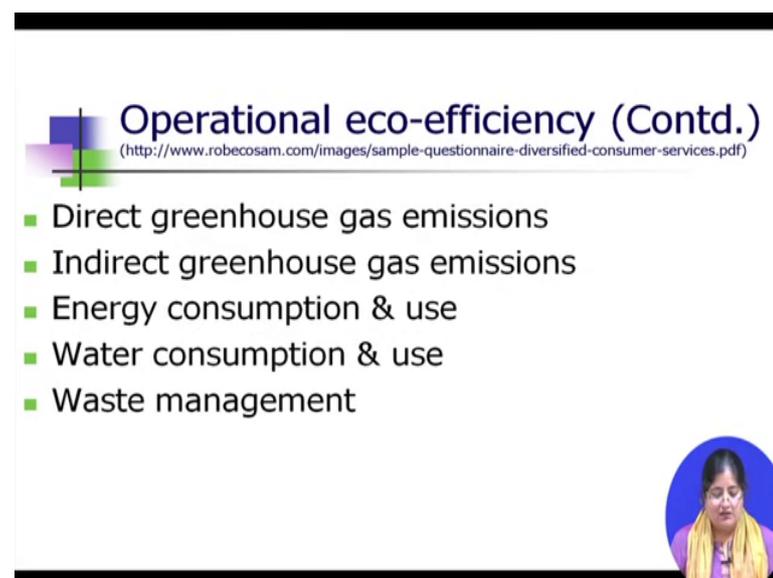


Operational eco-efficiency
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- "... reducing the overall environmental footprint"
- "... minimizing natural resource consumption and waste generating activities"
- Effective and eco-friendly waste management

So, these are standardised systems media and stakeholder analysis again operational eco efficiency refers to reduction of the overall environmental footprint and minimization of natural resource consumption and waste generating activities and effective and eco friendly waste management. Now all this is also assessed in terms of direct green house emissions indirect green house emissions energy consumption.

(Refer Slide Time: 20:50)



Operational eco-efficiency (Contd.)
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- Direct greenhouse gas emissions
- Indirect greenhouse gas emissions
- Energy consumption & use
- Water consumption & use
- Waste management

And use water consumption and use and management of waste and this is another thing that I should show you here in this documents amazing.

Now, the detail that these peoples have gone into is main problem let me show this to you here see environmental the operational eco efficiency direct greenhouse emissions.

(Refer Slide Time: 21:31)

2.3.1 EP - Direct Greenhouse Gas Emissions (Scope 1)

Please provide your company's total direct greenhouse gas emissions (DGHG SCOP company's operations for which you have a reliable and auditable data acquisition ar Please refer to the information button for additional clarifications. For each row in the the values provided are in the same unit. Also, please ensure that you have correctly Information section at the beginning of the questionnaire, and that the coverage in th denominator relevant for your company as indicated in that section.

Direct GHG (Scope 1)	Unit	FY 2013	FY 2014	FY 2015	F
Total direct GHG emissions (Scope 1)	metric tonnes CO2 equivalents				
Data coverage (as % of denominator)	percentage of:				

THIRD-PARTY VERIFICATION



So, a total green house gas emissions metric tonne carbon dioxide equivalents produced in the past 4 years third party verification data consistency you know all of this is there then indirect green house gas emissions metric tonnes of carbon dioxide carbon direct was carbon monoxide this is carbon dioxide equivalents percentage of etcetera, etcetera.

(Refer Slide Time: 21:58)

2.3.3 EP - Energy

Please complete the following table about total energy consumption. For each row in that the values provided are in the same unit. Please see the Information Button for c Also, please ensure that you have correctly filled in the Company Information section questionnaire, and that the coverage in the table below is related to the denominator indicated in that section.

Total energy consumption	Unit	FY 2013	FY 2014	FY 2015	F
Total non-renewable energy consumption	MWh				

So, then you; so, all of these questions are asked then we have energy consumption and use waste management was another one that I thought I would show you sorry water total water use million cubic meters then waste how much of waste is generated and disposed off.

(Refer Slide Time: 22:27)

Please provide your company's total solid waste disposed for the part of your company that have a reliable and auditable data acquisition and aggregation system. For each row that the values provided are in the same unit. Also, please ensure that you have correct information section at the beginning of the questionnaire, and that the coverage in the denominator relevant for your company as indicated in that section.

For relevant industries, separate data is requested in additional questions for:

- mineral waste
- hazardous waste

Waste disposed

Waste disposed	Unit	FY 2013	FY 2014	FY 2015	F
Total waste disposed	metric tonnes				
Data coverage (as % of denominator)	percentage of:				

THIRD-PARTY VERIFICATION

Our data has been third-party verified in the most recent financial year reported evidence.

DATA CONSISTENCY

So, all of that is assessed here then we come to the social dimensions (Refer Time: 22:36) Social reporting labour practice indicators human rights human capital development talent attraction and retention corporate citizenship and philanthropy occupational health and safety and stakeholder engagement social reporting coverage assurance.

(Refer Slide Time: 22:37)



Social dimension

- Social reporting
- Labor practice indicators
- Human rights
- Human capital development
- Talent attraction & retention
- Corporate citizenship & philanthropy
- Occupational health and safety
- Stakeholder engagement

(Refer Slide Time: 22:50)



Social reporting

(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- Coverage
- Assurance
- Quantitative data

And quantitative data labour practice indicators would include diversity remuneration freedom of association human rights would include commitment due diligence process assessment disclosure and again MSAs human capital development would include training.

(Refer Slide Time: 22:54)



Labor practice indicators
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- Diversity
- Equal remuneration
- Freedom of association



(Refer Slide Time: 23:02)



Human rights
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- Commitment
- Due diligence process
- Assessment
- Disclosure
- Media & stakeholder analysis: Human rights



(Refer Slide Time: 23:11)



Human capital development
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- Training & development inputs
- Employee development programs
- Human capital return on investment
- Return on employee development investment

And development inputs employee development programs human capital return on investment return on employee development investment talent attraction.

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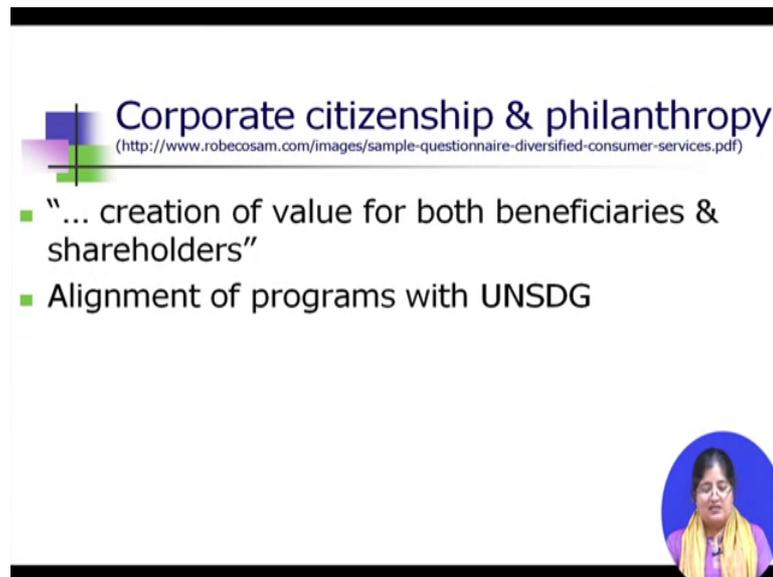


Talent attraction & retention
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- Type of individual performance appraisal
- Long term incentives
- Employee turnover rate
- Trend of employee engagement
- Media and stakeholder analysis talent attraction & retention

And retention would refer to type of individual performance appraisals long term incentives employee turnover rate trend of employee engagement.

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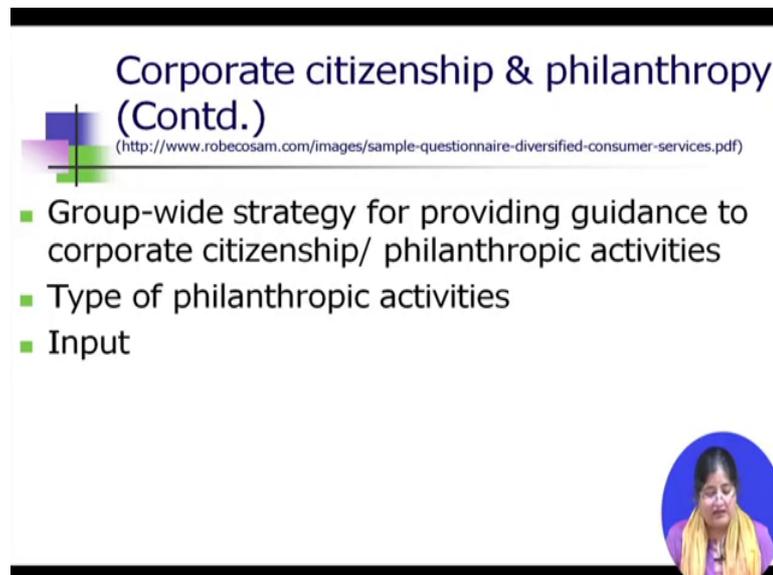


Corporate citizenship & philanthropy
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- "... creation of value for both beneficiaries & shareholders"
- Alignment of programs with UNSDG

And again MSAs corporate citizenship and philanthropy would refer to the creation of value for both beneficiaries and shareholders and this assesses the alignment of programs of the organization with the United Nation sustainable development goals in terms of that.

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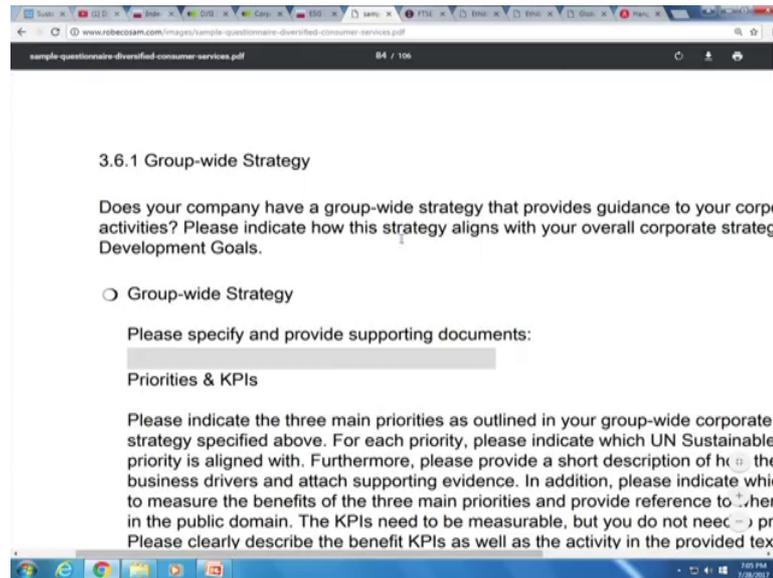


**Corporate citizenship & philanthropy
(Contd.)**
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- Group-wide strategy for providing guidance to corporate citizenship/ philanthropic activities
- Type of philanthropic activities
- Input

Then group wide strategy for providing guidance to corporate citizenship philanthropic activities and type of philanthropic activities and the input, let us see what kinds of questions this part has.

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2 group wide strategy does not do you have a group wide strategy when you provide supporting documents of they give you a chance it is not cut and try they give you a chance to be ex to express what you have and still fit into this broad framework.

So, the details are asked what I have priorities again these are the SDGs like you see seven sustainable development goals are given description of alignment between priority and your business drivers please provide supporting evidence business benefit key performance indicators how do you assess that this has provided some benefits to you no poverty zero hunger good health and well being which means they are asking you why are you investing in this what is it giving you in terms of benefit to your business or in terms of benefit to the society.

(Refer Slide Time: 25:00)

Priorities and SDG alignment	Description of alignment between priority and your business drivers. Please provide supporting evidence.	Business Benefit KPI	Social Benef
Priority 1 <input type="radio"/> 1. No Poverty <input type="radio"/> 2. Zero Hunger <input type="radio"/> 3. Good Health and Well-being <input type="radio"/> 4. Quality Education <input type="radio"/> 5. Gender Equality			

So, you have the organisation undertaking these activities are expected to write down to identify and clearly indicate on this form what is it that you are after why are you doing what you are doing and that then includes or that brings in a sense of accountability.

(Refer Slide Time: 25:46)

social and environmental issues important in these markets. Examples of business drivers/KPIs may include, but are not limited to: business development, local development, reputation/ branding, human capital development and access to talent. Social KPIs should be aligned with generally accepted social / environmental goals like the Sustainable Development Goals, SDGs, similar. References: - London Benchmarking Group Guidance Manual: <http://corporate-citizenship.com/our-insights/lbg-guidance-manual> - <http://www.socialprogressimperative.org> - <http://www.un.org/sustainabledevelopment/sustainable-development-goals/> Standard 413-1 are relevant for this question.

3.6.2 Type of Philanthropic Activities

For the last fiscal year, please indicate on a consolidated group-wide basis what percentage of citizenship and/or philanthropic contributions falls within each category. Please refer to the definitions and explanations of the categories.

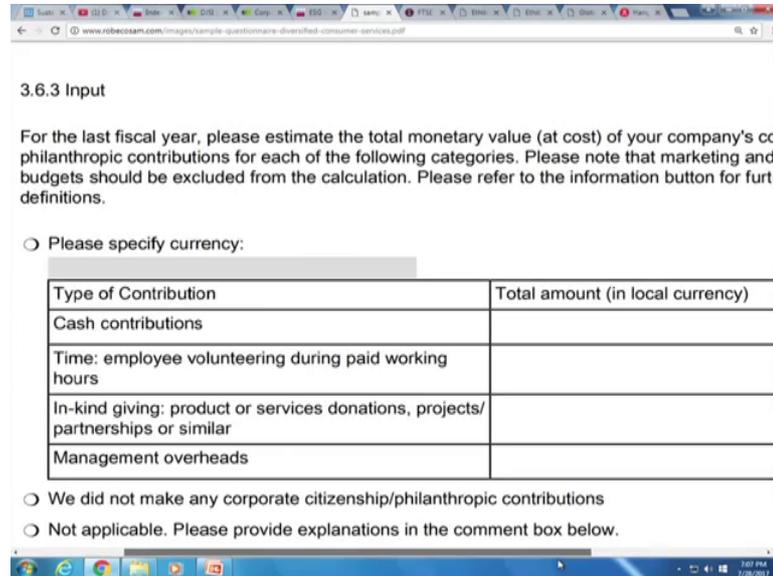
Category	Percentage of Total Costs
Charitable Donations	
Community Investments	
Commercial Initiatives	
Total must equal	100%

We do not report our philanthropic activities according to these categories

And self evaluation then here what I have priorities types of philanthropic activities what kind of philanthropic activities do you engage in charitable donations investments conversion investments incentives sorry commercial initiatives then input. So, please

estimate the total monetary value of your company's corporate citizenship philanthropic contributions.

(Refer Slide Time: 26:04)



3.6.3 Input

For the last fiscal year, please estimate the total monetary value (at cost) of your company's cc philanthropic contributions for each of the following categories. Please note that marketing and budgets should be excluded from the calculation. Please refer to the information button for furt definitions.

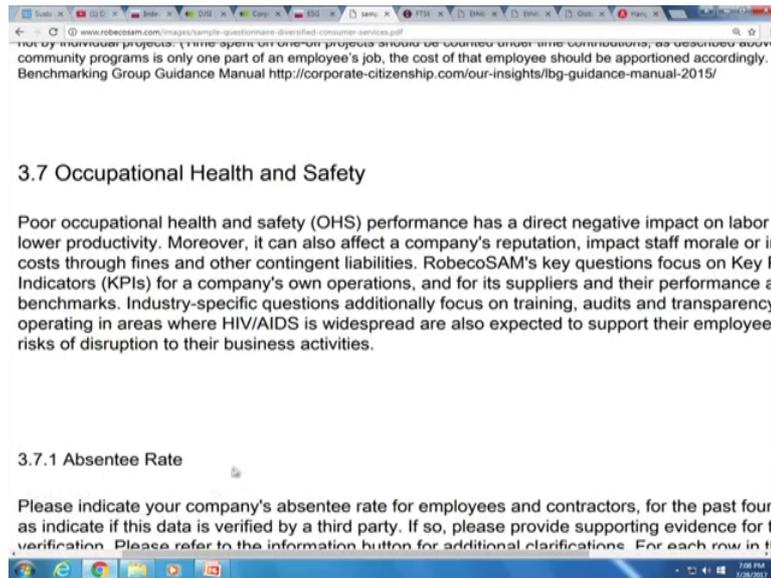
Please specify currency:

Type of Contribution	Total amount (in local currency)
Cash contributions	
Time: employee volunteering during paid working hours	
In-kind giving: product or services donations, projects/ partnerships or similar	
Management overheads	

We did not make any corporate citizenship/philanthropic contributions
 Not applicable. Please provide explanations in the comment box below.

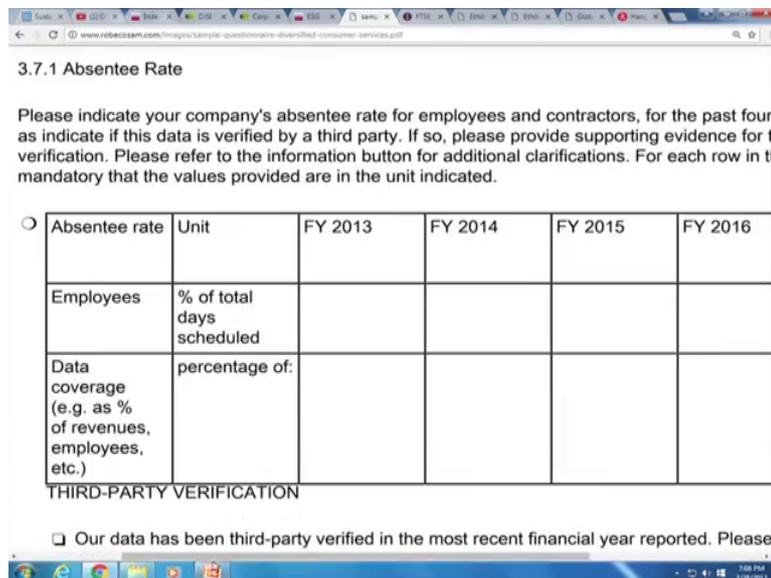
For each of the following categories cash contributions employee volunteering is also accounted for in kind giving you ask people to donate their old cloths their leftover food their old medicines their unused blankets old blankets etcetera. So, all of that forms part of the in kind giving and that is also included then management overheads you collect all this then you go to a place and you give all these. So, how much money do you spend on hiring a car for example, of collecting these or you know how much time is taken out its not volunteering it is the overheads. So, you send out notices paper is you know the money spend on paper and photocopy and bags and collection and refreshments for the people who are organising all of these.

(Refer Slide Time: 26:59)



So, that goes into the management overheads. So, all of these here then you have occupational health and safety.

(Refer Slide Time: 27:02)



Which includes absentee rate health safety and well being of your employees healthy lifestyle incentives yeah.

(Refer Slide Time: 27:04)

Occupational health & safety
(<http://www.robecosam.com/images/sample-questionnaire-diversified-consumer-services.pdf>)

- Absentee rate
- Health, safety & well-being
- Healthy lifestyle incentive

So, do you provide stress management information stress management training your work place is ergonomic there enough light?

(Refer Slide Time: 27:19)

3.7.2 Health, Safety & Well-being

Does your company provide special training and/or measures to foster employees' health and well-being in the following areas? Please provide supporting evidence and indicate if this is available in the public domain.

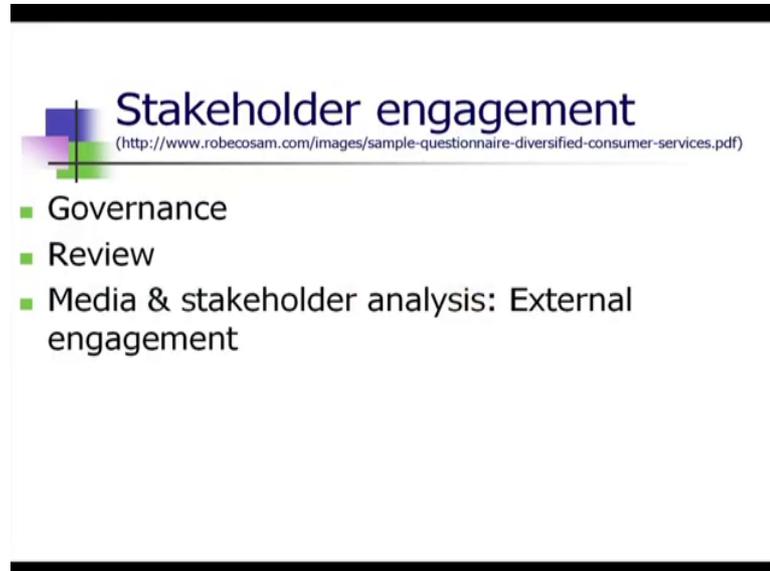
<input type="radio"/> Health, safety and well-being initiatives	Description of program	Supporting evidence
Stress-management information		
Stress-management training		
Healthy working environment initiatives focusing on:		
- Ergonomic workplace		
- Illumination		
- Noise		
- Indoor air quality		
- Humidity		
- Temperature		
Fitness facilities or contributions to		

What is the noise level indoor air quality humidity temperature etcetera then healthy lifestyle incentive?

So, do you have a objectives for healthy lifestyle stakeholder engagement is there then governance is there policies and procedures are there. So, we almost done here. So, then

stakeholder engagement is a last part of this we have governance we have review and we have MSAs and that includes external engagement.

(Refer Slide Time: 27:51)



So, a very very detailed the document containing the questions is a 106 pages wrong you can imagine what the total report that is filed by the organisations that are invited to be a part of this index is going to be.

So, the size of the docket that they submit would done into thousands of pages, but that is required and it is being done here after here because this enhance is accountability we heard one of the videos that this reporting on millennium development goes had led to a forty percent reduction in something I forgotten the details now. So, there was there was you know there is a visible impact on the environment and that and then when they publicize they are wok. So, much you know they are very selective organization. So, here RobecoSAM is and of course, the sustainability index they are very very reputed organizations known for their excellence and they were putting so much effort into identifying the companies the organizations that are taking extra efforts into doing what they are suppose to do for the welfare of the environment. Now in lying with that then they said we publicize these results and they are widely publicized and that in turn these investors to opt for the organizations that are more sustainability friendly.

So, or that are really going to look after the environment and eventually that will leads to a change in the way the people do things everybody wants to get into this index this is

my invitation you do a good job they will pick you. So, good, good job and are known for a good job looking after the environment they will pick you and that in turn will bring more revenues for you because people will start investing in what you have doing. So, these are the, you know if the cycle is created you look after the environment and the environment looks after you do not look after the environment the environment does not look after you.

Now, in the next lecture what we will do is we will look at how a social responsibility is being assessed in the Indian context that is where we will wind up our discussion on measurement and evaluation of CSR.

Thank you very much for listening.