

RepRisk in the quarterly newsletter (Insights) of S&P Dow Jones Indices

Julia Kochetygova, Senior Director of Business Development at S&P Dow Jones Indices in Moscow, paired up with Guido Giese, PhD, Head of Indices at RobecoSAM, to share their thoughts on sustainability as it relates to indices, and the methodology driving the Dow Jones Sustainability Diversified Indices Family (DJSI Diversified Family) in the quarterly newsletter (Insights) of S&P Dow Jones Indices and mentioned RepRisk as part of their scoring system:

INSIGHTS: sustainability scoring seems to play an integral role in selecting constituents. How does the scoring system work and how do you ensure accuracy?

Guido: The assessment is performed by analysts at RobecoSAM who specialize in specific industries and look at both financial as well as non-financial characteristics of companies. At least 50% of the questions in each industry questionnaire are specific to the industry in question, with the exact percentage varying from industry to industry. Each CSA questionnaire includes approximately 80 – 120 questions (depending on the industry) on financially relevant ESG factors. Questions are grouped into criteria and then sub-divided into three dimensions—economic, social and environmental. RobecoSAM applies a scoring and weighting scheme to the individual questions in order to arrive at an overall Total Sustainability Score for each company, up to 100 points. The score is then used to rank and select companies for the indices.

Julia: It is also important to mention a special section in the analysis for each criterion called Media and Stakeholder Analysis (MSA). For MSA, RobecoSAM receives information from a third-party analytical company, RepRisk. On a daily basis, RepRisk monitors media reports and commentaries from stakeholders on a vast number of companies globally. This monitoring covers a range of controversial issues, including economic crime or corruption, fraud, human rights issues, workplace safety, catastrophic accidents or environmental disasters. If a company is involved in such a case, its CSA score will be discounted, respectively, and will also depend on how well the company has addressed the issue. This is one of the elements that ensures objectivity and reliability of the scores.

The full newsletter can be read [here](#).