S&P GLOBAL SWITZERLAND SA

Independent assurance report on the application of the Corporate Sustainability Assessment Methodology to the Dow Jones Sustainability Index composition for the 2020 assessment period from 15 March 2020 to 13 November 2020
Independent assurance report on the application of the Corporate Sustainability Assessment Methodology

Scope of assurance work
We have been engaged by the Board of Directors of S&P Global Switzerland SA (“S&P Global”) to provide assurance during the 2020 annual review of the Corporate Sustainability Assessments (“CSA”) for the 2020 assessment period from 15 March 2020 to 13 November 2020 on the following subject matter:

- Limited level assurance* on the application of S&P Global’s Corporate Sustainability Assessment and Corporate Sustainability Monitoring (the ‘Methodology’), as described in sections 3, 4 and 5 of the of the ‘Measuring Intangibles – The SAM Corporate Assessment Methodology’ (March 2020), including section 6 ‘Scoring the questions’, and section 7 ‘Media and Stakeholder Analysis (MSA)’, available at https://portal.csa.spglobal.com/survey/documents/DJSI_CSA_Measuring_Intangibles.pdf

Basis of our assurance work and procedures
Our work was conducted by a multi-disciplinary team of sustainability and assurance specialists in accordance with the International Standard on Assurance Engagements 3000 (Revised) (‘ISAE 3000 Revised’).

Key assurance procedures
The key procedures undertaken for understanding the Methodology and assessing the application of the Methodology, including S&P Global’s internal quality assurance procedures through:

- Reviewing, for a non-statistical sample of questions, the detailed guidance provided in the SIMS3 system for question appraisal, for clarity and relevance against the intended appraisal approach. SIMS3 is the database used by S&P Global for the CSA;
- Interviewing selected management and employees based in S&P Global’s office to understand the governance and management control environment for the CSA, and the application of the Methodology for the 2020 CSA;
- Interviewing selected employees from Evalueserve in India to understand their involvement in the CSA process. Evalueserve is a third party outsourcing agency used by S&P Global to undertake initial data gathering and validation of company questionnaires;
- Testing, for a non-statistical sample of completed company questionnaires, the accuracy of the application of the Methodology by S&P Global and its partner, Evalueserve, in the quality appraisal of the CSA;
- Reviewing, for a non-statistical sample of scoring formulae within the SIMS3 system, the construction of the formulae to assess that they are operating as intended;
- Re-performing, for a non-statistical sample of companies, the generation of scores as calculated by the SIMS3 system, to test the accuracy of the generation of the scores;

*The levels of assurance engagement are defined in ISAE 3000 (Revised). The objective of a reasonable assurance engagement is a reduction in assurance engagement risk to an acceptably low level in the circumstances of the engagement as the basis for a positive form of expression of the practitioner’s conclusion. The objective of a limited assurance engagement is a reduction in assurance engagement risk to a level that is acceptable in the circumstances of the engagement, but where that risk is greater than for a reasonable assurance engagement, as the basis for a negative form of expression of the practitioner’s conclusion.
Re-performing, for a non-statistical sample of companies, the generation of scores for the Media Stakeholder Analysis (‘MSA’), and testing the accuracy of the application of MSA scores to the assessed criteria;

Re-performing, for a non-statistical sample of companies, selected media searches and comparing the news stories identified with those identified by S&P Global in the MSA; and

Reviewing the final S&P Global sign off process of completed CSA.

Our work was limited to procedures performed at S&P Global only. We did not review the data, data collection, collation, and validation processes used by the individual companies submitting information to S&P Global. We have not tested the design, implementation or integrity of the underlying system/information.

Standards used: basis of our work, criteria used and level of assurance

We carried out limited assurance using the International Standard on Assurance Engagements (ISAE) 3000 (Revised). To achieve limited assurance, the standard requires that we review the processes, systems, and competencies used to compile the areas on which we provide assurance. The nature, timing, and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement but is planned to obtain a level of assurance that is, in the practitioner professional judgement, meaningful. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls. S&P Global publish the CSA and Corporate Sustainability Monitoring (the Methodology) - the ‘criteria’, which should be read in conjunction with this report, and is available at: https://portal.csa.spglobal.com/survey/documents/DJSI_CSA_Measuring_Intangibles.pdf

Our conclusion

Based on the scope of our work and the assurance procedures we performed, nothing has come to our attention that causes us to believe that the S&P Global Corporate Sustainability Assessment and Corporate Sustainability Monitoring (the Methodology), as described in sections 3, 4 and 5 of the of the ‘Measuring Intangibles – The SAM Corporate Assessment Methodology’ (March 2020), including section 6 ‘Scoring the questions’, and section 7 ‘Media and Stakeholder Analysis (MSA)’, available at https://portal.csa.spglobal.com/survey/documents/DJSI_CSA_Measuring_Intangibles.pdf has not in all material aspects been fairly applied during the 2020 annual review of the index composition covering the 2020 assessment period from 15 March 2020 to 13 November 2020.

Responsibilities of Directors and independent assurance provider

S&P Global’s responsibilities

S&P Global’s Directors are responsible for preparing the Corporate Sustainability Assessments and Corporate Sustainability Monitoring Methodology and sustainability scores and for the information and statements contained within. They are responsible for determining S&P Global’s Methodology and for establishing and maintaining appropriate performance management and internal control systems from which the reported Corporate Sustainability Assessment and Corporate Sustainability Monitoring score is derived.
Deloitte’s responsibilities
Our responsibility is to independently express conclusions on the subject matter specified by S&P Global. This is set out below

- We complied with Deloitte’s independence policies, which address and, in certain areas, exceed the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants. We have confirmed to S&P Global that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity in the provision of this engagement.

- We have applied the International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

- Our report is made solely to S&P Global in accordance with our letter of engagement for the purpose of the Directors’ governance and stewardship. Our work has been undertaken so that we might state to S&P Global those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than S&P Global for our work, for this report, or for the conclusions we have formed.

- This report provides no assurance on the maintenance and integrity of S&P Global website nor the controls used to maintain this website’s integrity, and in particular whether any changes may have occurred to the information subsequent to our work. These matters are the responsibility of the Directors of S&P Global.

- Our team consisted of a combination of Chartered Accountants with professional assurance qualifications and professionals with sustainability expertise and professional assurance qualifications.