America's Most Responsible Companies 2020

Methodology

November 2019
For the first time, Newsweek and Statista are honoring America’s Most Responsible Companies based on publicly available key performance indicators derived from CSR Reports, Sustainability Reports, and Corporate Citizenship Reports as well as an independent survey.

The analysis was carried out in a 4-phase process (see page 3), starting with a pool of over 2,000 companies that were screened by different criteria. All the companies that passed the pre-screening (carried out in June 2019) have been analyzed in detail. The detailed analysis consisted of an independent survey among 6,500 U.S. citizens and research based on publicly available key performance indicators (see page 7-9) derived from Corporate Annual Reports, CSR Reports, Sustainability Reports, and Corporate Citizenship Reports. The independent survey was administered using an online access panel. The survey took an average of 10 minutes to complete and the field period ran in August and September 2019.

The detailed analysis covered three areas of Corporate Social Responsibility:
  - Environmental
  - Social
  - Corporate Governance

For each company, a score was calculated based on the performance in the survey as well as the analysis of KPI's.

The 300 companies with the highest scores have been awarded. The final list recognizes the top 300 most responsible companies in the United States, spanning 14 industries: Automotive & Components, Capital Goods, Consumer Goods, Energy & Utilities, Entertainment, Leisure & Dining, Financial, Health Care & Life Sciences, Materials, Professional Services, Real Estate & Housing, Retail, Software & Telecommunications, Technology Hardware and Travel, Transport & Logistics.
The Creation of the Ranking of the Top 300 Companies was based on a 4-Phase-Process

Methodology Overview: 4-Phase-Process

1. **Candidate Pool**
   - Top 2000 public companies by revenue with headquarters in the U.S.
   - Banks and insurance companies: total assets exceed 50 billion USD

2. **Pre-Screening**
   - The company has published a CSR-Report, Sustainability Report or similar including data for 2017 or later years (Status: June 2019)
   - The company’s activities do not primarily focus on defense
   - The company is not involved in major lawsuits, scandals etc.

3. **Detailed Review**
   - 3 areas: “Environment”, “Social”, “Corporate Governance”
   - Research of relevant KPIs
   - Survey of 6,500 U.S. Citizens asking for their perception of the companies

4. **Scoring Model**
   - Calculate the score based on data through detailed analysis for the 3 areas
   - Top 300 companies with the highest score are awarded
The Pre-Screening was carried out for all the Companies in the Candidate Pool

1. Candidate Pool
2. Pre-Screening Phase

Candidate Pool
The company belongs to the largest 2000 public companies by revenue with headquarters in the U.S. in 2018
Banks and insurance companies: The company’s total assets exceeded 50 billion USD in 2018

Start of Pre-Screening

- Has the company published a CSR Report, Sustainability Report, Corporate Citizenship Reports or similar that includes data for 2017 or later years? No
  - Yes

- Are the company's activities primarily focused on defense? Yes
  - No

- Is the company involved in any major lawsuits, scandals related to CSR? Yes
  - No

The Company was not evaluated in the detailed analysis

Detailed Analysis
- Survey of U.S. Citizens
- Research of KPIs
Survey to evaluate Reputation of Companies was the First Part of the Detailed Analysis

3 Detailed Analysis: Survey of U.S. Citizens

– Survey among 6,500 U.S. citizens
– The survey was conducted using an online access panel
– Survey on how the company’s CSR-activities are perceived by U.S. citizens (general perception and perception in the three areas social, environmental and corporate governance)

Survey structure and topics

1) Selection of companies that the survey participant is familiar with
2) General perception of CSR activities of every selected company
   ▪ In general, the company does a good job in terms of corporate social responsibility.
3) Perception of every selected company in three areas:

   Environment
   ▪ The company is active in protecting the environment.
   ▪ The company meets relevant environmental standards.
   ▪ The company uses resources responsibly and acts in an environmentally friendly way.

   Social
   ▪ The company is committed to good causes.
   ▪ The company is a popular employer.
   ▪ The company supports diversity and is committed to increasing the number of women and ethnic minorities in its workforce.

   Governance
   ▪ The company is transparent with its public disclosures.
   ▪ The company handles sensitive data with care.
   ▪ The company works against all forms of corruption.
The KPI Research covered the three Areas of Corporate Social Responsibility

- Analysis of KPI’s from the three areas
- Disclosed data from CSR report (or similar) and annual report
- Observation of general KPI’s – KPI’s that are available regardless of the industry
- Researched data is either
  - binary (true or false)
  - numerical
- Companies are scored 0 in the case of non-disclosure for relevant KPI's.

### Relevant dimensions for each area

#### Environmental KPI’s:
- Waste
- Emissions
- Water Use
- Energy Use
- Environmental Engagement

#### Social KPI’s:
- Leadership Diversity
- Employees
- Philanthropy & Engagement

#### Governance KPI’s:
- Disclosure & Transparency
- Economic Performance
### Environmental KPI’s in 5 Dimensions have been raised

#### Detailed Analysis: Research of KPI’s

<table>
<thead>
<tr>
<th>Dimension</th>
<th>KPI</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste</td>
<td>Waste Intensity</td>
<td>Non-recycled waste / Revenue</td>
</tr>
<tr>
<td></td>
<td>Statement about recycled waste</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Emissions</td>
<td>Carbon Intensity</td>
<td>GHG emissions: scope 1 &amp; 2 / Revenue</td>
</tr>
<tr>
<td></td>
<td>Statement about Emission reduction</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Energy Use</td>
<td>Energy Intensity</td>
<td>Energy use / Revenue</td>
</tr>
<tr>
<td></td>
<td>Statement about reduction of energy use</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>Statement about use of renewable energy</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Water Use</td>
<td>Water Intensity</td>
<td>Water use / Revenue</td>
</tr>
<tr>
<td>Environmental Engagement</td>
<td>Examples of environmental projects in CSR- Report</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>Provides information to CDP</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>
Social KPI’s in 3 Dimension have been evaluated

<table>
<thead>
<tr>
<th>Dimension</th>
<th>KPI</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Diversity</td>
<td>Share of Women in Board of Directors</td>
<td># of women in Board / Total # of people in board</td>
</tr>
<tr>
<td></td>
<td>Share of Women in Executive team</td>
<td># of women in executive team / Total # of people in executive team</td>
</tr>
<tr>
<td></td>
<td>Share of Minorities in Board of Directors</td>
<td># of Minorities in Board / Total # of people in board</td>
</tr>
<tr>
<td>Employees</td>
<td>Lost-time Incident Rate (or similar Total Recordable Incident Rate, DART Days Away, Restricted, or Transferred)</td>
<td># of lost time injuries / Total hours worked * 1,000,000 (or similar)</td>
</tr>
<tr>
<td></td>
<td>Employee Turnover</td>
<td>Number of departures / Average total employees</td>
</tr>
<tr>
<td></td>
<td>Average Training Hours</td>
<td>Training hours per employee</td>
</tr>
<tr>
<td>Philanthropy &amp; Engagement</td>
<td>Average Volunteer Hours</td>
<td>Employee volunteer hours/ # employees</td>
</tr>
<tr>
<td></td>
<td>Human Right Policy</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>Charitable Giving I</td>
<td>Charitable Giving / Revenue</td>
</tr>
<tr>
<td></td>
<td>Charitable Giving II</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>Examples of social projects in CSR-Report</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>
## Governance KPI’s in 2 Dimensions were researched

### Detailed Analysis: Research of KPI’s

<table>
<thead>
<tr>
<th>Dimension</th>
<th>KPI</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure &amp; Transparency</td>
<td>Scope of CSR-Report</td>
<td>Number of pages</td>
</tr>
<tr>
<td></td>
<td>CSR-Section included in Annual report</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>CSR-Section on Website</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>CSR-Report with GRI Report Guidelines</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>Compliance / Anti-Corruption guideline</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Economic Performance</td>
<td>Financial Stability (Piotroski F-Score Test)</td>
<td>9 criteria: net profit, operating cash flow , operating cash flow / net profit, net profit / total assets, Leverage long-term ratio, current ratio, gross margin, asset turnover, ordinary shares</td>
</tr>
<tr>
<td></td>
<td>Innovation Capacity</td>
<td>R&amp;D expenses / Revenue</td>
</tr>
</tbody>
</table>
For every Company in the Detailed Analysis a Score was calculated from Survey and KPI Performance

Scoring Model

Reputation Survey | KPI's | Reputation Survey | KPI's | Reputation Survey | KPI's

30% | 70% | 30% | 70% | 30% | 70%

Score “Environment” (0 -100) | Score “Social” (0 -100) | Score “Corporate Governance” (0 -100)

33,3% | 33,3% | 33,3%

CSR Score (0 -100)

TOP 300 RESPONSIBLE COMPANIES AWARDED
300 Companies from a pool of over 2,000 have been awarded for their Excellence in the field of CSR

Result: Top 300 list spanning 14 industries

<table>
<thead>
<tr>
<th>Rank</th>
<th>Industry Rank</th>
<th>Company</th>
<th>State</th>
<th>Industry</th>
<th>CSR Score</th>
<th>Score Environmental</th>
<th>Score Social</th>
<th>Score Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>HP</td>
<td>Delaware</td>
<td>Technology Hardware</td>
<td>94,4</td>
<td>97,0</td>
<td>96,3</td>
<td>90,0</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Cisco</td>
<td>California</td>
<td>Technology Hardware</td>
<td>91,2</td>
<td>94,2</td>
<td>87,0</td>
<td>92,4</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>Dell</td>
<td>Texas</td>
<td>Technology Hardware</td>
<td>90,3</td>
<td>96,6</td>
<td>81,7</td>
<td>92,6</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Intel</td>
<td>California</td>
<td>Technology Hardware</td>
<td>90,0</td>
<td>75,9</td>
<td>94,2</td>
<td>100,0</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>Microsoft</td>
<td>Washington</td>
<td>Software &amp; Telecommunications</td>
<td>89,7</td>
<td>88,7</td>
<td>87,7</td>
<td>92,7</td>
</tr>
<tr>
<td>6</td>
<td>5</td>
<td>NVIDIA</td>
<td>California</td>
<td>Technology Hardware</td>
<td>89,1</td>
<td>79,8</td>
<td>88,4</td>
<td>99,3</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>Citigroup</td>
<td>New York</td>
<td>Financial</td>
<td>88,2</td>
<td>95,0</td>
<td>87,3</td>
<td>82,6</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
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America's Most Responsible Companies 2020 by Newsweek and Statista recognizes the top 300 most responsible companies in the United States, spanning 14 industries:

- Automotive & Components
- Capital Goods
- Consumer Goods
- Energy & Utilities
- Entertainment, Leisure & Dining
- Financial
- Health Care & Life Sciences
- Materials
- Professional Services
- Real Estate & Housing, Retail
- Retail
- Software & Telecommunications
- Technology Hardware
- Travel, Transport & Logistics
America’s Most Responsible Companies Partner Network

Overview of involved parties

**About Newsweek**

Newsweek is a premier news magazine and website that has been bringing high-quality journalism to readers around the globe for over 80 years.

Newsweek provides the latest news, in-depth analysis and ideas about international issues, technology, business, culture and politics. In addition to its online and mobile presence, Newsweek publishes weekly English print editions in the United States, Europe/Middle East/Africa and Asia as well as editions in Japanese, Korean, Polish, Serbian and Spanish.

[newsweek.com](http://newsweek.com)

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[statista-research.com](http://statista-research.com)