



America's Most Responsible Companies 2020

Methodology

November 2019

Newsweek

statista 

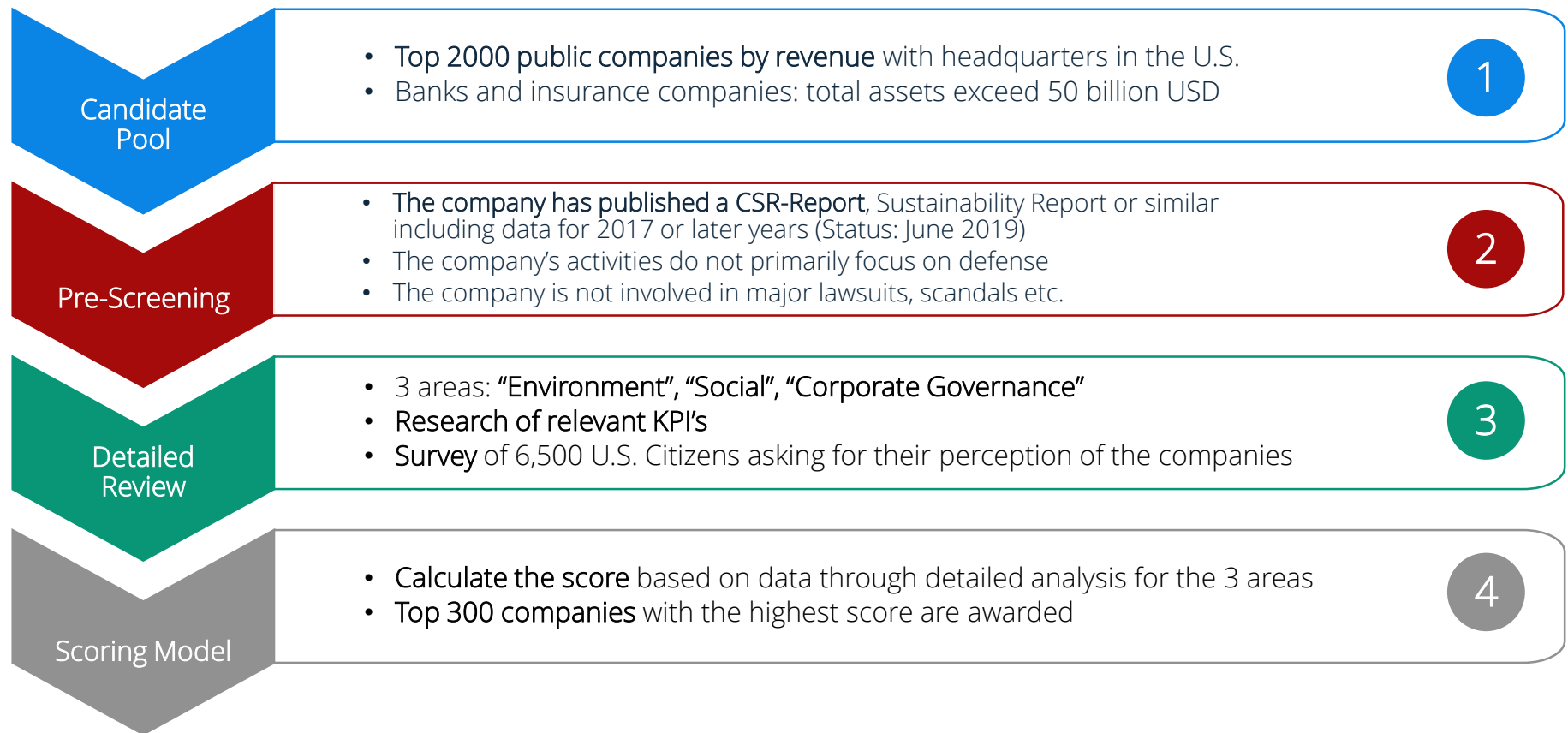
America's Most Responsible Companies

Newsweek's definitive list of top performing companies in corporate social responsibility matters in the U.S.

- 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



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

3 Detailed Analysis: Research of KPI's

- 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

3 Detailed Analysis: Research of KPI's

Dimension	KPI	Methodology
Waste	Waste Intensity	Non-recycled waste / Revenue
	Statement about recycled waste	Yes / No
Emissions	Carbon Intensity	GHG emissions: scope 1 & 2 / Revenue
	Statement about Emission reduction	Yes / No
Energy Use	Energy Intensity	Energy use / Revenue
	Statement about reduction of energy use	Yes / No
	Statement about use of renewable energy	Yes / No
Water Use	Water Intensity	Water use / Revenue
Environmental Engagement	Examples of environmental projects in CSR-Report	Yes / No
	Provides information to CDP	Yes / No

Social KPI's in 3 Dimension have been evaluated

3 Detailed Analysis: Research of KPI's

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

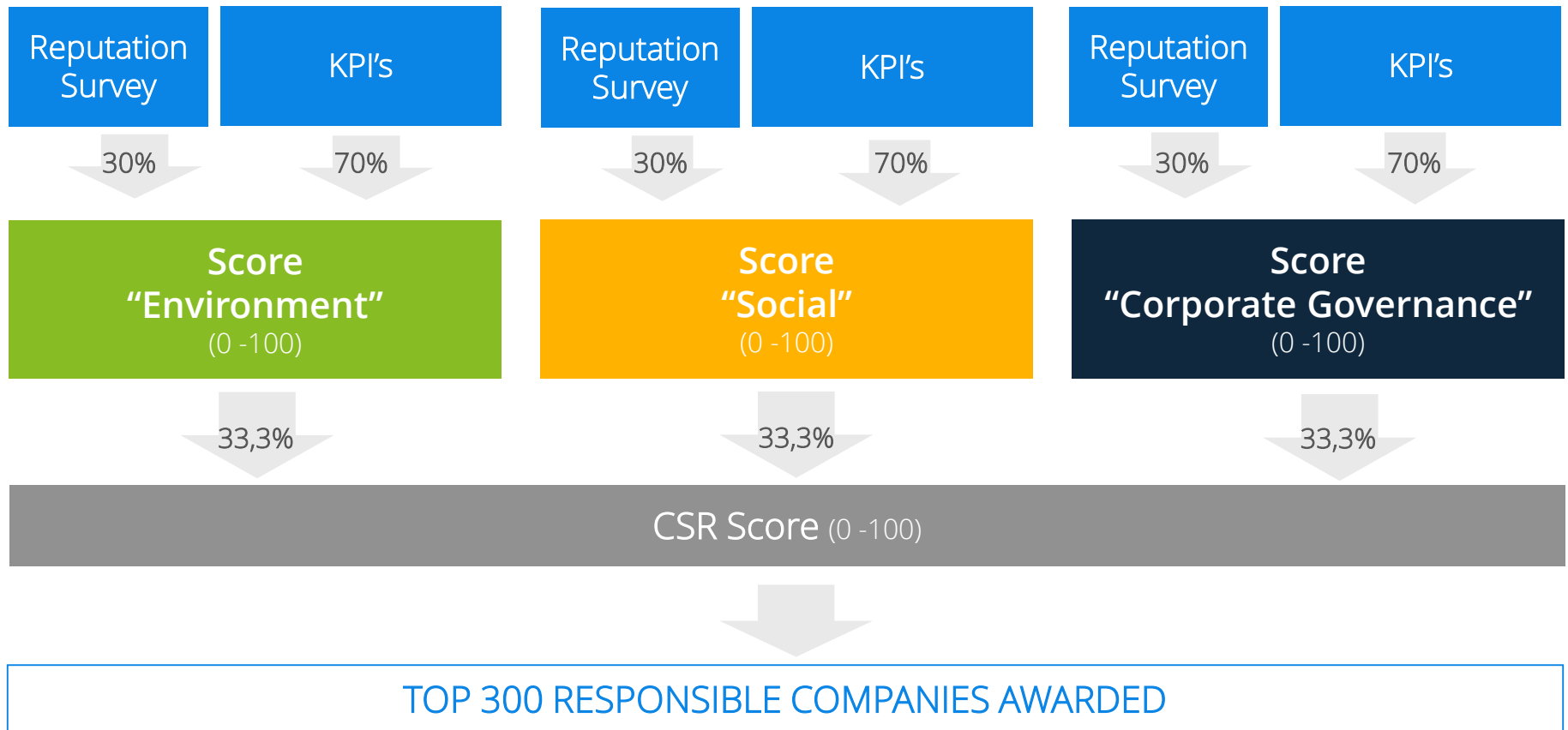
Governance KPI's in 2 Dimensions were researched

3 Detailed Analysis: Research of KPI's

Dimension	KPI	Methodology
Disclosure & Transparency	Scope of CSR-Report	Number of pages
	CSR-Section included in Annual report	Yes / No
	CSR-Section on Website	Yes / No
	CSR-Report with GRI Report Guidelines	Yes / No
	Compliance / Anti-Corruption guideline	Yes / No
Economic Performance	Financial Stability (Piotroski F-Score Test)	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
	Innovation Capacity	R&D expenses / Revenue

For every Company in the Detailed Analysis a Score was calculated from Survey and KPI Performance

4 Scoring Model



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

Rank	Industry Rank	Company	State	Industry	CSR Score	Score Environmental	Score Social	Score Governance
1	1	HP	Delaware	Technology Hardware	94,4	97,0	96,3	90,0
2	2	Cisco	California	Technology Hardware	91,2	94,2	87,0	92,4
3	3	Dell	Texas	Technology Hardware	90,3	96,6	81,7	92,6
4	4	Intel	California	Technology Hardware	90,0	75,9	94,2	100,0
5	1	Microsoft	Washington	Software & Telecommunications	89,7	88,7	87,7	92,7
6	5	NVIDIA	California	Technology Hardware	89,1	79,8	88,4	99,3
7	1	Citigroup	New York	Financial	88,2	95,0	87,3	82,6
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- 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

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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.

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