



America's Most Responsible Companies 2021

Methodology

November 2020

Newsweek

statista 

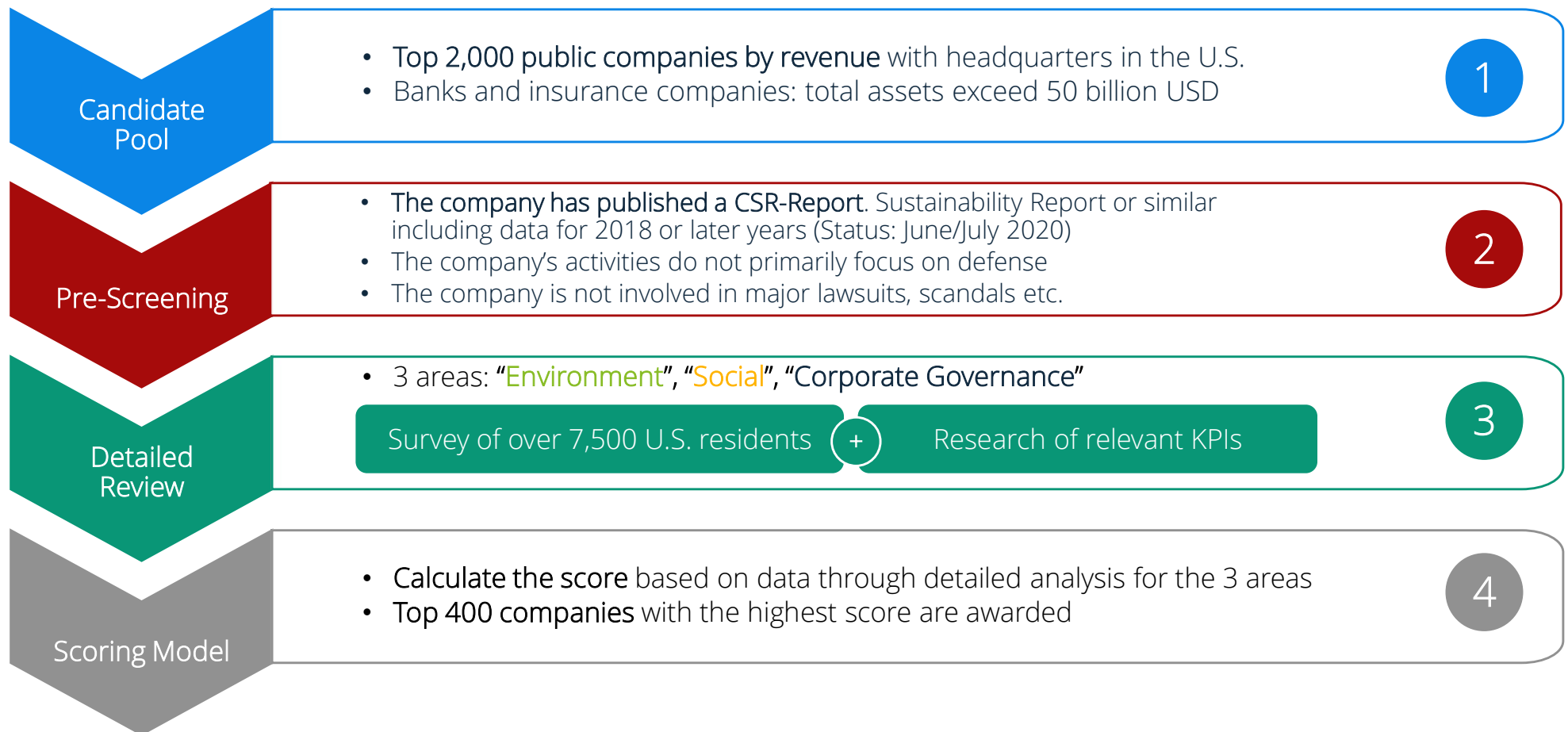
America's Most Responsible Companies

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

- For the second 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 and July 2020) have been analyzed in detail. The detailed analysis consisted of an **independent survey among more than 7,500 U.S. residents** 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. Relevant companies have also been requested to validate their data. 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 September 2020.
- 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 KPIs.
- **The 400 companies with the highest scores have been awarded.** The final list recognizes the top 400 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 400 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 2,000 public companies by revenue with headquarters in the U.S. in 2019
Banks and insurance companies: The company's total assets exceeded 50 billion USD in 2019

↓ Start of Pre-Screening

Has the company published a CSR Report, Sustainability Report, Corporate Citizenship Reports or similar that includes data for 2018 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. Residents
- Research of KPIs

Survey to evaluate Reputation of Companies was the First Part of the Detailed Analysis

3 Detailed Analysis: Survey of U.S. Residents

- Survey among over 7,500 U.S. residents
- The survey was conducted using an online access panel
- Survey on how the company's CSR-activities are perceived by U.S. residents (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 KPIs

- Analysis of KPIs from the three areas
- Disclosed data from CSR report (or similar) and annual report
- Observation of general KPIs – KPIs 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 KPIs.

Additional: opportunity for companies in scope to validate the researched KPIs in all three areas

Relevant dimensions for each area

Environmental KPIs:

- Waste
- Emissions
- Water Use
- Energy Use
- Environmental Engagement

Social KPIs:

- Leadership Diversity
- Employees
- Philanthropy & Engagement

Governance KPIs:

- Disclosure & Transparency
- Economic Performance

Environmental KPIs in 5 Dimensions have been raised

3 Detailed Analysis: Research of KPIs

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
Long Term Performance ⁽¹⁾	Score Environment 2020	1-100

Social KPIs in 3 Dimension have been evaluated

3 Detailed Analysis: Research of KPIs

Dimension	KPI	Methodology
Leadership Diversity	Share of Women in Board of Directors	# of women in Board / Total # of people in board
	Share of Minorities in Board of Directors	# of Minorities in Board / Total # of people in board
Employees	Total Recordable Incident Rate (or similar: DART Days Away, Restricted or Transferred, Lost Time Incident Rate)	# of lost time cases * 200,000 / Total hours worked (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
Long Term Performance ⁽¹⁾	Score Social 2020	1-100

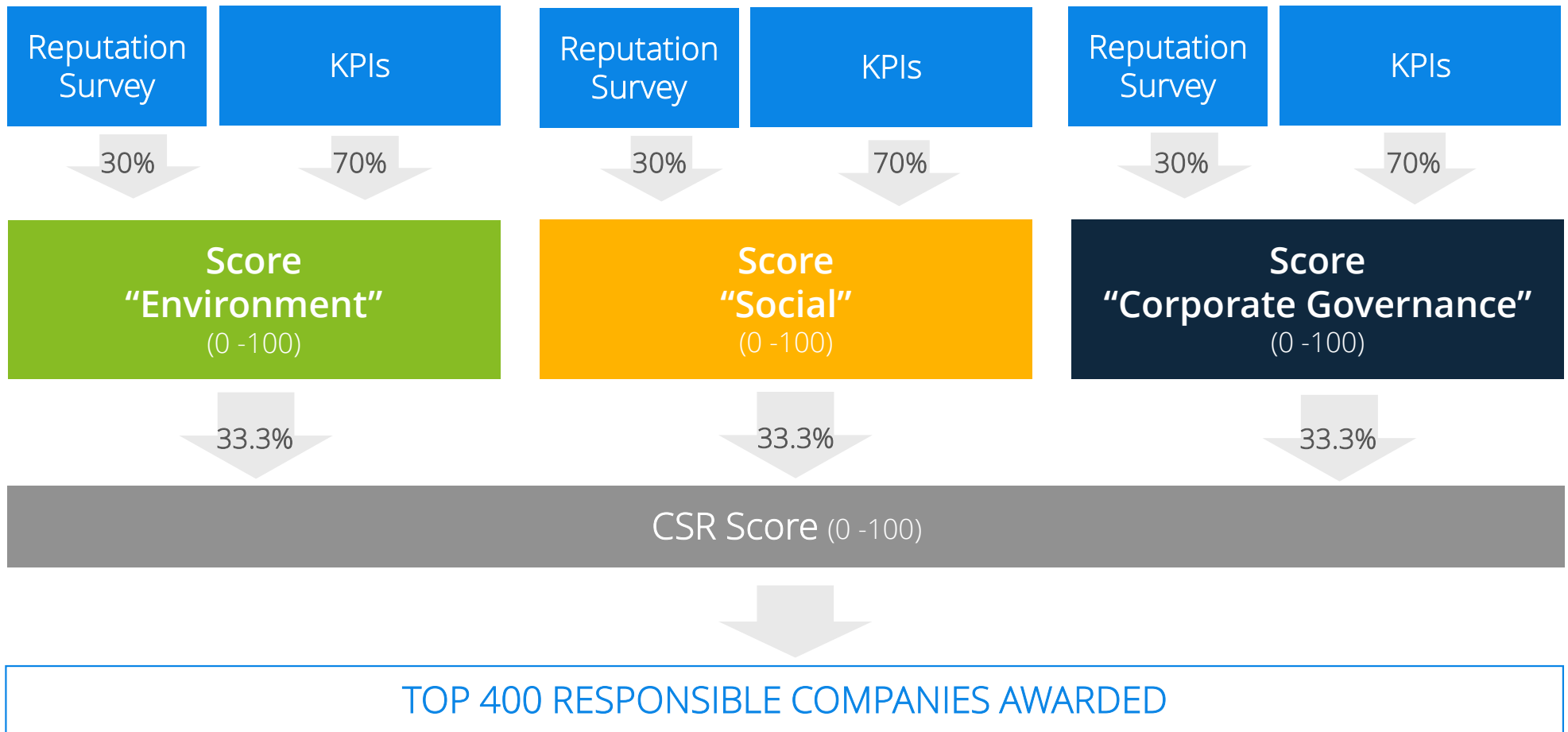
Governance KPIs in 2 Dimensions were researched

3 Detailed Analysis: Research of KPIs

Dimension	KPI	Methodology
Disclosure & Transparency	Scope of CSR-Report	Number of pages
	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
Long Term Performance ⁽¹⁾	Score Corporate Governance 2020	1-100

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

4 Scoring Model



400 Companies from a pool of over 2.000 have been awarded for their Excellence in the field of CSR

Result: Top 400 list spanning 14 industries

Rank	Industry Rank	Company	State	Industry	CSR Score	Score Environmental	Score Social	Score Governance
1	1	HP	Delaware	Technology Hardware	93.2	95.9	92.4	91.4
2	2	NVIDIA	California	Technology Hardware	92.7	94.7	87.6	95.9
3	1	Microsoft	Washington	Software & Telecommunications	91.9	91.8	88.3	95.7
4	3	Cisco Systems	California	Technology Hardware	91.7	97.3	79.1	98.9
5	4	Qualcomm	California	Technology Hardware	91.5	89.5	85.2	100.0
6	1	General Mills	Minnesota	Consumer Goods	91.3	89.1	98.8	86.2
7	2	Whirlpool	Michigan	Consumer Goods	91.3	92.7	89.8	91.4
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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

The Newsweek logo consists of the word "Newsweek" in white, bold, sans-serif font, centered within a solid red rectangular background.

About Newsweek

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