



# America's Most Responsible Companies 2022

Methodology

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November 2021

**Newsweek**

**statista** 

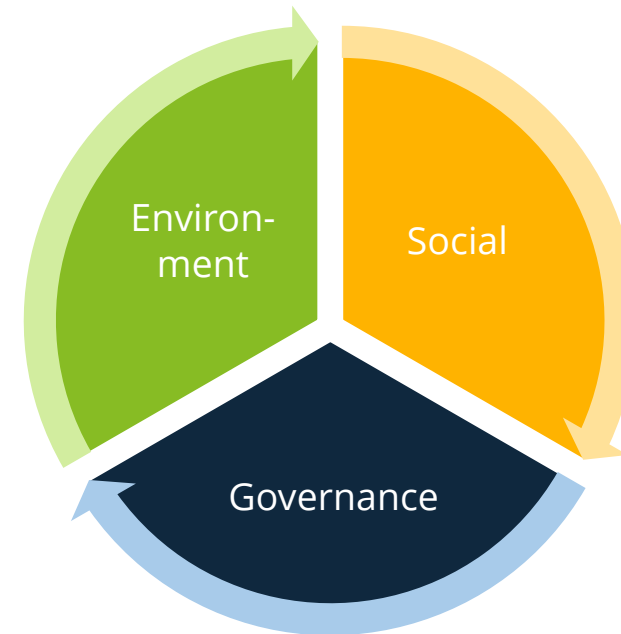
# The ranking of America's Most Responsible Companies is based on a holistic view on corporate responsibility

The Ranking



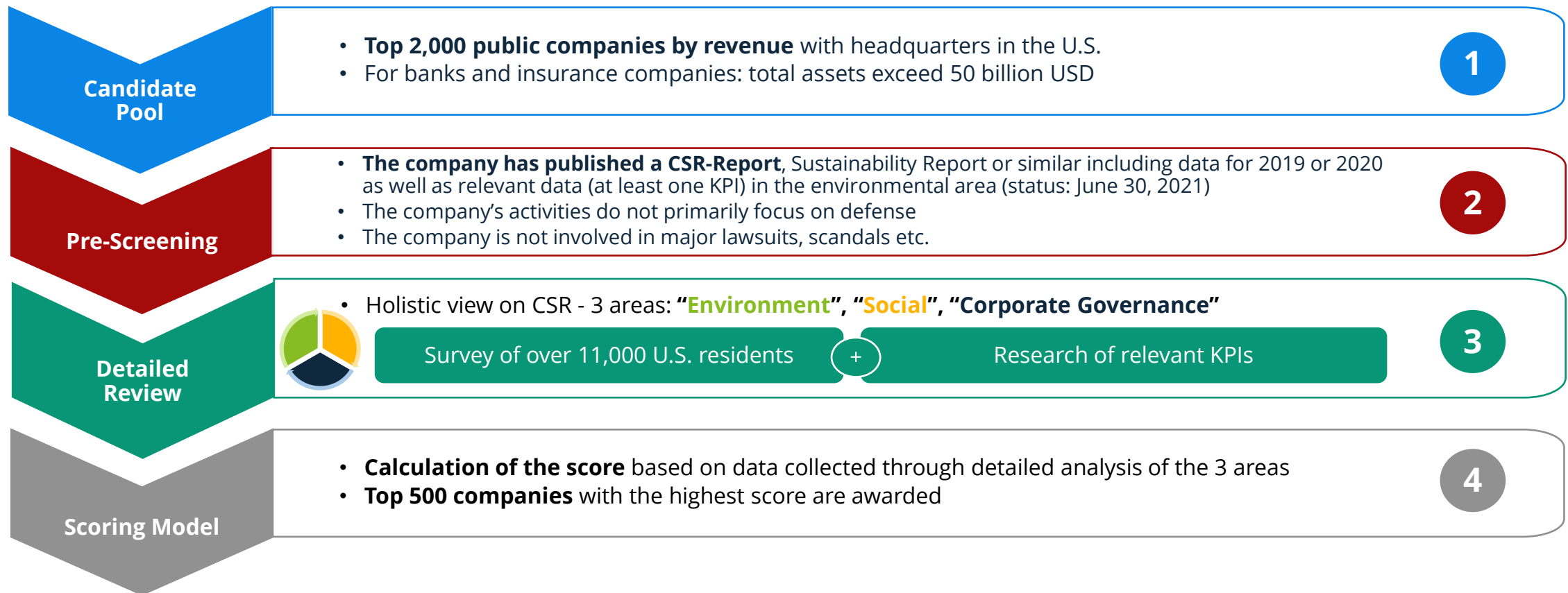
For the third time, Newsweek and Statista are honoring America's Most Responsible Companies based on publicly available key performance indicators as well as an independent survey.

The ranking focuses on a **holistic view** on corporate responsibility that considers the three areas of ESG (environment, social and corporate governance).



# The Creation of the Ranking of the Top 500 Companies was based on a 4-Phase-Process

Methodology Overview: 4-Phase-Process



# 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 11,000 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 or 10-K for the same year<sup>(1)</sup>, for some KPIs data from publicly available sources<sup>(2)</sup>
- Observation of general KPIs – KPIs that are available regardless of the industry
- Researched data is either
  - binary (true or false)
  - numerical
- Companies were scored 0 in the case of non-disclosure or non-activity 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

## 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
	Transparency of emission reporting (Scope 1, 2 & 3)	Yes / no (for each scope)
	Statement about emission reduction	Yes / no
	Commitment to Science Based Targets initiative (SBTi)	Committed / targets set: 2°C / Well below 2°C / 1,5°C
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
	Reporting of information to CDP	Yes / no
Long Term Performance <sup>(1)</sup>	Score "Environment 2021"	1-100

# Social KPIs

## 3 Detailed Analysis: Research of KPIs

Dimension	KPI	Methodology
Leadership Diversity	Share of women on board of directors	# of women on board / total # of people on board
	Share of minorities on board of directors	# of Minorities on board / total # of people on 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 rights policy	Yes / no
	Charitable giving	Charitable Giving / revenue
	Examples of social projects in CSR-report	Yes / no
Long Term Performance <sup>(1)</sup>	Score "Social 2021"	1-100

# Governance KPIs

## 3 Detailed Analysis: Research of KPIs

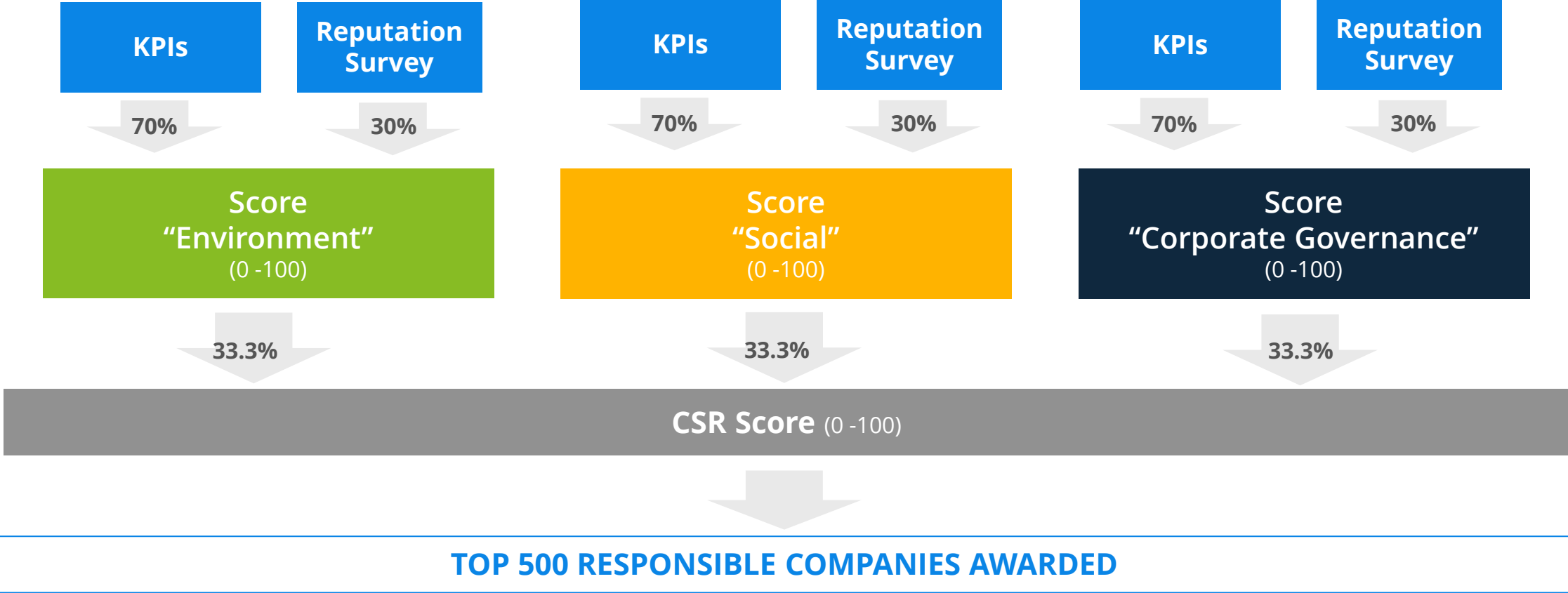
Dimension	KPI	Methodology
Disclosure & Transparency	CSR-Report with GRI Reporting Guidelines	Yes / no
	CSR-Report within Sustainability Accounting Standards Board (SASB)	Yes / no
	Compliance / anti-corruption guideline	Yes / no
	Active participation in the UN Global Compact	Yes / no
Economic Performance	Financial Stability (Piotroski F-Score Test)	9 criteria: <ul style="list-style-type: none"> <li>• Net income / profit &gt; 0</li> <li>• Operating cash flow &gt; 0</li> <li>• Return on assets &gt; Return on assets (y-1)</li> <li>• Operating cash flow &gt; Net income</li> <li>• Debt to equity &lt; Debt to equity (y-1)</li> <li>• Current ratio &gt; Current ratio (y-1)</li> <li>• Number of shares &gt;= Number of shares (y-1)</li> <li>• Gross margin &gt; Gross margin (y-1)</li> <li>• Asset turnover ratio &gt; Asset turnover ratio (y-1)</li> </ul>
	Innovation capacity	R&D expenses / revenue
Long Term Performance <sup>(1)</sup>	Score "Corporate Governance 2021"	1-100

(1) Last year's results were taken into account but were attributed a lower weight within the evaluation.



For every company in the detailed analysis a score was calculated from KPI performance and survey

4 Scoring Model



# 500 companies among 14 industries have been awarded as America's Most Responsible Companies

## Overview of Industries

**America's Most Responsible Companies 2022 by Newsweek and Statista recognizes the Top 500 most responsible companies in the United States, spanning 14 industries:**

- Automotive & Components
- Capital Goods
- Consumer Goods
- Energy & Utilities
- Financial
- Health Care & Life Sciences
- Hotels, Dining & Leisure
- Materials & Chemicals
- Professional Services
- Real Estate & Housing
- Retail
- Software & Telecommunications
- Technology Hardware
- Transport & Logistics

# America's Most Responsible Companies Partner Network

Overview of involved parties

## Newsweek

### 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](https://www.newsweek.com)

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Statista publishes worldwide established industry rankings and company listings with high profile media partners.

This research and analysis service is based on the success of [statista.com](https://www.statista.com). The leading data and business intelligence portal provides statistics, business relevant data, and various market and consumer studies/surveys.