



America's Most Responsible Companies 2023

Methodology

November 2022

Newsweek

statista 

The ranking of “America’s Most Responsible Companies” is based on a holistic view on corporate responsibility

Overview

For the fourth time, Newsweek and Statista have honored America’s Most Responsible Companies.

The ranking focuses on a **holistic view** of corporate responsibility that considers **all three pillars of ESG: Environment, Social and Corporate Governance**. The analysis is based on two metrics:

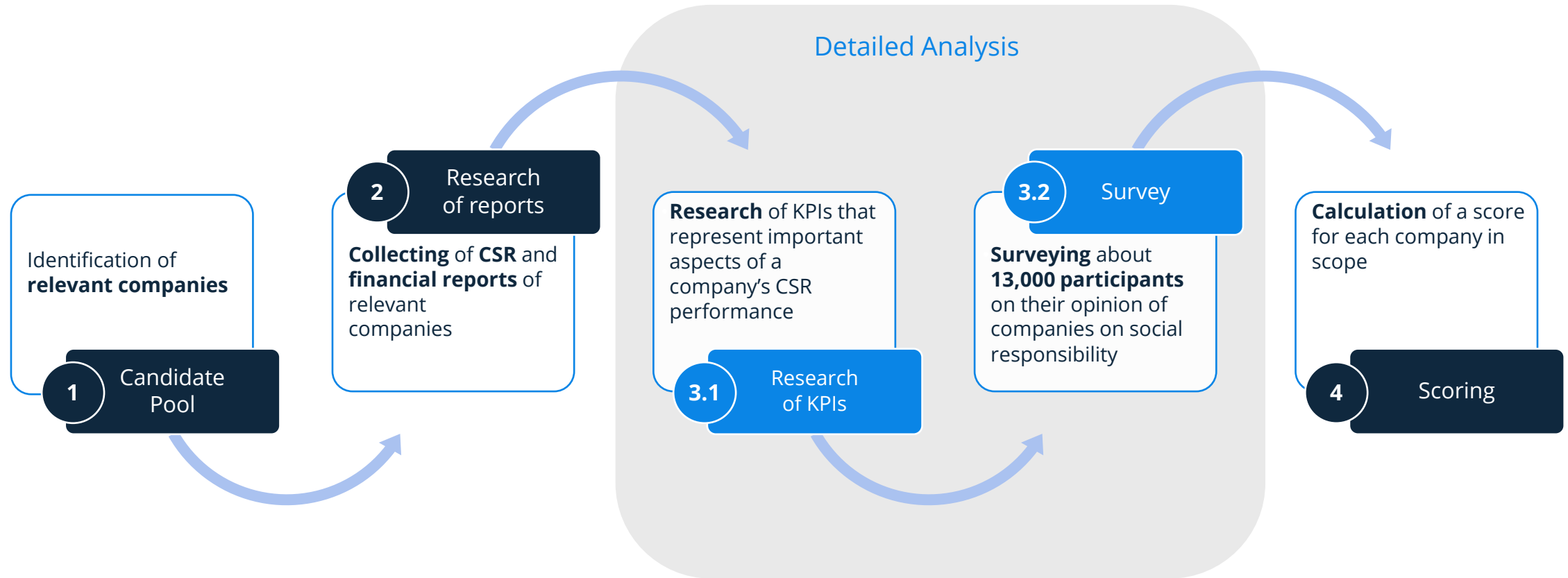
- Quantitative data from **KPI research**: More than 30 KPIs from the three areas of CSR were considered for the ranking.
- CSR reputation of each company from an **extensive survey** among U.S. residents.

In total, 500 companies have been identified as one of “America’s Most Responsible Companies.”



The analysis followed a 4-step process to create the ranking

Process of the analysis



From the pool of companies only those that published a CSR report were considered for further analysis

Step 1 and 2

1 Candidate pool In the first step of creating the ranking a longlist of potentially relevant companies was created. This longlist included:

- The top 2,000 public companies by revenue with headquarters in the U.S.
- Bank and insurance companies with total assets exceeding 50 billion USD

2 Research of reports In the second step the companies were screened based on the criteria below. Only companies that passed this screening were considered for the detailed analysis.

- The company has published a CSR-Report, Sustainability Report or similar data for 2020 or 2021 as well as relevant data (at least one KPI) in the environmental area (status: June 30, 2022).
- The company has published a financial report (10k or annual report) with data for the same year (status: June 30, 2022).⁽¹⁾
- The company's activities do not primarily focus on defense.
- The company was not involved in major lawsuits and scandals related to CSR topics. Companies that have recently been involved in large ESG-relevant scandals or legal proceedings were excluded from the further analysis.

The KPI Research covered the three areas of corporate social responsibility

Step 3.1: Research of KPIs

3.1

Research
of KPIs

The KPI research formed the first part of the detailed analysis. Over 30 KPIs have been researched for each company following the guidelines below:

- **Data sources:** The data was researched in companies' CSR reports and in the respective annual reports (10-k). For some KPIs data from other publicly available sources was also taken into consideration.⁽¹⁾
- **Research:** Researched data was purely quantitative, so it was either numerical or binary (in case of statements). If a company didn't report a certain KPI they received a score of 0, even if that KPI was not relevant for the company's industry or type of operation.
- **Validation Survey:** Following the research, Statista sent out a survey to all companies in scope. The survey allowed companies to validate their data. Over 200 companies participated in this survey and validated their data.

- **Selection of KPIs:** Regardless of the company's industry, all for the survey relevant KPIs from the three areas of CSR have been researched or calculated. The detailed list of KPI's in the different dimensions (see below) can be found on the next pages.

Area	Dimension
Environment	Waste
	Emissions
	Energy Use
	Water Use
	Environmental Engagement
Social	Leadership Diversity
	Employees & Work Safety
	Philanthropy & Engagement
Governance	Disclosure & Transparency
	Economic Performance

Environmental KPIs

Step 3.1: Research of KPIs

Dimension	KPI	Methodology
Waste	Waste intensity	Total waste / revenue
	Recycle ratio	Recycled waste / total waste
	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
	Renewable energy ratio	Renewable energy / total energy
	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 ⁽¹⁾	Score "Environment 2022"	1-100

Social KPIs

Step 3.1: 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 ⁽¹⁾	Score "Social 2022"	1-100

Governance KPIs

Step 3.1: 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"> • Net income / profit > 0 • Operating cash flow > 0 • Return on assets > Return on assets (y-1) • Operating cash flow > Net income • Debt to equity < Debt to equity (y-1) • Current ratio > Current ratio (y-1) • Number of shares <= Number of shares (y-1) • Gross margin > Gross margin (y-1) ⁽²⁾ • Asset turnover ratio > Asset turnover ratio (y-1)
	Innovation capacity	R&D expenses / revenue
Long Term Performance ⁽¹⁾	Score "Corporate Governance 2022"	1-100

(1) Last year's results were taken into account but were attributed a lower weight within the evaluation.
 (2) The figures for gross profit, if not found in the report, were calculated by Statista based on a widely accepted formula.

A survey on the external perception of the companies' CSR commitment was the second part of the analysis

Step 3.2: Survey

3.2 Survey

The survey was the second part of the detailed analysis to evaluate the companies' CSR reputation:

- The survey was conducted among more than 13,000 U.S. residents, using an online access panel and was carried out from September 9 to September 29, 2022
- Respondents were asked to select companies familiar to them and then to evaluate the company's CSR performance in general and in the three sub-dimensions: social, environmental and governance

The following statements were evaluated

General

- In general, the company does a good job in terms of corporate social responsibility

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.

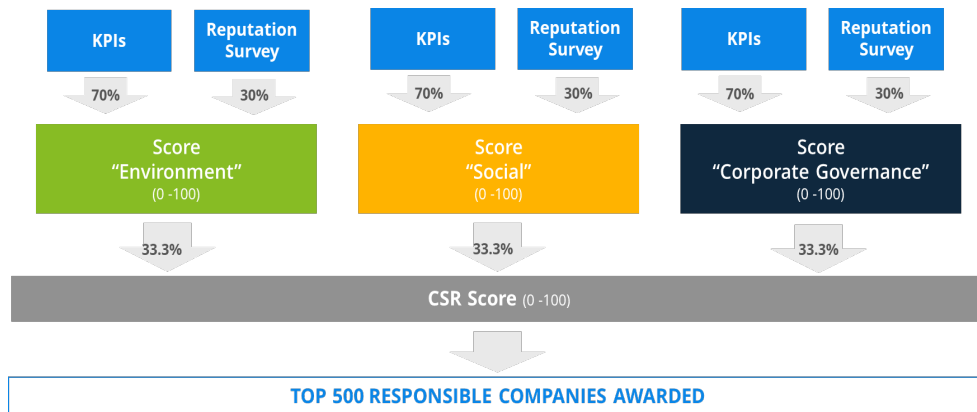
For every company in the detailed analysis a score was calculated from KPI performance and survey evaluations

Step 4: Scoring Model

4 Scoring

In the final step an overall score was calculated for each company that had been analyzed in detail.

- A score was calculated for each area of CSR. The result of the KPI research was weighted 70% and the survey result was weighted 30% within each area.
- Each area of CSR accounted for one third of the overall score. In each of the three areas, a score of 100 (for the best performing company) could be achieved.



- The 500 companies with the highest overall score have been awarded as the “America’s Most Responsible Company”.⁽¹⁾
- The final list published by Newsweek is ranked by the overall CSR score.
- In addition, the publication allows to be sorted by industry. Each of the 500 companies has been assigned to one of the 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 or Transport & Logistics.

Disclaimer

The selection of the companies and the definition of the evaluation criteria were carried out according to independent journalistic criteria of Newsweek and Statista. The evaluation was carried out by the statistics and market research company Statista. Newsweek and Statista make no claim to the completeness of the companies examined.

The ranking is comprised exclusively of U.S. companies that are eligible regarding the criteria described in this document. A position in the ranking is a positive recognition based on research of publicly available data sources at the time, the information provided in the validation survey and an extensive survey of U.S. residents. The ranking is the result of an elaborate process which, due to the interval of data-collection and analysis, is a reflection of official ESG data from 2020 or 2021. Furthermore, events following November 3, 2022, were not a subject of this survey. As such, the results of this ranking should not be used as the sole source of information for future deliberations. The information provided in this ranking should be considered in conjunction with other available information.

The quality of companies that are not included in the ranking is not disputed.

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.

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