METHODOLOGY

America's
Most Responsible
Companies 2024

in collaboration with **Newsweek**

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

Overview

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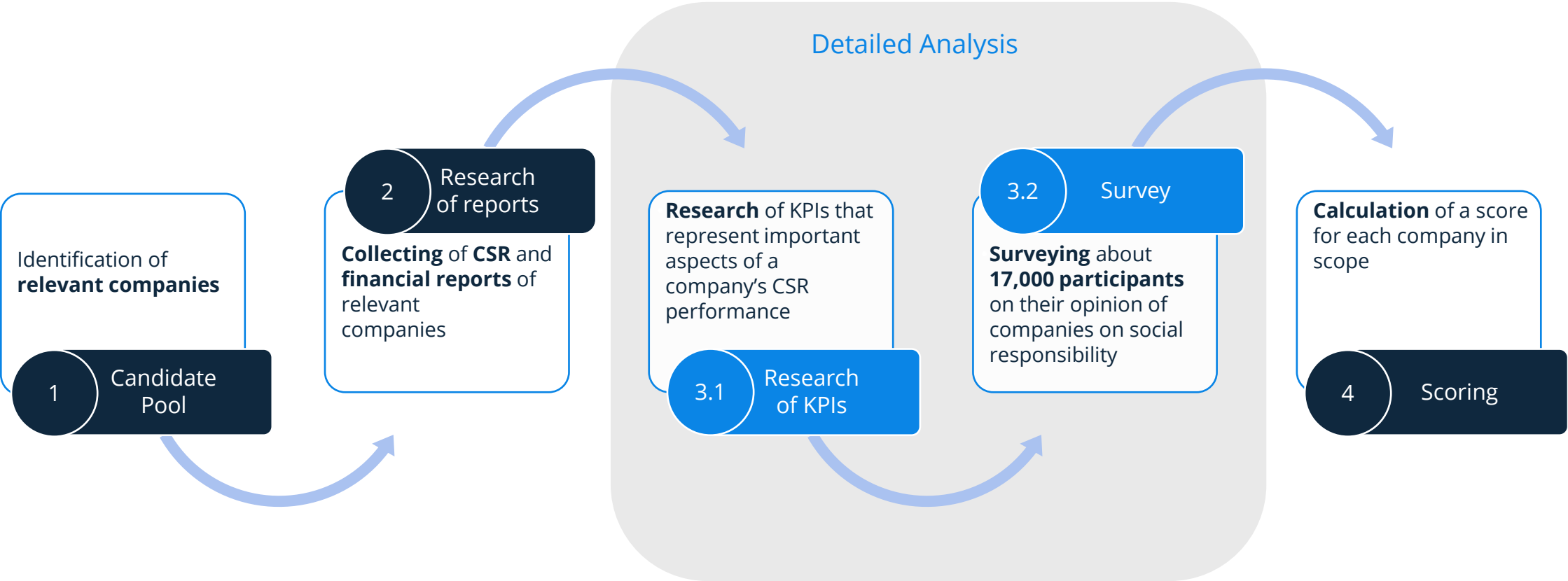
- Quantitative data from KPI research: More than 30 KPIs from the three areas of CSR were considered for the ranking.
- CSR reputation of each company from an extensive survey among U.S. residents.

In total, 600 companies have been identified as one of "America's Most Responsible Companies."

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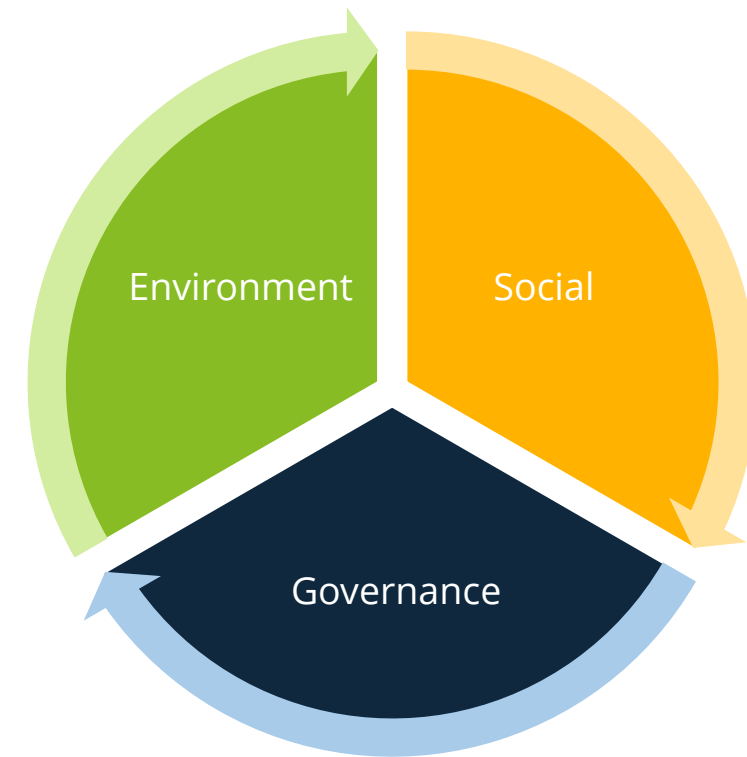
Multi-layered process to achieve a comprehensive result

Process of the analysis

Detailed Analysis

1 Candidate Pool

Identification of **relevant companies**

2 Research of reports

Collecting of **CSR** and **financial reports** of relevant companies

3.1 Research of KPIs

Research of KPIs that represent important aspects of a company's CSR performance

3.2 Survey

Surveying about **17,000 participants** on their opinion of companies on social responsibility

4 Scoring

Calculation of a score for each company in scope

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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.

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 2021 or 2022 as well as relevant data (at least one KPI) in the environmental area (status: June 30, 2023).

- The company has published a financial report (10k or annual report) with data for the same year (status: June 30, 2023). [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.

(1) The reporting period from the CSR report and the financial report of a company had to overlap at least six month

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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]

- **Registration Survey:** Before starting the research, Statista sent out a survey to all companies in scope. The survey allowed companies to enter their data themselves. Over 200 companies took the chance and participated in the survey.

- **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.

- **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
Social	Leadership Diversity
	Employees & Work Safety
	Philanthropy & Engagement
Governance	Disclosure & Transparency
	Economic Performance

(1) e.g. Science Based Targets Initiative, UN Global Compact, CDP

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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 SBTi (sciencebasedtargets.org)	Committed / targets set: 2°C / Well below 2°C / 1,5°C, none
	Reporting of information to CDP (cdp.net)	CDP Score A/ B/ C/ D, none
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
Long Term Performance[1]	Score "Environment 2023"	1-100

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

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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
	Signed pledge at CEO ACT!ON (ceoaction.com)	Yes / no
Employees	TRIR (Total Recordable Incident Rate) or DART (Days Away/Restricted or Transfer 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
	Recognized as "Best Place to Work for LGBTQ+ Equality" by Human Rights Campaign (hrc.org)	Yes / no
Philanthropy & Engagement	Average volunteer hours	Employee volunteer hours / # employees
	Human rights policy	Yes / no
	Charitable giving	Charitable giving / revenue
Long Term Performance[1]	Score "Social 2023"	1-100

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

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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: • 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 2023"	1-100

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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 17,000 U.S. residents, using an online access panel and was carried out from August 31 to September 26, 2023

- 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

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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.

▪ 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.
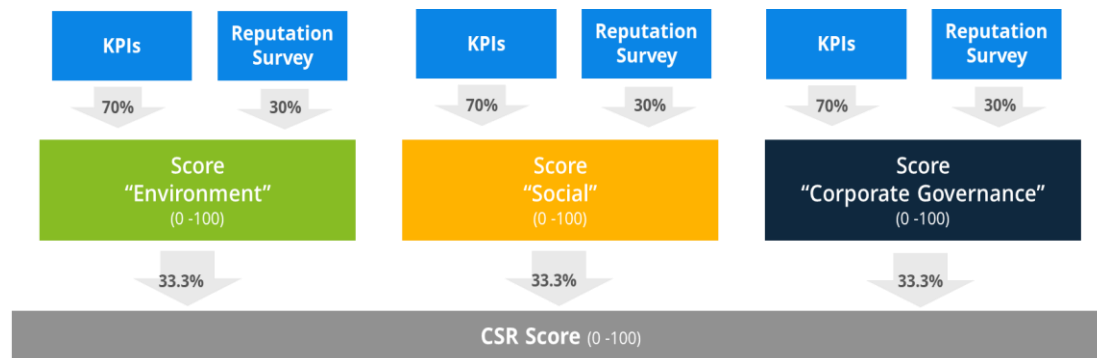
▪ The 600 companies with the highest CSR overall score have been awarded as the "America's Most Responsible Company".[1]

▪ 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 600 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.

KPIs	Reputation Survey		KPIs	Reputation Survey		KPIs	Reputation Survey
70%	30%		70%	30%		70%	30%

Score "Environment" (0 -100)	Score "Social" (0 -100)	Score "Corporate Governance" (0 -100)
33.3%	33.3%	33.3%

CSR Score (0 -100)

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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 2021 or 2022. Furthermore, events following October 1, 2023, 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.

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