

Corporate Responsibility's 100 Best Corporate Citizens Listing



Mission: advancing accountability

Markets need information to function.

In a perfect world, investors, regulators, customers, suppliers, employees, and neighbors would know everything instantly about the companies they invest in, do business with, and work for. We do not live in a perfect world. And in the past few years we've paid the price of not knowing. Not knowing about a spectrum of issues from corporate governance (witness Enron and its sloppy ethics) to finance (witness Wall Street and the world financial meltdown) to environment and safety (witness BP and the Gulf of Mexico disaster) to human rights, workers rights, and the list goes on.

Corporate Responsibility (CR) Magazine and the Corporate Responsibility Officers Association (CROA) share a common purpose in advancing corporate accountability and responsibility. The 100 Best Corporate Citizens Methodology fulfills that purpose by transparently assessing the degree to which companies hold themselves accountable and let others – customers, shareholders, suppliers, supply chain partners, employees, communities, etc. – hold them accountable as well.

By calling upon companies to make these data available, we allow everyone to make more informed decisions about whether to invest in them, work for them, live next to them, or do business with them. We put hard data into the hands of the people who have the most direct influence over these companies – and the most to gain or lose by their good or bad behavior. By advancing accountability and transparency through this research we empower those closest to these companies to make better decisions and ultimately judge these companies and their behaviors. In that way, we move us all closer to a world where everyone has the information they need and markets function more effectively.

The CROA stewards the methodology to ensure its relevance, transparency, and efficacy. *CR Magazine* independently verifies the data and publishes it for all to see and use. This separation of powers forms the very foundation of our commitment to our own transparency and to advancing accountability and responsibility. The Association plays a vital role as a convener, consensus builder, and promulgator of standards and practices. The magazine jealously guards its editorial independence and role as a member of the Fourth Estate informing the public.

Through this unique stewardship and independence, we work to produce the only fully transparent, objective, fact-based methodology for evaluating corporate accountability and responsibility. For more details on the methodology itself, please see the Methodology section below. Through this unique stewardship and independence we fulfill our ultimate purpose of advancing accountability.

Methodology: The Data

The 100 Best Corporate Citizens Database is based completely on publicly-available data sources and computed by IW Financial, a Portland, Maine-based financial analysis firm serving the ESG (Environment, Social, Governance) investment community.

The methodology collects data in seven categories:

- Climate change
- Employee relations
- Environment
- Financial
- Governance
- Human rights
- Philanthropy

Data in each category take one of two forms, true/false or numerical:

- "True" counts as a positive value; "False" and blank fields count as zero values.
- Numerical values are compared with all other companies' numerical answers in order to generate a ranking. Non-reporters in these numerical cases rank worse than worst numerical respondent in any group.

The methodology weights the seven data categories differently to account for different relative values. For example, Environment and Climate Change between them represent 36% of the rating, with Employee Relations representing 19.5%, Human Rights 16%, Financial 12%, Philanthropy 9% and Governance 7%. These weights reflect the increasing emphasis on managing the costs associated with environment and climate change, including the imminent pricing of carbon. They also indicate the understanding that employee relations and human rights are more important than ever in today's labor market. They show that "checkbook philanthropy" is a thing of the past. And, finally, they indicate that the mechanics of good governance and compliance have become "table stakes" and are no longer a major differentiator among companies.

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Data Category	# of Data Elements	2010 Weighting Percent
Environment	133	19.5%
Climate Change	60	16.5%
Human Rights	40	16.0%
Employee Relations	65	19.5%
Philanthropy	9	9.0%
Financial	8	12.5%
Governance	9	7.0%
Totals	324	100.0%

Methodology: The Process

The 100 Best Corporate Citizens Database methodology is 100% transparent, and discussed and debated by the CROA and open to public comment. The members of the CROA's 100 Best Corporate Citizens Methodology Committee meet to openly debate how the 100 Best Corporate Citizens Database is to be run, and we regularly open the discussion up to public comment.

The Committee is composed of a cross-section of corporate responsibility experts, including active practitioners, academics, NGOs, investment firms, and other relevant communities. The methodology is also subjected to public comment. In order to facilitate meaningful year-over-year comparisons, we are evolutionary rather than revolutionary in our change management.

As we noted above, data are collected and computed by IW Financial, a financial analysis firm serving the ESG (Environment, Social, Governance) investment community. IW Financial collects companies' data from several sources:

Company web sites

The first source is each company's web site. IW financial literally scours the entire company web site, starting with any CSR/sustainability or similar page or section. From that page/section, they branch out across the entire web site to ensure they've identified and collected all data publicly available there.

Company sustainability reports

IW Financial's second source of information for the database are companies' CSR/sustainability reports. IW Financial searches both the company's own site as well as other sources to find any reports the company has published, and then gleans information from those reports for the Database.

Company 10-K reports

IW Financial reviews companies' 10-K reports filed with the Securities and Exchange Commission (SEC) for additional publicly available information.

Other public sources

Finally, IW Financial regularly reviews other publicly available sources of information in collecting data for the Database, including the Carbon Disclosure Project, the Toxic Release Inventory, the Coast Guard's Emergency Response Notification System, the Environmental Protection Agency (EPA), the Corporate Library, Morningstar, and the Foundation Center.