



POWER IS NOTHING WITHOUT CONTROL

CSR Rankings and Raters What Matters for You and Why

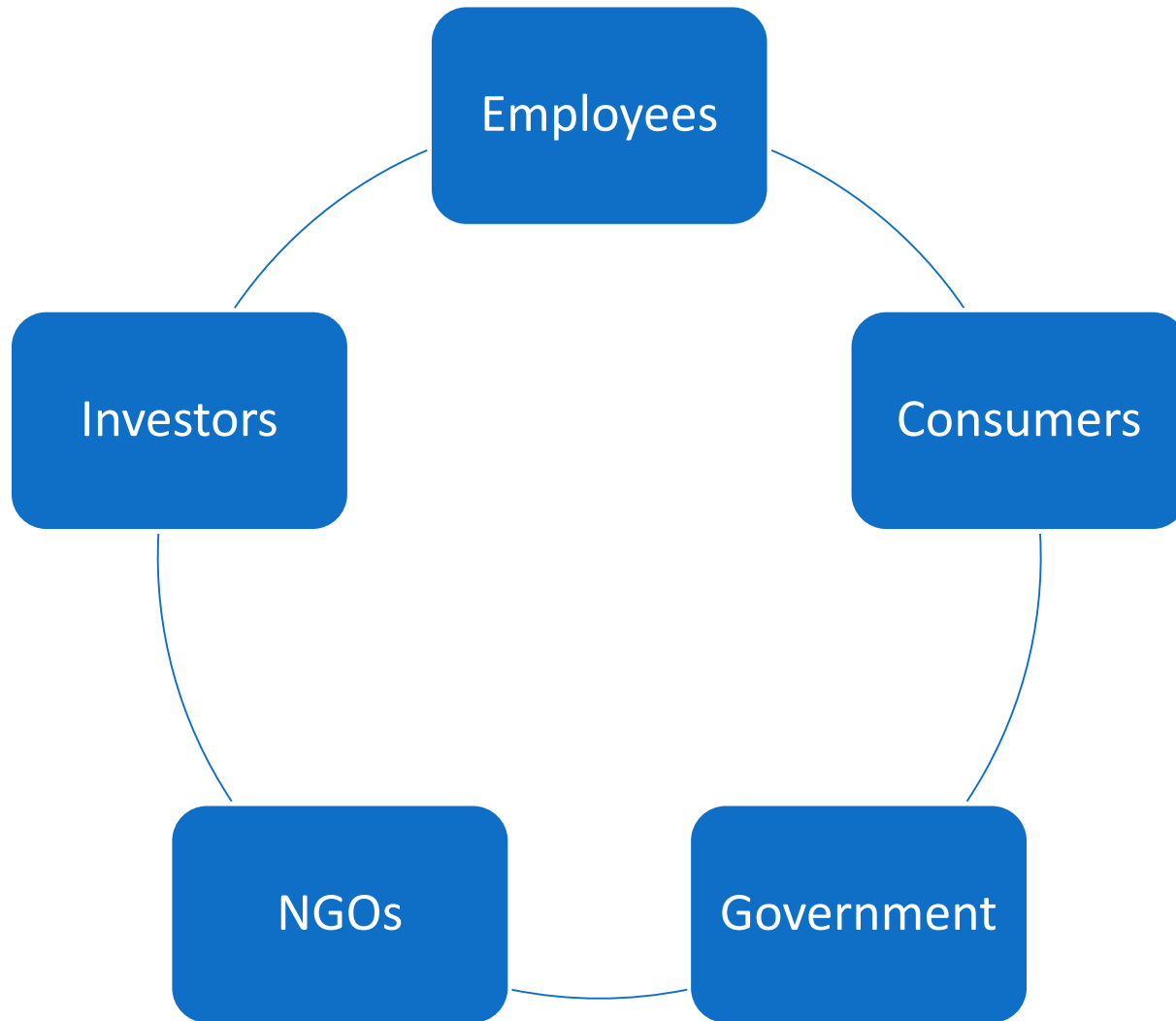
Public Affairs Council Webinar
Maureen Kline, VP Public Affairs & Sustainability
Pirelli Tire North America
September 17, 2018

Brands and CSR

How can public affairs professionals leverage CSR/sustainability achievements for reputational advantage, with multiple stakeholders?

1 ROLEX 79.3	2 LEGO 77.9	3 Google 77.7	4 Canon 77.4	5 The Walt Disney Company 77.4
6 SONY 77.3	7 adidas 76.6	8 BOSCH 76.4	9 BMW GROUP 76.1	10 Microsoft 75.8
11 MICHELIN 75.7	12 NIKE 75.0	13 Nintendo 74.5	14 LEVI STRAUSS & CO. 74.4	15 Intel 74.3
16 GARNER FLOUR 74.0	17 Rolls-Royce 74.0	18 FARMER 74.0	19 PHILIPS 73.8	20 BRIDGESTONE 73.7
21 VISA 73.6	22 GIORGIO ARMANI 73.5	23 amazon 73.5	24 NETFLIX 73.3	25 3M 73.3
26 SAMSUNG 73.3	27 TOYOTA 73.1	28 hp 72.9	29 Panasonic 72.6	30 TIRELLI 72.2
31 IBM 72.1	32 Marriott International 72.1	33 Nestle 71.9	34 DARICHI 71.9	35 ***** 71.9
36 Barilla 71.9	37 mastercard 71.8	38 LIP THANG GROUP 71.8	39 T 71.7	40 DELL 71.6
41 LG 71.6	42 Kellogg's 71.6	43 Kraft Heinz 71.4	44 L'OREAL 71.4	45 CISCO 71.4
46 IKEA 71.4	47 CATERPILLAR 71.3	48 LVMH 71.2	49 LAVAZZA 71.1	50 RALPH LAUREN 70.9
51 SIEMENS 70.9	52 HONDA 70.8	53 Whirlpool 70.8	54 IHG 70.8	55 BAIDU 70.7
56 FedEx Corporation 70.6	57 FUJIFILM 70.6	58 Apple 70.6	59 DAIMLER 70.5	60 Emirates 70.5
61 AIRBUS 70.2	62 HEINEKEN 70.1	63 ESTEE LAUDER COMPANIES 70.1	64 NOKIA 70.1	65 ORACLE 70.1
66 Hilton 69.9	67 HERSHEY'S 69.9	68 Electrolux 69.8	69 BATTISTI AROMAS 69.8	70 natura 69.8
71 Ford 69.7	72 J&J 69.6	73 XEROX 69.5	74 Campbell's 69.5	75 P&G 69.5
76 DHL 69.4	77 Royal Indochina 69.1	78 havasupas 69.1	79 KIMBERLY-CLARK 69.0	80 SAP 69.0
81 TOSHIBA 68.8	82 AIRFRANCE-KLM 68.7	83 Kimberly-Clark 68.4	84 MARS 68.3	85 GE 68.3
86 BAYER 68.2	87 Unilever 68.0	88 Honeywell 67.8	89 PACARER LIMITED 67.7	90 NISSAN 67.7
91 Roche 67.5	92 ebay 67.4	93 Carlsberg Group 67.3	94 HITACHI 67.1	95 ups 67.0
96 FUJITSU 66.9	97 The Coca-Cola Company 66.9	98 SANOFI 66.8	99 ABInBev 66.7	100 Lilly 66.6

Different stakeholders: define your audience



Rankings, ratings and reviews: it's a new world



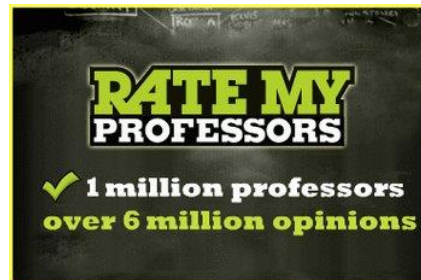
CONGRATULATIONS!

Rank	Home	2018	Score
1	Switzerland	ROLEX	79.3
2	Denmark	LEGO	77.9
3	United States	Google	77.7
4	Japan	Canon	77.4
5	United States	The Walt Disney Company	77.4
6	Japan	SONY	77.3
7	Germany	adidas	76.6
8	Germany	BOSCH	76.4
9	Germany	BMW GROUP	76.1
10	United States	Microsoft	75.8

Source: Reputation Institute's 2018 Global RepTrak®



Top Ten Corporate Reputations Globally
- 2018 Global #RepTrak100 - VS



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Updated Aug 30, 2012 — Reviews are posted anonymously by employees.

Employees are "Satisfied" 1,751 ratings
3.6 ★★★★★

80% of employees recommend this company to a friend

87% Approve of the CEO 1,324 ratings
Paul S. Otellini
President, CEO, and Director

[Post a Review](#)

Company Rating Distribution

Very Satisfied	332
Satisfied	748
Neutral — OK	432
Dissatisfied	181
Very Dissatisfied	58

Additional Employee Ratings

★★★★★	Career Opportunities
★★★★★	Compensation & Benefits
★★★★★	Work/Life Balance
★★★★★	Senior Leadership
★★★★★	Culture & Values

BEHIND THE BRANDS: FOOD COMPANIES SCORECARD

0-1 Very poor 2-3 Poor 4-5 Some progress 6-7 Fair 8-10 Good

Rank	Company	Score	Lead	Women	Farmers	Workers	Climate	Transparency	Water	Total
1	Nestle	64	5	5	6	7	8	7	7	45/70
2	Unilever	63	5	5	6	7	7	6	6	44/70
3	Coca-Cola	54	7	6	2	6	6	5	6	38/70
4	Mondelēz	33	3	5	4	3	2	3	3	23/70
4	PEPSICO	33	2	2	3	3	6	3	4	23/70
6	Unilever	31	1	1	2	3	5	5	5	22/70
6	MARS	31	1	4	4	3	4	4	2	22/70
8	Kellogg's	29	2	3	1	1	4	4	5	20/70
9	Associated British Foods plc	27	3	2	2	3	4	3	2	19/70
10	GENERAL MILLS	21	2	1	2	2	2	2	4	15/70

Updated February 2014.
The latest version of this scorecard is available at <http://oxfam.org/behindthebrands>

GROW Oxfam

Public-facing rankings

100 Best Corporate Citizens	CR Magazine (ISS-Ethix)
100 Most Reputable Companies	Reputation Institute
RepTrak 2018 (sectors, countries)	Reputation Institute
Harris Poll - 100 Most Visible	Neilsen
Most Ethical Companies	Ethisphere (Magazine)
Most Admired Companies	Fortune Magazine
Newsweek Green Rankings	Corporate Knights
Great Place to Work	Great Place to Work Institute



FORTUNE
WORLD'S MOST
ADMIRED
COMPANIES® 2018



2018 Harris Poll Reputation Quotient® Rankings

RANK 1-25	RQ	RANK 26-50	RQ	RANK 51-75	RQ	RANK 76-100	RQ
1. Amazon.com	83.22	26. The Home Depot	78.78	51. Facebook	74.07	76. Uber*	67.04
2. Microsoft	82.75	27. The Coca-Cola Company	78.77	52. General Electric	74.06	77. Sprint Corporation	67.00
3. Tesla Motors	81.96	28. Google	78.60	53. Yum! Brands	74.02	78. Conoco	67.12
4. Chick-fil-A	81.58	29. Apple	78.55	54. Nordstrom Corporation	73.94	79. Fiat Chrysler Automobiles	66.73
5. The Wm. Wrigley Company	81.53	30. General Mills	78.12	55. Nordstrom	73.84	80. Eveready	66.54
6. HEB Grocery*	81.14	31. Sony	78.09	56. Ford Motor Company	73.80	81. Time Warner	66.40
7. UPS	81.12	32. IBM	78.04	57. McDonald's	73.68	82. Cox Enterprises	66.32
8. Public Service Statens	80.81	33. Oracle	77.79	58. Macy's	73.61	83. American Airlines	66.20
9. Procter & Gamble	80.64	34. Netflix	77.70	59. McDonald's	73.58	84. AIG	66.10
10. Dell	80.60	35. USA	77.70	60. Wal-Mart	73.50	85. Bank of America	66.04
11. Microsoft	80.42	36. Samsung	77.56	61. Target	73.49	86. Charter Communications	66.04
12. Nike	80.14	37. Unilever	77.25	62. Dollar Tree	73.48	87. North Western	66.02
13. The Kraft Heinz Company	80.13	38. Unilever	76.80	63. Dollar Tree	73.48	88. Sears Holdings Corporation	66.00
14. Kellogg Company	79.83	39. L.L. Bean	76.80	64. Visa Inc.	73.40	89. United Airlines	65.93
15. L.L. Bean	79.83	40. Hewlett-Packard Company	76.53	65. Verizon Communications	73.32	90. Dish Network	65.93
16. The Boeing Company	79.79	41. Johnson & Johnson	76.49	66. Royal Dutch Shell	73.31	91. Halliburton	65.86
17. Costco	79.78	42. Walgreens	76.12	67. Citigroup	73.29	92. Goldman Sachs	65.84
18. The Kroger Company	79.67	43. Toyota Motor Corporation	76.10	68. United General	73.13	93. Experian*	65.68
19. Honda Motor Company	79.60	44. Southeast Airlines	75.84	69. Wal-Mart	73.07	94. AT&T	65.60
20. Procter & Gamble Co.	79.32	45. Hobby Lobby	75.45	70. Burger King	72.99	95. The Travel Corporation*	65.12
21. Netflix	79.30	46. PepsiCo	75.39	71. Chevrolet	72.97	96. Wells Fargo & Company	65.06
22. Levi's	79.27	47. Best Buy	75.33	72. Volkswagen Group	72.91	97. Equifax	65.06
23. Whole Foods Market	79.14	48. CVS Health	75.15	73. Costco Inc.	72.89	98. Walgreens Company*	64.89
24. Berkshire Hathaway	78.97	49. eBay	75.00	74. Chipotle	72.88	99. Nike	64.85
25. U.S. Corporation	78.93	50. Target	74.98	75. American Express	74.27		

Tracking CSR for consumers

Raters look at human health, labor rights, environmental impact and other categories

Some examples:

Oxfam Behind the Brands: Oxfam investigates the supply chains of consumer goods for things like their policies on farmers, land, water, climate change and women, and their transparency, and gives numerical rankings.

GoodGuide (rates consumer product ingredients)

Ingredients (toxicity)

Data availability

Aspiration bank debit card

People score: employee pay, access to healthcare, workforce diversity, and more

Planet score: based on metrics such as greenhouse gas emissions, energy efficiency, and renewable energy use

HowGood food ratings

Sourcing (farming, procurement, labor, distribution)

Production (ingredients, workforce, processing)

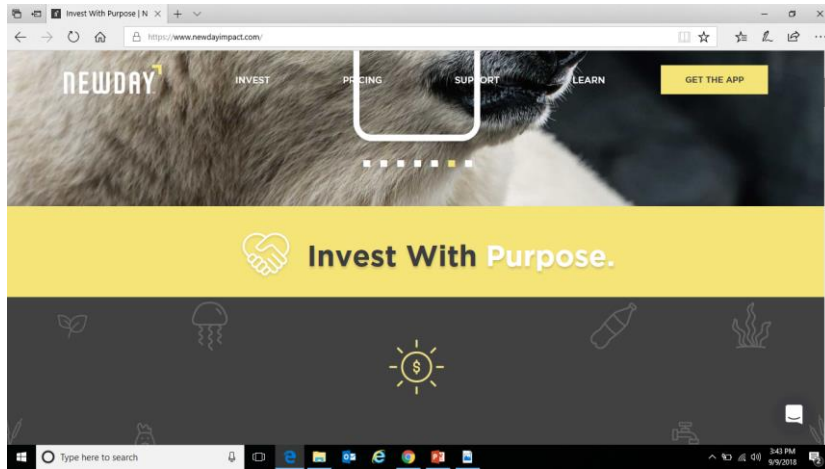
Organization (management)



Focus on investors: interest in ESG has passed a tipping point

Investors are looking at environmental, social and governance metrics (heavy focus on risk management)

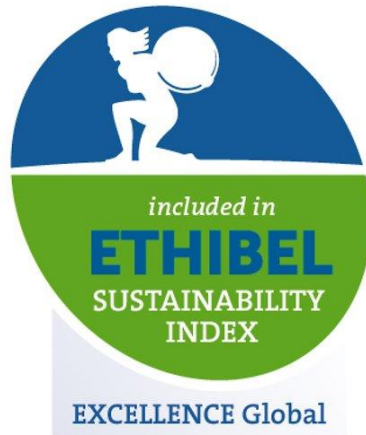
BLACKROCK



Ratings and rankings for investors



FTSE4Good



Rankings come out differently...

Barron's 100 Most Sustainable Companies

Cisco Systems
Salesforce.com
Best Buy
Intuit
HP Inc.
Texas Instruments
Microsoft
Oshkosh
Clorox
Xylem

3BL 100 Best Corporate Citizens

Microsoft
Accenture
Owens Corning
Intel
Hasbro
Altria Group
Cisco Systems
Ecolab
Johnson & Johnson
NVIDIA

Corporate Knights Global 100

Dassault Systemes
Neste
Valeo
Ucb
Outotec
Amundi
Cisco Systems (US)
Autodesk (US)
Siemens
Samsung

Reporting frameworks

- Sustainability managers at multinational companies need to work with their Investor Relations departments on ESG reporting.
- GRI, CDP, and SASB are complementary frameworks, and integrated reporting is a plus.
- The next step is participating in DJSI and other questionnaires and surveys.
- Software for surveys vs. a complete GRI report (which can be used like a database)



Data providers

- Top data providers institutional investors use are: MSCI, Sustainalytics, Bloomberg, Thomson-Reuters, ISS-Oekom, and Vigeo-Eiris.
- According to research, ESG investors overwhelmingly use either MSCI or Sustainalytics or both.
- 401ks and mutual funds looking to cover a wide range of stocks are picking up FTSE4Good, MSCI.



Bloomberg

ESG asset managers



Radically Practical Investing



Pension funds and 401Ks looking at ESG

- Calpers and Calsters
- Foundations, States
- Specialized tools to create ESG 401Ks



Fossil Free Funds

<https://fossilfreefunds.org>

<https://www.deforestationfreefunds.org>



HIP (Human Impact + Profit)
<http://hipinvestor.com/>

Resources

The Reporting Exchange (WBCSD): <https://www.reportingexchange.com/>

SustainAbility report: <http://sustainability.com/our-work/reports/rate-raters-2018-white-paper/>

CSR Hub: <https://www.csrhub.com/>

BrownFlynn: https://brownflynn.com/resources/resource-registration/?r=presentation_wbcd-yale and download the white paper “The ESG Ecosystem” here: <https://brownflynn.com/resources/white-papers/>

Sustainability Risk Advisors: <http://www.sustainabilityrisk.org/>

Denver University list: <http://libguides.du.edu/c.php?g=607672&p=4214860>

Public Affairs: your company as a corporate citizen

- Another kind of CSR report: highlight your Community efforts and programs
- Create a partnership with government, regulators; focus on constituencies



Foto via Shutterstock

Sustainable Development Goals (SDGs)



Conclusions

- Ratings and rankings are all over the map, but can be useful for employee and customer loyalty and reputation management
- Highlight company achievements through reporting aimed at the right audiences
- A new generation of investors is likely to bring major investor focus on ESG ratings and rankings
- Comprehensive GRI reporting is an important way to get the right information to the raters and rankers
- Stay on top of ratings and rankings aimed at the general public
- Engage with stakeholders including NGOs
- The Sustainable Development Goals are a good framework for communicating about your company's CSR program
- Sustainability is a JOURNEY, not an endpoint.

THANK YOU