

# 100 BEST CORPORATE CITIZENS

## 2020 Methodology

### OVERVIEW

3BL Media's 100 Best Corporate Citizens ranks the 1,000 largest, publicly traded U.S. companies on environmental, social and governance (ESG) transparency and performance. This document outlines the 2020 methodology set by 3BL Media, including changes from 2019 and all factors used to determine the ranking. **For more information, email [100Best@3blmedia.com](mailto:100Best@3blmedia.com) and visit the FAQ page: <https://100best.3blmedia.com/faq/>.**

Companies are assessed for 100 Best Corporate Citizens based on their ESG transparency and performance, researched from only publicly available information. There is no survey or questionnaire, and no cost or fee to be researched and ranked. 3BL Media's partner, ISS ESG, conducts the research and processes the ranking. The publicly available sources ISS ESG reviews, include:

- Corporate websites
- Corporate reports and documents (e.g. annual, corporate responsibility and sustainability, SEC filings, policies, etc.)
- Reputable third parties (e.g. Compustat, CDP, FactSet, GRI, UN Global Compact, U.S. EPA)

Companies can verify, and respond to, how ISS ESG rates the company on factors used in the ranking through their company's ISS ESG online portal (there is no cost). Each factor has an ID number to reference in the ISS ESG online portal. The factor ID number corresponds to the ISS ESG E&S Disclosure QualityScore and Governance QualityScore. Factors without ID numbers – marked N/A – cannot be verified as ISS ESG sources the data/information from a third party or the factor is researched by ISS ESG but is not yet part of the E&S Disclosure QualityScore or Governance QualityScore. Factor ID numbers with a decimal are sub-factors, e.g. factor 450.1 in Employee Relations is a subfactor of factor 450.

Email [ESGHelpdesk@iss-esg.com](mailto:ESGHelpdesk@iss-esg.com) to request online portal access and add users.

**Companies may verify data and information with ISS ESG anytime. The deadline to verify data and information used for 100 Best Corporate Citizens of 2020 is Friday, March 13, 2020, 8:00 p.m. PST. The top 100 will be announced June 16, 2020.**

2020 PILLARS AND WEIGHTING		
Pillar	Weight	Number of Factors
Employee Relations	20.5%	32
Environment	18.0%	27
Climate Change	18.0%	24
Stakeholders and Society	12.5%	16
Human Rights	11.0%	18
ESG Performance	8.0%	2
Governance	7.5%	13
Financial	4.5%	9
<b>Total</b>	<b>100%</b>	<b>141</b>

## METHODOLOGY CHANGES FROM 2019 TO 2020

Pillar	2020 Changes
<b>Overall</b>	<ul style="list-style-type: none"> <li>• <i>Corporate Responsibility (CR) Magazine</i> is retired, the ranking is renamed: 3BL Media's 100 Best Corporate Citizens</li> <li>• Tobacco companies are no longer considered for 3BL Media's 100 Best Corporate Citizens ranking</li> <li>• The ISS ESG Corporate Rank pillar is renamed the ESG Performance pillar and is no longer classified as a Governance pillar</li> </ul>
<b>Employee Relations</b>	<p><u>Factors added:</u></p> <ul style="list-style-type: none"> <li>• Does the company's labor rights policy address discrimination based on sexual orientation? (ID: 437)</li> <li>• Does the company disclose information about OH&amp;S performance, including injuries, occupational diseases, and work-related fatalities? (ID: 467)</li> <li>• Does the company disclose specific efforts for reducing the occurrence of injuries, occupational diseases, and work-related fatalities? (ID: 476)</li> <li>• Does the company disclose information on management systems used to integrate a culture of safety and emergency preparedness? (ID: 479)</li> <li>• Employee healthcare benefit: Life insurance (ID: N/A)</li> <li>• Employee healthcare benefit: Short- and long-term disability (ID: N/A)</li> <li>• Employee healthcare benefit: Maternity leave (paid and unpaid) (ID: N/A)</li> <li>• Employee healthcare benefit: Paternity leave (paid and unpaid) (ID: N/A)</li> </ul>
<b>Environment</b>	No changes
<b>Climate Change</b>	<p><u>Factor moved from the Climate Change pillar to the Financial pillar:</u></p> <ul style="list-style-type: none"> <li>• Does the company present and describe multiple scenarios for the potential impact of climate-related risks and opportunities on its business, strategy, and financial planning? (ID: 36)</li> </ul> <p><u>Factor weight increased:</u></p> <ul style="list-style-type: none"> <li>• Does the company indicate that GHG Emissions reduction targets have been approved by the Science Based Targets Initiative? (ID: 42)</li> </ul> <p><u>Factor weight decreased:</u></p> <ul style="list-style-type: none"> <li>• Does the company's climate change disclosure specifically address climate change targets? (ID: 25)</li> </ul>
<b>Stakeholders and Society</b>	<p><u>Factor added:</u></p> <ul style="list-style-type: none"> <li>• Community involvement: The factor evaluates the quality and transparency of the company's community involvement initiatives and contributions by analyzing objectives, programs, monitoring and evaluation, and spend. The factor is graded on a twelve-point scale from D- (poor performance) to A+ (excellent performance.) (ID: Corporate Rating)</li> </ul> <p><u>See also the Governance pillar</u></p>
<b>Human Rights</b>	<p><u>Factor added:</u></p> <ul style="list-style-type: none"> <li>• Does the company disclose the priority non-conformance rate and associated corrective action rate for suppliers' compliance with labor rights policies? (ID: 416)</li> </ul>
<b>Governance</b>	<p><u>Factors moved to the Governance pillar from the Stakeholders and Society pillar:</u></p> <ul style="list-style-type: none"> <li>• Does the company provide anti-corruption training to all employees including management? (ID: 258)</li> <li>• Does the company have a dedicated environment, CSR, health and safety, or sustainability committee? (ID: 276)</li> <li>• Is the Board of Directors specifically mentioned as having responsibility for the company's human rights policy? (ID: 282)</li> </ul>
<b>Financial</b>	<u>See the Climate Change pillar</u>

## 2020 FACTORS

Pillar	ISS ESG Factor ID	Factor Description	ISS ESG Factor Category
Employee Relations	305	Does the company monitor employee satisfaction or engagement?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	413	Does the company have an enterprise level workforce/labor rights policy?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	422	Does the company publicly disclose a gender diversity strategy or similar commitment to ensure appropriate gender representation at the board, senior management, or workforce levels?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	423	Does the company publicly disclose a gender diversity strategy or similar commitment to ensure appropriate gender representation at the board level?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	424	Does the company publicly disclose a gender diversity strategy or similar commitment to ensure appropriate gender representation at the senior management level?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	425	Does the company publicly disclose a gender diversity strategy or similar commitment to ensure appropriate gender representation at the workforce level?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	426	Does the company publicly disclose a diversity strategy or similar commitment to ensure workforce equality beyond gender at the board, senior management, or workforce levels?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	427	Does the company apply a diversity strategy to the board level?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	428	Does the company apply a diversity strategy to the senior management level?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	429	Does the company apply a diversity strategy to the workforce level?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	437	Does the company's labor rights policy address discrimination based on sexual orientation?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	441	Does the company publicly disclose data on workforce equality connected with gender, race, disability, ethnicity, nationality, religion, LBGTQ, or other potentially protected classes?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	444	Does the company's disclosed information on workforce equality include data on equality for the workforce?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	450	Does the company provide workforce disclosure on gender and racial/ethnic group representation?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	450.1	Does the company disclose the percentage of women for executives and senior management?	QualityScore > Social > Labor, Health, and Safety

Pillar	ISS ESG Factor ID	Factor Description	ISS ESG Factor Category
Employee Relations	450.2	Does the company disclose the percentage of women across the total workforce?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	451	Does the company disclose information on gender and racial/ethnic group representation across the total workforce?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	452	Does the company disclose information on gender and racial/ethnic group representation for executives and senior management?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	453	Does the company disclose information on gender and racial/ethnic group representation for professionals or technical staff?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	454	Does the company disclose information on gender and racial/ethnic group representation for non-contingent staff?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	455	Does the company disclose information on gender and racial/ethnic group representation for contingent staff?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	459	Does the company disclose a policy that specifically addresses occupational health and safety?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	460	Does the company's occupational health and safety policy explicitly encompass all facilities and operations?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	467	Does the company disclose information about occupational health and safety performance, including injuries, occupational diseases, and work-related fatalities?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	476	Does the company disclose specific efforts for reducing the occurrence of injuries, occupational diseases, and work-related fatalities?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	479	Does the company disclose information on management systems used to integrate a culture of safety and emergency preparedness?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	484	Does the company state a commitment to a fair or living wage for all employees?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	N/A	Does the company provide healthcare insurance?	US Workforce
Employee Relations	N/A	Does the company provide life insurance benefits?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	N/A	Does the company provide short- and long-term disability insurance?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	N/A	Does the company provide maternity leave (paid and unpaid)?	QualityScore > Social > Labor, Health, and Safety
Employee Relations	N/A	Does the company provide paternity leave (paid and unpaid)?	QualityScore > Social > Labor, Health, and Safety
Environment	1	Does the company have an enterprise level environmental policy?	QualityScore > Environment > Management of Env Risks and Opportunities

Pillar	ISS ESG Factor ID	Factor Description	ISS ESG Factor Category
Environment	5	Does the company's environmental policy apply the same standards to suppliers or vendors?	QualityScore > Environment > Management of Env Risks and Opportunities
Environment	7	Does the company disclose the presence of an environmental management system?	QualityScore > Environment > Management of Env Risks and Opportunities
Environment	19	Does the company identify specific salient environmental risks in its latest annual, integrated, or sustainability report?	QualityScore > Environment > Management of Env Risks and Opportunities
Environment	50	Does the company provide quantitative metrics about GHG emissions?	QualityScore > Environment > Carbon and Climate
Environment	51	Does the company disclose its total direct GHG emissions?	QualityScore > Environment > Management of Env Risks and Opportunities
Environment	51.1	GHG Emissions - Preferred Scope 1 - Direct Emissions: This factor provides the issuer's Scope 1 direct emissions. The direct emissions data represents the final, ISS ESG reviewed and approved value based on the ISS ESG Climate Solutions methodology, which selects the most accurate value from available sources.	QualityScore > Environment > Carbon and Climate
Environment	52	Does the company disclose its total Scope 2 GHG emissions?	QualityScore > Environment > Carbon and Climate
Environment	52.1	GHG Emissions - Preferred Scope 2 - Energy Indirect Emissions: This factor provides the issuer's Scope 2 energy indirect emissions. The Energy Indirect Emissions data represents the final, ISS ESG reviewed and approved value based on the ISS ESG Climate Solutions methodology, which selects the most accurate value from available sources.	QualityScore > Environment > Carbon and Climate
Environment	53	Does the company disclose its total Scope 3 GHG emissions?	QualityScore > Environment > Carbon and Climate
Environment	53.1	GHG Emissions - Scope 3 - Other Indirect Emissions: This factor provides the issuer's Scope 3, other Indirect, emissions. For Scope 3 emissions, all provided data has been estimated. Reported Scope 3 emissions are generally unreliable and thus reported Scope 3 emissions are not included in this datapoint.	QualityScore > Environment > Carbon and Climate
Environment	62	Does the company disclose its total energy use?	QualityScore > Environment > Carbon and Climate

Pillar	ISS ESG Factor ID	Factor Description	ISS ESG Factor Category
Environment	62.1	Energy - Total energy use normalized: This factor provides a normalized value for the issuer's total energy use. Data is normalized per 1m USD.	QualityScore > Environment > Carbon and Climate
Environment	62.2	Energy - Total energy use: This factor provides the issuer's total energy use. Data is presented in megawatt hours.	QualityScore > Environment > Carbon and Climate
Environment	97	Does the company's approach to reducing energy consumption from non-renewable sources include relative targets?	QualityScore > Environment > Carbon and Climate
Environment	98	Does the company's approach to reducing energy consumption from non-renewable sources include absolute targets?	QualityScore > Environment > Carbon and Climate
Environment	99	Does the company's approach to reducing energy consumption from non-renewable sources include specific information on an implementation timeline?	QualityScore > Environment > Carbon and Climate
Environment	122	Does the company disclose quantitative information on significant air emissions?	QualityScore > Environment > Waste and Toxicity
Environment	159	Does the company disclose its total hazardous waste generation?	QualityScore > Environment > Waste and Toxicity
Environment	160.1	Waste - Total weight of generated hazardous waste trend: This factor provides a trend value for the issuer's total weight of generated hazardous waste based on recent-year percent change over a trailing three-year average.	QualityScore > Environment > Waste and Toxicity
Environment	160.2	Waste - Total weight of generated hazardous waste normalized: This factor provides a normalized value for the issuer's total weight of generated hazardous waste. Data is normalized per 1M USD.	QualityScore > Environment > Waste and Toxicity
Environment	160.3	Waste - Total weight of generated hazardous waste: This factor provides the issuer's total weight of generated hazardous waste. Data is presented in metric ton.	QualityScore > Environment > Waste and Toxicity
Environment	168	Does the company disclose information on its waste management and recycling programs?	QualityScore > Environment > Waste and Toxicity
Environment	181	Does the company disclose specific targets for reducing hazardous and non-hazardous waste?	QualityScore > Environment > Waste and Toxicity
Environment	182	Does the company's disclosed information regarding targets for reducing hazardous and non-hazardous waste include quantitative targets?	QualityScore > Environment > Waste and Toxicity
Environment	183	Does the company's disclosed information regarding targets for reducing hazardous and non-hazardous waste include specific information on an implementation timeline?	QualityScore > Environment > Waste and Toxicity
Environment	366	Does the company's Code of Vendor Conduct address the environmental impact of supplier products or services?	QualityScore > Environment > Management of Env Risks and Opportunities

Pillar	ISS ESG Factor ID	Factor Description	ISS ESG Factor Category
Climate Change	21	Does the company disclose a climate change policy or equivalent information that specifically addresses the company's climate change risks, performance, and opportunities?	QualityScore > Environment > Carbon and Climate
Climate Change	22	Does the company's climate change disclosure specifically address climate change risks?	QualityScore > Environment > Carbon and Climate
Climate Change	23	Does the company's climate change disclosure specifically address climate change strategy?	QualityScore > Environment > Carbon and Climate
Climate Change	24	Does the company's climate change disclosure specifically address climate change performance?	QualityScore > Environment > Carbon and Climate
Climate Change	25	Does the company's climate change disclosure specifically address climate change targets?	QualityScore > Environment > Carbon and Climate
Climate Change	26	Does the company's climate change disclosure specifically provide analysis of performance against targets?	QualityScore > Environment > Carbon and Climate
Climate Change	28	Does the company's climate change disclosure specifically address climate change opportunities?	QualityScore > Environment > Carbon and Climate
Climate Change	37	Does the company's climate change disclosure include an impact scenario that references 2°C limits?	QualityScore > Environment > Carbon and Climate
Climate Change	38	Does the company disclose targets for reducing GHG emissions?	QualityScore > Environment > Carbon and Climate
Climate Change	39	Does the company define GHG emissions reduction targets at group level?	QualityScore > Environment > Carbon and Climate
Climate Change	40	Are the company's GHG emissions reduction targets clearly aligned with the 2°C scenario?	QualityScore > Environment > Carbon and Climate
Climate Change	42	Does the company indicate that GHG emissions reduction targets have been approved by The Science Based Targets initiative?	QualityScore > Environment > Carbon and Climate
Climate Change	58	Has the company obtained independent third-party verification for its GHG disclosure?	QualityScore > Environment > Carbon and Climate
Climate Change	96	Does the company disclose a clear approach to reduce energy consumption from non-renewable sources?	QualityScore > Environment > Carbon and Climate
Climate Change	105	Does the company describe management's role in assessing and managing climate-related risks and opportunities?	QualityScore > Environment > Carbon and Climate
Climate Change	106	Does the company describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management?	QualityScore > Environment > Carbon and Climate
Climate Change	107	Does the company disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process?	QualityScore > Environment > Carbon and Climate



Pillar	ISS ESG Factor ID	Factor Description	ISS ESG Factor Category
Climate Change	110	Does the company describe the board's oversight of climate-related risks and opportunities?	QualityScore > Environment > Carbon and Climate
Climate Change	199	Does the company disclose its total water use?	QualityScore > Environment > Natural Resources
Climate Change	199.1	Water - Total water consumed normalized: This factor provides a normalized value for the issuer's total water consumed. Data is presented in cubic meters.	QualityScore > Environment > Natural Resources
Climate Change	199.2	Water - Total water consumed: This factor provides the issuer's total water consumed. Data is presented in cubic meters.	QualityScore > Environment > Natural Resources
Climate Change	200	Does the company's disclosed data regarding water use identify the total water withdrawn?	QualityScore > Environment > Natural Resources
Climate Change	201	Does the company's disclosed data regarding water use identify the total water consumed?	QualityScore > Environment > Natural Resources
Climate Change	202	Does the company break out its disclosed water withdrawal by source?	QualityScore > Environment > Natural Resources
Stakeholders and Society	239	Is the company a participant to the UN Global Compact?	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	241	Does the company report sustainability metrics in accordance with the Global Reporting Initiative?	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	245	Does the company have any reports or information on its website equivalent to that found in a CSR/EHS report?	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	250	Does the company have a publicly disclosed business ethics policy or Code of Conduct?	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	259	Does the company have a confidential hotline and stated protection of whistleblowers?	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	267	Does the company have a publicly disclosed policy relating to the use of company funds for political purposes?	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	268	Does the company publicly disclose information on the use of corporate funds for the purposes of political advocacy, including lobbying, campaign contributions, and contributions to tax-exempt groups including trade associations?	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	268.1	Political Advocacy - Amount spent political advocacy normalized: This factor provides a normalized value for the issuer's amount spent on political advocacy. Data is normalized per 1M USD.	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	269	Does the company's disclosed information related to political advocacy include the amounts spent on political advocacy?	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	270	Does the company's disclosed information related to political advocacy include the recipients?	QualityScore > Social > Stakeholders and Society



Pillar	ISS ESG Factor ID	Factor Description	ISS ESG Factor Category
Stakeholders and Society	271	Does the company's disclosed information related to political advocacy include, at a minimum, the five largest political, lobbying, or tax-exempt group expenditures?	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	272	Does the company's disclosed information related to political advocacy include a discussion of the objectives related to the use of company funds for political advocacy?	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	359	Does the company publicly disclose a Code of Vendor Conduct?	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	402	Does the company disclose a formal system to implement stakeholder consultation and engagement?	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	403	Does the company disclose information about stakeholder engagements carried out during the past year?	QualityScore > Social > Stakeholders and Society
Stakeholders and Society	N/A	Community involvement: The factor evaluates the quality and transparency of the company's community involvement initiatives and contributions by analyzing objectives, programs, monitoring and evaluation, and spend. The factor is graded on a twelve-point scale from D- (poor performance) to A+ (excellent performance.)	ISS ESG Company Rating > Community Involvement
Human Rights	316	Does the company have an enterprise level human rights policy?	QualityScore > Social > Human Rights
Human Rights	317	Does the company's human rights policy address the protection of minority groups' rights?	QualityScore > Social > Human Rights
Human Rights	318	Does the company's human rights policy address the protection of women's rights?	QualityScore > Social > Human Rights
Human Rights	331	Does the company's human rights policy include a commitment to stakeholder involvement in the development of the policy, the implementation of the policy, and/or the evaluation of effective outcomes of the policy's implementation?	QualityScore > Social > Human Rights
Human Rights	335	Does the company explicitly identify the right to water as a fundamental human right in its environmental policy, human rights policy, or other policy document?	QualityScore > Social > Human Rights
Human Rights	336	Does the company disclose information on the applicability of its human rights policy to operations, suppliers, vendors, or partners?	QualityScore > Social > Human Rights
Human Rights	338	Is the company's human rights policy a global policy applying the same comprehensive standards to all company operations regardless of geographic location?	QualityScore > Social > Human Rights
Human Rights	340	Does the company indicate that it applies the same human rights policy standards to partners?	QualityScore > Social > Human Rights
Human Rights	342	Does the company indicate that it applies the same human rights policy standards to suppliers/vendors?	QualityScore > Social > Human Rights

Pillar	ISS ESG Factor ID	Factor Description	ISS ESG Factor Category
Human Rights	345	Does the company have an audit program in place to evaluate its suppliers' performance in the area of human rights?	QualityScore > Social > Human Rights
Human Rights	360	Does the company's Code of Vendor Conduct address child labor?	QualityScore > Social > Human Rights
Human Rights	361	Does the company's Code of Vendor Conduct address forced labor?	QualityScore > Social > Human Rights
Human Rights	375	Does the company indicate that the company's human rights policy supports any specific recognized public convention? Examples include the United Nations Principles for Responsible Investment, the Equator Principles, Carbon Principles, UN Global Compact and CERES Principles.	QualityScore > Social > Human Rights
Human Rights	376	Does the company's human rights policy have clear reference to conformance with the UN Universal Declaration of Human Rights?	QualityScore > Social > Human Rights
Human Rights	378	Does the company's human rights policy have clear reference to conformance with the OECD Guidelines for Multinational Enterprises?	QualityScore > Social > Human Rights
Human Rights	379	Does the company's human rights policy have clear reference to conformance with the UN Guiding Principles on Business and Human Rights?	QualityScore > Social > Human Rights
Human Rights	381	Does the company identify specific salient human rights risks in the most recent annual, integrated, or sustainability report?	QualityScore > Social > Human Rights
Human Rights	416	Does the company disclose the priority non-conformance rate and associated corrective action rate for suppliers' compliance with labor rights policies?	QualityScore > Social > Human Rights
ESG Performance	N/A	The ISS ESG Corporate Rating assess a company's sustainability performance with regard to managing risks and seizing opportunities. The Corporate Rating uses over 100 quantitative and qualitative, industry-specific and materiality-focused ESG criteria. Companies are then rated on a letter grade performance scale.	ISS ESG Corporate Rating
ESG Performance	N/A	ISS ESG Controversy Score: This factor provides a numeric value for the company's overall controversy score. Individual controversies are categorized as Potential, Moderate, Severe, and Very Severe according to uniform evaluation parameters based on international norms and standards. If ISS ESG identifies a Severe or Very Severe controversy, the company is penalized 10 points on its final, overall weighted score.	ISS ESG Controversies Score
Governance	14	What is the classification of the Chairman of the Board?	QualityScore > Governance > Board
Governance	N/A	Identifies whether chairman of the board is also the CEO	QualityScore > Governance > Board > Factor ID 14 as guidance

Pillar	ISS ESG Factor ID	Factor Description	ISS ESG Factor Category
Governance	44	Did any directors attend less than 75% of the aggregate board and applicable key committee meetings without a valid excuse?	QualityScore > Governance > Board
Governance	77	Are all directors elected annually?	QualityScore > Governance > Shareholders
Governance	201	Is the company, or any of its directors and officers, currently under investigation by a regulatory body?	QualityScore > Governance > Audit
Governance	225	Are there material restrictions as to timing or topics to be discussed, or ownership levels required to call the meeting?	QualityScore > Governance > Shareholders
Governance	276	Does the company have a dedicated environment, corporate social responsibility, health and safety, or sustainability committee?	QualityScore > Governance > Stakeholders and Society
Governance	258	Does the company provide anti-corruption training to all employees, including management?	QualityScore > Governance > Stakeholders and Society
Governance	282	Is the board of directors specifically mentioned as having responsibility for the company's human rights policy?	QualityScore > Governance > Stakeholders and Society
Governance	300	Has ISS' qualitative review identified a pay-for-performance misalignment?	QualityScore > Governance > Compensation
Governance	348	Does the company disclose the existence of a formal CEO and key executive officers succession plan?	QualityScore > Governance > Board
Governance	349	Does the board have any mechanisms to encourage director refreshment?	QualityScore > Governance > Board
Governance	354	What is the proportion of women on the board?	QualityScore > Governance > Board
Financial	36	Does the company present and describe multiple scenarios for the potential impact of climate-related risks and opportunities on its businesses, strategy, and financial planning?	QualityScore > Environment > Carbon and Climate
Financial	286	Has the company explained how the variable pay award, dependent on non-financial performance, was assessed for the year under review?	QualityScore > Social > Stakeholders and Society
Financial	291	Does the company provide information indicating a link between consideration of ESG risks and performance, and executive remuneration?	QualityScore > Social > Stakeholders and Society
Financial	N/A	Return on assets	Financial Ratios > Issuer Financials
Financial	N/A	Earnings per share	Financial Ratios > Issuer Financials
Financial	N/A	EBITD margin	Financial Ratios > Issuer Financials
Financial	N/A	Annualized total shareholder return measured over trailing 36 months	Financial Ratios > Share Price and Dividend Performance
Financial	N/A	Price to cashflow ratio	Financial Ratios > Valuation Measures

Pillar	ISS ESG Factor ID	Factor Description	ISS ESG Factor Category
Financial	N/A	Dividend as percent of share price	Financial Ratios > Valuation Measures

## CALCULATING THE RANKING

### Three Types of Factors, Examples:

Disclosure	Policy	Performance
Does the company provide workforce disclosure on gender and racial/ethnic group representation?	Does the company indicate it applies the same human rights policy standards to suppliers and vendors?	Energy - Total energy use: This factor provides the issuer's total energy use. Data is presented in megawatt hours.

### Two Forms of Data

Binary	Numeric
<ul style="list-style-type: none"> <li>• 'True' counts as a positive value</li> <li>• 'False' and 'Blank / Not Provided' counts as neutral weight</li> </ul>	<ul style="list-style-type: none"> <li>• Numeric values compare to all other company numeric values to generate a ranking</li> <li>• Non-reporters rank worse than the worst numerical respondent in any factor</li> </ul>

## PROCESSING THE RANKING

1. Weight each individual factor within a pillar. Some factors have higher relative weights.
2. Calculate the underlying score for each pillar, then rank the full Russell 1000 within that pillar in ascending order - 1 is the best rank.
3. Apply the pillar weightings to generate an overall weighted average ranking for each company. The higher the weighted average, the better a company's ranking.
4. Tie-Gaps: When several company scores tie, there is a gap between that score and the next closest score. For example, if two companies tie for the top rank, the company or companies that earned a second-place rank will place third. Second place is sacrificed for the tie-gap, so third is the next available rank after the tie-gap.
5. The controversy score (ESG Performance pillar) is applied. If ISS ESG identifies a Severe or Very Severe controversy, the company is penalized 10 points on its final, overall weighted score and the overall weighted score is adjusted accordingly. Controversy penalties are not publicly disclosed in the final ranking.