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About The 100 Best Corporate Citizens List

What is the 100 Best Corporate Citizens list

Business Ethics' *100 Best Corporate Citizens* list consists of the 100 major public companies that outperform their peers in serving a variety of stakeholders with excellence and integrity.

Who is the data provider?

Social performance data for the 100 Best Corporate Citizens list comes from Socrates, KLD's comprehensive online social research database.

What does the list initially consist of?

The universe of firms considered for the list is drawn from approximately 1,100 of the largest publicly traded firms – including the S&P 500, KLD's Domini Social Index, and the Russell 1000 (the largest companies by market capitalization as of July 1st).

How long has the list been published?

The 100 Best Corporate Citizens list has been published since 1999. Over that time, KLD Research & Analytics in Boston has been the consistent source of social data, while methodology has evolved slightly.

Who reads the list?

Business leaders and investor relations staff looking for ways to help their brand and employee recruitment and retention. Among CEO's, it is regarded as the third most influential corporate ranking, behind Fortune magazine's "Most Admired Companies" and "100 Best Companies to Work For" according to PRWeek/Burson-Marsteller CEO Survey.

Has any research been done on the list?

KLD collects papers from academics around the world that have used KLD data and/or Business Ethics' 100 Best Corporate Citizens list as a basis for studying corporate social responsibility and socially responsible investment. For a sample list of research papers, please contact

BusinessEthics100@kld.com.

Where can I access the 2006 100 Best Corporate Citizens?

To access the 2006 100 Best Corporate Citizens list, please click here: http://www.business-ethics.com/whats_new/100best_2006.html

How do I apply for the 100 Best Corporate Citizens?

There is no application for the *100 Best Corporate Citizens* list. Data in KLD's Socrates is derived from multiple sources and is not dependent upon corporate self-reporting. Public U.S. companies are encouraged, however, to update their social profile with KLD -- to ensure social data is current and complete. If you have any updates to your company profile, please email Camille Aylmer at BusinessEthics100@kld.com.

Where can I get more details regarding the 2006 100 Best Corporate Citizens list?

More details regarding the 100 Best Corporate Citizens list are available on the *Business Ethics* web site at http://www.business-ethics.com/whats_new/100best.html

How can I order a copy of the 2006 100 Best Corporate Citizens magazine issue?

To order a copy of the 2006 100 Best Corporate Citizens Issue, please click here: http://business-ethics.com/marketplace/back_issues.html

Business Ethics' Methodology Behind the Rankings

How are the firms ranked?

Business Ethics Magazine ranks these firms based on how well they perform in eight stakeholder-service categories: shareholders, community, governance, diversity, employees, environment, human rights, and product.

The shareholder-service score is based upon a three-year average of total return to shareholders (stock price appreciation plus dividends) through year-end 2005. All other scores are drawn from Socrates, based on KLD's assessment of various social "strengths" and "concerns" companies demonstrate in each stakeholder-service category. Companies thus have a number of strengths and concerns in each category. Since all eight variables have different scales (there are a differing number of possible strengths and concerns in each category), the scores are normalized by determining the standard deviation from the mean. To arrive at a single score per company, Business Ethics takes an unweighted average of all eight stakeholder measures. All stakeholders are thus accorded equal status. In a final step, a selection committee does additional research on social scandals and other issues, and recommends firms to be pulled. For 2006, only a small handful of firms were removed; *Business Ethics* does not release the names of firms removed.

How are the eight scoring variables weighted?

The eight scoring variables - shareholders, community, governance, diversity, employees, environment, human rights, and product- are given equal weight.

Are the different issue factors weighted based on the seriousness of the issue?

For each of the eight scoring variables, KLD scales companies' performance.

Is the data dependent upon corporate self-reporting?

No. Data in KLD's Socrates is derived from multiple sources. Public U.S. companies are encouraged, however, to update their social profile with KLD -- to ensure social data is current and complete. If you have any updates to your company profile, please email Camille Aylmer at BE100@kld.com.

How can I learn more about maintaining or improving my ranking?

On occasion, Marjorie Kelly, Business Ethics Editor, is available to make presentations related to maintaining or improving your ranking. You can reach her at 612/879-0695 or by e-mail at Marjorie.Kelly@business-ethics.com

About KLD's Research

How does KLD gather the data?

KLD continuously updates company information in Socrates using data from public documents, non-governmental agencies, government agencies, press searches, trade journals, industry and regional publications, and direct contact with the companies. Rigorous internal quality assurance and editing processes ensure consistent coverage across companies and issues.

How does KLD capture the differences among companies within an issue area?

Within every issue area, KLD has positive and negative indicators to measure company performance. Within each indicator, KLD scoring methodology adopts a sophisticated proprietary scaling approach to capture the relative impact of the indicator.

Is the list of social ratings criteria used by KLD available?

Yes. For a complete list of social ratings criteria used by KLD, see <http://web.kld.com/Socrates/Reports/RatingsDefinitions.pdf> Researchers ranked companies in eight different categories: total return to stockholders, community, governance, diversity, employees, environment, human rights, and product. Each firm then received an overall score based on its cumulative rankings in these areas.

Where can I get a copy of my own firm's profile?

For a copy of your firm's profile and information on updating it, contact Camille Aylmer at BusinessEthics100@kld.com.

What if I want profiles for other companies in my sector?

Additional profiles are available for a fee. For pricing information, please contact Randy O'Neil at BusinessEthics100@kld.com.