2022

2022 RepTrak Nasdaq 100 ESG, Ranked*

We can't help it – we're ESG-obsessed. And we're not the only ones.

ESG (Environmental – Social – Governance) is a measure of an organization's ethical efforts. It's a globally recognized standard valued by investors, consumers, and employees alike, shaping corporate reputation and public response.

We measure corporate reputation and ESG on a global scale, and the influence of ESG on broader reputation and consumer, investor, and jobseeker behavior is only growing. And this isn't a general yearning for warm fuzzies from your friendly neighborhood megacorp, this is a distinctly measurable phenomenon.

RepTrak proudly boasts the world's largest corporate reputation database, with robust insight into the demand and effect of ESG. RepTrak's objective ESG and reputational insight distinctly outlines the benefits of strong ESG, and the consequences of weak ESG.

REPUTATION
.86 statistical correlation (R^2) between ESG Scores and Reputation

PURCHASE INTENT
.78 statistical correlation (R^2) between ESG Scores and "Willingness to Buy"

RECOMMEND
.83 statistical correlation (R^2) between ESG Scores and "Recommend Products"

TALENT ACQUISITION
.66 statistical correlation (R^2) between ESG Scores and Talent Acquisition

TRUST
.85 statistical correlation (R^2) between ESG Scores and Trust in a time of crisis

Strong and positive correlation

You're likely familiar with our world-famous Global RepTrak 100, our annual ranking of the World's 100 Most Reputable Companies, paired with a sort of "State of Reputation" report, where we explore the evolution of corporate reputation over the past year.

Corporate reputation is dynamic in nature, and we measure it accordingly. The same methodology behind the Reputation Scores that determine the Most Reputable Companies in the GRT100, gives us more insight into specific elements of reputation, like ESG.

ESG is a growing priority for stakeholders, and corporate America has noticed. But not all ESG efforts and results are equal.

Read the 2022 GRT100

Our reputation monitoring platform is "always-on," so we get fresh ESG insights daily – across industries, across generations, and across the globe. We took a look at a selection of the U.S.'s most powerful organizations to see who, among them, is the ESG top dog.

RepTrak has ranked the Nasdaq 100 based on their ESG Scores. We're outlining how they're setting the standard — and how others are falling short.

You cannot dismiss yourself from the ESG conversation, especially when historical RepTrak data reveals that more than 90% of companies studied saw that their ESG efforts did not match the public's perception of those efforts. Even if you're active in your efforts, the public may not be receiving it.

You're gonna want to see this.

METHODOLOGY

This will only take a second. Before we show you the Nasdaq 100 ESG, ranked, we must show you how we got there. We do not take metrics lightly here at RepTrak. Our Reputation Scores and broader reputation data define RepTrak – and the qualifications behind this list differs from our GRT100.

After studying thousands of companies over two decades, we've collected millions of data points. And with great data comes great responsibility.

How we measure, determined, and ranked the Nasdaq 100's ESG is the same way we measure and report on corporate reputation and ESG for our clients on a daily basis.

Through a combination of machine learning (ML), AI, and natural language processing (NLP), our reputation intelligence platform combines and analyzes millions of perception and sentiment data points from online surveys, mainstream media, social media, business data, and additional third party sources. Consider it "always-there," unbiased, ongoing, near-real-time reputation and ESG intelligence that never ends.

RepTrak's resulting Reputation Scores range from 0-100 and measures how people think and feel towards a particular company. Scores are determined by a combination of components to provide a 360° view of reputation–among those components is ESG (Environmental – Social – Governance), a measure of an organization's specific ethical efforts. ESG Scores are also range from 0-100 and quantify perception on those ethical efforts.

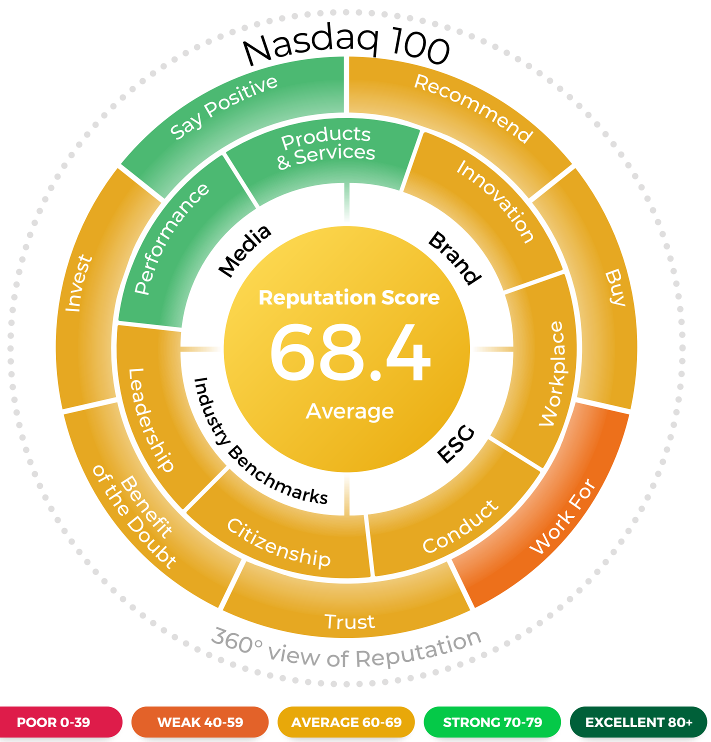
RepTrak's ESG Scores analyze public perception of performance against 17 factors, including considerations like sustainability, talent management, diversity, and ethical governance – determining its broader impact on Business Outcomes and Reputation in general.

While RepTrak measures ESG and reputation on a global basis, to be ranked accurately, a company had to meet the following criteria:

- Be a U.S. Nasdaq 100 company
- Reach threshold familiarity level of at least 14%
  - *This is why only 70 companies are featured*

Resulting data in this report only includes U.S. data for the **first half of 2022 (January – June).**

As a friendly reminder, RepTrak metrics measure and monitor reputation sentiment and perception. RepTrak's ESG metrics *don't* include an organization's self-reporting on environmental, social, diversity efforts, etc. RepTrak's ESG metrices measure what the public perceives about an organization's efforts. When perception informs response, perception is reality. **This list features who, among the Nasdaq 100, the U.S. public *believes* has the best ESG.**



Now that we've outlined these distinct parameters, **let's get to the good stuff.**

2022 RepTrak Nasdaq 100 ESG, Ranked*

*This list ranks Nasdaq 100 companies, who reach a familiarity threshold of 14%, based on their RepTrak ESG Scores for the first half of 2022

POOR 0-39 | WEAK 40-59 | AVERAGE 60-69 | STRONG 70-79 | EXCELLENT 80+

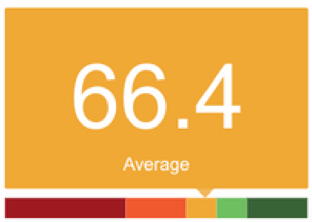
ESG Scores

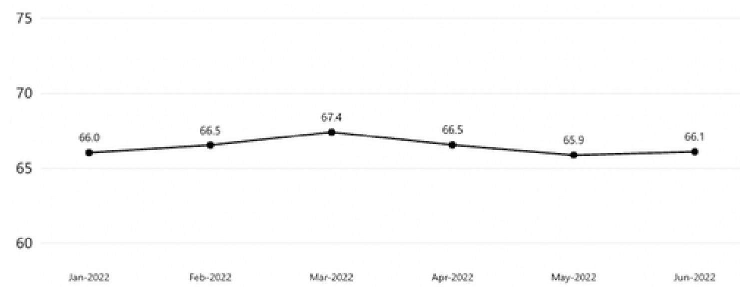
1. Costco Wholesale
2. Dexcom
3. Honeywell
4. VeriSign
5. NVIDIA
6. Gilead
7. Amgen
8. Biogen
9. Autodesk
10. Check Point
11. CDW
12. DocuSign
13. AMD
14. Micron
15. Cintas
16. Texas Instruments
17. Broadcom
18. Fastenal
19. Marvell
20. Applied Materials
21. American Electric Power
22. Marriott International
23. O'Reilly Auto Parts
24. Paychex
25. Cisco
26. PayPal
27. Zoom
28. Kraft Heinz
29. Copart
30. Qualcomm
31. Workday
32. ADP
33. CSX
34. Regeneron
35. Intel
36. Adobe
37. Xcel Energy
38. Microchip
39. Walgreens
40. Tesla
41. Trip.com
42. Moderna
43. Booking.com
44. Intuit
45. Analog Devices
46. Keurig Dr Pepper
47. Microsoft
48. Starbucks
49. Exelon
50. Netflix
51. Amazon
52. SiriusXM
53. Apple
54. Mondelēz International
55. PepsiCo
56. Lululemon
57. Ross Dress for Less
58. eBay
59. T-Mobile
60. Peloton
61. Dollar Tree
62. Alphabet
63. EA
64. Monster
65. MG
66. Charter Communications
67. Comcast
68. Activision Blizzard
69. Fox
70. Facebook

WE ALL FALL DOWN

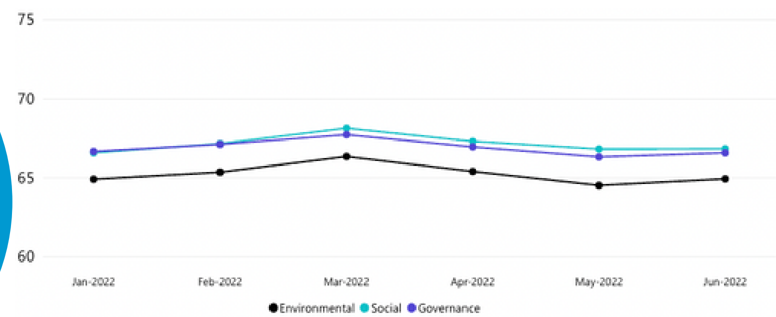
Don’t get dazzled by the star power of these brands, ESG is down across the board in 2022. With our expansive reputation database, we wanted to dig beyond the Nasdaq 100 and see how the US’s most financially successful companies compare to our extensive collection of US organizations. The result? The Nasdaq 100 has a lower overall ESG Score and saw more drastic fluctuations compared to our broader collection of US companies.

2022 Nasdaq 100 ESG Score



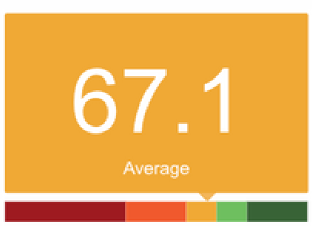


2022 Nasdaq 100 ESG Components Scores

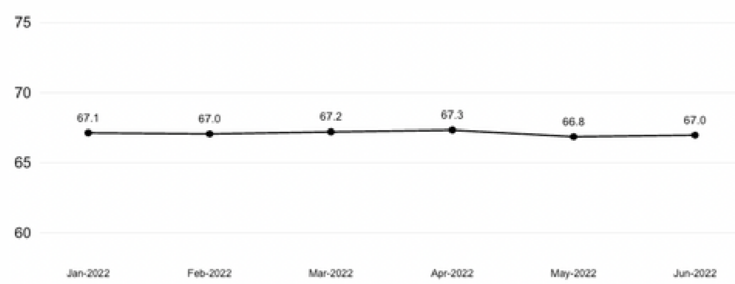


NOTE THAT ENVIRONMENTAL, SOCIAL, AND GOVERNANCE SCORES TEND TO EBB AND FLOW TOGETHER. THIS COULD BE A RESULT OF THE HALO EFFECT, SUGGESTING THAT THE PUBLIC SEES THE "GOOD" OF ESG AS INTERTWINED ACROSS ITS INDIVIDUAL ELEMENTS.

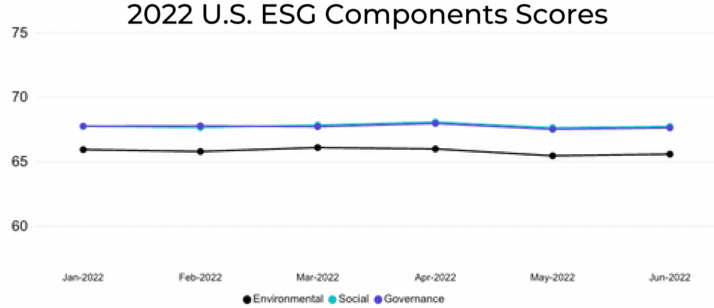
2022 U.S. ESG Score



▾1.5 since July 2021 - Dec 2021



2022 U.S. ESG Components Scores



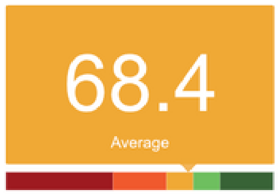
And we see a similar pattern with their Reputation Scores. This is less surprising when ESG Score is, on average, 86% correlated to Reputation. But the message is clear: the public Is frustrated with how organizations are conducting themselves – and ESG and Reputation go hand in hand when it comes to public perception.

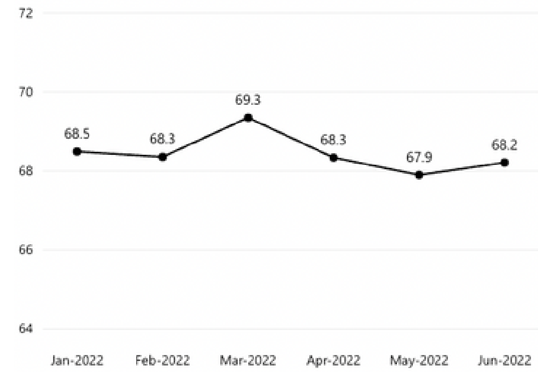
TEXAS INSTRUMENTS

ALL-STAR SHOUTOUT

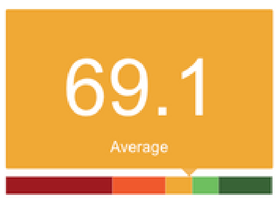
When Tech waste is on everyone's mind, Texas Instruments (#16) pairs its efforts with thorough communication. Their latest *<u>Corporate Citizenship report</u>* *thoroughly communicates their goals and their progress. Per-chip efficiency improvements include GHG Emissions (-51%), Energy (-50%), Water (-39%), and Waste (-63%). They lead their industry and their communications.*

2022 Nasdaq 100
Reputation Score

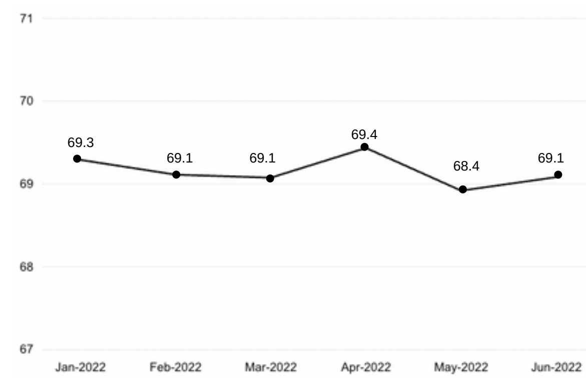




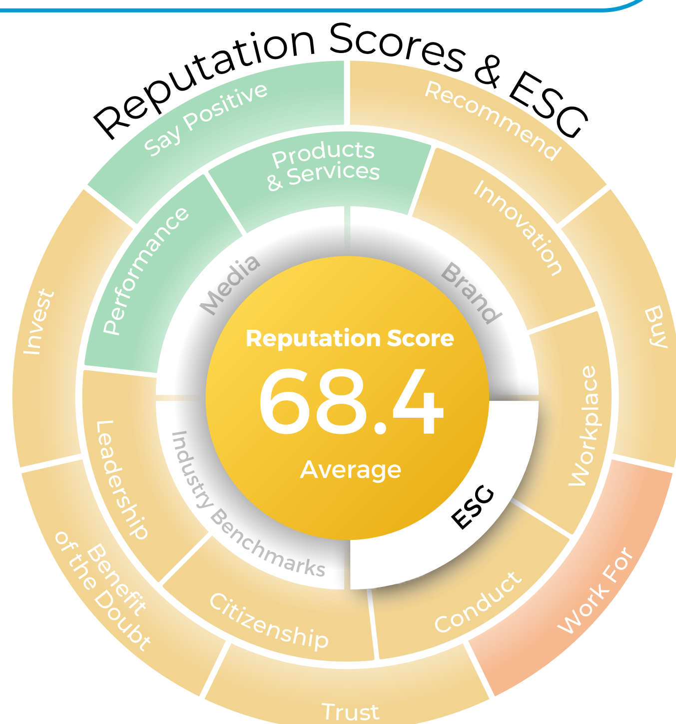
2022 U.S.
Reputation Score



▾1.5 since July 2021 - Dec 2021



When there was so much ESG-related material to discuss, companies leaned into their communications strategies in 2020 and 2021: "We'll get through COVID together," and, "#BLM," and, "We promise to do better." But 2022 was the time to fulfill those promises, and those same organizations came up short. **ESG was never meant to be events-based, it's an ongoing demand and responsibility.**



Even in a never-ending news cycle, public memory is not that fleeting. They remember those declarations and were disappointed in the follow up. And with vaccines dispersed and the world opening up again, the warm fuzzies of 2020 and 2021 wore off and their original, pre-pandemic sins were brought back to the forefront: stagnant *(cont.)*

wages, data privacy concerns, environmental promises, and more. Then mix it in with 2022's inflation, increased layoffs, Roe v. Wade reversal accommodations, and a war in Ukraine – ESG continues to be on everyone's mind.

And. They. Are. Watching.

US companies have worked hard to integrate themselves into both everyday life and popular culture, but that position doesn't mean organizations get to do *less* ESG work. They're expected to do *more*.

DAVID CURRAN
Co-Chair
Paul, Weiss Sustainability & ESG Advisory Practice

Executive Director
ESG and Law Institute

Friend of RepTrak and ESG Expert

"Everyone is taking ESG more seriously," says David Curran of Paul, Weiss's Sustainability & ESG Advisory Practice and a friend of RepTrak. "Stakeholders are more educated and are holding their organizations accountable. There are more challenges, more pressure, and more critiquing."

But if these are widespread experiences and a shared expectation, why are Nasdaq Scores lower than US Scores? The Nasdaq 100 is comprised of 100 of the largest and "most innovative" non-financial companies listed on the Nasdaq Stock Market based on market capitalization. These brands are likely more recognizable than our broad collection of US companies. Because they could be more recognizable, they could be under more scrutiny and elicit a more intense response.

THE POWER OF ESG DATA, WITH OR WITHOUT REPTRAK

Our ESG metrics are diligent for a reason, they provide precise insight to inform precise action. While we obviously recommend RepTrak as an ESG tracking solution, there are other non-RepTrak options you can immediately utilize and communicate.

Your HR systems could have data related to Diversity, Equity, and Inclusion. Internal employee surveys can inform about truly fair treatment of employees. You can quantify your environmental impact throughout your supply chain through their respective ESG reports. You can even check out RepTrak's regular reports to see how ESG sentiment is evolving on a global scale!

ESG is a journey, not a destination. And knowing where you currently stand is crucial to improvement.

Also notably, a lot of our ESG data superstars are not in the Nasdaq 100, like City of Hope, a not-for-profit clinical research center and hospital best known as cancer treatment center. They currently hold one of the highest ESG Scores in the US, according to RepTrak data. The size or profitability of an organization does not excuse it from the public's ESG consideration.

Recognition aside, low ESG Scores should be of concern. Low ESG Scores are bad news: a low ESG Score results in as low as 10-20% willingness to buy, while a high ESG Score typically results in a 60-67% willingness, according to historic RepTrak data.

Over one-third (36%) have felt "betrayed by what a company stands for," and 47% have stopped doing business with a company as a result. Meanwhile, 63% of global consumers prefer to buy goods and services from companies that "stand for a purpose that reflects their values and beliefs" and will avoid those that do not.

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of global consumers prefer to buy from companies that "stand for a purpose that reflects their values and beliefs" and will avoid those that do not.

But it's not just the damage a low ESG Score can bring, it's the benefits of a good ESG Score you're missing out on.

Consumers are significantly more likely to purchase from and trust a company with a high ESG score. In fact, high ESG Scores are often one of the top predictors of whether or not the public is willing to trust a company and give it the benefit of the doubt. And historic RepTrak data reveals that companies with outspoken CEOs across social justice, environmental, and political issues had higher average Reputation Scores. And those same Reputation Scores demonstrate a strong positive relationship with business outcomes, like stakeholders' willingness to buy, willingness to work for, recommend, or trust a company to do the right thing in a time of crisis.

Companies with outspoken CEOs across social justice, environmental, and political issues had higher average **Reputation Scores**

51%
of the public believe it is essential for corporations to provide both **actions** and **words** in response to cultural issues

When 51% of the public believes it is essential for corporations to provide both actions and words in response to cultural issues, the consequences and benefits are extreme. Allow us to be more specific, let's look to Business Outcomes.

OUT(COMES) OF BOUNDS & OUT OF WORK

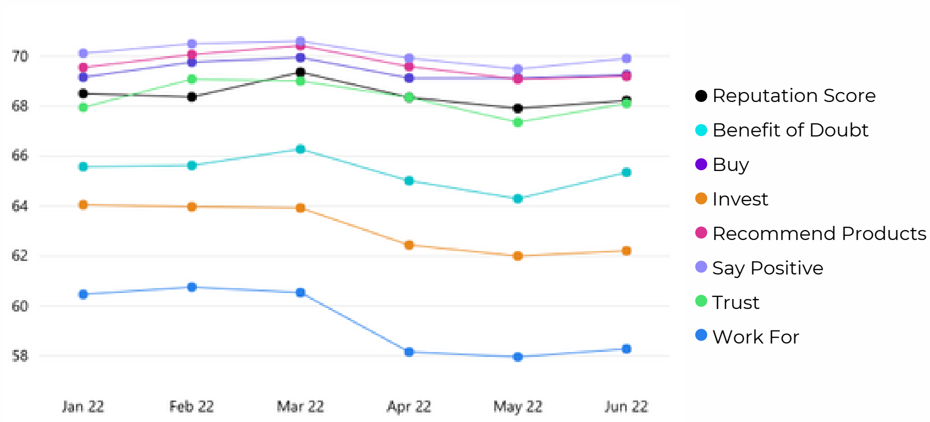
Doing and saying the right thing is good business. That's the RepTrak motto, and it's for good reason. We don't just measure a variety of reputational elements, we also measure how it impacts consumer behavior. These Business Outcomes provide powerful insight into the broader impact of Reputation and ESG.

Reputation Scores demonstrate a strong positive relationship with these Business Outcomes. Just as ESG and Reputation Scores have trended down in the past year, we're seeing similar results for both the Nasdaq 100 and overall US companies.

Interestingly, while Scores slightly differ, both the Nasdaq 100 and overall US companies demonstrate a similar ranking of Outcomes: Saying Something Positive has the highest Score for both, Willingness to Work For has the lowest.

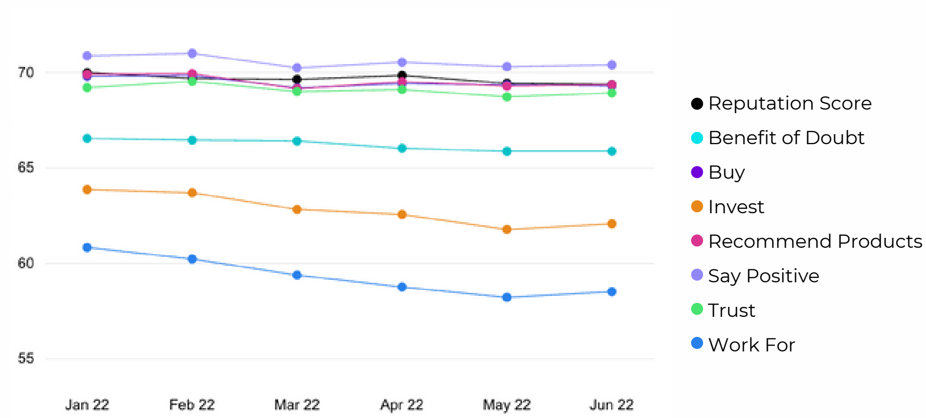
2022 Nasdaq 100 Business Outcomes

OUTCOME	SCORE
Benefit of Doubt	65.3
Buy	69.4
Invest	63.1
Recommend Products	69.6
Say Positive	70.1
Trust to do the Right Thing	68.3
Work For	59.3



2022 U.S. Business Outcomes

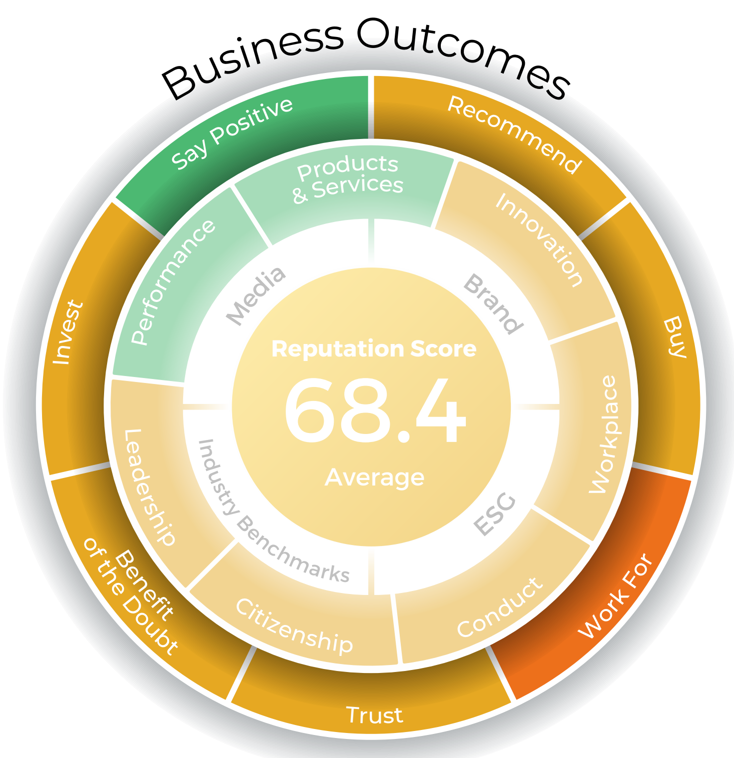
OUTCOME	SCORE
Benefit of Doubt	66.2
Buy	69.5
Invest	62.8
Recommend Products	69.5
Say Positive	70.5
Trust to do the Right Thing	69.1
Work For	59.3



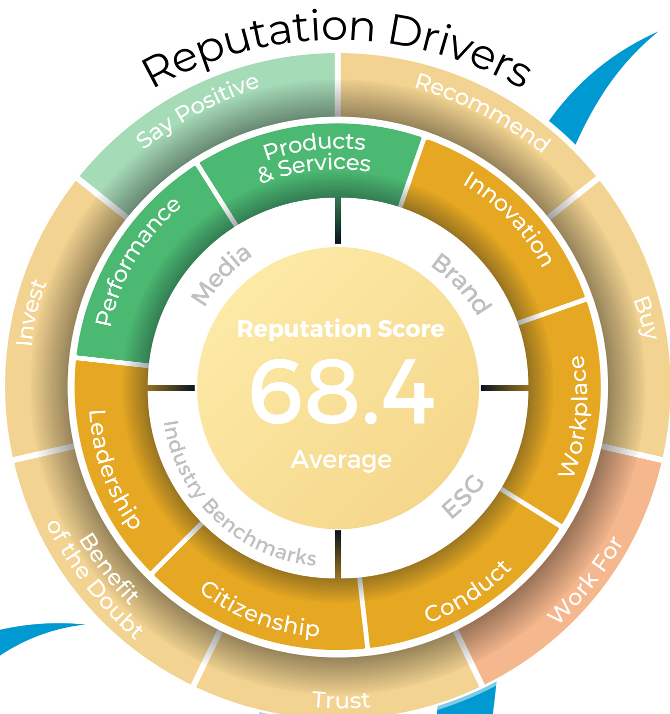
And they might not be the only ones to see this pattern. The same weakest Business Outcomes are appearing across industries (see our latest Tech Reputation Report): Benefit of the Doubt, Willingness to Invest, and Willingness to Work For.

Reputation data isn't just market-research-business-data, it's a powerful indicator of what the public is experiencing.

Under the threat of recession, investors are keeping a close eye on the stakeholder economy, listening to what employees, suppliers and distributors, the community, customers, and even broader society have to say about an organization (and industry) can say a lot about potential longevity and return. With inflation in effect, recession looming, promises unkept, and employee empathy rising, folks aren't feeling optimistic.



But most unmistakably, they want better conditions for employees.



DIRTY WORK

As a Business Outcome, Willingness to Work for maintains the lowest Score. To better understand this decrease, we turned to our other employer-related data: our Workplace Driver Scores. This data confirms that low ESG and Outcome Scores aren't random surprises.

In addition to ESG and other elements, we also measure Reputation Drivers. These Drivers reveal how a stakeholder thinks about a company, encompassing what the public typically considers when formulating and interpreting corporate reputation. Amongst these Drivers are Workplace, Citizenship, Leadership, and Conduct. While not included in our ESG Scores, there is a distinct overlap in measuring an organization's ethical practices.

2022 Nasdaq 100 Reputation Drivers

DRIVER	SCORE
Products & Services	72.5
Innovation	68.0
Workplace	66.4
Conduct	66.9
Citizenship	66.1
Leadership	69.1
Performance	72.4

2022 U.S. Reputation Drivers

DRIVER	SCORE	CHANGE
Products & Services	72.7	▾0.7
Innovation	66.7	▾0.9
Workplace	67.2	▾1.4
Conduct	67.7	▾1.0
Citizenship	66.6	▾1.4
Leadership	69.5	▾1.0
Performance	72.0	▾0.8

Workplace falls under the S *and* G in ESG: Social and Governance. How an organization governs itself – particularly how it treats its employees – matters to the public in a way we haven't seen before. As an Outcome, Willingness to Work For experienced the lowest Score for both the Nasdaq 100 and the US, and as a Driver, Workplace saw the largest decrease in the US.

The prestige of working for the US's most recognizable brands is not enough to exempt them from this Employer Reckoning.

How organizations approached new and novel challenges like the ongoing Pandemic and the health and safety of its employees, has collided with older, ongoing conflicts like union-busting and parental leave, fair benefits, and diversity in both workforce and leadership. The heightened tension of the Pandemic and growing opportunities no longer bound by location, has fueled a mass exodus.

The Great Resignation is no longer a cautionary tale, it's happening – and it's bringing ESG down with it.

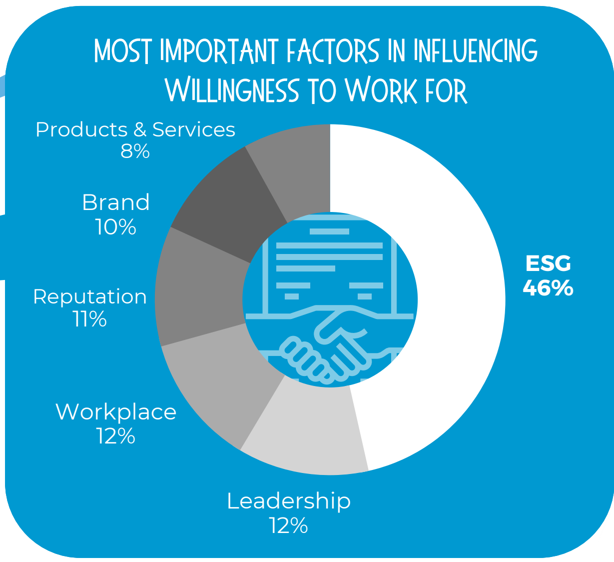
With Workplace down in 2022, we're reminded that it's not just disgruntled employees who want more from their employers, customers and the broader public want their brands to be good employers. They expect it and they're disappointed in what they see.

When we look at the Driver Factors that inform Driver Scores, we see statistically significant decreases across the board. (Did we mention that we're thorough?)

WHAT ABOUT CONDUCT AND CITIZENSHIP?

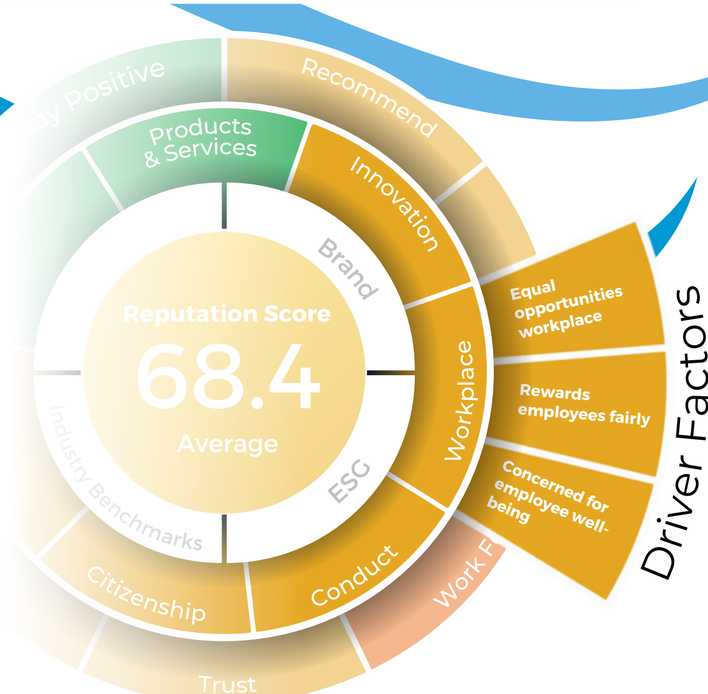
Just because decreases in Workplace and Willingness to Work For are so drastic, doesn't mean that ESG parallels Citizenship and Conduct are off the hook. Globally, Products & Services serve as the most significant Driver in determining reputation in 2022, but Conduct and Citizenship share second place, impacting reputation accordingly.

A dedication to all elements of ESG has an overall benefit.



2022 U.S. Reputation Driver Factors

DRIVER FACTOR	SCORE	CHANGE
Equal opportunities in the workplace	69.6	▾1.1
Concerned for employee well-being	66.2	▾1.4
Rewards employees fairly	66.0	▾1.5



With ESG Scores down, Workplace Scores down, and Willingness to Work For Scores down, this consumer disappointment can be detrimental your potential employment audience. When we dig deeper into what reputation elements influence Willingness to Work For as an Outcome, ESG perception is the prominent determinant. ESG carries the largest weight of 46% importance among reputation elements in influencing desire to work for a company.

In true symbiosis, a good ESG makes for an attractive employer, and bad workplace drags down ESG, and so on. It's important to all your stakeholder audiences that you treat employees well.

PLAYING FAVORITES

Environmental tends to receive an inordinate amount of attention compared to its Social and

Governance counterparts. And how could it not? Environmentalism as a concept has a had fantastic PR as concerns about climate change, plastic pollution, cardboard consumption, travel emissions, and celebrity private jet trips are all top of mind. Environmentalism provides a handy check list and local ordinances (au revoir, plastic straws) push its causes into action, and the resulting positive and negative response echoes into both ESG and Reputation. But you're going to need more than green attitude to achieve a strong ESG.

Environmentalism is a cause worthy of attention, but too many companies lead with eco-friendly initiatives and neglect Social and Governance. When we look deeper into ESG's individual factors, Environmental considerations consistently rank as less important in comparison to Social and Governance factors. The most important ESG factor for reputation? For most industries and regions, it's "Ethical and Fair Business Practices."

The top ranking companies featured all have one thing in common: they thoroughly address all three elements of ESG.

"For many companies, Environmental is the top ESG priority, but it's a well-rounded approach that makes for a strong ESG," explains Sue Tobias, Sr. Vice President, Advisory Services at RepTrak. "Companies have a big focus on climate change, reducing plastic, becoming carbon neutral... but they're forgetting to demonstrate their commitment to their workforce, addressing DEI, and fair and transparent governance. The top companies we're seeing ranked take all those considerations into account."

SUE TOBIAS
Sr. Vice President, Advisory Services
The RepTrak Company

We want to be very clear: Environmentalism = Good. We just don't recommend putting all your eggs in the green basket. There are lots of areas of Social and Governance practice that need your time, attention, budget, and initiatives.

With Workplace, Willingness to Work For, Trust, Willingness to Give the Benefit of the Doubt, Leadership, and Conduct down in the US, the message is clear: it's not just about what you do, it's about how you do it. Awareness, authenticity, and

COSTCO WHOLESALE

ALL-STAR SHOUTOUT

As #1 on this list (and #60 on our 2022 GRT100), there's a lot Costco does right in terms of ESG, just check out their comprehensive site outlining their environmental, community, and employee efforts. But it's perhaps their signature products that boost their ESG perception. In the time of inflation and sky-high gas prices, Costco's lower fuel prices and signature $5 rotisserie chicken and $1.50 hot dog + drink combo establish them as a friendly neighborhood entity and resource. They are famously no frills, and their transparency about the losses that accompany those $5 chickens demonstrates a community prioritization that earns them a major ESG boost. "What separates Costco's ESG efforts from the rest is how well rounded they are...they have committed to explicit responsibilities around taking care of their employees and supporting communities where employees and members live and work in addition to environmental commitments they treat their workforce," explains Sue Tobias. "They have Excellent, or near-Excellent, Scores for 'Cares for its Employees,' 'Ethical and Fair Business Practices,' and 'Offers Equal Opportunities.' This well-rounded investment in the S and G of ESG pushes them to the top."

NVIDIA

ALL-STAR SHOUTOUT

This tech company is #5 on our list, and they were also Glassdoor's 2022 #1 Best Place to Work in the US and #5 on the Fortune 100 Best Companies to Work For in 2022. Their detailed Corporate Social Responsibility report describes their employer efforts, including their Diversity and Inclusion strategies and alliances, pay parity, and student loan repayment assistance.

accountability aren't just valued by your audience, they're expected. They've noticed past bad behavior and they want to see your dedication to approaching these problems, especially if you created or contributed to them in the first place.

Strong Environmental Scores are good, but a thorough dynamic approach to ESG is better. How you approach Governance and Social issues, and the communication that comes with, will earn you a strong ESG

Feeling inspired to work on your ESG?

Read the Ultimate ESG Guide

SOCIAL AND GOVERNANCE TOPICS TO CONSIDER:

- Fair pay, comprehensive benefits, and healthy working conditions
  - *Including independent contractors*
- Operational and supply chain transparency
- Data usage and privacy
- Charitable contributions (not just "pledges")
- Union responses
- Diversity and leadership representation
- LGBTQIA+ support and representation
- Fair treatment on the basis of gender
- Political involvement
  - *Are you donating to causes that benefit the folks up top, but hurt employees and the broader community? What is your response to new legal circumstances? (i.e. marijuana reform, reproductive health, parental leave)*
  - *But most importantly, how are you communicating these efforts?*

NOW WHAT?

Okay, so all aspects of ESG are down. Good employers are more important than ever, and ESG expectations are higher than ever. Now, what?

Just like Reputation, whether you address or act towards your ESG or don't, you already have ESG. And folks are perceiving it and adjusting their behavior accordingly.

ESG isn't something to check off your to do list, it's 24/7/365. It's a permanent, yet evolving aspect of your business, and you'll never be finished. But don't think of ESG as a hamster wheel. Instead, it's an ongoing journey. You don't need to maintain pace to keep things moving, you'll need to constantly adjust and adapt to changing circumstances to keep moving forward – what worked earlier in your journey may not work later down the road, and old issues may exacerbate as you progress. This can be where objective measurement (like RepTrak or other readily available assets mentioned earlier in the report) can come in handy: you'll know where you started, where you are now, and what you'll need to do to get to the next stage.

ESG can feel a little overwhelming, but every organization can (and should) do something – whether you're in the Nasdaq 100 or not. Those who care about ESG are more likely to be fans of your brand, and you're likely not doing as well as you think you are.

According to historic RepTrak data, those who prefer companies take no action towards social and political issues have a more cynical attitude towards business in general. This cohort gives companies a lower average Reputation Score of 66 than those who prefer action and advocacy. In contrast, those that prefer companies issue only statements view businesses more favorably, giving them an average Reputation Score of 74.

And while you may think you're on track, you're more likely further behind. Remember, more than 90% of companies studied saw that their ESG efforts did not match the public's perception of their ESG efforts.

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ESG efforts should be strategic, not reactive. Lean into ESG just as you would with any other initiative, allotting budget and hiring talent. "Companies should be strategic in their approach to ESG and integrate ESG commitments into existing governance structures and control functions to ensure compliance and mitigate risk," says David Curran.

Good ESG is dynamic and ongoing, but its first steps are simple:

Step 1:
Do good.

Step 2:
Talk about it.

Your audience is not made up of mind readers, you must own your ESG communications or risk your audience filling in the blanks. ESG is no longer a lovely footnote, it's an operational demand that requires strategy, budget, headcount, and communications in order to execute properly and reap the benefits. Like we say here at RepTrak, doing and saying the right thing is good business.

RepTrak

How RepTrak can help

RepTrak tracks reputation and ESG perception objectively and in-near-real time, meticulously monitoring your Reputation Drivers, ESG Drivers, brand, and Media interactions and how your efforts and communication impact your ESG and broader reputation.