



The Most Respected U.S. Companies 2008

A Special Global Pulse Report

for the Boston College Center for Corporate Citizenship

Corporate Reputation and Social Responsibility Rankings

October 2008



Pulse



The Value of Corporate Reputation

Corporate Reputations are Valuable Intangible Assets

Corporate reputations are *valuable* because they influence the decisions of consumers about which products and services they will buy, the decisions of creditors and investors about which companies they will lend money to (and at what price), and the decisions of job-seekers about which companies they want to work for. Corporate reputations are *assets* because they influence the profitability of companies and are unique and inimitable. Unfortunately, they are also *intangible* – and so are difficult to measure.

Capturing Reputation

Reputation Institute has been measuring corporate reputations rigorously since 1999. Our approach is based on:

- (a) a carefully developed model of what constitutes reputation
- (b) a rigorous process that ensures representative results, and
- (c) a process of analysis that standardizes output
 - enabling international and cross-industry comparisons.

In 2006, Reputation Institute introduced the RepTrak™ Model - a simplified and standardized scorecard for measuring corporate reputations internationally. The beating heart of the model is the Pulse – the degree to which people trust, admire, respect, and have a good feeling for a company. Scores are based on answers to four questions and are standardized on a scale of 0-100.

Reputation Institute further examines whether the Pulse score is based on perceptions of companies on seven underlying dimensions identified in the RepTrak™ model: Products/Services, Innovation, Workplace, Citizenship, Governance, Leadership, and Performance. Understanding these underlying perceptions provides the raw material from which companies can create strategic platforms for communicating and engaging with their stakeholders on the most relevant key performance indicators. It is the importance of these dimensions which drive corporate reputation.



The RepTrak™ Model

The Global Pulse

The Global Pulse 2008 is the third annual study of the reputations of the world's largest companies. The study was developed by Reputation Institute to provide executives with a high-level overview of their company's reputation with consumers. Conducted annually since 2006 results from the study have created a robust database of reputation ratings for the world's largest companies in their home markets. Over 60,000 members of the general public from 27 countries participated in the study in February and March of 2008 providing detailed information on how much trust, admiration, respect, and good feeling they have for the world's largest companies. In total, more than 150,000 ratings were used to create reliable measures of the 'corporate reputation' of more than 1,000 companies. Additionally, respondents provided information on what drives these feelings rating companies' performance along the seven dimensions of reputation.

A company's reputation is influenced along three sets of performance indicators

- Managerial Performance Indicators describe perceptions of how well a company is managed and how strong it is financially.
- Technical Performance Indicators describe perceptions of the revenue driving aspects of a company – its products/services and innovativeness.
- Institutional Performance Indicators are perceptions of how an organization behaves towards all of its stakeholders, including its employees, other companies that it works or competes with, and the local and global community.
- Each of these three performance indicators must be tracked and understood to successfully manage reputation.

Managerial dimensions

PERFORMANCE

What is the perception of the company's financial performance and the prospects for future growth?

LEADERSHIP

How do stakeholders perceive the leaders and management competences of the company?

Does the company appear well organized with a clear vision for the future?

Technical dimensions

PRODUCTS/SERVICES

Do stakeholders think highly of the products and services the company provides?

Are products and services associated with quality and value?

Does the company stand behind its products?

INNOVATION

Is the company perceived as innovative and skilled to meet market changes?

Does the company regularly introduce new products?

Institutional dimensions

CITIZENSHIP

Does the company contribute positively to its surrounding community in a socially and environmentally responsible fashion?

GOVERNANCE

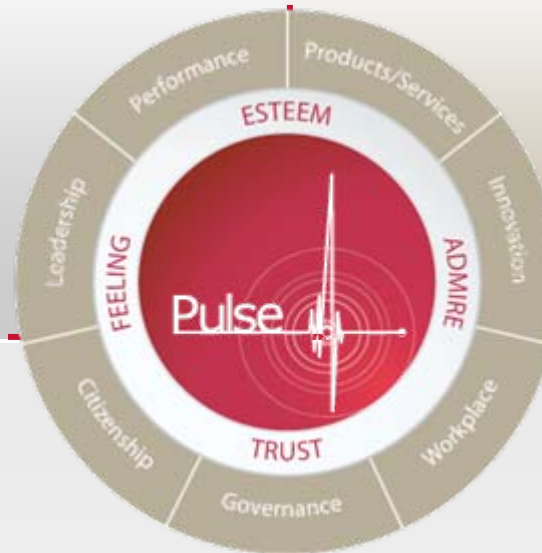
Is the company business run in a fair and transparent fashion?

Do stakeholder associate the company with high ethical business standards?

WORKPLACE

Are employees treated fairly and paid a decent wage?

Does the company invest in developing employee skill sets and career opportunities?



Reputations are Based on Actions

Reputation is, in part, an expectation that an individual, or organization, will behave in a specific predictable way based on past performance. The underlying idea is that we are more likely to do again tomorrow what we have already done yesterday, or today. Everyday we use reputations to anticipate the future behaviors of others; one may suggest a company that issued dividends last year is more likely to issue dividends this year.

Corporate reputations are based on how a company's *actions* are *perceived* by all of its many stakeholders; customers, employees, investors, members of the media etc.. Understanding what issues are important to stakeholders and responding appropriately is critical in creating trust, admiration, esteem, and good feeling.

Acting Responsibly

Reputation Institute's RepTrak™ model identifies the core seven dimensions (Products/Services, Innovation, Workplace, Citizenship, Governance, Leadership, and Performance) in which individuals:

- (1) expect companies to act, and
- (2) evaluate those actions.

In today's business environment, there is an increasing pressure for companies to *act responsibly* – stakeholders now, more than ever, evaluate corporations on economic and market driven results (Products/Services, Innovation, Leadership and Performance) as well as social impact (Citizenship, Governance and Workplace).

Through research, Reputation Institute can demonstrate that well regarded companies often rate highly in each of the seven dimensions of reputation. In essence, companies high in reputation capital view themselves as responsible to stakeholders across all of the areas of the RepTrak™ model. Responsible corporations work not only to develop initiatives and policies “around the wheel” but work to effectively communicate their successes and failures in each area to stakeholders.



Dividing the Model

Most corporations acknowledge the importance of developing cutting edge **products and services**, remaining competitive through **innovation**, providing stable **leadership** and demonstrating results through financial **performance**. Yet, a core part of corporate reputation is the perceptions of a company's social, or institutional, activities. People wonder:

- is this company a good corporate **citizen**?
- is this company well **governed** in its business dealings?
- is this company an appealing place to **work**?

Reputation Institute contends that responsible corporations address all seven dimensions of the RepTrak™ model. In an effort to look at the impact and importance of citizenship activities, this report takes a closer look at rankings along institutional dimensions (Citizenship, Governance and Workplace). The combined index of people's perceptions along these three dimensions, the corporate social responsibility index (CSRI), yields great insight into the influence of social programs, policies and activities on reputation.



What influences reputation?

A Pulse, or reputation, score is the degree to which people trust, admire, respect, and have a good feeling for a company. Although the Pulse is at the heart reputation, it does not alone give insight into the factors that shape reputation. To help give companies achieve these insights, Reputation Institute identified seven dimensions that influence reputation. Individually they are the drivers of reputation. These seven dimensions can be grouped them into three sets of performance indicators – *managerial*, *technical* and *institutional*.

The Corporate Social Responsibility Index

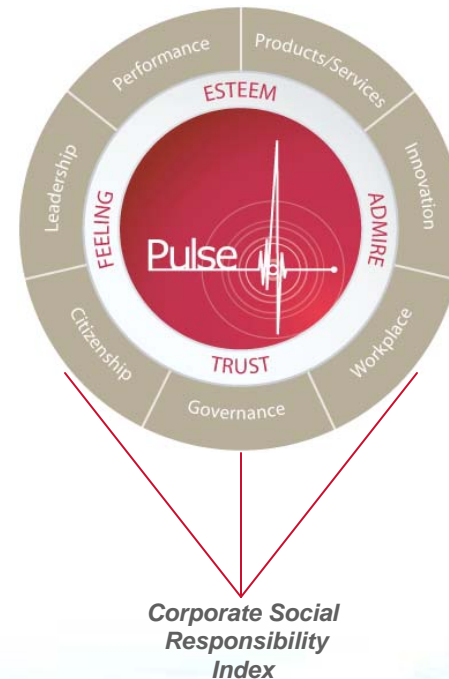
Institutional Performance Indicators are perceptions of how an organization behaves towards all of its stakeholders, including its employees, other companies that it works or competes with, and the local and global community. The combined average of people's perceptions along institutional performance indicators (Citizenship, Governance and Workplace) form a corporate social responsibility index (CSRI). This combined score yields greater insight into the influence of stakeholder programs, policies and activities on reputation.

Understanding the rankings

Rankings along the corporate social responsibility index aim to give companies a better sense of how the totality of their institutional activities are perceived by the general public. These rankings are not based on self-reported corporate information but over 20,000 ratings from people familiar with the company across the United States.

Criteria for selected companies

This special report is a combination of the largest 150 companies measured in the United States for Reputation Institute's 2008 Global Pulse Study plus an additional selection of some of the most visible members of the Boston College Center for Corporate Citizenship.



Corporate Social Responsibility Index Questions

Q: Workplace: 'Company' is an appealing place to work -- it treats its employees well

Q: Citizenship: 'Company' is a good corporate citizen -- it supports good causes & does not harm the environment

Q: Governance: 'Company' is a responsibly-run company -- it behaves ethically and is open & transparent in its business dealings

Companies Included in the Study

The following United States Companies were identified and included in the study (1-105):

3M	BellSouth Corp.	Continental Airlines	General Mills
Abbott Laboratories	Berkshire Hathaway	Costco Wholesale	General Motors
Accenture	Best Buy	Countrywide Financial	GlaxoSmithKline
Adidas America	BJ's Wholesale Club, Inc.	CVS	Goldman Sachs Group
Adobe Systems	Boeing	Deere & Co	Goodyear
Advanced Micro Devices	BP	Dell	Google
AES	Bristol-Myers Squibb	Deloitte & Touche	Green Mountain Coffee Roasters
Aetna	Campbell Soup Co.	Delta Air Lines	Halliburton
Aflac	Capital One Financial	DirecTV Group	Hartford Finl Service
AIG	Cargill Ltd.	Dow Chemical	Heineken USA Inc.
Alcoa	Caterpillar	Duke Energy	Hess
Allstate	CBS	Dunkin' Brands, Inc.	Hewlett-Packard
Altria Group	Charles Schwab & Co., Inc.	Eastman Kodak	Hitachi America Ltd
American Electric	Chevron	El du Pont de Nemours	Home Depot
American Express	Chubb	Eli Lilly & Co	Honda of America
Amgen	Cigna	Emerson Electric	Honeywell International
AMR	Circuit City Stores	Enterprise Rent-A-Car	IBM
Amtrak	Cisco Systems	Ernst & Young LLP	ING Americas
Anheuser-Busch Co.	CITGO Corporation	Express Scripts	Intel
Apple	Citigroup	ExxonMobil	International Paper
Archer Daniels Midland	The Coca-Cola Company	Federated Dept Strs	JC Penney
AstraZeneca	Coca-Cola Foundation	FedEx	John Hancock Financial Services
AT&T	Colgate-Palmolive	Fidelity Investments	Johnson & Johnson
AutoNation	Comcast	Ford Motor	JPMorgan Chase
Bank of America	ConocoPhillips	The Gap	Kaiser Permanente
Bear Stearns	Consolidated Edison	Genentech	Koch USA Inc.
		General Electric	

Companies Included in the Study

The following United States Companies were identified and included in the study (106-203):

Kohl's	New York Life Insurance Co.	Samsung Group	Tyco International Ltd.
Kraft Foods Inc.	News Corp	Sara Lee	Tyson Foods
Kroger	NIKE	Sears Holdings	UBS Investment Bank
Legg Mason	Nokia	Sempra Energy	Unilever
Lehman Bros Holdings	Nordstrom	Siemens Corporation	Union Pacific
Levi Strauss & Co.	Northrop Grumman	Southern Co	United Airlines (UAL)
Liberty Mutual Insurance Co.	Northwest Airlines	Sprint Nextel	UPS
Lockheed Martin	Novartis	St. Paul Travelers Cos.	US Air
Lowe's Cos	Office Depot	Staples	US Bancorp
Major League Baseball	Oppenheimer Funds, Inc.	Starbucks Coffee Company	US Postal Service
Marathon Oil	Oracle	State Farm Insurance Co.	Valero Energy
Marriott International	PepsiCo	Sun Microsystems	Verizon Communications
MasterCard	Pfizer	Sunoco	Wachovia
Mattel, Inc.	PG&E	SunTrust Banks	Walgreen
McAfee, Inc.	Pier 1 Imports	Supervalu	Wal-Mart Stores
McDonald's	Procter & Gamble	T. Rowe Price	Walt Disney
Meijer	Progressive	Target	Washington Mutual
Merck & Co	Prudential Financial	Texas Instruments	Wells Fargo
Merrill Lynch	Publix Super Markets Inc.	The McGraw-Hill Companies	Whirlpool
MetLife	QVC, Inc.	TIAA-CREF	Wyeth
Microsoft	Qwest Communications	Timberland Company	Xerox
Miller Brewing Company	Raytheon	Time Warner	
Morgan Stanley	Reebok International Ltd.	TJX Companies	
Motorola	Rite Aid	Toyota Motor Corp.	
National City	Roche	Toys "R" Us	
New Balance	Safeway		

The Most Socially Responsible Companies in the U.S. 2008

-The Top 25



Rank	Company	Corporate Social Responsibility Index
1	Google	80.84
2	Campbell Soup Co.*	79.55
3	Johnson & Johnson	79.46
4	Walt Disney	79.11
5	Kraft Foods Inc.	76.89
6	General Mills	75.96
7	Levi Strauss & Co.*	75.38
8	UPS	75.15
9	Berkshire Hathaway	74.99
10	Microsoft	74.83
11	Intel	74.67
12	3M	74.66
13	FedEx	74.65
14	Anheuser-Busch Cos.*	74.58
15	Sara Lee	74.15
16	Apple	74.03
17	General Electric	73.64
18	Publix Super Markets Inc.	73.56
19	Honda of America*	73.52
20	Deere & Co	73.41
21	Adobe Systems*	73.39
22	Xerox	73.18
23	New Balance*	73.13
24	Toyota Motor Corp.*	73.00
25	Texas Instruments	72.87

Google tops social rankings

Google earned the highest rating of perceptions along social dimensions (Citizenship, Governance and Workplace) with a social responsibility index (SRI) score of 80.84. Google leads a group of top tier companies with ratings at, or around, 80; Campbell Soup Co. (79.55), Johnson & Johnson (79.46) and Walt Disney (79.11).

Consumer focused companies rate well with the public

With the exceptions of Berkshire Hathaway, consumer oriented companies made up the majority of top 20 SRI performers.

Only a few more business-to-business focused companies made it to the top 50: TIAA-CREF (71.32), Cisco Systems (70.96), Sun Microsystems (70.70), Express Scripts (70.32), Deloitte & Touche (70.12) and Boeing (69.88).

All Pulse scores are standardized on both the country and global level. For further explanation see the RepTrak™ Methodology section.

All RepTrak™ Pulse scores that differ by more than +/-0.5 are significantly different at the 95% confidence level

Excellent/Top Tier	above 75
Strong/Robust	66 – 75
Average/Moderate	56 – 65
Weak/Vulnerable	45 – 55
Poor/Lowest Tier	below 45

* - Indicates that the company is not among the 150 largest companies in the US but was added to the study as a member of the Boston College Center for Corporate Citizenship



The Most Socially Responsible Companies in the U.S. 2008

-Companies 26-50

Rank	Company	Corporate Social Responsibility Index
26	Colgate-Palmolive	72.67
27	Green Mountain Coffee Roasters*	72.61
28	Marriott International	72.51
29	Advanced Micro Devices*	72.30
30	IBM	71.99
31	The Coca-Cola Company	71.79
32	Whirlpool	71.76
33	Aflac	71.68
34	Office Depot	71.39
35	TIAA-CREF*	71.32
36	PepsiCo	71.22
37	Nokia*	71.12
38	Hewlett-Packard	71.03
39	Timberland Company*	70.98
40	Eastman Kodak	70.96
41	Cisco Systems*	70.96
42	Costco Wholesale	70.91
43	Sun Microsystems*	70.70
44	Lowe's Cos	70.54
45	Walgreen	70.47
46	Fidelity Investments	70.44
47	Express Scripts	70.32
48	Deloitte & Touche*	70.12
49	Dell	70.08
50	Boeing	69.88

Computer industry stands out

Perceptions of social responsibility for computer companies were mixed with U.S. consumers ranging from a high of 74.83 (Microsoft) to a low of 66.90 (McAfee).

Most companies in the industry earn positive standings with consumers for their social initiatives: Intel (74.67), Apple (74.03), Adobe (73.39), Texas Instruments (72.87), IBM (71.99), Hewlett Packard (71.03), Cisco Systems (70.96), Sun Microsystems (70.70), and Dell (70.08).

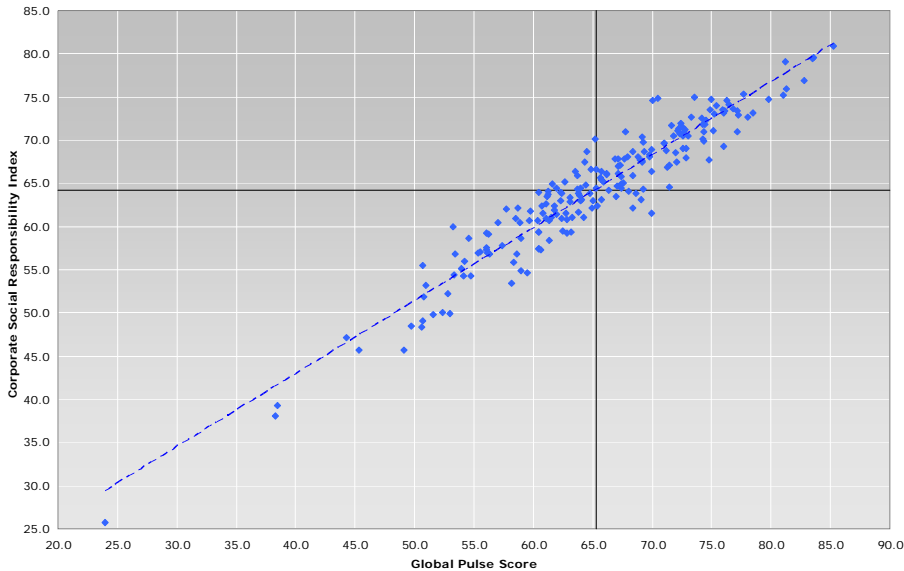
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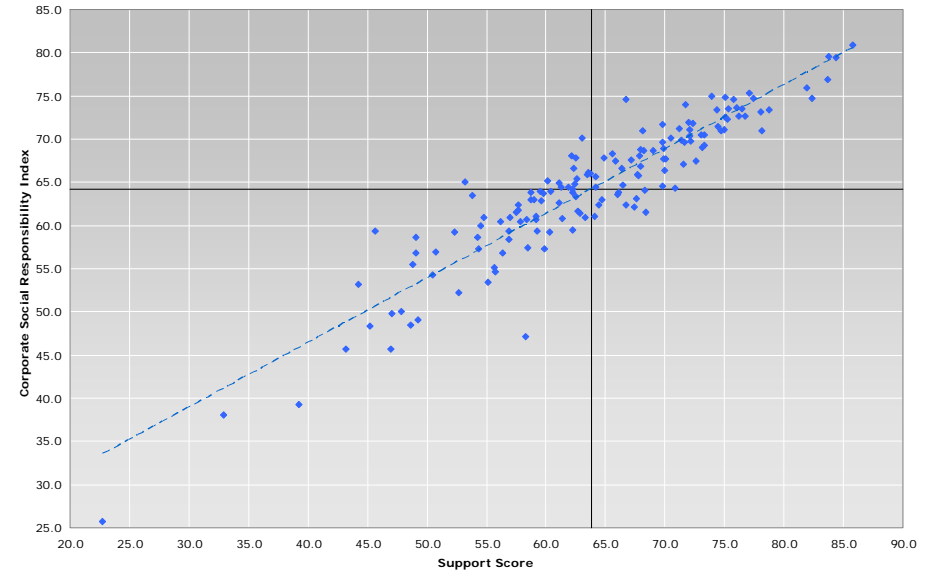
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**Figure 1:
Social Responsibility and Reputation**



**Figure 2:
Social Responsibility and Consumer Support**



Putting Social Initiatives and Reputation to Work

Companies that U.S. consumers hold in high regard tend to receive corresponding marks for their activities in Citizenship, Governance and the Workplace. This is demonstrated by the linear relationship between corporate social responsibility and corporate reputation scores of companies rated in the study. [Figure 1]

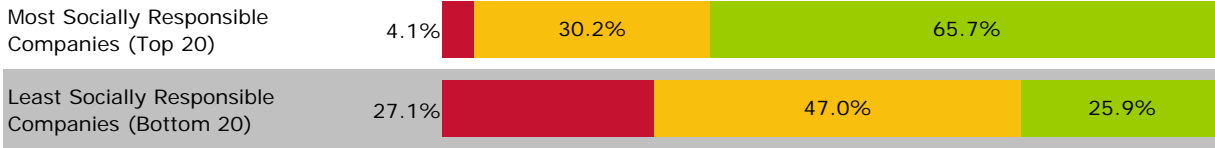
Ultimately, both corporate reputation and social initiatives aim to encourage support stakeholder behavior. The second graph above [Figure 2] shows the strong linear relationship between a company's CSRI score and the percentage of people that would recommend it to others. This trend tells us that companies who invest in social initiatives are also investing in creating support from their stakeholders.

Higher Support Goes to Well Regarded Companies

Social Responsibility creates support



■ Negative (1-2) ■ Neutral (3-5) ■ Positive (6-7)



High return on investment from Social Responsible and Reputation activities

Companies who have invested in a strong Social Responsible profile get a much higher level of support than other companies.

65.7 % of the U.S. general public would recommend the Top 20 socially responsible companies to others compared to only 25.9% recommendations for the bottom 20 companies. And more than 27% would not recommend the companies that are not seen as social responsible

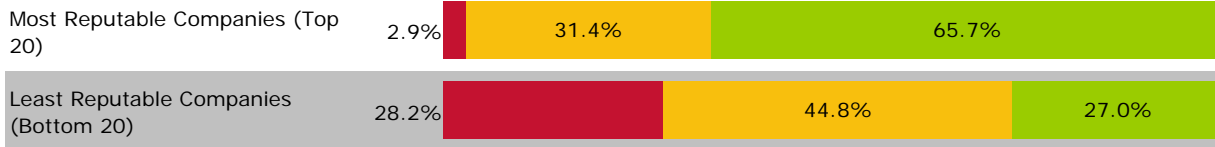
In a time where "word of mouth" recommendations is a top driver of business success this is a critical area for companies to improve.

Focusing on social responsibility as well as overall reputation is a direct way to improved business success

Strong Reputation creates support



■ Negative (1-2) ■ Neutral (3-5) ■ Positive (6-7)



Q: I would recommend 'Company' to others.

Creating Value from your Corporate Reputation

Insights from the Global Pulse

The Boston College Center for Corporate Citizenship provided access to the 2008 Global Pulse study as an investment to its corporate members.

The Global Pulse is a simple way to learn more about the components of your reputation and understand how citizenship activities create value for your firm.

To receive more detailed information on the state of your company's reputation, a complete 2008 Global Pulse report can be ordered for your company that will allow you to:

- **Identify...**
what issues are most important for your company
- **Develop...**
corporate initiatives that drive supportive behaviors
- **Benchmark...**
corporate reputation by country, competitor or industry
- **Monitor...**
corporate reputation over time using a robust tracking system

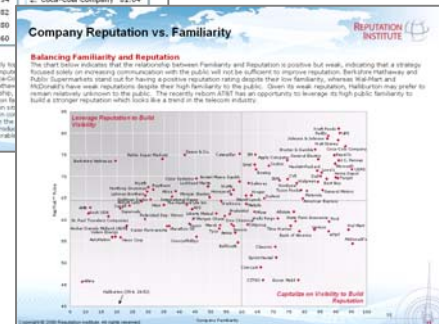


Leading Companies on the Seven Dimensions of Corporate Reputation in the United States

Products/Services	Innovation	Workplace
1. Johnson & Johnson 80.91	1. Microsoft 80.24	1. Johnson & Johnson 75.42
2. 3M 80.49	2. 3M 78.83	2. PepsiCo 75.40
3. Caterpillar 80.34	3. Apple Computer 76.77	3. Microsoft 75.31
4. Deere & Co. 80.04	4. Intel 76.56	4. United Parcel Service 74.66
5. Kraft Foods 79.87	5. Walt Disney 76.05	5. Apple Computer 74.50

Government	Citizenship	Leadership
1. Berkshire Hathaway 81.21	1. United Parcel Service 76.59	1. Microsoft 81.74
2. Coca-Cola Company 81.00	2. FedEx 75.54	2. Coca-Cola Company 81.04
3. Johnson & Johnson 79.50	3. PepsiCo 74.82	
4. Apple Computer 79.37	4. Coca-Cola Company 74.80	
5. Microsoft 78.61	5. Johnson & Johnson 74.60	

Performance	Reputation Dimensions
1. Berkshire Hathaway 80.25	The companies that most frequently received scores of 7.0 or higher, based on the Reputation Dimensions, were Microsoft, Berkshire Hathaway, and United Parcel Service. These three companies received scores of 7.0 or higher on all seven dimensions of reputation.
2. Coca-Cola Company 78.99	
3. Apple Computer 78.83	
4. Microsoft 76.43	
5. PepsiCo 77.65	



What You Receive as Part of a Global Pulse Report

Company Specific Global Pulse Reports:

- **Company Specific Results:** Company profile on reputation Pulse and the 7 dimensions of reputation. A report of which dimensions are your strong and weak points and how you are doing compared to selected rivals.
- **Drivers:** An analysis of which dimensions are driving reputation in your country and in your industry.
- **Country Results:** Profiles of the best and worst reputations in the US and/or additional selected countries from our survey.
- **Industry Results:** Industry profile, across all 27 countries, positioning your company in the global competition relative to your industry peers.
- **Global Results:** A profile of the best reputations in the world across 27 countries with rankings of more than 600 companies.

For more in-depth information on your company, industry and competitor results, contact Reputation Institute at :

PulseUS@reputationinstitute.com

or call 212 495 3855

Price

- Company specific reports are available for **\$ 10,000**
 - **BC CCC members pay only \$ 9,000**
- Reports can be customized to your needs adding selected benchmark companies or countries for \$5,000 each.

About Reputation Institute

Reputation Institute is a private advisory firm specialized in corporate reputation management. Through a network of offices and associates in more than 20 countries, Reputation Institute provides knowledge-based consulting services to some of the most respected companies worldwide. Our consulting teams regularly help these global clients assess, value and act on their reputations by providing strategic analysis and direction, as well as helping them to develop and implement cutting-edge reputation measurement and management systems.

Reputation Institute also identifies best practices from original research conducted around the world, and we share our cutting-edge findings with a wide network of clients and members through engagements, seminars, conferences, and publications such as *Corporate Reputation Review*. The *Global Pulse* is Reputation Institute's flagship research study conducted annually with some 60,000 consumers in 27 countries from which emerge a set of detailed reputation ratings and rankings of 1000 of the world's largest companies. Each year, the results of this groundbreaking study get featured in leading business publications around the world, including *Forbes*.

Visit ReputationInstitute.com to learn more about how you can unlock the power of your reputation.

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