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## The Calvert Methodology Behind the Barron's Top 100 List

By: Calvert Research and Management | April 4, 2023

**Washington** - This marks the sixth consecutive year that Calvert has identified companies showing leadership in addressing the environmental, social and governance (ESG) issues relevant to their operations and to key stakeholder groups for Barron's annual list of the 100 most sustainable companies. Here's the methodology for how we did so.

Calvert analyzed the 1000 largest publicly held companies, measured by market capitalization, incorporated and headquartered in the United States (excluding Real Estate Investment Trusts, which were examined separately).

Each of these 1000 companies was rated on its demonstrated responsibility in five key stakeholder categories: shareholders, employees, customers, community, and planet. To calculate the ratings, Calvert considered more than 230 key performance indicators from seven primary vendors (CDP, ISS, MSCI, Sustainalytics, Thomson Reuters Asset4 and TruValue), supplemented by other data sources and Calvert Research, where relevant.

This data was organized into 28 distinct topics, ranging from greenhouse gas emissions to workplace safety to workplace diversity. These 28 distinct topics were sorted into the five key stakeholder categories. Each company received a rating of 0-100 in each category, based on Calvert's proprietary analysis and scoring methodology, which included taking an average of indicator-level scores over two years, if two years of data were available.<sup>1</sup>

An overall rating for each company was calculated using a weighted average of the five key stakeholder categories. The weightings were based on Calvert's assessment of the financial materiality of each stakeholder category within the company's industry peer group. Calvert determined a unique weight for each category in each of more than 200 distinct industry peer groups.

In addition, to be considered among the 100 Most Sustainable Companies, a firm needed to be rated above the bottom quartile in all financially material stakeholder categories. In other words, a company's poor performance with any key stakeholder group determined to be financially material disqualified that company from consideration.

### **Most Sustainable Non-US Companies**

The set of companies evaluated to create the list of Top 20 Most Sustainable Non-US companies was the 1,000 largest publicly held companies, measured by market capitalization, incorporated and headquartered in 26 developed markets excluding the United States (Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, Taiwan, and South Korea). Calvert's evaluation of this set of companies used the same five stakeholder categories, weighting, scoring, and quartile ranking process as described in the methodology for the Top 100 Most Sustainable US companies.

### **Most Sustainable US Real Estate Investment Trusts (REITs)**

The set of companies evaluated to create the list of Top 10 US Sustainable Real Estate Investment Trusts (REITs) were the publicly held REITs with at least \$3 billion in market capitalization, incorporated and headquartered in the United States. Calvert's evaluation of this set of companies used the same five stakeholder categories, weighting, scoring and quartile ranking process as described in the methodology for the Top 100 Most Sustainable US companies.

To read the full article, [click here](#).

**Bottom line:** Barron's leveraged Calvert's proprietary ESG research as the basis for identifying companies demonstrating ESG leadership in their operations and industries as well as positive impacts on communities and the planet in 2022. This marks the sixth year in a row Calvert has played that role. We believe that examining how companies perform on material ESG issues in comparison to their peers can help investors get a better idea of what leading companies are doing well and what others can do to accelerate the process of positive change.

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