2016 CSR RepTrak® 100

September 15th 2016

@Reputation_Inst

#RepTrak

# The world leader in Reputation Management research

Reputation Institute is the world's leading reputation-based research advisory firm, founded by Dr. Charles Fombrun and Dr. Cees van Riel in 1997.

Reputation Institute's RepTrak® Research is the worlds largest and highest quality normative reputation benchmark database.

- 7 Dimensions of Reputation
- 10 Years of Data Indexed
- 40 Countries Measured
- 15 Stakeholder Groups
- 3,000 Companies per Year
- 6M Responses per Year

Our most prominent management tool is the RepTrak® model for analyzing the reputations of companies and institutions – best known via the Forbes-published Global RepTrak® 100, the world's largest study of corporate reputations.

REPUTATION INSTITUTE

We enable leaders to make business decisions that build and protect reputation capital and drive competitive advantage
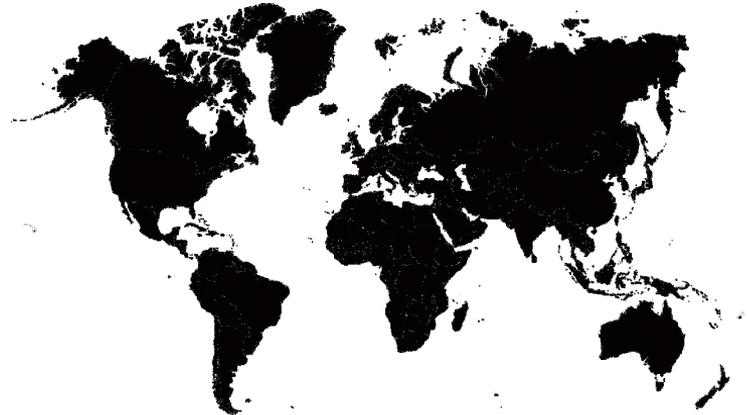
Knowledge

Publication
Conferences
Training

Research

Information
Analysis
Presentation

Advice

Insight
Strategy
Activation

Today's speakers

Fernando Prado
Managing Partner
Reputation Institute

REPUTATION INSTITUTE

🐦 *@fpradoRI*

Antoni Ballabriga
Global Head of Responsible Business
BBVA

BBVA

🐦 *@aballabriga*

Agenda

- *Corporate Reputation and CSR, conceptual differences*
- *Measuring reputation: the RepTrak® model*
- *CSR impact on reputation*
- *The reputation economy*
- *The business case for CSR*
- *Some results from CSR RepTrak® 100*
- *Communication of CSR*
- *BBVA's case study*

2016 Global CSR RepTrak® 100

Corporate reputation *versus* CSR

Charles Fombrun, 1996
Founding Partner of Reputation Institute

"A corporate reputation is a perceptual representation of a company's past actions and future prospects that describe the firm's overall appeal to all of its key constituents when compared with other leading rivals."

European Commission

"The responsibility of enterprises for their impact on society*."*

"Enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations *and* core strategy *in close collaboration with stakeholders."*

CSR → REPUTATION

Inside the company → ← In the mind of the "stakeholders"

REALITY → ← PERCEPTION
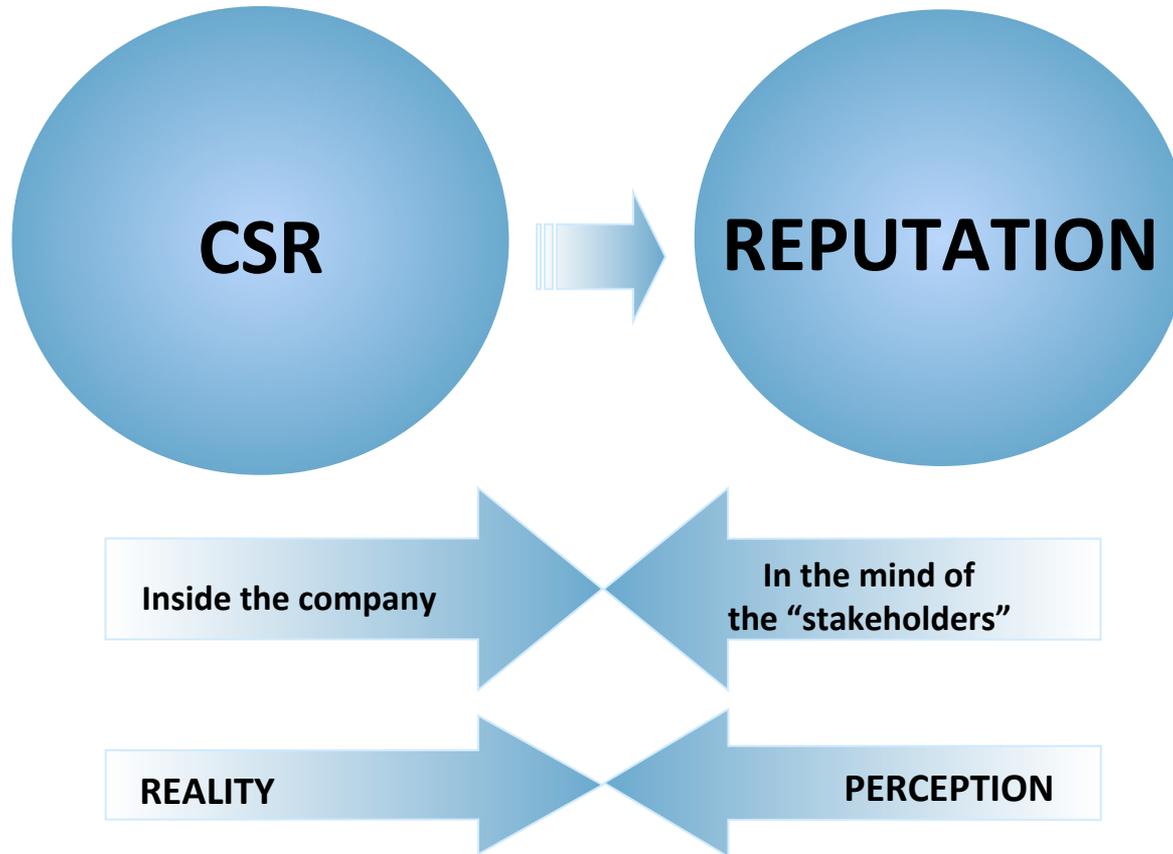
2016 Global CSR RepTrak® 100

Measuring corporate reputation: the RepTrak® Model

RepTrak® Pulse: the corporate reputation KPI

■ Corporate reputation encompasses the feelings individuals have toward a company

■ RepTrak® Pulse measures this emotional attractiveness

■ The KPI is a construct comprised of four elements:

- ❑ Admiration and respect
- ❑ Recognized reputation
- ❑ Good feeling
- ❑ Trust

REPUTATION
INSTITUTE

RepTrak® measures
the seven pillars of reputation
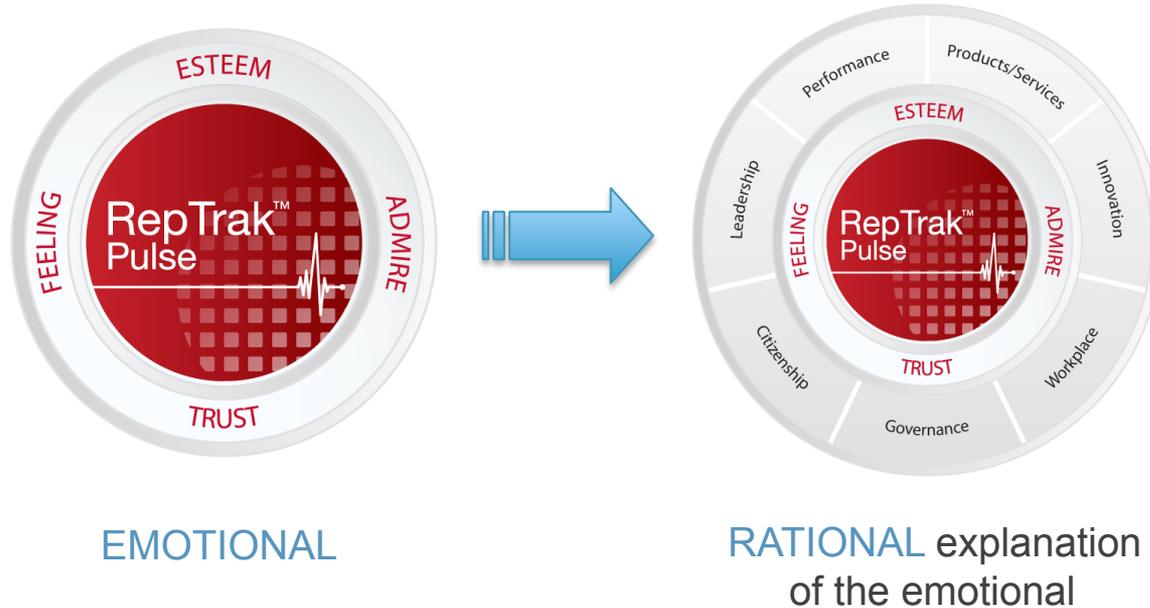
EMOTIONAL

RATIONAL explanation
of the emotional

Supports Good Causes

Positive Societal Influence

Environmentally Responsible

Rewards Employees Fairly

Employee Well-Being

Equal Opportunities

Open & Transparent

Behaves Ethically

Fair in Way It Does Business
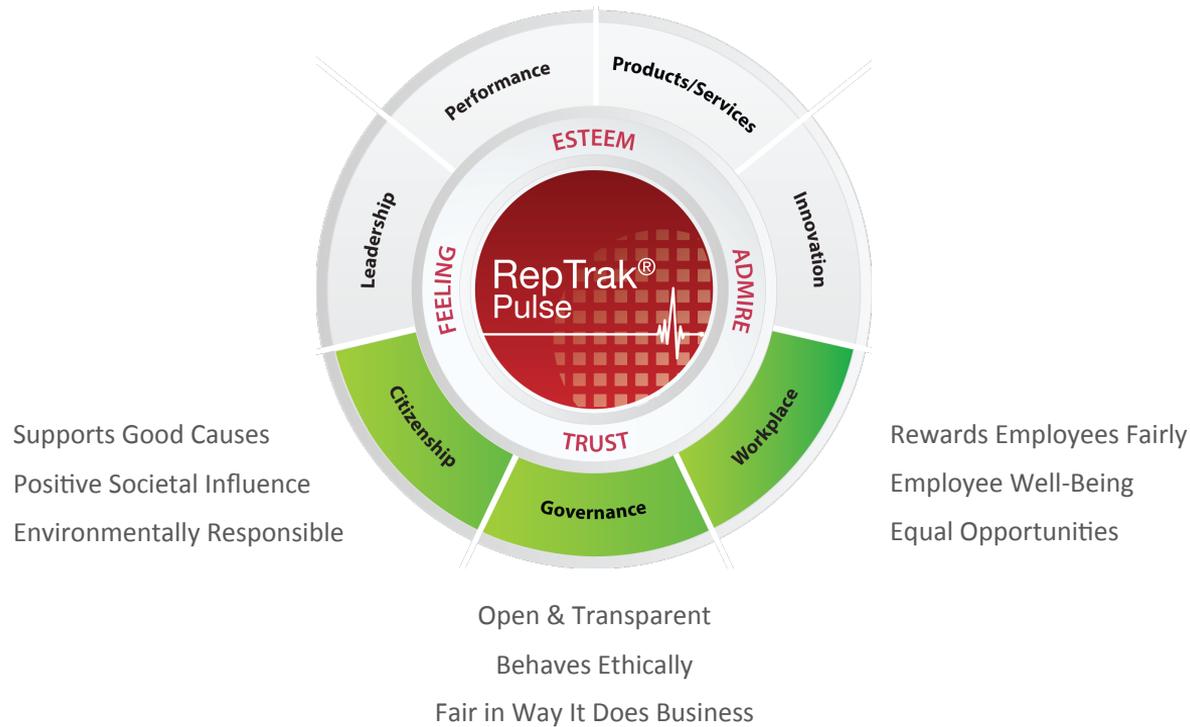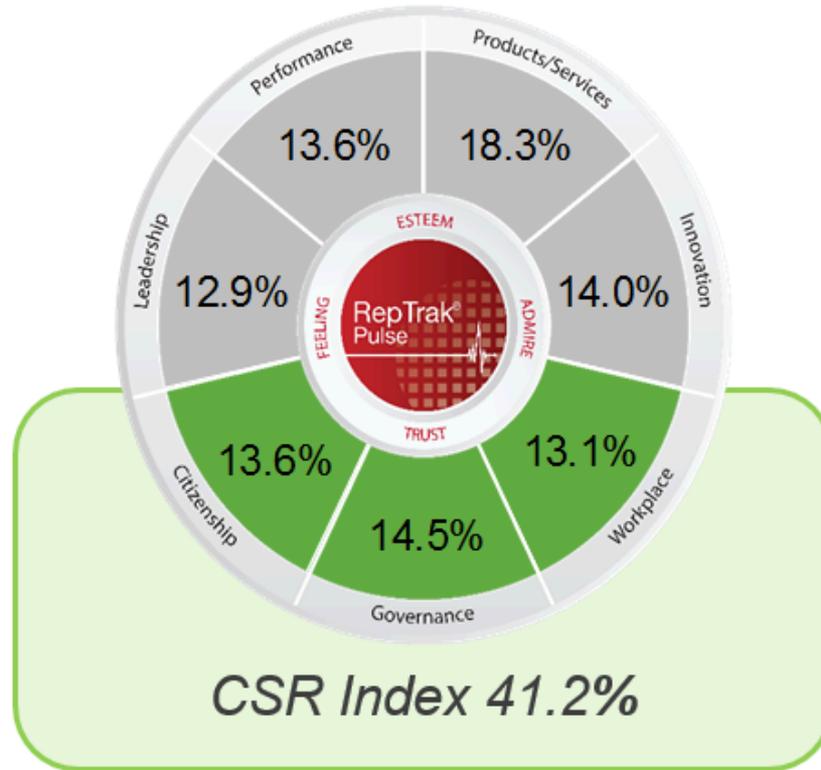
Adj. R²= 0.699
n= 150.000

The Best 100 Companies…

RepTrak®100
by Reputation Institute

Europe

Latin America

Asia Pacific

North America

REPUTATION INSTITUTE

For the Title as the World's Most Reputable Company

Forbes®

RepTrak®100
by Reputation Institute

Rank		Score
1	ROLEX	78.4
2	The Walt Disney Company	78.2
3	Google	78.1
4	BMW	77.9
5	DAIMLER	77.7
6	LEGO	77.4
7	Microsoft	77.0
8	Canon	76.9
9	SONY	76.7
10	Apple	76.6

POOR	WEAK	MODERATE	STRONG	EXCELENT
<40	40-59	60-69	70-79	>80

All Pulse RepTrak® scores that differ by more than +/-0.9 are significantly different at the 95% confidence level.
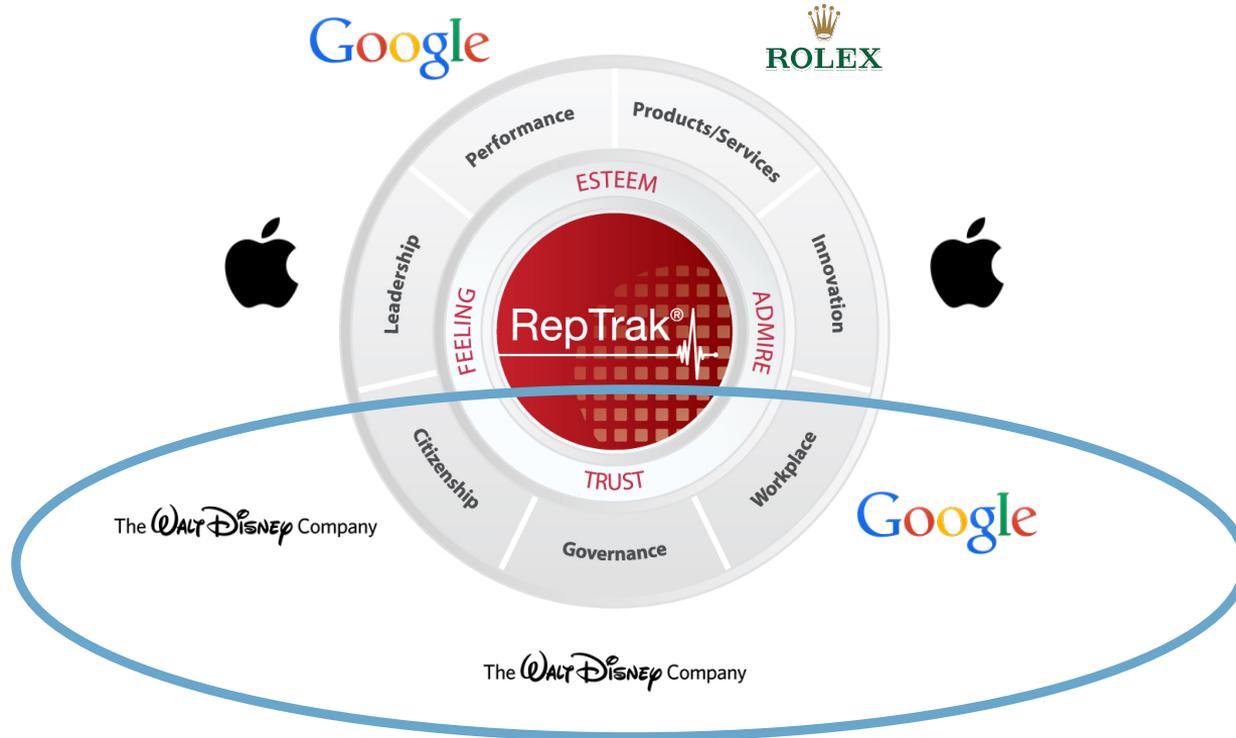
2016 Global CSR RepTrak® 100

The reputation economy

Direct experience

Products	Investments
Client service	Employment

Company initiatives

Branding	Marketing
Public relations	Corporate responsibility

Third-party perspective

Media (traditional, digital, social networks)	Opinion leaders
	Family & friends

Perceptions
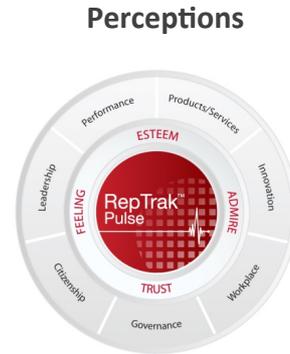
Attitudes and behaviors

Business results

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Only Companies in the Strong RepTrak® Pulse Range Achieve Support Above 50%

Reputation Scores	Poor 0-39	Weak 40-59	Average 60-69	Strong 70-79	Excellent 80+
Would buy the products	9%	16%	35%	55%	84%
Would say something positive	8%	14%	30%	50%	83%
Would recommend the products	8%	13%	31%	52%	83%
Would trust to do the right thing	8%	12%	27%	44%	77%
Would welcome into the local community	9%	15%	31%	49%	78%
Would work for	11%	17%	31%	47%	73%
Would invest in	7%	11%	24%	39%	67%

Source: 2016 Global RepTrak® 100
N = 187,877 ratings from general public across 15 countries

Based on the daily stock values for Top 10 companies in US RepTrak® Pulse rankings & S&P 500 Index values.
All Index Values show a percentage change from January 1, 2006.

2016 Global CSR RepTrak® 100

The business case for CSR
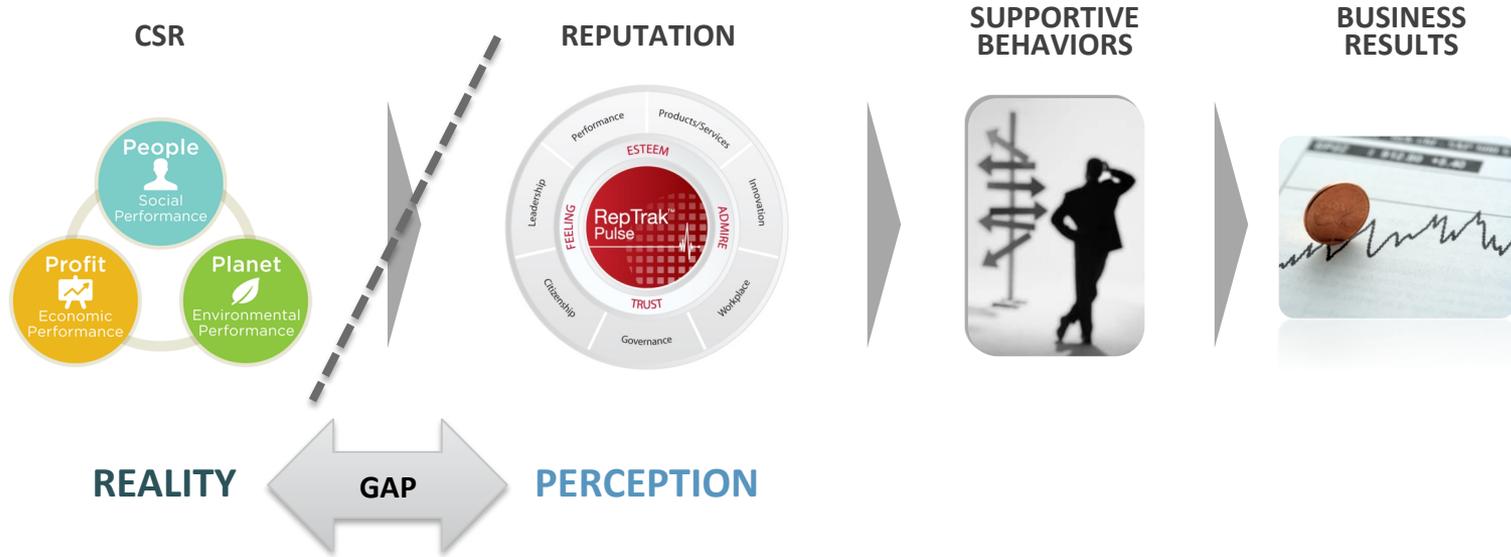
2016 Global CSR RepTrak® 100

What are the companies perceived to be most socially responsible?

Rank

Rank	Company	Score
1	Google	75.4
2	Microsoft	75.1
3	The Walt Disney Company	74.7
4	BMW	73.9
5	LEGO	73.8
6	DAIMLER	73.3
7	Apple	73.3
8	Rolls-Royce	73.1
9	ROLEX	73.0
10	intel	72.9

CSR RepTrak®100
by Reputation Institute

POOR	WEAK	MODERATE	STRONG	EXCELENT
<40	40-59	60-69	70-79	>80

All CSR RepTrak® scores that differ by more than +/-0.9 are significantly different at the 95% confidence level.

2016

Rank	Company	Score
1	Google	75.4
2	Microsoft	75.1
3	The Walt Disney Company	74.7
4	BMW	73.9
5	LEGO	73.8
6	DAIMLER	73.3
7	Apple	73.3
8	Rolls-Royce	73.1
9	ROLEX	73.0
10	intel	72.9

2015

Rank	Company
1	Google
2	BMW
3	The Walt Disney Company
4	Microsoft
5	DAIMLER
6	LEGO
7	Apple
8	intel
9	Rolls-Royce
10	ROLEX

2014

Rank	Company
1	Google
2	Microsoft
3	The Walt Disney Company
4	BMW
5	Apple
6	LEGO
7	VW
8	intel
9	ROLEX
10	DAIMLER

2013

Rank	Company
1	Microsoft
2	The Walt Disney Company
3	Google
4	BMW
5	DAIMLER
6	SONY
7	intel
8	VW
9	Apple
10	Nestlé

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Information & media	**71.4**	Retail general	68.0
Technology	**69.1**	Energy	67.2
Industrial products	68.2	Hospitality	66.9
Financial	68.2	Healthcare	66.9
Consumer products	68.1	Transport	65.6

Energy — **45.8%**

Technology — 41.9%

Healthcare — **45.6%**

Industrial products — 41.6%

Information & media — **45.3%**

Retail general — 40.9%

Financial — 43.4%

Consumer products — 39.9%

CSR Reputation Rank	Company	2016 Global CSR RepTrak® Score	Evolution vs 2015
1	Google	75.4	0,0
2	Microsoft	75.1	1,9
3	The Walt Disney Company	74.7	1,4
4	BMW	73.9	0,6
5	LEGO	73.8	1,1
6	Daimler	73.3	0,1
7	Apple	73.3	1,0
8	Rolls-Royce Aerospace	73.1	1,7
9	Rolex	73.0	1,8
10	Intel	72.9	1,1
11	Canon	72.5	2,3
12	Johnson & Johnson	71.7	1,3
13	Sony	71.5	1,3
14	Michelin	71.4	2,0
15	Ferrero	71.3	2,9
16	Adidas	71.2	0,9
17	Nintendo	70.8	2,9
18	Nestlé	70.0	0,7
19	IKEA	69.9	2,3
20	Samsung Electronics	69.8	1,0
21	Robert Bosch	69.7	0,6
22	Nike. Inc.	69.4	0,7
23	Colgate-Palmolive	69.3	1,0
24	Cisco Systems	69.2	2,8
25	Philips Electronics	69.0	-1,2

CSR Reputation Rank	Company	2016 Global CSR RepTrak® Score	Evolution vs 2015
26	Toyota	68.9	1,4
27	Visa	68.8	1,5
28	Bridgestone	68.8	1,1
29	Danone	68.7	0,6
30	HP Inc.	68.6	-
31	3M	68.5	1,2
32	Panasonic	68.5	2,6
33	IBM	68.3	0,6
34	Kellogg's	68.3	0,7
35	Whirlpool	68.2	1,5
36	Yamaha	68.2	-
37	Hershey Company	68.2	2,3
38	Goodyear	68.1	1,8
39	Giorgio Armani	68.1	1,0
40	BBC	68.1	-0,6
41	Under Armour	68.1	-
42	Marriott International	68.0	2,8
43	Pirelli	68.0	0,7
44	L'Oréal	68.0	1,4
45	Hugo Boss	68.0	1,9
46	Bayer	68.0	2,6
47	Swatch Group	67.9	1,1
48	Kimberly-Clark Corporation	67.8	-
49	InterContinental Hotels Group	67.8	-
50	Texas Instruments	67.8	1,5

All CSR RepTrak® scores that differ by more than +/-0.9 are significantly different at the 95% confidence level.

Global CSR RepTrak® leaders (51-100)

CSR Reputation Rank	Company	2016 Global CSR RepTrak® Score	Evolution vs 2015
51	Oracle	67.8	0,9
52	Hewlett-Packard	67.8	1,0
53	LG Corporation	67.7	3,2
54	SAP	67.6	1,4
55	Honda Motor	67.5	1,4
56	Deutsche Lufthansa	67.5	0,3
57	Xerox	67.5	2,8
58	Ralph Lauren Corporation	67.5	-
59	Mastercard	67.5	1,3
60	Siemens	67.5	0,6
61	Airbus	67.5	1,6
62	Amazon.com	67.4	-0,3
63	Levi Strauss & Co.	67.4	0,6
64	Dell	67.3	0,3
65	Procter & Gamble	67.3	0,7
66	Schneider Electric	67.2	0,1
67	Barilla	67.2	0,9
68	Boeing	67.1	0,9
69	Caterpillar	67.1	1,1
70	Volvo Group	67.0	-0,8
71	Electrolux	67.0	2,3
72	Lavazza	66.9	1,5
73	eBay	66.8	2,6
74	The Coca-Cola Company	66.7	1,4
75	Campbell Soup Company	66.7	0,7

CSR Reputation Rank	Company	2016 Global CSR RepTrak® Score	Evolution vs 2015
76	Air Canada	66.6	-
77	General Electric	66.6	0,4
78	FedEx	66.6	-0,1
79	The Estée Lauder Companies	66.4	-1,0
80	Hilton Worldwide	66.2	0,6
81	LVMH Group (Moët Hennessy - Louis Vuitton)	66.2	0,4
82	Fujifilm	66,1	0,7
83	HJ Heinz (Kraft Heinz)	66,1	0,6
84	Ford	66,0	0,8
85	Heineken	65,9	0,3
86	Nokia	65,9	-
87	Roche	65,9	1,3
88	Unilever	65,8	0,8
89	Starbucks Coffee Company	65,5	-
90	Carlsberg	65,4	1,2
91	Bacardi	65,2	2,4
92	Sharp	65,2	-
93	DuPont	65,2	0,9
94	Fujitsu	65,0	-
95	Hitachi	65,0	-
96	Toshiba	64,9	-0,3
97	PepsiCo	64,7	1,6
98	Ricoh	64,7	-
99	UPS	64,6	0,6
100	General Motors	63,6	1,7

All CSR RepTrak® scores that differ by more than +/-0.9 are significantly different at the 95% confidence level.

	Workplace	-6.6
	Governance	-17.6
	Citizenship	-15.6

1	LG	3.2 ⬆
2	SAS Scandinavian Airlines	3.1 ⬆
3	NOVARTIS	3.1 ⬆

1	VW	-13.2 ⬇
2	PHILIPS	-1.2
3	ESTĒE LAUDER COMPANIES	-1.0 ⬇

All CSR RepTrak® scores that differ by more than +/-0.9 are significantly different at the 95% confidence level.

2016 Global CSR RepTrak® 100

Actual CSR vs. Perceived CSR
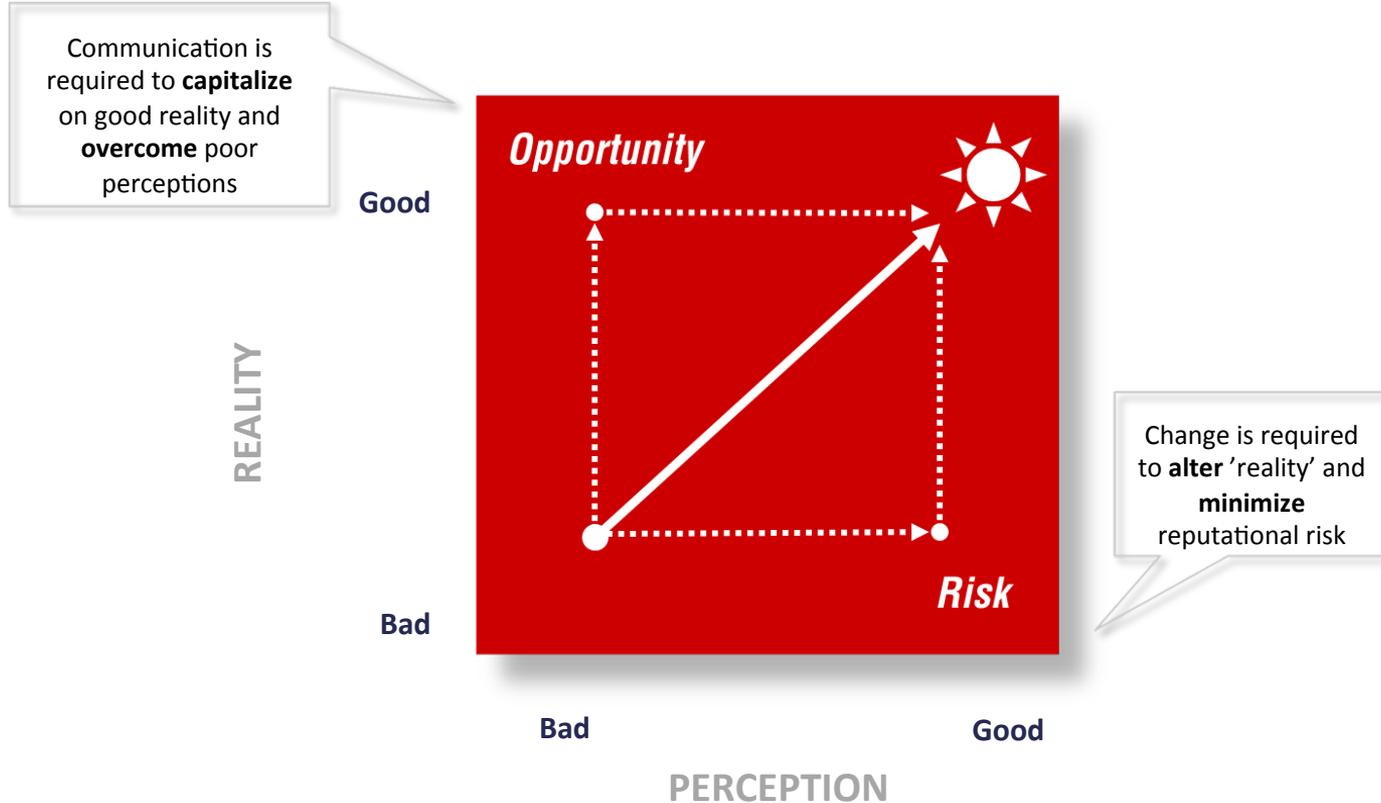
Consumers are lacking information about CSR dimensions

	Products	Innovation	Workplace	Governance	Citizenship	Leadership	Performance
Not sure	2.9%	5.5%	20.9%	14.3%	18.4%	13.9%	11.8%
6-7	56.1%	50.3%	39.4%	42.4%	37.7%	44.8%	48.5%
3-4-5	38.3%	41.1%	36.7%	39.9%	39.9%	38.5%	37.3%
1-2	2.6%	3.0%	3.0%	3.4%	4.0%	2.7%	2.3%

Legend: ■ 1-2 ■ 3-4-5 ■ 6-7 ■ Not sure

Data based on RT100 company distributions.
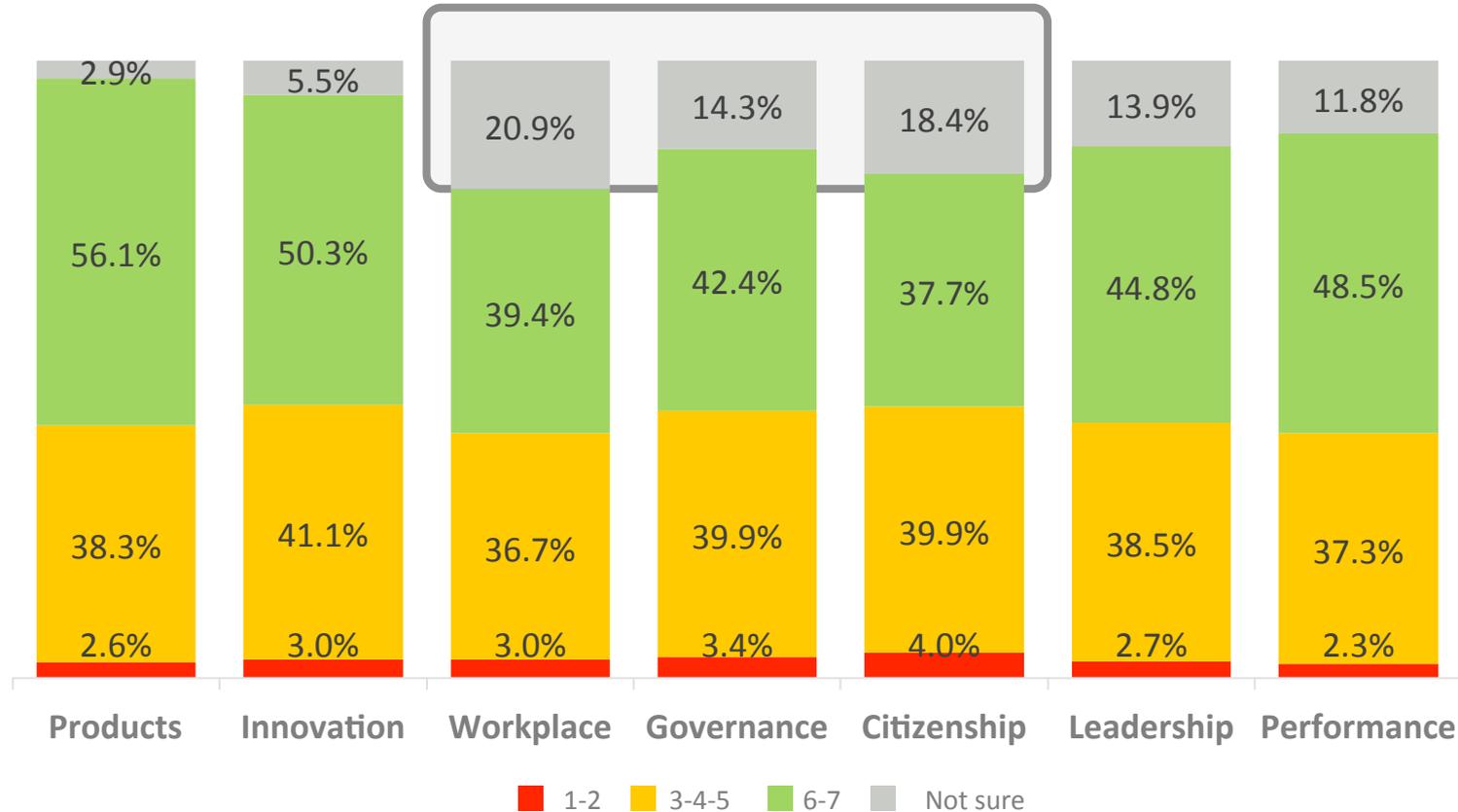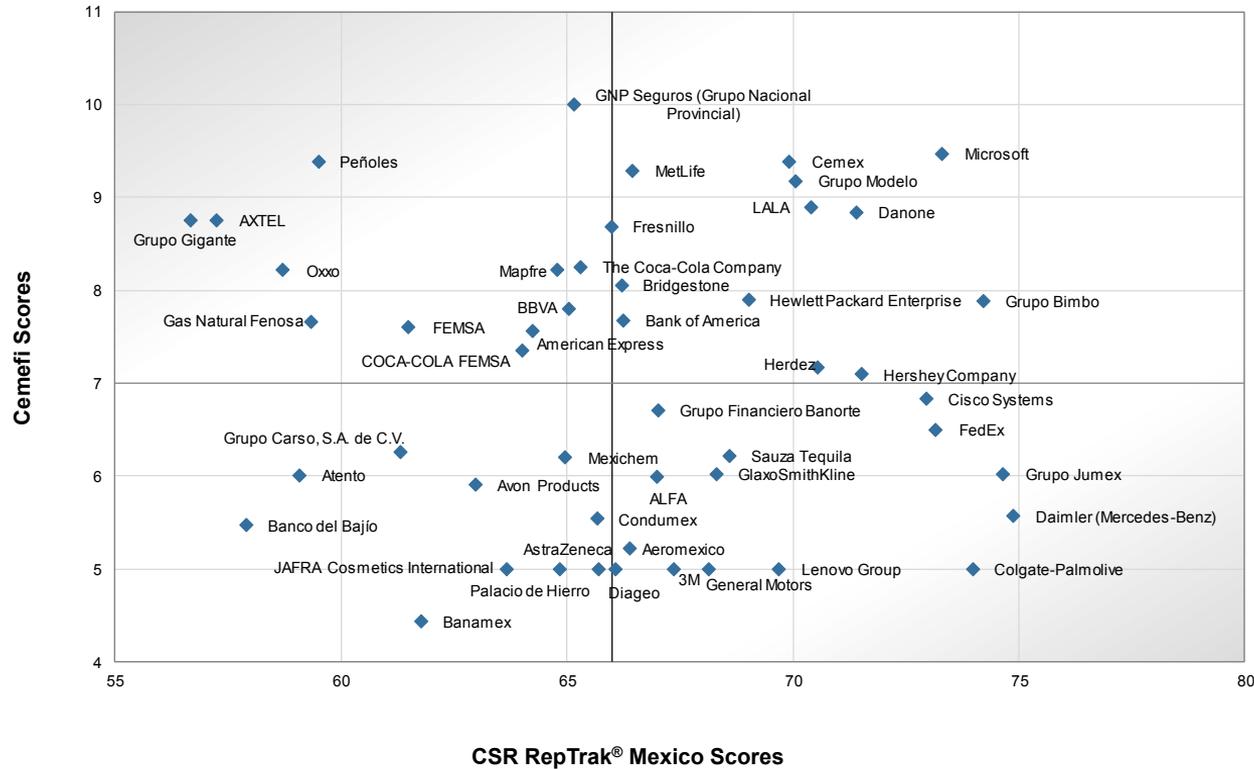
The chart shows the relationship between actual CSR (according to the companies self-assessment scores obtained following Cemefi's methodology) and perceived CSR (based on CSR RepTrak® results for Mexico)

Gap = 8.1 points

Industry leader

Unilever

Electrolux

Fujitsu

LG Corporation

Roche

SAP

BMW Group

Rolls-Royce Aerospace

Fujifilm

Schneider Electric

Samsung Electronics

Pirelli   HP Inc.

Siemens   Nestlé

Ricoh

Hewlett Packard Enterprise

Colgate-Palmolive

PepsiCo   Bayer   InterContinental Hotels Group

Hitachi

Heineken

Panasonic

UPS

Honda Motor   Hershey Company

Campbell Soup Company   Xerox   Hugo Boss   Adidas Group   The Walt Disney Company

Starbucks Coffee Company   Toyota

Nokia   Bridgestone   Intel   Microsoft

Volvo Group   3M   Danone   Johnson & Johnson

60,0   62,0   64,0   66,0   68,0   70,0   72,0   74,0   76,0

CSR RepTrak® Scores

The chart shows the relationship between actual CSR (according to Robeco SAM's sustainability performance ranking: Industry Leaders, Gold, Silver or Bronze) and perceived CSR (based on CSR RepTrak® scores)

36

BMW Group vs. Unilever – two different global pictures

REPUTATION INSTITUTE

**CSR score with consumers: 73.9**

Governance score – 74.4
Citizenship score – 72.2
Workplace score – 75.2

CSR score with consumers: 65.8

Governance score – 65.5
Citizenship score – 64.8
Workplace score – 67.0

CSR RepTrak®
Score Globally

73,9

CSR RepTrak®
Score Globally

65.8

n= 2.512
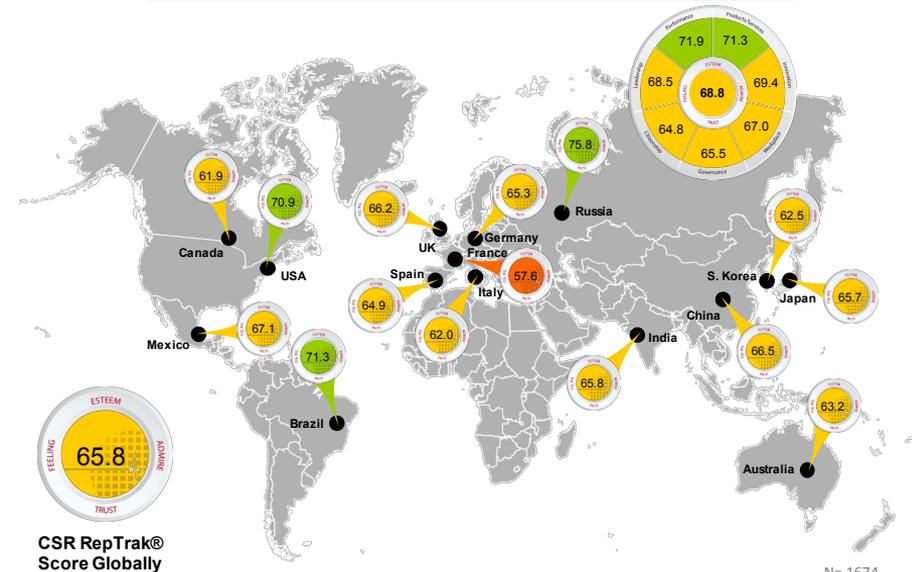
N= 1674

Consumers lack information about Unilever's CSR performance

Workplace

	BMW	Unilever
Not sure	17.5%	23.7%
3-4-5	30.1%	37.4%
6-7	50.7%	35.4%
1-2	1.7%	3.6%

Governance

	BMW	Unilever
Not sure	11.9%	16.0%
3-4-5	33.0%	41.3%
6-7	52.9%	37.8%
1-2	2.1%	4.9%

Citizenship

	BMW	Unilever
Not sure	16.4%	16.1%
3-4-5	34.6%	41.2%
6-7	46.1%	36.5%
1-2	2.8%	6.2%
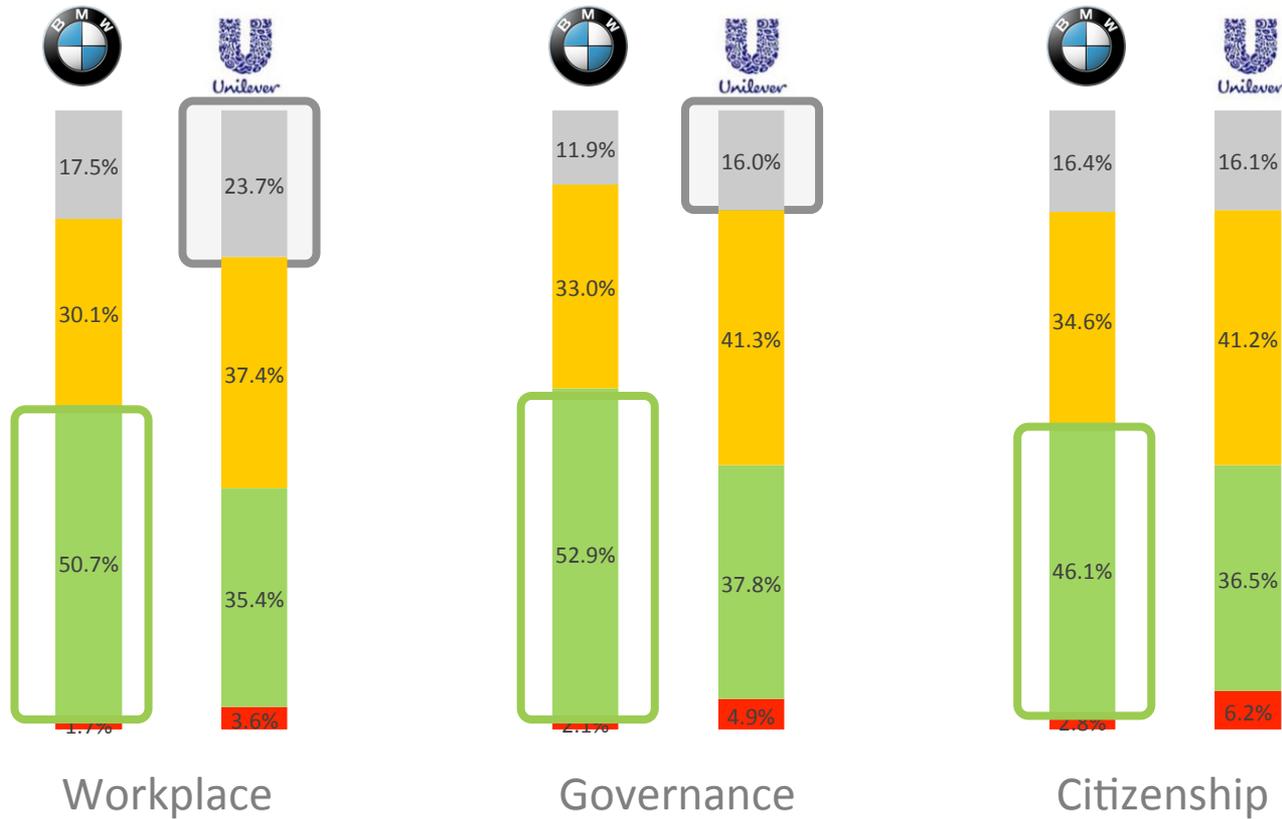
Legend: 1-2 | 3-4-5 | 6-7 | Not sure

2016 Global CSR RepTrak® 100

Communication of CSR

CSR

REPUTATION

SUPPORTIVE
BEHAVIORS

BUSINESS
RESULTS

People
Social Performance

Profit
Economic Performance

Planet
Environmental Performance

Performance — Products/Services
ESTEEM
Leadership — FEELING — Innovation
RepTrak Pulse
ADMIRE
Citizenship — TRUST — Workplace
Governance

REALITY   GAP   PERCEPTION

PERCEIVED CSR

People
Social Performance

Profit
Economic Performance

Planet
Environmental Performance

Communication

REPUTATION

Performance
Products/Services
ESTEEM
Leadership
FEELING
RepTrak Pulse
ADMIRE
Innovation
Citizenship
TRUST
Workplace
Governance

SUPPORTIVE BEHAVIORS

BUSINESS RESULTS

REPUTATION
INSTITUTE

CSR Activities

Direct

Indirect

Employees

Critical Stakeholders,
NGOs

Customers

General Public

CSR Journalists

Politicians and
Local Decision Makers

*Informative Communication Strategy:
Communicating legitimacy
through facts and figures*

*Endorsed Communication Strategy:
Communicating legitimacy through
other stakeholders*

+ Impact

- Impact

Attribute	Value
Stands out from the crowd	0,119
Communicates often	0,121
Welcomes open discussion with outside audiences about its activities	0,135
Meets the needs of its customers	0,119
Provides sufficient information about its activities	0,128
Delivers a consistent experience	0,118
Appears genuine about what it says and what it stands for	0,134
Delivers on its promise	0,125

For companies with a **weak reputation**, **third party communications** have a much stronger impact on their CSR perception

For companies with a **strong reputation**, **controlled communications** have the strongest impact on CSR perception

Do communicate as widely as you can, but always...

- Be **true**

- Be **transparent**

- Be **proportional**

# Today's speakers

Fernando Prado
Managing Partner
Reputation Institute

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Antoni Ballabriga
Global Head of Responsible Business
BBVA

🐦 *@aballabriga*

2016 Global CSR RepTrak® 100

Case study: BBVA

BBVA

One of the five priorities of BBVA's strategic plan 2013-2015
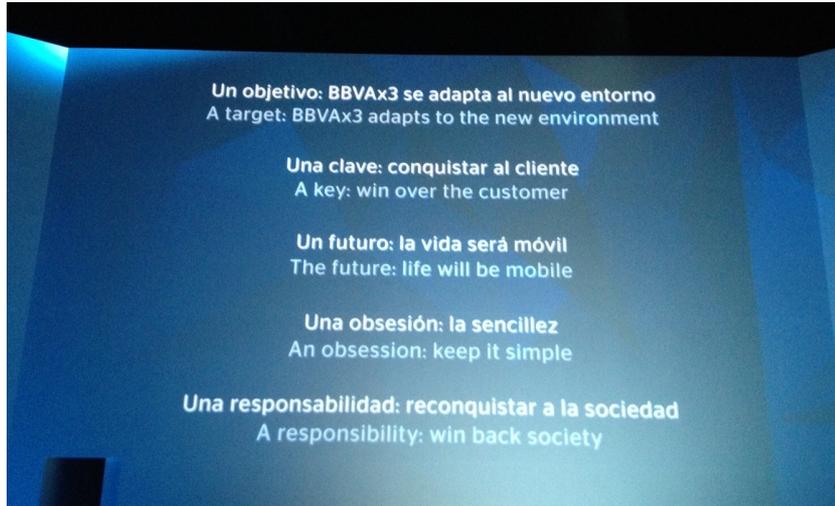
In 2013, 80% of citizens in Spain thought that banks behaved irresponsibly, the worse data in EU *

Un objetivo: BBVAx3 se adapta al nuevo entorno
A target: BBVAx3 adapts to the new environment

Una clave: conquistar al cliente
A key: win over the customer

Un futuro: la vida será móvil
The future: life will be mobile

Una obsesión: la sencillez
An obsession: keep it simple

Una responsabilidad: reconquistar a la sociedad
A responsibility: win back society

■ Total 'Yes' ■ Total 'No' ■ Not applicable (DO NOT READ OUT) ■ Don't know

(*) Source: How companies influence our society: citizens' view. Eurobarometer European Commission 2013.

49

BBVA

1

Massive customer issues: *preferentes* conversion & quittance of floor clauses in mortgages

2

Social housing policy: new recovery standards & stop evictions for customers under risk of exclusion

3

Reinforcement of social program linked to **financial education**. Emerging public affair

4

BBVA
Yo Soy Empleo

- 2-year social program to help SMEs to create 10.000 jobs in Spain
- It includes also training for growth to 3.000 SMEs
- Investment of 26,5 million € (25% in marketing & communication)

BBVA

10.000 new **jobs 55% permanent** contracts
13% self-employed
40% employed are less than 30 years old
14 months unemployed on average

6.343 SMES supported
41% SMEs **new customers**
230 institutional agreements
SERES Foundation Award 2014

Growth:

- **Reputational return**: 1st time as industry leader in Spain
- **Citizenship**, the most important dimension for that improvement
- Ownership of **employment territory** among banks
- **Customer** attraction and engagement
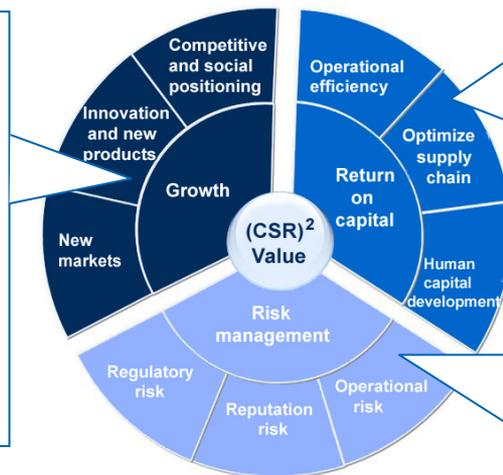
Return on equity:

- Citizenship, key dimension for a greater **pride of belonging** among employees

Risk management:

- **Institutional** positioning

$(CSR)^2$ Value — Growth: Competitive and social positioning, Innovation and new products, New markets. Return on capital: Operational efficiency, Optimize supply chain, Human capital development. Risk management: Regulatory risk, Reputation risk, Operational risk.

(*) CSR Value: McKinsey & SERES Foundation CSR2 model

BBVA

From **-7.5** points below the leader in 2010 to **+0.4** points up the second bank in 2014

Emotional reputation evolution in Spain (Pulse)

| 2010 BBVA 4º | 2011 BBVA 3º | 2012 BBVA 3º | 2013 BBVA 2º | 2014 BBVA 1º |

72,2
77,8
79,7
75,6

64,2
63,8
61,5
37,1

— BBVA — PEER 1 — PEER 2 — PEER 3

Change to CAWI (*)

Source: RepTrak Reputation Institute

52
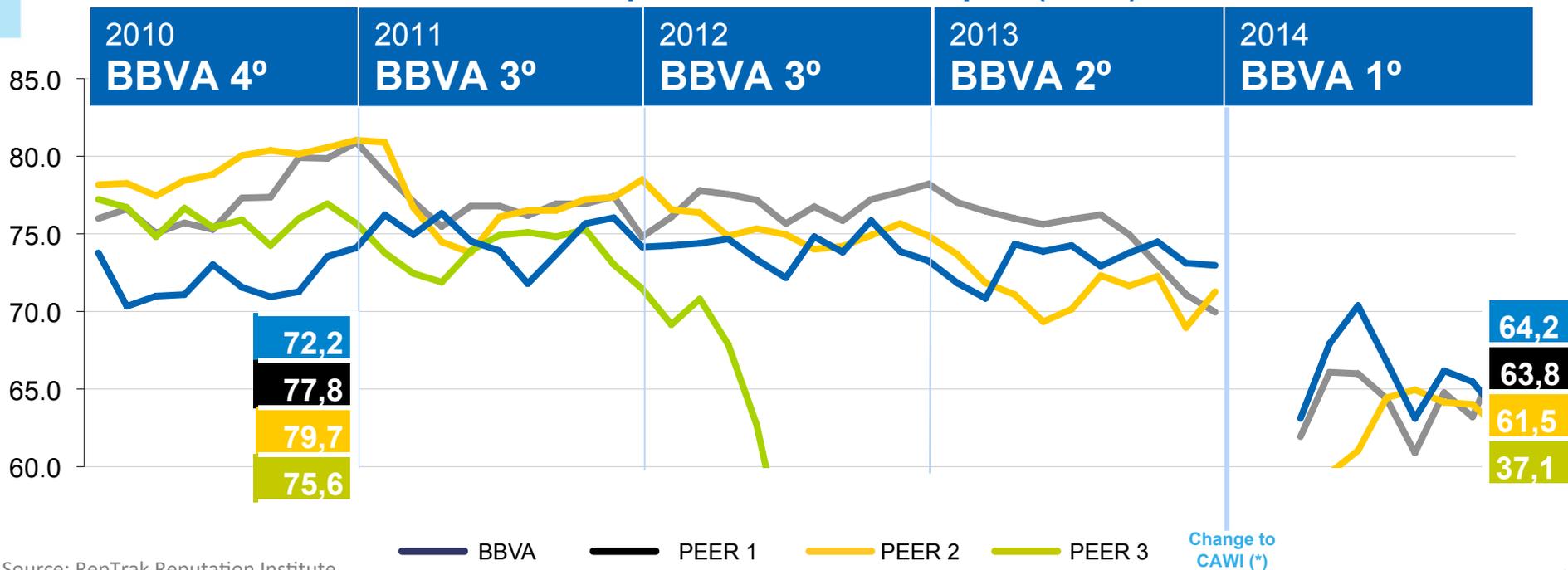
BBVA

Citizenship among customers

From **-14.6** points below the leader in 2010 to **-3,4** points in 2014

Citizenship among non customers

From **-13** points below the leader in 2010 to lead in 2014

Citizenship among employees

Chart — Citizenship among employees (2012 vs 2015):

Category	2012	2015	Change
Internal Reputation (Pulse)	81,1	87,3	6,2
Workplace	67,8	71,5	3,7
Ethics	75,4	82,1	6,7
Leadership	73,2	79,1	5,9
Citizenship	63,9	75,4	11,6
Customer orientation	66,8	76,4	9,6
Finance	83,4	88,3	4,9
Innovation	73,7	79,9	6,2

■ 2012 ■ 2015

Source: RepTrak & Internal reputation survey. Spain. Reputation Institute

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