

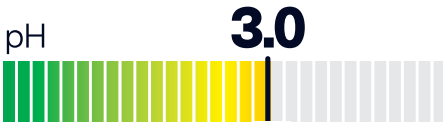
Political Hazard Rating (pH rating) Guide

Measuring a corporation's risk of facing a material consumer boycott or investor backlash from a political or social controversy.

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Political Hazard (pH) Ratings Explained

A corporation's **Political Hazard Rating**, or **pH rating**, is an overall assessment of the corporation's likelihood of facing a material consumer boycott or investor backlash from a controversy caused by the company's or its executives' political activities and proclivities. The pH ratings range from 1 to 5, with a higher rating correlating with higher risk. The categories below are the components considered when setting a company's **pH rating**.



Public Statements Risk



Rates the corporation based on its executives' and the corporations' own prior public political statements, including their frequency and whether they have tended to be, or actually have been, controversial or high-profile.

Political Dichotomy Risk



Rates the corporation based on the dichotomy, if any, between the executives' and/or corporations' own prior political contributions or statements and the likely political leaning of the corporation's consumer base.

Political Contributions Risk



Rates the corporation based on the magnitude of the executives' and/or corporations' total political contributions to politicians and PACs, benchmarked to sector, and the weighted nature of those contributions as between political parties.

Associational Risk



Rates the corporation based on its executives' and/or the corporation's own prior political contributions and/or public association with particularly controversial people or high-profile politicians or PACs.

Brand Visibility Risk



Rates the corporation's risk relative to sector with higher risk being associated with higher brand visibility.