

SEPTEMBER 28, 2009
Newsweek



**THE
GREENEST
BIG COMPANIES
IN AMERICA**

Pall: #2 Industrial Goods, #47 Overall!



FOR AN INTERACTIVE
VERSION OF THIS LIST—
INCLUDING A WEALTH
OF ADDITIONAL DATA ON
ALL 500 COMPANIES—
AND TO TEST YOUR OWN
ENVIRONMENTAL IQ,
GO TO NEWSWEEK.COM/GREEN.

HOW WE RANKED THEM

OUR GOAL IN THE NEWSWEEK GREEN Rankings was to evaluate the 500 largest U.S. companies based on their environmental impact, as well as their green policies and reputation among their peers and environmental experts.

We started with the biggest companies, as measured by revenue, market capitalization, and number of employees. The Green Rankings are the product of a yearlong collaboration with three of the leading players in environmental research: Trucost, which calculated each company's Environmental Impact Score, based on more than 700 metrics, including water use and acid-rain emissions; KLD Research & Analytics, which created the Green Policies Score by analyzing corporate policies and initiatives; and CorporateRegister.com, which conducted an extensive reputational survey of CEOs, environmental officers, and academics.

Each company's overall Green Score is a weighted average of those three components: 45 percent for the Environmental Impact Score, 45 percent for the Green Policies Score, and 10 percent for the

Reputation Survey Score. The rankings break out greenhouse-gas emissions because for many companies they represent the most significant impact on the environment. The comments highlighting companies' initiatives are based on analysis by KLD, our lead partner.

This methodology was created in consultation with an independent advisory panel. NEWSWEEK's editorial partner on the rankings is ASAP Media, founded by journalists Peter Bernstein and Annalyn Swan, which coordinated the project.

For more information on the companies, the members of NEWSWEEK's advisory panel, and our methodology, go to NEWSWEEK.COM/GREEN.

INDUSTRY SECTORS

- Banks and Insurance
- Basic Materials
- Financial Services
- Food and Beverage
- General Industrials
- Health Care
- Industrial Goods
- Transport, Aerospace
- Media, Travel, and Leisure
- Oil and Gas
- Consumer Products, Cars
- Pharmaceuticals
- Retail
- Technology
- Utilities

BY DANIEL MCGINN

PHOTOGRAPHS BY JAMES WOJCIK

WHEN DAVID ROBERTS WAS GROWING up near the oilfields of West Texas in the early 1960s, it never got dark. Back then, oilfields were lit 24/7 by the gas flares used to burn off natural gas, a byproduct of oil drilling. The flares released massive amounts of CO₂, and over time, oil companies halted that harmful practice in the U.S. But gas flares remain the norm in the developing world—and today Roberts oversees a team at Marathon Oil that's trying to end the practice. In 2007, Marathon opened a \$1.5 billion liquid-natural-gas plant in Equatorial Guinea to capture the natural gas that once went up in smoke. The plant is one factor that helped Marathon, No. 100 in NEWSWEEK's Green Rankings, cut its CO₂ emissions by 40 percent between 2004 and 2008—and the plant earns a profit.

It's a small example of how the economic case for going green is becoming more compelling. Economists view environmental damage as a classic "externality"—a cost that impacts society but isn't imposed on producers or consumers. But with scientific consensus that carbon emissions threaten our climate, there's growing political will to curb them, particularly with the global powers set to meet in Copenhagen in December. The Obama administration is pushing for a cap-and-trade system that would turn companies' emissions into a bottom-line cost. Smart companies are working to better

understand—and cut—those emissions ahead of new regulations.

The inaugural NEWSWEEK Green Rankings recognizes those efforts. For more than a year, the magazine worked with leading environmental researchers KLD Research & Analytics, Trucost, and CorporateRegister.com to rank the 500 largest U.S. companies based on their actual environmental performance, policies, and reputation.

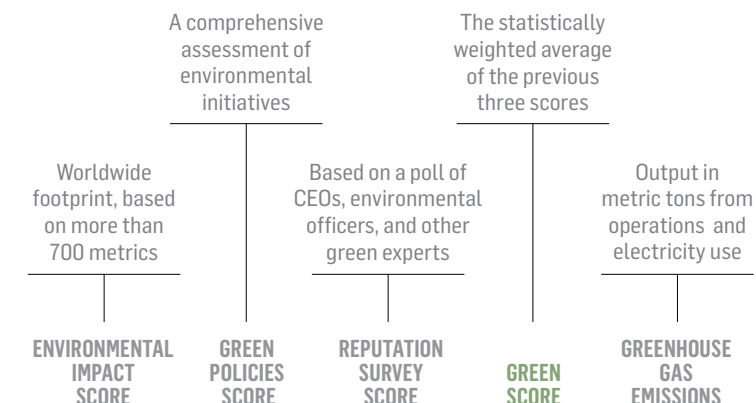
Ranking companies based on sustainability is a huge challenge. That's largely because comparing environmental performance across industries is a bit like analyzing whether Tiger Woods or LeBron James is the world's greatest athlete—there's an inevitable apples-and-oranges element. Some industries are far dirtier than others: a typical financial-services company exacts a smaller environmental toll than even the best-run utility or mining company. Also, many corporations are secretive about key environmental data, if they track the numbers at all. Even among companies that do report green data, there's no uniform standard, so their numbers often aren't comparable.

Despite those obstacles, we worked hard to design a ranking system that makes sense. More than half of companies' overall Green Scores are based on their environmental policies and reputation, industry-neutral metrics that help even the playing field for companies in carbon-intensive businesses. To

overcome limited corporate emissions numbers, NEWSWEEK used data from Trucost, which has created a widely acclaimed system for estimating emissions of companies that fail to provide them. (Note, however, that among our Top 100 best-performing companies, 70 voluntarily disclosed the data.) Over time, we hope NEWSWEEK's rankings will become more precise as more companies begin to report their numbers. "One of the purposes of this is to improve the transparency of corporations...and encourage them to provide an even higher level of disclosure," says Thomas Kuh, KLD's managing director.

Many of the companies that finished in our Top 100 are recognized leaders in sustainability. Intel, No. 4 in NEWSWEEK's ranking, recently launched an initiative in which every employee's annual bonus is tied, in part, to how well the company does in meeting sustainability goals. Wal-Mart, No. 59, recently announced plans to create a Sustainability Index that will help consumers better understand which products sold in its stores are greener than others.

Rankings inevitably provoke controversy—and we welcome that. Our hope is to open a conversation on measuring environmental performance—an essential first step toward improving it. The NEWSWEEK Green Rankings for 2009 on the pages ahead provide a snapshot of companies poised at this most important starting line.



RANK	COMPANY	ENVIRONMENTAL IMPACT SCORE	GREEN POLICIES SCORE	REPUTATION SURVEY SCORE	GREEN SCORE	GREENHOUSE GAS EMISSIONS
47.	Pall	31.10	67.83	34.23	81.94	87,900
Sector: Industrial Goods						
Company Remarks						
Produces filters and other technologies for converting agricultural and industrial waste into energy and for purification and reuse of waste water. But does not disclose percentage of revenue derived from these products or any programs for end-of-life product management.						
CATEGORIES		SCORE	INDUSTRY SECTOR RANKING	TOP 500 RANKING		
Green Score		81.94	2nd	47th		
Environmental Impact Score		31.10	41st	346th		
Green Policies And Performance Score		67.83	2nd	39th		
Reputation Survey Score		34.23	15th	206th		



Analyzes environmental, governance, and social data (kld.com).



Measures quantitative environmental performance (trucost.com).



The world's largest online directory of company-issued environmental reports.



Specialists in creating magazine, book, and online content.

THE LIST

RANK	COMPANY	ENVIRONMENTAL IMPACT SCORE	GREEN POLICIES SCORE	REPUTATION SURVEY SCORE	GREEN SCORE	GREENHOUSE GAS EMISSIONS
45.	CB Richard Ellis Group	68.60	70.02	20.38	82.39	366,400
46.	Starwood Hotels & Resorts	52.50	64.75	40.02	82.26	605,500
⇒ 47.	Pall	31.10	67.83	34.23	81.94	87,900
48.	First Solar	45.50	62.62	46.49	81.94	115,400
49.	Virgin Media	74.60	59.85	48.70	81.91	302,000
50.	Macy's	60.90	63.68	34.41	81.45	1,428,700
51.	AECOM Technology	80.40	63.28	32.22	81.44	83,000
52.	Unum Group	94.80	60.34	38.98	81.30	39,500
53.	Northern Trust	90.00	64.43	24.80	81.20	95,500
54.	Pfizer	55.20	59.43	46.73	81.11	1,937,200
55.	Autodesk	83.90	58.64	40.65	80.72	19,100
56.	Owens Corning	15.80	66.78	47.24	80.66	3,412,300
57.	Franklin Resources	92.20	58.61	38.72	80.60	29,400
58.	Coca-Cola	15.50	53.03	91.94	80.48	3,023,500

(#19672) EXCERPTED AND ADAPTED FROM THE SEPTEMBER 28, 2009 EDITION OF NEWSWEEK 2009 ADDITIONAL TEXT FROM NEWSWEEK.COM/GREEN © 2009 NEWSWEEK, INC. NEWSWEEKREPRINTS@PARSINTL.COM