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GREEN RANKINGS REPORT 2009-2010

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2009

NEWSWEEK
Green Rankings
Report 2009-2010:
INSIGHTS INTO AMERICA'S
GREENEST COMPANIES

YOUR
LOGO
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Newsweek

GREEN RANKINGS

2009

NEWSWEEK's Green Rankings Report 2009-2010

THIS INAUGURAL REPORT STEMS FROM A COVER STORY IN THE SEPT. 28 issue of the magazine, "The Greenest Big Companies in America." Both the magazine article and this report are based on our exclusive ranking of the 500 largest corporations in the United States. These rankings are the result of a yearlong collaboration with KLD Research & Analytics, Trucost, CorporateRegister.com and ASAP Media. The NEWSWEEK Green Rankings Report is available for purchase in environmentally friendly digital format and in printed form. Printed versions of this report are on FSC-certified process chlorine-free Mohawk Via Smooth PC Cool White®, which is made with 100% post-consumer recycled fiber. Mohawk Fine Papers purchases enough Green-e certified renewable energy certificates (RECs) to match 100% of the electricity used in its operations. This paper is also certified by Green Seal.

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COVER IMAGE AND ALL OTHER LEAVES PHOTOGRAPHED BY JAMES WOJCIK



KLD Research & Analytics, Inc., an independent investment-research and index firm, served as lead consultant and generated the rankings in conjunction with NEWSWEEK's other data providers. It was also responsible for the Green Policies Score. Founded in 1988, KLD analyzes environmental, social and governance data on companies worldwide.
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Trucost, a leading international environmental-data firm, specializes in quantitative performance measurement and management. The Environmental Impact Score in the rankings is based on its global database, which covers more than 700 standardized environmental-performance metrics.
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CorporateRegister.com conducted the Reputation Survey for the Green Rankings. Based in London, it is the world's largest online directory of company-issued social responsibility, sustainability and environment reports.
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ASAP Media, a New York City-based media-development firm, served as NEWSWEEK's editorial partner, initiating and coordinating the project. ASAP Media specializes in creating magazine, book and Web content.
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As more companies embrace sustainability, NEWSWEEK's annual Green Rankings will help measure their progress.

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Comparing companies across industries is a challenge. Here's how we did it.

THE 500 8

Key data and category rankings for every company on the list.

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Basic Materials	46
Financial Services	67
Food and Beverage	89
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Health Care	132
Industrial Goods	153
Transport, Aerospace	184
Media, Travel and Leisure	202
Oil and Gas	227
Consumer Products, Cars	250
Pharmaceuticals	272
Retail	288
Technology	321
Utilities	355

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WHY GOING GREEN PAYS DIVIDENDS

BY DANIEL MCGINN

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, an executive vice president at Marathon Oil, oversees a team 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 typical of the environmental initiatives Marathon seeks, Roberts says: "Things that make sense for the environment but also have some economic benefit."

It's a small example of a global phenomenon: how the economic case for going green is becoming more compelling. Economists view environmental damage as a classic "externality"—a cost that affects society but isn't imposed on producers or consumers. But after decades of debate, there's now clear scientific consensus that carbon emissions threaten our climate, and there's growing political will to curb them, particularly with the global powers meeting 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. "What have been considered 'externalities' are gradually easing into the realm of expenses," says David Vidal, director of the Center for Corporate Citizenship & Sustainability at the Conference Board and an advisor to NEWSWEEK's Green Rankings. Today smart companies are working ahead to better understand—and cut—those costs.



The inaugural NEWSWEEK Green Rankings recognizes those efforts. For more than a year, the magazine has worked with leading environmental researchers KLD Research & Analytics, Trucost, and CorporateRegister.com on a difficult task: to rank the largest U.S. companies based on their environmental policies, performance and reputation regardless of industry, using the best available data. There's an old saying among business-school types: "If you don't measure it, you can't manage it," and our aim is for NEWSWEEK's annual Green Rankings to become a valuable tool in helping companies, their customers, and investors measure, compare and manage their progress toward more sustainable practices.

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 ath-

500 GREEN RANKINGS



The NEWSWEEK Green Rankings evaluate the 500 largest publicly traded U.S. companies. The overall Green Score is a weighted average of three component scores: 45% for the Environmental Impact Score (EIS), 45% for the Green Policies Score (GPS) and 10% for the Reputation Survey Score. Maximum score is 100. In categories where quintiles are used, companies are ranked 1 to 5; 5 is the best.

COMPANY	INDUSTRY	GREEN SCORE	ENVIRONMENTAL IMPACT SCORE	The statistically weighted average of the EIS, GPS and Reputation Score.				Nine GHG emissions, normalized by revenue.			All waste directly disposed of by the company, normalized by revenue.		Emission of toxic chemicals, according to EPA data.		A comprehensive assessment of environmental initiatives.		Assessment of programs to mitigate non-carbon air emissions, solid waste, etc.		Sustainable practices, including green buildings, use of recycled materials.		Based on a poll of CEOs, environmental officers and other green experts.				
				GREENHOUSE GAS EMISSIONS/REVENUE	WATER USE/REVENUE	SOLID WASTE DISPOSED/REVENUE	ACID RAIN EMISSIONS/REVENUE	TOXIC EMISSIONS	TOXIC EMISSIONS/REVENUE	GREEN POLICIES SCORE	CLIMATE CHANGE POLICIES AND PERFORMANCE	POLLUTION POLICIES AND PERFORMANCE	PRODUCT IMPACT	ENVIRONMENTAL STEWARDSHIP	MANAGEMENT OF ENVIRONMENTAL ISSUES	REPUTATION SURVEY SCORE	GREENHOUSE GAS EMISSIONS								
1	Hewlett-Packard	TECHNOLOGY	100.00	64.80	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	88.44	1,673,000 [‡]	
2	Dell	TECHNOLOGY	98.87	67.70	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	ND	ND	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	70.80	435,400 [‡]	
3	Johnson & Johnson	PHARMACEUTICALS	98.56	56.70	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	75.88	1,152,900 [‡]	
4	Intel	TECHNOLOGY	95.12	46.70	●●	●●	●●●●●	●●●●●	●●	●●●●●	●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	81.86	3,700,100 [‡]	
5	IBM	TECHNOLOGY	94.08	76.90	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	77.56	2,834,800 [‡]	
6	State Street	FINANCIAL SERVICES	93.62	95.00	●●●●●	●●●●●	●●●●●	●●●●●	ND	ND	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	70.69	96,100 [‡]	
7	Nike	CONSUMER PRODUCTS, CARS	93.28	77.10	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	ND	ND	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	89.90	392,900 [‡]	
8	Bristol-Myers Squibb	PHARMACEUTICALS	92.62	27.80	●●●	●●	●●●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●	●●●	64.73	849,100 [‡]
9	Applied Materials	TECHNOLOGY	91.79	50.90	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	44.51	194,000 [‡]	
10	Starbucks	MEDIA, TRAVEL AND LEISURE	91.63	30.50	●●	●●	●	●●●	ND	ND	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	75.42	899,900 [‡]	

‡TRUCOST DATA. †CDP DATA.*COMPANY REPORTED.




Newsweek

**GREEN
RANKINGS**

2009

THE INDUSTRIES

COLOR CODE

	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

BANKS AND INSURANCE

Let's Hear It for Green Lending

BANKS AND INSURERS CAN ADDRESS climate change in two basic ways: improving the sustainability practices of their own operations and using their capital to help clients finance green projects of their own.

Wells Fargo (#13) and Citigroup (#24) are among the most ambitious financial institutions in this area. Wells Fargo offers loan and financial products for renewable-energy financing and green building. As of 2009 Wells Fargo reported financing at least 27 wind projects, 150 solar photovoltaic projects and one utility-scale solar thermal project. It reported lending approximately \$5 billion for sustainable building, the purchase of renewable-energy credits, energy efficiency and renewable-energy projects. In 2007, Citigroup committed \$50 billion to climate change-related initiatives over 10 years.

Insurance companies have also sought to respond to climate change, although many programs are still new. Marsh & McLennan (#297) established a Climate Risk Initiative Steering Committee to guide managers of its various operating units in identifying and addressing climate-related risks and opportunities. PNC Financial Services Group (#104) is a recognized leader among banks for its green-buildings efforts. Bank of America

(#135) expected to complete construction of a Platinum LEED-certified signature office building in New York in 2009.

Despite the outwardly clean and low-impact nature of banking, environmental campaigners such as Rainforest Action Network have sought to uncover banks' record of financing large-scale, disruptive construction projects and industrial practices. From lending for China's Three Gorges Dam to the financing of coal-plant construction and timber operations, high-profile banks such as Bank of America, Citigroup and JPMorgan Chase (#41) have been pressured by environmentalists to disclose the portion of their lending portfolios that finance environmentally harmful or controversial projects and business activities. Environmentalists have also urged the banks and other financial institutions to scale back such lending. Most companies have not acted on these demands.

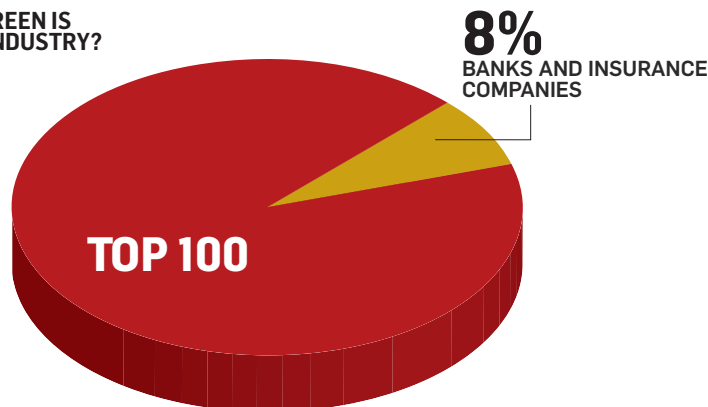


IT TAKES MONEY TO INSTALL SOLAR PANELS OR BUILD A LEED-CERTIFIED PLANT. PROGRESSIVE BANKS ARE STANDING READY.

BEST PRACTICES

Percentage of Newsweek's Top 100 Greenest Companies in this sector.

HOW GREEN IS YOUR INDUSTRY?



BANKS AND INSURANCE



	COMPANY	GREEN SCORE	ENVIRONMENTAL IMPACT SCORE	GREEN POLICIES SCORE	REPUTATION SURVEY SCORE	GREENHOUSE GAS EMISSIONS
1	Wells Fargo	88.53	93.30	80.12	38.96	629,100 [‡]
2	Citigroup	85.58	89.80	67.47	54.49	1,434,700 [‡]
3	Travelers	83.74	97.40	65.90	42.57	62,800 [‡]
4	JPMorgan Chase	82.82	91.60	59.88	54.58	1,264,000 [‡]
5	Unum Group	81.30	94.80	60.34	38.98	39,500 [‡]
6	Northern Trust	81.20	90.00	64.43	24.80	95,500 [‡]
7	Allstate	79.72	93.90	52.45	50.95	212,500 [‡]
8	U.S. Bancorp	78.62	88.50	54.28	35.32	475,200 [‡]
9	Ace	76.89	95.60	47.85	40.48	37,600 [‡]
10	PNC Financial Services Group	76.79	99.30	47.20	41.65	16,200 [‡]
11	Comerica	76.61	91.40	49.99	31.21	69,208 [*]
12	Bank of America	75.04	92.50	39.51	51.72	1,483,431 [†]
13	Loews	74.87	49.20	48.74	27.26	ND
14	American International Group	74.64	94.10	44.95	29.86	ND
15	Progressive	74.52	97.70	41.18	41.21	237,688 [†]
16	Prudential Financial	73.48	93.70	39.58	37.20	95,456 [†]
17	AFLAC	71.18	98.30	38.59	19.52	32,656 [†]
18	XL Capital	70.96	96.20	39.01	16.10	ND
19	BB&T Corp.	70.81	94.70	33.88	31.83	92,444 [†]
20	SunTrust Banks	70.64	95.40	34.80	27.26	ND
21	Aon Corp.	70.08	89.50	29.51	40.25	ND
22	Principal Financial Group	69.73	92.90	33.82	22.42	ND
23	Marsh & McLennan	69.17	85.40	27.64	38.65	ND
24	Lincoln National	69.17	95.20	33.24	19.07	ND
25	Hartford Financial Services	68.85	94.50	30.42	25.57	122,333 [†]
26	Assurant	68.81	96.00	30.14	26.08	ND
27	KeyCorp	68.63	99.10	28.01	31.46	ND
28	MetLife	68.28	96.80	29.74	22.62	ND
29	Regions Financial	68.12	99.90	27.01	30.15	ND
30	M&T Bank	68.10	99.70	28.86	23.89	ND
31	Cincinnati Financial	67.33	97.40	26.87	23.57	ND
32	Chubb	67.20	98.50	25.40	27.28	ND
33	First American	66.67	93.50	24.14	26.86	ND
34	W.R. Berkley	65.98	95.80	24.14	20.45	ND
35	Fifth Third Bancorp	65.60	94.30	21.69	25.20	ND
36	Hudson City Bancorp	65.33	100.00	20.89	25.20	ND

[†]TRUCOST DATA. [‡]CDP DATA. *COMPANY REPORTED.

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GREEN SCORE

88.53

INDUSTRY RANK

(out of 36 companies)

1

BANKS AND INSURANCE

Wells Fargo

Has provided \$5 billion in financing for green businesses since 2005, of which \$1.65 billion has been for solar and wind projects and \$3 billion for “green” buildings. However, not included by Ceres, a coalition of environmentalists and investors, on its 2008 list of top banks engaged in climate-change activities.

ENVIRONMENTAL IMPACT

How the company compares with the industry average; environmental impacts from global operations, based on data compiled by Trucost. See page 6 for explanation of numbers.

	SCORE
Wells Fargo	93.30
Industry average	93.50
GHG emissions/revenue	15
Water use/revenue	88
Solid waste disposed/revenue	32
Acid-rain emissions/revenue	0
Toxic emissions	601,000
Toxic emissions/revenue	12

REPUTATION SURVEY

How its environmental record is viewed by CEOs and environmental experts based on a survey by CorporateRegister.com. Shown relative to all 500 companies in the rankings and its individual sector.

	SCORE
Wells Fargo	38.96
Industry average	32.35

	OVERALL RANK OUT OF 500	INDUSTRY RANK OUT OF 36
Performance	132	8
Commitment	140	11
Communications	171	13
Track record	101	10
Ambassadors	183	10

GREEN POLICIES

How it compares with the industry average; all environmental policies, programs, initiatives and controversies, based on data collected by KLD Research & Analytics, scored 1 to 5; 5 is the best.

	SCORE
Wells Fargo	80.12
Industry average	40.32
Climate-change policies and performance	●●●●●
Pollution policies and performance	NA
Product impact	●●●●●
Environmental stewardship	●●●●●
Management of environmental issues	●●●●●

IMAGE VS. REALITY

How its environmental image, based on the reputation survey by CorporateRegister.com, compares with its actual performance—its combined Environmental Impact and Green Policies scores.

	SCORE
Perception	38.96
Performance	92.86

GLOBAL VIEW

How a company's image differs between U.S.-based respondents (CEOs, environmental officers and academics) in the CorporateRegister.com survey versus those responding from abroad.

	POSITIVE	NEGATIVE
U.S.	50%	50%
Non-U.S.	77%	23%

PROFILE

Revenue: \$51,652 million[†]
Market capitalization: \$84,436 million[†]
Number of employees: 158,900[†]
Stock: NYSE: WFC
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SOURCES: FACTSET, GOOGLE FINANCE
[†]FY2008 [‡]AS OF MAY 29, 2009

SELECTED COMPETITORS

How a company's overall green score compares with that of some of its nearest competitors among the Newsweek 500 companies.

	SCORE
Wells Fargo	88.53
Citigroup	85.58
JPMorgan Chase	82.82
Northern Trust	81.20
U.S. Bancorp	78.62

