



Ranking the world's most sustainable companies

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Over the past decade, "sustainability" has become a popular corporate buzzword with a nebulous definition. To most people it connotes an abstract sense of do-gooding that centers on a company's effects on society and the environment.

A Toronto media company called Corporate Knights has tried to make the idea clear and measurable by collecting data on 3,000 global public companies and evaluating them according to 11 different metrics. Today, as a result of that research, it published its first-ever ranking of the world's 100 most sustainable companies.

Corporate Knights' editor-in-chief Toby Heaps says that to be considered sustainable, companies must "squeeze four times more wealth out of every resource they use." Heaps announced the list at Davos, where his company is hosting a dinner for the financier George Soros.

Corporate Knights worked with a research firm to winnow down its list of publicly traded companies from 3,000 to 300, based on financial performance and other criteria. Then the Corporate Knights research group worked with two different asset management firms to evaluate those 300 companies based on 10 environmental, social and governance performance metrics, including energy productivity, waste productivity and CEO-to-average-worker pay ratio. An 11th indicator was added for "transparency."

Corporate Knights relied on the companies to give it accurate data. When a company wouldn't provide information for one of the 10 metrics, Corporate Knights assigned it a null score for that category and then penalized it with an unfavorable transparency score.

The 10 most sustainable companies include General Electric, Pacific Gas and Electric, TNT NV, Hennes & Mauritz, Nokia, Siemens, Unilever, Vodafone, Smiths Group and Geberit. The top two companies are American, Great Britain has the most on the list of 100, with 21. Both Canada and Australia have nine.

Heaps says that overall he found a "European bias," which he credits to Europe's having a developed society on limited land, which has forced European companies to learn to be efficient with their resources. He says that Europeans also perform well in the category of CEO-to-average-worker pay, because they don't give out huge stock bonuses. He adds that many Japanese companies, five of which make the list, are as efficient as their European counterparts, but they lose points for leadership diversity because of a lack of women in their senior ranks.

The mining giant Rio Tintodidn't make the list, unamazingly, but neither did Whole Foods or Google. Heaps says Google was shut out of the top 100 because of privacy concerns and issues related to its China operations. Eco-smug Whole Foods lost points for being non-union and for its history of labor disputes.

Heaps says he believes that consumers and investors will be less jaded about sustainability if companies are more transparent. "One of the things that have held back the sustainability movement on Wall Street is that on many of these issues, companies operate in a black box," he says. "You need to have transparency if you want people to take you seriously. Then you can get beyond platitudes and discuss issues that people really care about."

Below are the world's most sustainable companies, ranked 1 to 100. Canadian companies are in bold.

1. General Electric Company
2. PG & E Corp.
3. Tnt Nv
4. H & M Hennes & Mauritz Ab
5. Nokia Corporation
6. Siemens Ag
7. Unilever Plc
8. Vodafone Group Plc
9. Smiths Group Plc
10. Geberit
11. Henkel Ag
12. Inditex Sa
13. Procter & Gamble Company
14. Toyota Motor Corp.
15. Westpac Banking Corp.
16. **Enbridge Inc**
17. Koninklijke Philips Electronics Na
18. Diageo Plc
19. Nippon Yusen Kk
20. Royal Dutch Shell Plc
21. Prologis

22. Insurance Australia Group
23. Johnson Controls Inc
24. Stockland
25. **Encana Corp.**
26. Prudential Plc
27. Old Mutual Plc
28. Adidas Ag
29. Bg Group Plc
30. Groupe Danone
31. Centrica Plc
32. Taylor Wimpey Plc
33. Kesko Oyj
34. Atlas Copco Ab
35. Bt Group Plc
36. Agilent Technologies Inc
37. L'Oreal S.A.
38. Coca Cola Company
39. Intel Corp.
40. **Suncor Energy**
41. Novozymes A/s
42. Vestas Windsystems A/s
43. Swisscom
44. Umicore Sa
45. Novo Nordisk A/s
46. Kingfisher Plc
47. Gpt Group
48. Starbucks Corp.
49. Sainsbury (j) Plc
50. **Sun Life Financial Inc**
51. Lafarge Sa
52. Glaxosmithkline Plc
53. Bluescope Steel Limited
54. The Capita Group Plc
55. Iberdrola Sa
56. Origin Energy Limited
57. Lonmin Plc
58. Roche Holdings Limited
59. **Nexen Inc**
60. Credit Agricole Sa
61. Boral Limited
62. Pearson Plc
63. Sca Ab
64. London Stock Exchange Group Plc
65. **Transcanada Corp.**
66. Electrocomponents Plc
67. Statoilhydro Asa
68. **Toronto-Dominion Bank**
69. Baxter International Inc
70. Duke Energy Corp.
71. **Royal Bank Of Canada**
72. Mtr Corporation Limited
73. Sims Metal Management Ltd
74. Abb Limited
75. Trend Micro Inc
76. Omv Ag
77. Swiss Reinsurance Company
78. Sembcorp Industries Limited
79. Sap Ag
80. Smith (ds) Plc
81. City Developments Limited
82. Anglo Platinum Limited
83. Pinnacle West Capital Corp.
84. Dassault Systemes Sa
85. Neste Oil Oyj
86. Intesa Sanpaolo
87. Stmicroelectronics
88. **Telus Corp.**
89. F & C Asset Management Plc
90. Tata Steel
91. Samsung Electronics Company Limited
92. Housing Development Finance Corp. Limite

93. Posco
94. Banco Bradesco Sa
95. Ricoh Company Limited
96. Petroleo Brasileiro Sa
97. Dexus Property Group
98. Taiwan Semiconductor Manufacturing Compa
99. Natura Cosméticos Sa
100. Sampo Japan Insurance

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