

Official report: the **10 'greenest'** companies on the planet

In conjunction with Ethical Investment Research Services, PES presents an exclusive guide to the greenest companies around the globe

As the business world comes under increasing pressure from investors and consumers to show a sense of environmental responsibility, companies are busy installing new strategies and setting ambitious targets to boost their green credentials. From electronics to home interiors, global industries are gearing up for a huge climate shift, with some firms moving aggressively to secure a strong market position in the future

Ethical Investment Research Services (EIRIS) specialises in researching the social, environmental and ethical performance of companies. By looking at the operational processes of a number of leading firms across the industries, in terms of potential impact on the environment and positive moves to curb damage, researchers at EIRIS have come up with the top scorers on the green checklist. Issues specifically related to certain sectors were also taken into account.

“Drawing on our research of almost 3,000 companies, we chose a selection of our environmental sustainability criteria to highlight some of the leaders in the field. These criteria, covering issues such as climate change, reflect some of the key concerns of investors,” says Stephanie Maier, Strategic Research Development Manager at EIRIS.

The Top 10

Ranking is based on companies in the FTSE All World Developed Index and information is taken from a variety of sources including publicly available company documents and survey responses. For further information, visit www.eiris.org.



1: Vestas Wind Systems

Based in Denmark, Vestas is the worldwide leading manufacturer of wind turbines, with more than 30,000 wind turbines generating electricity globally. But it is not simply the quality of its high-tech, 80% recyclable systems that has earned it the top global ranking. What makes this company stand out from the crowd is that it sources 68% of its energy requirements from renewable sources. Furthermore, Vestas' turbines generate in six to eight months the equivalent energy required to manufacture, transport and take the products down, making the turbines carbon neutral within that timeframe.



2: Svenska Cellulosa

SCA is a global consumer goods and paper manufacturer based in Sweden. It is also Europe's largest private forest owner, all of which is managed to Forest Stewardship Council (FSC) standards, as is all wood supplied to its paper mills. SCA achieves a high rate of waste recovery and is committed to using a high proportion of recycled fibre in its tissue products. It also has clear policies on illegal logging and water emissions, and is replacing oil and coal with carbon-neutral fuels such as wood residue and biofuels.



3: ABN AMRO

The Dutch banking group ABN AMRO has a key objective to integrate environmental issues into all business decisions to ensure its contribution to a sustainable society. The firm's external policy is aimed at predicting environmental developments related to its commercial activities. ABN has developed environmental and social risk policies covering the oil and gas sector, mining, forestry industries, dams and nuclear power.



4: MTR

This Hong Kong-based railway company is the founding signatory of the HK Corporate Social Responsibility (CSR) Charter. It is therefore committed to providing leadership in CSR practices and promoting the principles of responsibility by managing its environmental impacts. The company, which carries an average 2.5 million passengers every weekday, takes a "cradle-to-grave" approach when considering the lifecycle of its products.



5: Ericsson

Ericsson, a Swedish telecoms group, is involved in the Design for Environment programme, which encourages product designers to focus on reducing energy consumption. Ericsson also supports the Waste Electrical and Electronic Equipment initiative, which aims to minimise the impact of electronic goods on the environment by increasing recycling. In-depth lifecycle analysis assessments and independent reviews of its 3G system have suggested a positive environmental outcome can be achieved.



6: Westpac Banking

Australian bank Westpac's values and core business strategy focus heavily on sustainability. The company has adopted a framework for managing environmental and social risk in project finance known as the Equator Principles. Through BT Financial Group, the bank offers a range of "socially responsible" investment products.



7: Kingfisher

Kingfisher, the owner of the DIY chain B&Q, is the highest-ranked UK firm. It currently sources more than 70% of its timber from FSC sources and has an ambitious target for zero waste at its stores. Europe's largest home-improvement retailer works with WWF and the Tropical Forest Trust on timber sourcing issues. By 2008, all of Kingfisher's operating companies are required to have an action plan in place to identify products containing certain chemicals and work with vendors to look at methods of removal or substitution.



8: Philips

The Dutch electronics company aims to apply the sustainability philosophy to every aspect of its business, from organisation and culture, to product design and manufacturing processes. Specific sustainability issues addressed include the energy efficiency of buildings, energy efficiency and chemical content of products, recycling schemes and lifecycle analysis. Through initiatives such as the "Green Tick" campaign it also aims to help customers make informed purchasing decisions with regard to the environment.



9: BT Group

In 2005, UK telecoms group BT signed a three-year electricity supply contract to provide nearly all of its UK electricity via renewable sources and combined heat and power (CHP) plants. BT has exceeded its targets for reducing the use of electricity within its wholesale estate, and has strategies in place for green procurement, water minimisation and waste minimisation.



Matsushita Electric



10: Matsushita, Sanyo, ABB

Sharing 10th place are Japanese electronics companies Matsushita and Sanyo, and Swiss electronics company ABB. Matsushita is highly rated for designing products with improved environmental efficiency, and Sanyo, which currently recycles 99.8% of its waste, assesses the impact of products by using a product certification system. Meanwhile, ABB aims to become a carbon-neutral organisation, and carries out a lifecycle assessment study, including its contributions to global warming and ozone depletion, on all major products. ■