



2015 Newsweek Green Rankings:

The Newsweek Green Rankings are one of the world's foremost corporate environmental rankings. The project ranks the 500 largest publicly-traded companies in the United States (the U.S. 500) and the 500 largest publicly-traded companies globally (the Global 500) on overall environmental performance.

The U.S. 500 consists of the 500 largest publicly-traded companies headquartered in the U.S. by market capitalization as at 31 December 2014.

The Global 500 consists of the 500 largest publicly-traded companies in the world by market capitalization as at 31 December 2014.

Assessment of Environmental Performance:

The 2015 Newsweek Green Rankings measures the environmental performance of large public companies using eight clearly defined key performance indicators. The methodology is clear and rules-based, and the process meets the test of being replicable by a third party.

The Newsweek Green Rankings follows six core principles:

Transparency

The precise methodology of the ranking and the results of the process are fully disclosed.

Objectivity

Eligible companies will only be assessed using quantitative data and performance indicators.

Public data

Only data-points that are part of the public domain are used

Comparability

Companies are compared against their industry group peers based on performance indicators for which the underlying data are reasonably well disclosed globally.

Engagement

Companies eligible for the ranking will be informed prior to the ranking, so as to have an opportunity to ensure the necessary data is made available publicly.

Stakeholders

Stakeholder feedback is actively solicited throughout the project from various stakeholders, including an expert advisory panel.

Key Performance Indicators:

Environmental performance is measured using eight key performance indicators (KPI). The KPIs are described in Figure 1. A company's overall score is a weighted average of their eight KPI scores (the "weight" of each KPI is outlined in the last column of Figure 1).

Figure 1: KPI Definitions and Scoring Weight

KPI	Description	Weight
1. Combined Energy Productivity Score (G4: EN3)	<p>In the first step, each company's Energy Productivity is calculated for 2013, with Energy Productivity defined as Revenue (\$US) / Total Energy Consumption (GJ). Each company's Energy Productivity is then percent-ranked against that of all Industry Group peers in the CKC research universe and multiplied by 0.75. The Global Industry Classification Standard (GICS) definition of "Industry Group" will be used.</p> <p>In the second step, the change in each company's Energy Productivity from 2011-2013 is calculated and percent-ranked against that of all same-Industry Group peers within the CKC research universe. If the company's percent-ranked 2013 Energy Productivity is top quartile, their percent-ranked change in Energy Productivity for 2011-2013 is multiplied by 1 and then by 0.25. If the company's percent-ranked 2013 Energy Productivity is second quartile, their percent-ranked change in Energy Productivity for 2011-2013 is</p>	15%

	<p>multiplied by 0.75 and then by 0.25. If the company's percent-ranked 2013 Energy Productivity is third quartile, their percent-ranked change in Energy Productivity for 2011-2013 is multiplied by 0.5 and then by 0.25. If the company's percent-ranked 2013 Energy Productivity is bottom quartile, their percent-ranked change in Energy Productivity for 2011-2013 is multiplied by 0.25 and then by 0.25.</p> <p>In the third step, the values from the first and second steps are totaled.</p>	
2. Combined GHG Productivity Score (G4: EN15, EN16 and EN17)	<p>In the first step, each company's GHG Productivity is calculated for 2013, with GHG Productivity defined as Revenue (\$US) / Total Greenhouse gas (GHG) Emissions (CO₂e). Only Scope 1 and Scope 2 emissions are included according to the GHG Protocol. Each company's GHG Productivity is then percent-ranked against that of all Industry Group peers in the CKC research universe and multiplied by 0.75.</p> <p>In the second step, the change in each company's GHG Productivity from 2011-2013 is calculated and percent-ranked against that of all same-industry group peers within the CKC research universe. If the company's percent-ranked 2013 GHG Productivity is top quartile, their percent-ranked change in GHG Productivity for 2011-2013 is multiplied by 1 and then by 0.25. If the company's percent-ranked 2013 GHG Productivity is second quartile, their percent-ranked change in GHG Productivity for 2011-2013 is multiplied by 0.75 and then by 0.25. If the company's percent-ranked 2013 GHG Productivity is third quartile, their percent-ranked change in GHG Productivity for 2011-2013 is multiplied by 0.5 and then by 0.25. If the company's percent-ranked 2013 GHG Productivity is bottom quartile, their percent-ranked change in GHG Productivity for 2011-2013 is multiplied by 0.25 and then by 0.25.</p> <p>In the third step, the values from the first and second steps are totaled and then multiplied by 0.9.</p> <p>In the fourth step, if the company disclosed Scope 3 GHG emissions in 2013, a score of 100% is attributed and then multiplied by 0.1. Otherwise, a score of 0% is given.</p> <p>In the final step, the scores from the third and fourth steps are added.</p>	15%
3. Combined Water Productivity Score (G4: EN8 and EN10)	<p>In the first step, each company's Water Productivity is calculated for 2013. Water Productivity is defined as Revenue (\$US) / Total water use (m³). Each company's Water Productivity is then percent-ranked against that of all Industry Group peers in the CKC research universe and multiplied by 0.75.</p> <p>In the second step, the change in each company's Water Productivity from 2011-2013 is calculated and percent-ranked against that of all same-industry group peers within the CKC research universe. If the company's percent-ranked 2013 Water Productivity is top quartile, their percent-ranked change in Water Productivity for 2011-2013 is multiplied by 1 and then by 0.25. If the company's percent-ranked 2013 Water Productivity is second quartile, their percent-ranked change in Water Productivity for 2011-2013 is multiplied by 0.75 and then by 0.25. If the company's percent-ranked 2013 Water</p>	15%

	<p>Productivity is third quartile, their percent-ranked change in Water Productivity for 2011-2013 is multiplied by 0.5 and then by 0.25. If the company's percent-ranked 2013 Water Productivity is bottom quartile, their percent-ranked change in Water Productivity for 2011-2013 is multiplied by 0.25 and then by 0.25.</p> <p>In the third step, the values from the first and second steps are totaled.</p>	
4. Combined Waste Productivity Score (G4: EN23)	<p>In the first step, each company's Waste Productivity is calculated for 2013. Waste Productivity is defined as Revenue (\$US) / [Total waste generated (metric tonnes) – waste recycled/reused (metric tonnes)]. Each company's Waste Productivity is then percent-ranked against that of all Industry Group peers in the CKC research universe and multiplied by 0.75.</p> <p>In the second step, the change in each company's Waste Productivity from 2011-2013 is calculated and percent-ranked against that of all same-industry group peers within the CKC research universe. If the company's percent-ranked 2013 Waste Productivity is top quartile, their percent-ranked change in Waste Productivity for 2011-2013 is multiplied by 1 and then by 0.25. If the company's percent-ranked 2013 Waste Productivity is second quartile, their percent-ranked change in Waste Productivity for 2011-2013 is multiplied by 0.75 and then by 0.25. If the company's percent-ranked 2013 Waste Productivity is third quartile, their percent-ranked change in Waste Productivity for 2011-2013 is multiplied by 0.5 and then by 0.25. If the company's percent-ranked 2013 Waste Productivity is bottom quartile, their percent-ranked change in Waste Productivity for 2011-2013 is multiplied by 0.25 and then by 0.25.</p> <p>In the third step, the values from the first and second steps are totaled.</p>	15%
5. Green Revenue Score	<p>The Green Revenue Score is calculated by HIP Investor Inc., an investment adviser and portfolio management firm involved in impact investing, ratings, portfolio construction and consulting.</p> <p>The Green Revenue Score is obtained by breaking down a given company's revenue into its various segments (ICB Industry sub-sectors) to determine the % of a company's revenue that is 'green' - i.e. derived from products and services that contribute positively to environmental sustainability and societal health. HIP fully discloses its scoring system and definitions and is committed to continuous improvement.</p> <p>For example, if Company A's revenue is broken down as Medical Equipment (60%) and Pharmaceuticals (40%) and the Segment Green Rating for Medical Equipment is 0.75 and Pharmaceuticals is 0.7, Company A's Green Revenue Score is $(60\% \times 0.75 + 40\% \times 0.7) = 73\%$.</p>	20%

6. Sustainability Pay Link (G4: 51)	A mechanism to link the remuneration of any member of a company's senior executive team with the achievement of environmental performance targets. The existence of such a link is awarded a score of 100%. A score of 0% is attributed if there is no such mechanism in place.	10%
7. Sustainability Board Committee (G4: 54)	The existence of a committee at the Board of Directors level whose mandate is related to the sustainability of the company, including but not limited to environmental matters. A score of 100% is awarded if such a committee exists, and a score of 0% is given in cases where such a committee is absent.	5%
8. Audited Environmental Metrics (G4: 33)	The company provides evidence that the latest reported environmental metrics are audited by a third party. A score of 100% is awarded if such an audit has been performed, and a score of 0% is given in cases where such an audit was not performed.	5%

Data sources:

Data is obtained from primary sources including annual reports, audited financial statements, proxy statements and sustainability reports.

Secondary data is obtained from HIP Investor, Bloomberg and the Carbon Disclosure Project (via Bloomberg).

All companies are contacted for data verification once all available items of data have been obtained.