

# Mirror, mirror on the wall: Who's the greenest of them all -- and will green disclosure become the norm?

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A new day has dawned and, in my opinion, we are witnessing the early stages of the greening of America. In case I had prior doubts, they were quelled when Newsweek published its first-ever ranking of ["The Greenest Big Companies in America."](#)

Rating the 500 largest companies presented a major challenge especially given the diversity of the 15 business sectors rated. For example, the sectors included banks and insurance, industrial goods, consumer products, and pharmaceuticals.

To fairly address the problem of rating "apples and oranges," Newsweek devised a green score that was applied to each rated company. Companies were selected based on revenues, market capitalization and number of employees.

The score was based on three different metrics devised by the leading players in environmental research, and arises from the combination of the statistically weighted average of each of the scores:

- The [Environmental Impact Score](#) (45%) provided by Trucost, which partnered with local company NSF International to provide information based on more than 700 metrics including water use and acid-rain emissions;
- The [Green Policies Score](#) created by KLD Research and Analytics (45%) which analyzed corporate policies and initiatives; and
- The Reputation Survey Score obtained from CorporateRegister.com (10%), which involved a survey of CEO's, environmental officers and academics.

Hewlett-Packard was rated No. 1. A sampling of the rated companies with a local presence and their rankings include Pall (47), Macy's (50), Coca-Cola (58), Wal-Mart (59), Medtronic (65), Whole Foods Market (67), Target (72), Google (79), and Comerica (106).

Determining the green score for each company was difficult because not all companies disclose sustainability information, and the ones that do often collect and measure data differently.

So why are green rankings important? Clearly, we are entering a period of increased measurement of the sustainability of companies and buildings. To make the results of green scoring fair and accurate and to satisfy the public's increasing desire for green information, governmental units, businesses, buyers, vendors and consumers are beginning to require those they do business with to disclose information about their sustainable practices.

This is already happening with buildings. For example, effective January 1, 2010, the [U.S. Environmental Protection Agency](#) will implement a new reporting system that requires greenhouse gas data to be collected from large emitters of greenhouse gas emissions. This program will cover about 85 percent of the nation's greenhouse gas emissions, i.e. about 10,000 facilities. In addition, in Michigan, the Traverse Area Association of Realtors has developed a four-page green disclosure statement that provides a comprehensive checklist of items for the seller to disclose relating to the sustainability of the home being sold.

For buildings, there are numerous rating systems that require detailed green information such as LEED, the National Green Building Standard, and the Capital Markets Partnership Green Value Score.

In short, there will be a great deal of regulation, pressure, and incentive for businesses to disclose environmental information regarding the sustainability of buildings and businesses.

Start planning early to benefit from the greening of America.