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Interbrand Releases the 4th annual Best Global Green Brands Report

Ford claims the #1 spot - Toyota falls to #2; IKEA and Zara are the top risers; Brands that commit to creating shared value continue to outperform

NEW YORK, NY (24 June 2014) – For the first time in the history of Interbrand's Best Global Green Brands report, there is a new #1 brand: Ford. Toyota, which had held the top spot since the report debuted in 2011, falls to #2 with Honda (#3), Nissan (#4) and Panasonic (#5) rounding out the top five.

Interbrand's Best Global Green Brands report examines the gap that exists between a brand's environmental performance and consumers' perceptions of that performance.

When identifying the top 50 Best Global Green Brands each year, Interbrand starts with the 100 brands that make up its annual Best Global Brands report. Brands that appear on this annual ranking have a global presence and a demonstrated record of delivering value to their stakeholders. Interbrand then conducts extensive consumer research to capture public perception of the brands' sustainable or green practices and compares that to environmental or sustainability performance data collected and analyzed by Deloitte Consulting LLP.

"This year, the Best Global Green Brands report focuses on the power of participation and collective action," noted Jez Frampton, Interbrand's Global Chief Executive Officer. "The report suggests that every constituency—businesses, consumers, employees, suppliers, governments and investors—will need to be engaged and willing to collaborate in order to take Corporate Citizenship and sustainability initiatives to the next level. We celebrate this year's 50 Best Global Green Brands for having done exactly that and, in some cases, more."

Understanding the gap that exists between a company's actual Corporate Citizenship practices and consumers' awareness of those practices is vital to building brand value. Today, consumers hold the world's leading brands to an extremely high standard and expect such brands to act responsibly. If consumers feel as though they've been misled, brands will suffer the consequences.

This year's top findings include:

- Sony (#7) and adidas (#8) enter into the top 10 for the first time, while Johnson & Johnson falls six places to #12 and Volkswagen falls nine places to #16.

- Top Risers: IKEA climbed 14 spots to secure the #19 position while Zara also climbed 14 places to claim the #34 position. Philips moved up nine places to take the #14 spot and adidas jumped up seven places to #8.

- Automotive, electronic & technology brands occupy nearly 50 percent of the overall ranking; 10 brands hail from the automotive sector, while 12 brands come from the electronics and technology sectors.

- Brands within the financial services sector struggle to become sustainability leaders: Allianz and Citi fall off this year's ranking, while AXA falls one place to take the #45 position and Santander moves up two places to #44.

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- Three new brands joined the 2014 ranking, including Chevrolet (#32), Disney (#49), and Heineken (#50).

"An effective way to close the gap is for companies to invest in sustainability initiatives and programs that become inextricably a part of their brands' DNA," noted Will Sarni, director of Deloitte Consulting LLP and leader of the sustainability and enterprise water strategy practice in the U.S. "As companies work to improve their environmental sustainability performance, it is imperative that they communicate their efforts and engage with the public and other stakeholders through reporting and disclosure. Simultaneously working to improve environmental performance and perception in the marketplace is key to enhancing business and brand value."

Interbrand's 2014 Best Global Green Brands

2014 RANK	2013 RANK	BRAND	SECTOR	2014 Gap
1	2	Ford	Automotive	+3.2
2	1	Toyota	Automotive	+0.3
3	3	Honda	Automotive	+1.8
4	5	Nissan	Automotive	+6.6
5	4	Panasonic	Electronics	+13.9
6	9	Nokia	Electronics	+19.0
7	11	Sony	Electronics	+10.7
8	15	adidas	Sporting Goods	+6.1
9	8	Danone	FMCG	-1.3
10	10	Dell	Technology	+6.9
11	16	Samsung	Technology	+8.3
12	6	Johnson & Johnson	FMCG	+2.8
13	13	BMW	Automotive	+5.8
14	23	Philips	Electronics	+5.4
15	21	Intel	Technology	+12.3
16	7	Volkswagen	Automotive	+3.0
17	12	HP	Technology	+9.7
18	14	Nestlé	FMCG	+4.0
19	33	IKEA	Home Furnishings	-6.5
20	19	Coca-Cola	Beverages	-12.2
21	22	Apple	Technology	-1.1
22	20	L'Oréal	FMCG	+15.3
23	25	GE	Diversified	-1.8
24	17	Mercedes-Benz	Automotive	+10.0
25	27	IBM	Business Services	+10.9
26	30	Canon	Electronics	+3.8
27	29	Xerox	Business Services	+14.6
28	32	UPS	Transportation	+6.3
29	31	Nike	Sporting Goods	-0.5
30	26	Pepsi	Beverages	-2.3
31	18	Siemens	Diversified	+14.1
32	NEW	Chevrolet	Automotive	-2.9
33	28	Cisco	Technology	+19.0
34	48	Zara	Apparel	+4.7
35	37	Kia	Automotive	+9.5

36	24	3M	Diversified	+3.4
37	36	Starbucks	Restaurants	-2.0
38	38	Kellogg's	FMCG	-6.0
39	42	H&M	Apparel	+4.7
40	34	Hyundai	Automotive	+7.2
41	35	Microsoft	Technology	-9.1
42	41	Avon	FMCG	+5.7
43	47	McDonald's	Restaurants	-14.5
44	46	Santander	Financial Services	-0.9
45	44	AXA	Financial Services	+0.9
46	39	Caterpillar	Diversified	+3.1
47	40	Shell	Energy	-9.1
48	50	Colgate	FMCG	-7.0
49	NEW	Disney	Media	-9.1
50	NEW	Heineken	Alcohol	-1.5

2014 Overview: The Power of Participation
In addition to identifying the top 50 Best Global Green Brands, this year's report also examines the power of participation and collective action. Interbrand contends that, in order for society and businesses to meet consumers' growing demands for a more sustainable future, a new level of cooperation is needed. Every constituency—including consumers, corporations, employees, suppliers, governments and investors—must be engaged in order to take efforts around sustainability and Corporate Citizenship initiatives to the next level.

Automotive brands continue to focus on efficiency and style; Ford, Toyota, and Honda lead in the category
Automotive brands make up 20 percent of the top 50 brands and represent four of the top five brands in the report. The leaders of the sector include Ford (#1), Toyota (#2), Honda (#3) and Nissan (#4).

The demand for electric vehicles is growing and is forcing automakers to enter into this market and expand their product lines. With new electric and hybrid models available each year, consumers now have more fuel-efficient options than ever.

With new environmental action committees in place, improved employee engagement around sustainability, better water/energy/emissions intensities, enhanced green build policies and increased waste recycling, Ford claims the #1 position in this year's Best Global Green Brands report. Ford's portfolio also boasts five electric vehicles: two plug-in hybrids, two hybrids and one all electric. It has also put considerable effort into hydrogen and fuel cell research. Recyclable material is used in 41 different fabrics across Ford's different lines and soybean-based foam cushions are used in all of its North American-made vehicles. (The soybean initiative saves the company approximately 5 million pounds of petroleum annually.)

Toyota falls to the #2 spot after reigning as the top Best Global Breen Brand for the past three years. Toyota continues to pioneer and innovate in the fuel-efficient automobile market. It boasts more than 2 million hybrid vehicles in the United States, which is more than any other automotive manufacturer.

Honda (#3) is involved in a variety of Corporate Citizenship and sustainable activities. The company has remained transparent over the years about its efforts and, as a result, has witnessed a high score

in regards to perception. In September 2013, the company earned one of the highest disclosure scores among all global companies in the CDP Global 500 Climate Change report. The report analyzes how the world's 500 largest companies go about addressing global warming and disclosing information around greenhouse gas (CHG) emissions.

While the electronics and technology sectors represent nearly 25 percent of the overall ranking, brands within those two sectors also carry some of the largest gap scores—both positive and negative. An indication that these brands either need to need to do more around sustainability or work harder to improve consumer perceptions of those initiatives.
Panasonic (#5), as the leading electronics brand, boasts a gap score of +13.9. The positive gap score indicates that its performance score is higher than its perception score. In other words, the brand is embracing opportunities to be a more responsible brand, but it needs to take measurable steps to communicate its efforts to consumers.

Top risers (by rank): adidas, Philips, IKEA, Zara
Swedish home furnishings store IKEA (#19), and Spanish retailer Zara (#34) tied for the top-rising brand on this year's report, both moving up 14 places.

Last year, IKEA announced that it would be teaming up with Nissan (#4) and energy provider Ecotricity to install electric car charging stations for customers at all UK stores by the end of 2013. IKEA is the first major retailer to offer electric charging points—a proactive strategy that is helping to meet a growing demand from IKEA customers.

Zara is committed to implementing sustainable practices across it operations—from introducing a waste management policy across its flagships to educating its staff on sustainable practices. By 2020, all of Zara's existing stores around the world aim to be 100 percent eco-efficient. Zara's ongoing improvements have translated into a strong performance and perception scores, making it the top-rising brand in 2014, along with IKEA.

Philips, having jumped from #23 to #14, remains committed to making the world healthier and more sustainable through innovation. The company's EcoVision program aims to improve its overall energy efficiency through meaningful, sustainable innovations. By transforming its employees' knowledge and skills into products and services that are of value in the marketplace, the company is able to lead change in a profitable way.

adidas takes a four-pronged "Fair Play" approach towards its sustainability initiatives. Whether it is sourcing and developing more environmentally-friendly materials, enforcing basic employee and human rights or reducing water use and pollution, adidas' four pillars provide a conceptual framework that enables its stakeholders to better understand, assess and realize the multinational footwear and sportswear company's sustainability goals.

New entrants (by rank): Chevrolet, Disney and Heineken enter into the report for the first time
This year, Chevrolet (#32) announced a major milestone, achieving 7 million metric tons of carbon reduction. The company is also promoting the widespread adoption of a new methodology. The methodology is financed by the automaker and aims to reward US-based colleges and universities for renewable energy and energy efficiency projects. The methodology, developed under the Verified Carbon Standards (VCS), helps to quantify reductions in combustion and electricity emissions.

With a strong global presence in over 40 countries, Disney (#49) is committed to minimizing its environmental footprint through a set of long-term goals first established in 2009. Disney is not only

transparent about its Corporate Citizenship efforts, but also ensures they are incorporated into the overall business strategy.

Heineken (#50) is now three years into its sustainable strategy: "Brewing a Better Future." Heineken has made great progress across four main areas of focus: water, CO2, sourcing and responsible consumption.

Criteria for inclusion and methodology

The foundation of the annual Best Global Green Brands report is Interbrand's annual Best Global Brands report. The Best Global Brands report is published each fall and determines the world's 100 most valuable brands—brands that have a global presence and a record of delivering value to stakeholders.

To become one of the top 50 Best Global Green Brands, organizations must perform well in terms of both sustainability performance and perception. Brands are measured against two sets of criteria:

- **Performance**: Organizations must demonstrate that they source, produce, and distribute products and services in an environmentally-responsible manner.
- **Perception**: Organizations must work to build value amongst key audiences by credibly conveying the benefits of their environmental practices.

What Interbrand refers to as "the gap" is the difference between a brand's performance and perception scores.

- A positive gap indicates sustainability performance is actually higher than consumers perceive it to be.
- A negative gap indicates consumers perceive a brand to be more of a sustainable leader than it actually is.

Perception assessment
Interbrand examines how a brand's sustainability efforts are perceived by consumers. Interbrand conducts a survey in the 10 largest global economies (based on GDP), interviewing more than 10,000 consumers. Each brand is assessed by 1,250 consumers in terms of Authenticity, Relevance, Differentiation, Consistency, Presence, and Understanding of environmental claims.

Performance assessment
Deloitte Consulting LLP examines each brand's performance in terms of its sustainability/environmental initiatives as an input to Interbrand's overall scoring methodology. For the purposes of the annual Best Global Green Brands report, Deloitte Consulting LLP developed a corporate environmental performance methodology based on publicly available data drawn from such sources as Corporate Social Responsibility/Sustainability Reports, Carbon Disclosure Project Responses, Annual Reports, 10-K filings, Company Websites, and the ASSET4 Database from Thomson Reuters. A brand's Green Performance Score is composed of 83 metrics upon which each brand is ranked. The metrics evaluate companies' disclosure and environmental performance across six pillars: Governance, Operations, Transportation and Logistics, Stakeholder Engagement, and Supply Chain. Such data is then inputted into Interbrand's overall scoring methodology.

Overall score

The Best Global Green Brand report's overall scores are calculated by combining the standardized performance and perception scores. A discount factor is applied in those cases where positive perceptions of the brand outweigh a company's actual sustainability performance. The final ranking is based on companies' overall scores relative to other companies and previous years' results.

To learn more about Interbrand's 2014 Best Global Green Brands report or to read insightful interviews with executives at corporations and nonprofits, please visit: www.bestglobalgreenbrands.com.

To join the conversation on social media, follow #BestGlobalGreenBrands.

The 2014 Best Global Green Brands was published in conjunction with Fortune Magazine.

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About Interbrand

Founded in 1974, Interbrand (www.interbrand.com) is the world's leading brand consultancy. With nearly 40 offices in 27 countries, Interbrand's combination of rigorous strategy, analytics, and world-class design enables it to assist clients in creating and managing brand value effectively, across all touchpoints, in all market dynamics. By understanding and anticipating the changing needs and demands of consumers, the firm helps its clients across industries, to drive greater business growth while solving their most pressing business challenges. Interbrand is widely recognized for its annual Best Global Brands report, the definitive guide to the world's most valuable brands, as well as its Best Global Green Brands report, which identifies the gap between customer perception and a brand's performance relative to sustainability. It is also known for having created brandchannel.com, a Webby-award winning resource about brand marketing and branding. Interbrand is part of the Omnicom Group Inc. (NYSE:OMC) (www.omnicomgroup.com) network of agencies. For more information, please visit us at interbrand.com and follow us on Twitter and Facebook.

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