

## The 2011 Corporate Knights S&P 500 Ranking:

### Overview and Methodology

*“The Corporate Knights Inaugural S&P 500 Ranking: Revealing which companies are at the leading edge of clean capitalism”*

#### Overview:

Powered by the synthesis of best-in-class research with a transparent set of quantitative metrics, the Corporate Knights S&P 500 Ranking of America's most sustainable large corporations will measure resource productivity and how well companies are living up to their end of the social contract.

*What is this ranking measuring?*

- All companies listed in the S&P 500 index: 500 of America's largest publicly held companies.
- A comprehensive set of environmental, social and governance (ESG) metrics is used to reveal a company's degree of “clean capitalism”
- “Clean capitalism” in this sense is defined as responsible, resource productive, socially-just business.

#### Methodology:

*Corporate Knights Proven Clean Capitalism Ranking Formula: Key Performance Metrics*

Indicator	Formula
<b>Energy Productivity</b>	Sales (USD) / Total direct and indirect energy consumption (MWh)
<b>Carbon Productivity</b>	Sales (USD) / Total CO <sub>2</sub> and CO <sub>2</sub> -equivalents emissions (tonnes)
<b>Water Productivity</b>	Sales (USD) / Total water use (m <sup>3</sup> )
<b>Waste Productivity</b>	Sales (USD) / Total amount of waste produced (tonnes)
<b>Safety Productivity</b>	Sales (USD) / (Lost-time incidents \$1K and fatalities \$1M)
<b>Leadership Diversity</b>	% of women on board
<b>% Tax Paid</b>	% reported tax obligation paid in cash (4-year average)
<b>Clean Capitalism Pay Link</b>	Whether or not at least one senior officer has his/her pay linked to clean capitalism targets
<b>Pay Equity</b>	Ratio of highest paid officer's compensation to average employee compensation
<b>Innovation Capacity</b>	R&D / Sales (USD) (3-year average)
<b>Employee Turnover</b>	Represents the rate at which employees are voluntarily leaving the company during the year as reported by the entity percentile-ranked against all other S&P 500 companies

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