

Corporate Knights

The Company for Clean Capitalism

The 2017 Best 50
Corporate Citizens in Canada:
Methodology

Ranking is conducted by Corporate Knights, a specialized media and investment research company

Corporate Knights is a Toronto-based, employee-owned B Corp that operates in three segments:

- **Corporate Knights Magazine**

- World's largest circulating magazine focused on sustainability and responsible business.
- Reaches 380,000 of the world's most influential business and political decision-makers.

- **CK Capital**

- CK Capital helps investors generate financial out-performance implementing alpha-linked sustainability and financial indicators into portfolio construction.
- CK Capital offers a range of investment products and services, including the Clean Cap and Integrated Cap suite of equity indices and customized portfolio solutions.
- CK Capital also manages several external research projects (e.g. The Global 100).

- **Council for Clean Capitalism**

- CEO-supported group catalyzing smart and efficient public policy.
- Engages with leading public policy-makers.

Best 50 fast facts

Overview

- **Annual Canadian ranking** of corporate sustainability performance
- 2017 will mark the **16th edition** of the Best 50 ranking
- **Released each June** at the Best 50 Gala Dinner; published in the Corporate Knights Magazine
- A number of companies use **inclusion in the Best 50 ranking** as a performance target

Eligibility

- Companies headquartered or listed in Canada with at least **\$2 billion** in revenue and 2,000 employees (2015)
- 10 largest co-operatives in Canada based on 2015 revenues
- Constituents of the S&P/TSX 60 as of Dec 31, 2016
- Constituents of the 2016 Best 50
- Monetary sanctions as a % of revenue in 2015/2016 is not in the bottom quartile against peers
- Not scored less than an “E” on the InfluenceMap*

Approach

- Ranking is based on **publicly-disclosed data** (e.g., financial filings, sustainability reports). All required datapoints are pre-populated. Submissions from companies are not required.
- All eligible entities **are contacted for data verification** prior to project completion
- Methodology is based on **14 key performance indicators** (KPIs) covering resource, employee, and financial management. Methodology synchronized with Global 100.

Contact info and to learn more

- Email michael@corporateknights.com if you would like to confirm the correct contacts for your organization
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- Visit www.corporateknights.com for more details

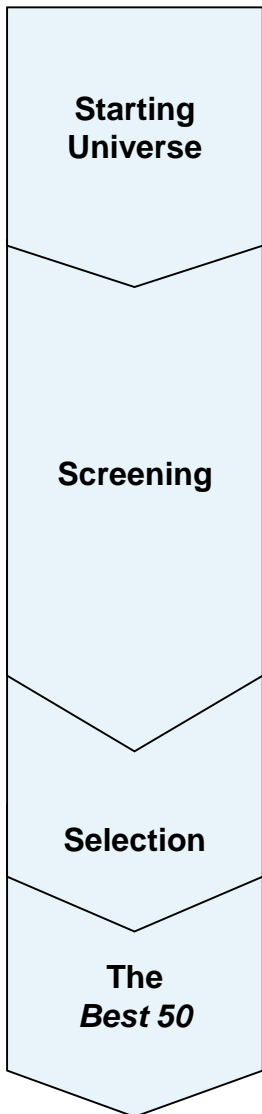
* A score of a corporation's influence on climate change policy according to <https://influencemap.org/filter/List-of-Companies-and-Influencers>

The Best 50 rationale

- The *Best 50* recognizes those companies that are best-positioned to **thrive in a ‘clean capitalism’** economy.
- It aims at measuring companies’ exposure to a series of **mega-trends** that are redefining economic growth in the 21st century
 - Growing resource scarcity
 - Rising levels of generalized environmental stress
 - Increasing health & safety standards
 - The systematic transition to a ‘knowledge economy’
 - Heightening stakeholder expectations for corporate disclosure
- The Best 50 does so by updating its ranking methodology to reflect global best practices and reporting trends while ensuring continuity and comparability of the ranking results throughout its past 12 editions

Clean capitalism is “an **economic system** in which prices incorporate social, economic and ecological benefits and costs, and actors know the full impacts of their marketplace actions.”

Overview of the Best 50 ranking process



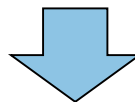
Description	Details
<ul style="list-style-type: none"> ▪ Canadian-headquartered private and crown corporations ▪ Canadian cooperatives ▪ Companies listed in Canada 	<ul style="list-style-type: none"> ▪ Revenue of at least \$2 billion and 2,000 employees (2015) ▪ 10 largest co-ops by revenue (2015) ▪ Constituents of the TSX60 ▪ Constituents of the 2016 Best 50
<ul style="list-style-type: none"> ▪ Organizations screened for : <ul style="list-style-type: none"> – Product categories – Sanctions 	<ul style="list-style-type: none"> ▪ Organizations that derive a majority of their revenue (2015) from tobacco or weapons manufacturing and sale are removed. ▪ Organizations whose monetary sanctions as a percentage of revenue in 2016 are in the bottom quartile against GICS Industry peers are removed.
<ul style="list-style-type: none"> ▪ Organizations are scored on up to 14 KPIs 	<ul style="list-style-type: none"> ▪ Organizations only scored on the 'priority KPIs' for their respective industry group
<ul style="list-style-type: none"> ▪ The 2017 <i>Best 50</i> is populated 	<ul style="list-style-type: none"> ▪ The top 50 organizations by overall score

New rating methodology

(effective October 1st, 2016)

Resource management KPIs

OLD rating methodology	KPI	Methodology
	Energy Productivity	Revenue / energy use
	Carbon Productivity	Revenue / GHG emissions (scope 1 & 2)
	Water Productivity	Revenue / water withdrawal
	Waste Productivity	Revenue / non-recycled/reused waste generated

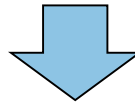


NEW rating methodology	KPI	Methodology
	Energy Intensity	Revenue (converted to USD using PPP exchange rate) / (Energy use – renewable energy use)
	Carbon Intensity	Revenue (converted to USD using PPP exchange rate) / GHG emissions: scope 1 & 2
	Water Intensity	Revenue (converted to USD using PPP exchange rate) / Water use
	Waste Intensity	Revenue (converted to USD using PPP exchange rate) / Non-recycled or reused waste generated

Companies will only be scored on the KPIs that are deemed “priority KPIs” for their respective GICS industry + the four universal KPIs

Financial management KPIs

OLD rating methodology	KPI	Methodology
	Innovation Capacity	R&D expenses / revenue – three year trailing (2013 – 2015)
	Percentage Tax Paid	Cash tax amount paid / EBITDA – five year trailing 2011 - 2015
	CEO-Average Employee Pay	CEO compensation / average employee compensation
	Pension Fund Status	Unfunded liabilities / total assets



NEW rating methodology	KPI	Methodology
	Innovation Capacity	NO CHANGES
	Percentage Tax Paid	NO CHANGES
	CEO-Average Employee Pay	NO CHANGES
	Pension Fund Status	75% (total DB and DC employer contributions/ FTE employees percentile-ranked against peers) + 1/4(fair value of DB plan assets/FTE employees percentile-ranked - (1-(fair value of DB plan assets/liability percentile-ranked)))

Companies will only be scored on the KPIs that are deemed “*priority KPIs*” for their respective GICS industry + the four universal KPIs

Employee management KPIs

OLD rating methodology	KPI	Methodology
	Safety Performance	Fatalities and lost time incidents
	Employee Turnover	Number of departures / average total employees
	Leadership Diversity	Female representation on board of directors, executive management team and existence of a female CEO
	Clean Capitalism Pay Link	Mechanisms that link senior executive pay to clean capitalism targets



NEW rating methodology	KPI	Methodology
	Safety Performance	NO CHANGES
	Employee Turnover	NO CHANGES
	Leadership Diversity	No longer compared against same industry peers only, but against all companies in the universe
	Clean Capitalism Pay Link	NO CHANGES

Companies will only be scored on the KPIs that are deemed “priority KPIs” for their respective GICS industry + the four universal KPIs

Additional KPIs

KPI	Calculation and notes
Supplier score	<ul style="list-style-type: none">▪ The company's largest supplier as determined by Bloomberg▪ Largest supplier will be scored using the same new methodology for the 2017 Global 100 minus the "Supplier score" KPI.▪ Primary data source: Bloomberg and CDP
Clean Air Productivity score	<ul style="list-style-type: none">▪ Revenue (converted to USD using PPP exchange rate) / VOC emissions (25%)▪ Revenue (converted to USD using PPP exchange rate) / Nox emissions (25%)▪ Revenue (converted to USD using PPP exchange rate) / Sox emissions (25%)▪ Revenue (converted to USD using PPP exchange rate) / Particulate matter emissions (25%)

Companies will only be scored on the KPIs that are deemed "priority KPIs" for their respective GICS industry + the four universal KPIs

Priority KPIs for each GICS Industry under the new methodology

Priority indicators per GICS industry – all equally weighted

GICS Industry	Energy Productivity	GHG Productivity	Water Productivity	Waste Productivity	Safety Performance	Employee Turnover	CEO – Average Employee Pay	Innovation Capacity	Supplier score	Clean Air Productivity
Aerospace & Defense	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Air Freight & Logistics	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Airlines	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Auto Components	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Automobiles	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Banks	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No	No
Beverages	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Biotechnology	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
Building Products	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Capital Markets	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No
Chemicals	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Commercial Services & Supplies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Communications Equipment	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Construction & Engineering	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Construction Materials	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer Finance	Yes	Yes	Yes	Yes	No	No	Yes	No	No	Yes
Containers & Packaging	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Distributors	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Diversified Consumer Services	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
Diversified Financial Services	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No
Diversified Telecommunication Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Electric Utilities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Electrical Equipment	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Electronic Equipment, Instruments & Components	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No

All companies, irrespective of GICS Industry will still be assessed on all four universal KPIs - Leadership Diversity, Clean Capitalism Pay Link, Pension Fund Status and Percentage Tax Paid

Priority indicators per GICS industry – all equally weighted

GICS Industry	Energy Productivity	GHG Productivity	Water Productivity	Waste Productivity	Safety Performance	Employee Turnover	CEO – Average Employee Pay	Innovation Capacity	Supplier score	Clean Air Productivity
Energy Equipment & Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equity Real Estate Investment Trusts (REITs)	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No
Food & Staples Retailing	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No
Food Products	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gas Utilities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health Care Equipment & Supplies	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Health Care Providers & Services	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Health Care Technology	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Hotels, Restaurants & Leisure	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	No
Household Durables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Household Products	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Independent Power and Renewable Electricity Producers	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industrial Conglomerates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Insurance	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No	No
Internet & Direct Marketing Retail	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Internet Software & Services	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
IT Services	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Leisure Products	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Life Sciences Tools & Services	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
Machinery	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Marine	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Media	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	No

All companies, irrespective of GICS Industry will still be assessed on all four universal KPIs - Leadership Diversity, Clean Capitalism Pay Link, Pension Fund Status and Percentage Tax Paid

Priority indicators per GICS industry – all equally weighted

GICS Industry	Energy Productivity	GHG Productivity	Water Productivity	Waste Productivity	Safety Performance	Employee Turnover	CEO – Average Employee Pay	Innovation Capacity	Supplier score	Clean Air Productivity
Metals & Mining	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mortgage Real Estate Investment Trusts (REITs)	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No
Multiline Retail	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Multi-Utilities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Oil, Gas & Consumable Fuels	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Paper & Forest Products	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Personal Products	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
Pharmaceuticals	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Professional Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Real Estate Management & Development	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No
Road & Rail	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Semiconductors & Semiconductor Equipment	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
Software	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Specialty Retail	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Technology Hardware, Storage & Peripherals	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Textiles, Apparel & Luxury Goods	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Thriffs & Mortgage Finance	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No	No
Tobacco	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Trading Companies & Distributors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Transportation Infrastructure	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Water Utilities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Wireless Telecommunication Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No

All companies, irrespective of GICS Industry will still be assessed on all four universal KPIs - Leadership Diversity, Clean Capitalism Pay Link, Pension Fund Status and Percentage Tax Paid

The Four Universal KPIs – all equally weighted

All companies, irrespective of GICS Industry will still be assessed on all four universal KPIs:

- Leadership Diversity,
- Clean Capitalism Pay Link,
- Pension Fund Status, and
- Percentage Tax Paid

Appendix III: Detailed scoring methodology

#	Name of KPI	Measurement
1	Energy Productivity	In the first step, each company's Energy Productivity is calculated. Energy Productivity is defined as Revenue (\$US PPP-converted) / Total Energy Use (GJ) – Renewable Energy Use (GJ). It is then percent-ranked against that of all same-industry group peers within the CK coverage universe, and multiplied by 0.75. In the second step, the change in each company's Energy Productivity over a two-year period is calculated and percent-ranked against that of all same-industry group peers within the CK coverage universe. If the company's percent-rank is top quartile, the percent-rank is multiplied by 1 and then by 0.25. If the company's percent-rank is second quartile, the percent-rank is multiplied by 0.75 and then by 0.25. If the company's percent-rank is third quartile, the percent-rank is multiplied by 0.5 and then by 0.25. If the company's percent-rank is bottom quartile, the percent-rank is multiplied by 0.25 and then by 0.25. In the third step, the value from the first and second steps are totaled.
2	Carbon Productivity	In the first step, each company's Carbon Productivity is calculated. Carbon Productivity is defined as Revenue (\$US PPP-converted) / Total Greenhouse gas (GHG) Emissions (CO ₂ e). Only Scope 1 and Scope 2 emissions are included according to the GHG Protocol. It is then percent-ranked against that of all same-industry group peers within the CK coverage universe, and multiplied by 0.75. In the second step, the change in each company's Carbon Productivity over a two-year period is calculated and percent-ranked against that of all same-industry group peers within the CK coverage universe. If the company's percent-rank is top quartile, the percent-rank is multiplied by 1 and then by 0.25. If the company's percent-rank is second quartile, the percent-rank is multiplied by 0.75 and then by 0.25. If the company's percent-rank is third quartile, the percent-rank is multiplied by 0.5 and then by 0.25. If the company's percent-rank is bottom quartile, the percent-rank is multiplied by 0.25 and then by 0.25. In the third step, the value from the first and second steps are totaled.

Appendix III: Detailed scoring methodology (continued)

3	Water Productivity	<p>In the first step, each company's Water Productivity is calculated. Water Productivity is defined as Revenue (\$US PPP-converted) / Total water (m3). It is then percent-ranked against that of all same-industry group peers within the CK coverage universe, and multiplied by 0.75. In the second step, the change in each company's Water Productivity over a two-year period is calculated and percent-ranked against that of all same-industry group peers within the CK coverage universe. If the company's percent-rank is top quartile, the percent-rank is multiplied by 1 and then by 0.25. If the company's percent-rank is second quartile, the percent-rank is multiplied by 0.75 and then by 0.25. If the company's percent-rank is third quartile, the percent-rank is multiplied by 0.5 and then by 0.25. If the company's percent-rank is bottom quartile, the percent-rank is multiplied by 0.25 and then by 0.25. In the third step, the value from the first and second steps are totaled.</p>
4	Waste Productivity	<p>In the first step, each company's Waste Productivity is calculated. Waste Productivity is defined as Revenue (\$US PPP-converted) / [Total waste generated (metric tonnes) – waste recycled (metric tonnes)]. It is then percent-ranked against that of all same-industry group peers within the CK coverage universe, and multiplied by 0.75. In the second step, the change in each company's Waste Productivity over a two-year period is calculated and percent-ranked against that of all same-industry group peers within the CK coverage universe. If the company's percent-rank is top quartile, the percent-rank is multiplied by 1 and then by 0.25. If the company's percent-rank is second quartile, the percent-rank is multiplied by 0.75 and then by 0.25. If the company's percent-rank is third quartile, the percent-rank is multiplied by 0.5 and then by 0.25. If the company's percent-rank is bottom quartile, the percent-rank is multiplied by 0.25 and then by 0.25. In the third step, the value from the first and second steps are totaled.</p>
5	Innovation Capacity	<p>In the first step, each company's Innovation Capacity score is determined by measuring the ratio of research and development (R&D) expenditures to total revenue averaged over a trailing three-year period. In the second step, each company's Innovation Capacity score is percent-ranked against that of all same-industry group peers within the CK coverage universe.</p>

Appendix III: Detailed scoring methodology (continued)

6	Percentage Tax Paid	<p>In the first step, each company's Percentage Tax Paid is calculated as the amount of taxes paid in cash over a trailing five year period divided by their total EBITDA over the same period. Companies score a 0% in the event that their total EBITDA or taxes paid in cash is zero or lower over the five year period. In the second step, each company's Percentage Tax Paid is percent-ranked against that of all same-industry group peers within the CK coverage universe.</p>
7	CEO-Average Employee Pay	<p>In the first step, each company's CEO to Average Employee Pay ratio is calculated as total CEO compensation divided by average employee compensation. Average employee compensation is calculated by dividing the company's total wage bill by the total number of employees. In the second step, each company's CEO to Average Employee Pay ratio is percent-ranked against that of all same-industry group peers within the CK coverage universe. The lower the ratio, the higher the rank.</p>
8	Pension Fund Status	<p>In the first step, the sum of the company's contribution to the defined benefit and defined contribution pension plans are added up, then divided by the total number of full-time equivalent employees. This ratio is then percent-ranked against that of all same-industry group peers within the CK coverage universe. This is labelled as "A"</p> <p>In the second step, the fair value of the defined benefit plan assets is divided by the total number of full-time equivalent employees; this ratio is then percent-ranked against that of all same-industry group peers within the CK coverage universe. This is labelled as "B",</p> <p>In the third step, the fair value of the defined benefit plan assets is divided by the projected defined benefit plan obligations, then percent-ranked against that of all same-industry group peers within the CK coverage universe. This is labelled as "C".</p> <p>The Pension Fund Status Score is arrived at by the following formula: $(0.75 \times A) + 0.25(B - (1 - C))$</p>

Appendix III: Detailed scoring methodology (continued)

9	Safety Performance	Each company's Safety Performance is comprised of the Lost Time Injury Score (50% weight) and the Fatality Score (50% weight). The Lost Time Injury Score is determined by calculating the company's lost time injury rate (defined as the number of lost time incidents per 200,000 employee hours) and percent-ranking it against that of all same-industry group peers within the CK coverage universe. The Fatality Score is determined by calculating the company's fatality rate (defined as the number of fatalities divided by the total number of full-time equivalent employees) and percent-ranking it against that of all same-industry group peers within the CK coverage universe.
10	Employee Turnover	Each company's Employee Turnover is percent-ranked against that of all same industry group peers within the CK coverage universe. The lower the ratio, the higher the rank.
11	Leadership Diversity	Each company's Leadership Diversity is comprised of the Board Diversity Score (50% weight) and Executive Diversity Score (50% weight). The Board Diversity Score is calculated by determining the proportion of the Board of Directors that is comprised of female directors and percent-ranking it against that of all companies within the CK coverage universe. The Executive Diversity Score is calculated by determining the proportion of the senior executive team that is comprised of female executives and percent-ranking it against all companies within the CK coverage universe. The Leadership Diversity Score is then the sum of the Board Diversity Score and the Executive Diversity Score.
12	Clean Capitalism Pay Link	The Clean Capitalism Pay Link indicator is designed to reward companies that have set up mechanisms to link the remuneration of senior executives with the achievement of clean capitalism goals or targets. A score of 100% is given to companies that describe such a mechanism (e.g. the company specifies the proportion of a particular named executive's compensation that is linked to the achievement of a corporate clean capitalism target, such as reducing emissions, improving energy efficiency, or reducing health & safety accidents). A score of 0% is given to companies that do not report any linking mechanisms. Unlike all other indicators, Clean Capitalism Pay Link does not use any percent-ranking.

Appendix III: Detailed scoring methodology (continued)

13	Supplier Score	Each company's largest supplier is identified based on Bloomberg data. That supplier is then scored using the same present methodology, minus the Supplier Score KPI.
14	Clean Air Productivity	<p>The Clean Air Productivity consists of four sub-indicators, each worth 25% of the Clean Air Productivity indicator:</p> <ul style="list-style-type: none"> a) VOC Productivity b) Nox Productivity c) Sox Productivity d) Particulate Matter Productivity. <p>Each of the above four sub-indicators are calculated in the same way, as follows:</p> <p>In the first step, each company's sub-indicator Productivity is calculated by dividing Revenue (\$US PPP-converted) by the air pollutant. It is then percent-ranked against that of all same-industry group peers within the CK coverage universe, and multiplied by 0.75. In the second step, the change in each company's sub-indicator Productivity over a two-year period is calculated and percent-ranked against that of all same-industry group peers within the CK coverage universe. If the company's percent-rank is top quartile, the percent-rank is multiplied by 1 and then by 0.25. If the company's percent-rank is second quartile, the percent-rank is multiplied by 0.75 and then by 0.25. If the company's percent-rank is third quartile, the percent-rank is multiplied by 0.5 and then by 0.25. If the company's percent-rank is bottom quartile, the percent-rank is multiplied by 0.25 and then by 0.25. In the third step, the value from the first and second steps are totaled.</p>