



Most Sustainable Corporations in the World

**GLOBAL100**

The 2021 Global 100:  
Overview of Corporate Knights Rating  
Methodology

Corporate **Knights**

[WWW.GLOBAL100.ORG](http://WWW.GLOBAL100.ORG)

# Global 100 fast facts

## Overview

- **Annual ranking** of corporate sustainability performance.
- **Released each January** and published in leading media.

## Eligibility

- **Size:** publicly-listed companies with gross revenue of a minimum of \$PPP-currency \$1B (FY2019).
- **Corporate Knights Industry Group (CKIG) and geography:** All industries and geographies are automatically considered before screening out companies from certain industries or with identified egregious practices.

## Approach

- Ranking is based mostly on **publicly-disclosed data** (e.g., financial filings, sustainability reports, company websites).
- Submissions or payment from companies is **not** required.
- Companies on the Global 100 Universe **are contacted for data verification** prior to project completion.
- Methodology is based on up to **24 key performance indicators** (KPIs) covering resource management, employee management, financial management, clean revenue & clean investment and supplier performance.

## Contact info and to learn more

- Email [research@corporateknights.com](mailto:research@corporateknights.com) if you would like to confirm the correct contacts for your organization.
- [Sign up for email updates](#) on future rankings and research from Corporate Knights and the Global 100.
- Visit [www.global100.org](http://www.global100.org) for more details.

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

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 443,250 of the world's most influential business and political decision-makers.

- **Corporate Knights Research**

- Corporate Knights rankings and ratings currently serve as an input to identify potential investment candidates for investors representing \$15 trillion in assets under management.

- **Council for Clean Capitalism**

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

# Principles of the Global 100

- **Relevance:** The ranking is meant to be representative of business sustainability in the current socio-economic context.
- **Transparency:** The precise methodology of the ranking and the results of the process are fully disclosed.
- **Objectivity:** Companies are assessed primarily using quantitative data and performance indicators.
- **Public data:** Ranking relies primarily on data-points that are part of the public domain.\*
- **Comparability:** Companies are compared against their *Corporate Knights Industry Group*\*\* (CKIG) peers.\*\*\*
- **Engagement:** Companies eligible for the ranking are informed prior to the ranking, so as to have an opportunity to ensure the necessary data is made available.
- **Stakeholders:** Stakeholder feedback is actively solicited throughout the project.

\*Private data may be used in certain circumstances, provided the company confirms its validity to Corporate Knights.

\*\*There are 71 CKIGs.

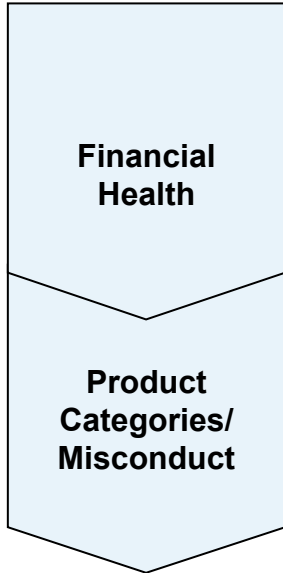
\*\*\* The four diversity metrics are an exception. These are compared to the whole universe of eligible companies.

# Overview of Global 100 ranking process

	Description	Details
Starting Universe	<ul style="list-style-type: none"> <li>Publicly-listed companies.</li> </ul>	<ul style="list-style-type: none"> <li>All companies that had a gross revenue in excess of \$PPP-currency \$1 billion during the 2019 fiscal year.</li> </ul>
Screens	<ul style="list-style-type: none"> <li>Companies screened for :                             <ul style="list-style-type: none"> <li>Financial health</li> <li>Product categories and misconduct</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Screening criteria outlined in the next slide.</li> </ul>
Screen Overrides	<ul style="list-style-type: none"> <li>Companies who fail the above screens may be included in the 2021 Global 100 Universe through the screen overrides.</li> </ul>	<ul style="list-style-type: none"> <li>Prior two-year Global 100 companies</li> <li>Companies with more than 25% Clean Revenue</li> </ul>
Selection	<ul style="list-style-type: none"> <li>Companies in the 2021 Global 100 Universe are scored on 24 KPIs.</li> </ul>	<ul style="list-style-type: none"> <li>Selection criteria outlined in the Rating Methodology section and detailed in Appendix II.</li> </ul>
The Global 100	<ul style="list-style-type: none"> <li>The 2021 Global 100 is populated.</li> <li>Consists of the top performing companies within each industry group</li> </ul>	<ul style="list-style-type: none"> <li>Each GICS Sector is assigned a fixed number of slots in the final Global 100 list (based on each sector's contribution to the total market capitalization of the Global 100's financial benchmark, the MSCI ACWI)*.</li> </ul>

*\*Energy and Utilities GICS Sector slots are combined to give precedence to the companies contributing to energy transition.*

# Screening criteria



## Description

- Companies with an F score below 5 are eliminated.
- Companies involved in certain products or services and behaviours counterproductive to sustainable development.

## Details

- The F-Score (the Piotroski F-score) is a measure of the financial strength of a company.
- The F-score is the sum of the scores for each of nine tests. See Appendix I for details.
- Examples include weapons, tobacco, companies that lobby to block climate change policy.
- See Appendix III for a full list of exclusionary screens.

# Rating Methodology

2021 Global 100 Ranking

# Environmental metrics

KPI	Methodology
<b>Energy Productivity</b>	Revenue (converted to USD using PPP exchange rate) / (Energy use – renewable energy generated by the company or certified RECs)
<b>GHG Productivity</b>	Revenue (converted to USD using PPP exchange rate) / GHG emissions: scope 1 & 2
<b>Water Productivity</b>	Revenue (converted to USD using PPP exchange rate) / Water use
<b>Waste Productivity</b>	Revenue (converted to USD using PPP exchange rate) / Total waste generated
<b>VOC Productivity</b>	Revenue (converted to USD using PPP exchange rate) / VOC emissions
<b>NOx Productivity</b>	Revenue (converted to USD using PPP exchange rate) / NOx emissions
<b>SOx Productivity</b>	Revenue (converted to USD using PPP exchange rate) / SOx emissions
<b>Particulate Matter Productivity</b>	Revenue (converted to USD using PPP exchange rate) / Particulate matter emissions

**Most indicators have a relatively minor weight for most Corporate Knights industry groups based on our impact rating model.**



# Environmental metrics

KPI	Methodology
<p><b>Clean Revenue</b></p> <p><i>* This is a multi-year project by Corporate Knights to develop and make publicly-available an open-source definition of clean categories for all industry groups; we welcome comments and suggestions in evolving and refining this clean revenue definition.</i></p>	<p>Percentage of your total revenue derived from products and services that are categorized as “clean” according to the Corporate Knights open-source clean revenue taxonomy, which is informed by synthesis of, among others, the below sources and best practices:</p> <ul style="list-style-type: none"><li>- Climate Bonds Taxonomy (Climate Bonds Initiative)</li><li>- Technical Expert Group (TEG) final report on the EU Taxonomy</li><li>- Sustainability Account Standards Board (SASB) reporting standards</li><li>- Environmental Goods and Services Sector (Eurostat)</li><li>- China Green Bond Endorsed Project Catalogue</li><li>- Green Bond Principles</li><li>- TCFD recommended climate opportunity metrics</li><li>- Other private sector rating agencies with green or sustainability taxonomy</li><li>- Industry experts consultation covering all relevant CKIG subsectors with solicited feedback on industry definition of clean from leading industry experts and government agencies</li></ul> <p>Please visit our <a href="#">2021 Global 100 page</a> for the current <b>Corporate Knights Clean Taxonomy</b></p>

# Environmental metrics

KPI	Methodology
<b>Clean Investment</b>	<p>Percentage of a company's total investment (R&amp;D, Capital expenditure, Acquisitions &amp; Other) directed towards projects/research/companies categorized as "clean" according to the Corporate Knights open-source clean taxonomy. <del>(see previous slide).</del></p> <p>Please visit our <a href="#">2021 Global 100 page</a> for the current <b>Corporate Knights Clean Taxonomy</b></p>

# Social metrics

KPI	Methodology
Injuries	Lost time incidents rate per 200,000 hours
Fatalities	Fatalities/ total number of full-time equivalent employees
Employee Turnover	Number of departures / total employees
Paid Sick Leave	Paid sick leave (10+ days, 50%+ of pay) offered to employees in the country where the company is headquartered.
CEO-Average Employee Pay	CEO compensation or highest paid Exec / average employee compensation

**Most indicators have a relatively minor weight for most Corporate Knights industry groups based on our impact rating model.**

# Governance metrics

KPI	Methodology
<b>Sustainability Pay Link</b>	Mechanisms that link senior executive pay to sustainability targets
<b>Non-males in Executive Management</b>	Non-male representation in executive management team (percentile-ranked against all companies in the universe)
<b>Non-males on Boards</b>	Non-male representation on board of directors (percentile ranked against all companies in the universe)
<b>Racial Diversity Among Executives</b>	Number of top tier executives who are members of a visible minority compared to the population of their executive peers in headquarter country (percentile-ranked against all companies in the universe).
<b>Racial Diversity on Board of Directors</b>	Number of board directors who are members of a visible minority compared to the population of their director peers in headquarter country (percentile ranked against all companies in the universe).
<b>Supplier Sustainability Score</b>	The weighted CK Sustainability Score of a company's largest publicly listed supplier

**Most indicators have a relatively minor weight for most Corporate Knights industry groups based on our impact rating model.**

# Economic metrics

KPI	Methodology
<b>Percentage Tax Paid</b>	Cash tax amount paid / EBITDA – five year trailing (2015-2019)
<b>Pension Fund Quality</b>	75%*(total DB and DC employer contributions/ FTE employees percentile-ranked against peers) + 25%*((fair value of DB plan assets/FTE employees percentile-ranked against peers) - (1-(fair value of DB plan assets/liability percentile-ranked against peers) ). Note: DC contributions include 401(k), RRSPs and equivalents.
<b>Sanction Deductions</b> (January 1, 2016 to December 31, 2019)	Total fines, penalties and settlements / revenue

**Most indicators have a relatively minor weight for most Corporate Knights industry groups based on our impact rating model.**

# The Twelve Universal KPIs

**All** companies, irrespective of **CK Industry Group** will still be assessed on all twelve universal KPIs:

- Percentage Tax Paid
- Pension Fund Quality
- Supplier Score
- Non-males in Executive Management
- Non-males on Boards
- Racial Diversity Among Executives
- Racial Diversity on Board of Directors
- Paid Sick Leave
- Sustainability Pay Link
- Sanctions Deductions
- Clean Revenue
- Clean Investment

# Priority KPIs and Weighting Scheme for Each CK Industry Group

# KPIs and Weighting Scheme

**Philosophy:** Each CK Industry Group accounts for a unique share of global impact for each individual KPI. The bigger the CK Industry Group's impact for a given performance metric is in relation to other CK Industry Groups, the higher the weight of that KPI. Of the 23 weighted indicators (fines deductions are not weighted), 14 are weighted according to their relative impact, and nine are assigned pre-determined fixed weights: Clean Revenue (42.5%), Clean Investment (7.5%), Gender Diversity on Board of Directors (2.5%), Gender Diversity Among Executives (2.5%), Racial Diversity Among Executives (2.5%), Racial Diversity on Board of Directors (2.5%), Sustainability Pay Link (5.0%), Supplier Score (2.5%) and Paid Sick Leave (2.5%). The weights of the 14 relative indicators are calculated through Impact Ratios.

## Impact ratios

Each CKIG is given an impact ratio for each of the 14 impact-weighted indicators. This impact ratio represents the impact that companies in that CKIG have on the economy compared to the average CKIG. For example, if a CKIG's impact ratio for greenhouse gas emissions is 19.0, this means that the median CKIG's impact on economy-wide GHG emissions is 19.0 times greater than the median CKIG.

## Indicator weights

Each CKIG has 23 applicable weighted KPIs. Of these, nine have fixed weights. The remaining 14 KPIs, representing the remaining 30.0% of the weights are weighted in accordance to the relative magnitudes of their impacts on the economy (impact ratios).



Please visit our [2021 Global 100 page](#)  
to view a detailed outline of the weights calculation process  
in the **Corporate Knights Impact-weight Calculation Methodology** file

*Note: Weighting scheme is updated every three years based on new datasets*



# Priority indicators and weights per CK Industry Group

Please visit our [2021 Global 100 page](#)  
for the current  
**Corporate Knights Rating Weightings  
2021-2023**

# Appendices I - IV

## 2021 Global 100 Ranking

# Appendix I: The F-Score

- The F-Score (the Piotroski F-score) is a measure of the financial strength of a company.
- The F-Score is the sum of the scores for each of nine tests. Each test scores one for a pass and zero for a fail.
- The tests are:
  - i) net profit is positive;
  - ii) operating cash flow is positive;
  - iii) net profit  $\div$  total assets at beginning of year, minus the same number for the previous year is positive;
  - iv) operating cash flow is greater than net profit;
  - v) long term debt  $\div$  by average assets has not increased;
  - vi) the current ratio has increased (the change is more than zero, so even a negligible increase passes the test);
  - vii) no raising of ordinary (common) equity over the previous year: this test is passed if the company did not issue any ordinary shares (excluding shares from dividend reinvestment plans and employee share plans);
  - viii) gross margin has improved over the previous year; and
  - ix) asset turnover has increased.

## Appendix II: Detailed scoring methodology

Name of KPI	Measurement	UN Sustainable Development Goals
<b>Energy Productivity</b>	<p>In the first step, each company's Energy Productivity is calculated. Energy Productivity is defined as Revenue (\$PPP-converted) / Total Energy Use (GJ) – Certified RECs and purpose built renewable generation (GJ) (does not apply to standard grid issue). It is then percent-ranked against all of the same-CK 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 all of the same-CK Industry Group peers within the CK coverage universe. If the company's ranked fiscal year percent-rank is top quartile, the three-year change percent-rank is multiplied by 1 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is second quartile, the three-year change percent-rank is multiplied by 0.75 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is third quartile, the three-year change percent-rank is multiplied by 0.5 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is bottom quartile, the three-year change 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>	<ul style="list-style-type: none"> <li>• GOAL 7: Affordable and Clean Energy</li> <li>• GOAL 9: Industry, Innovation and Infrastructure</li> </ul>
<b>GHG Productivity</b>	<p>In the first step, each company's Greenhouse Gas (GHG) productivity is calculated. GHG Productivity is defined as Revenue (\$PPP-converted) / Total Greenhouse gas (GHG) Emissions (tCO2e). Only location-based Scope 1 and Scope 2 emissions are included according to the GHG Protocol. It is then percent-ranked against all of the same-CK Industry Group peers within the CK coverage universe, and multiplied by 0.75. In the second step, the change in each company's GHG Productivity over a two-year period is calculated and percent-ranked against all of the same-CK Industry Group peers within the CK coverage universe. If the company's ranked fiscal year percent-rank is top quartile, the three-year change percent-rank is multiplied by 1 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is second quartile, the three-year change percent-rank is multiplied by 0.75 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is third quartile, the three-year change percent-rank is multiplied by 0.5 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is bottom quartile, the three-year change 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>	<ul style="list-style-type: none"> <li>• GOAL 9: Industry, Innovation and Infrastructure</li> <li>• GOAL 13: Climate Action</li> </ul>

## Appendix II: Detailed scoring methodology

Name of KPI	Measurement	UN Sustainable Development Goals
<b>Water Productivity</b>	<p>In the first step, each company's Water Productivity is calculated. Water Productivity is defined as Revenue (\$PPP-converted) / Total water withdrawn (m3). It is then percent-ranked against all of the same-CK 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 all of the same-CK Industry Group peers within the CK coverage universe. If the company's ranked fiscal year percent-rank is top quartile, the three-year change percent-rank is multiplied by 1 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is second quartile, the three-year change percent-rank is multiplied by 0.75 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is third quartile, the three-year change percent-rank is multiplied by 0.5 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is bottom quartile, the three-year change 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>	<ul style="list-style-type: none"> <li>• GOAL 6: Clean Water and Sanitation</li> <li>• GOAL 9: Industry, Innovation and Infrastructure</li> </ul>
<b>Waste Productivity</b>	<p>In the first step, each company's Waste Productivity is calculated. Waste includes total amount of solid waste produced in tonnes (includes hazardous and non-hazardous waste generated from owned and leased facilities, including landfill, waste rock, tailings, ash and materials sent for incineration. Total waste also includes recycled, repurposed materials, and compost.) Waste Productivity is defined as Revenue (\$PPP-converted) / [Total waste generated (metric tonnes) – waste recycled (metric tonnes)]. It is then percent-ranked against all of the same-CK 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 all of the same-CK Industry Group peers within the CK coverage universe. If the company's ranked fiscal year percent-rank is top quartile, the three-year change percent-rank is multiplied by 1 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is second quartile, the three-year change percent-rank is multiplied by 0.75 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is third quartile, the three-year change percent-rank is multiplied by 0.5 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is bottom quartile, the three-year change 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>	<ul style="list-style-type: none"> <li>• GOAL 9: Industry, Innovation and Infrastructure</li> <li>• GOAL 11: Sustainable Cities and Communities</li> <li>• GOAL 12: Responsible Consumption and Production</li> <li>• GOAL 15: Life on Land</li> </ul>

## Appendix II: Detailed scoring methodology

Name of KPI	Measurement	UN Sustainable Development Goals
<b>VOC Productivity</b>	<p>In the first step, each company's sub-indicator Productivity is calculated by dividing Revenue (\$PPP-converted) by the air pollutant (tonnes). It is then percent-ranked against all of the same-CK 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 all of the same-CK Industry Group peers within the CK coverage universe. If the company's ranked fiscal year percent-rank is top quartile, the three-year change percent-rank is multiplied by 1 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is second quartile, the three-year change percent-rank is multiplied by 0.75 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is third quartile, the three-year change percent-rank is multiplied by 0.5 and then by 0.25. If the company's ranked fiscal year percent-rank percent-rank is bottom quartile, the three-year change 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>	<ul style="list-style-type: none"> <li>• GOAL 3: Good Health and Well-being</li> <li>• GOAL 9: Industry, Innovation and Infrastructure</li> <li>• GOAL 11: Sustainable Cities and Communities</li> <li>• GOAL 12: Responsible Consumption and Production</li> </ul>
<b>NOx Productivity</b>		
<b>SOx Productivity</b>		
<b>Particulate Matter Productivity</b>		
<b>Percentage Tax Paid</b>	<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 (2015-2019) divided by their total EBITDA (note: not adjusted 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 (2015-2019). In the second step, each company's Percentage Tax Paid is percent-ranked against all of the same-CK Industry Group peers within the CK coverage universe. Note: "Operating Income" is used in place of EBITDA for financial services companies. Financials include the following CKIGs: Banks and Investment Services; Insurance. For government-owned companies, dividends to the government are not included in this metric.</p>	<ul style="list-style-type: none"> <li>• GOAL 10: Reduced Inequality</li> </ul>
<b>CEO-Average Employee Pay Ratio</b>	<p>Each company's CEO to Average Employee Pay ratio is calculated as total CEO compensation or highest paid executive divided by average employee compensation. Average employee compensation is calculated by dividing the company's total wage bill (incl. social contributions as stipulated by law, such as state pension, social insurance, health insurance etc.) by the total number of employees. Each company's CEO to Average Employee Pay ratio is percent-ranked against all of the same-CK Industry Group peers within the CK coverage universe. The lower the ratio, the higher the rank.</p>	<ul style="list-style-type: none"> <li>• GOAL 8: Decent Work and Economic Growth</li> <li>• GOAL 10: Reduced Inequality</li> </ul>

# Appendix II: Detailed scoring methodology

Name of KPI	Measurement	UN Sustainable Development Goals
<b>Pension Fund Quality</b>	<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. Note that DC contributions include 401(k), RRSPs and equivalents. This ratio is then percent-ranked against all of the same-CK 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 all of the same-CK 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 all of the same-CK Industry Group peers within the CK coverage universe. This is labelled as “C”.</p> <p>The Pension Fund QualityScore is arrived at by the following formula: <math>(0.75 \times A) + 0.25(B - (1 - C))</math></p>	<ul style="list-style-type: none"> <li>• GOAL 1: No Poverty</li> <li>• GOAL 8: Decent Work and Economic Growth</li> </ul>
<b>Supplier Sustainability Score</b>	<p>Each company’s largest publicly list supplier by total spend. The supplier is then weighted and scored using the Global 100 methodology excluding the Supplier Sustainability Score KPI.</p>	<ul style="list-style-type: none"> <li>• GOAL 1: No Poverty</li> <li>• GOAL 2: Zero Hunger</li> <li>• GOAL 3: Good Health and Well-being</li> <li>• GOAL 5: Gender Equality</li> <li>• GOAL 6: Clean Water and Sanitation</li> <li>• GOAL 7: Affordable and Clean Energy</li> <li>• GOAL 8: Decent Work and Economic Growth</li> <li>• GOAL 9: Industry, Innovation and Infrastructure</li> <li>• GOAL 10: Reduced Inequality</li> <li>• GOAL 11: Sustainable Cities and Communities</li> <li>• GOAL 12: Responsible Consumption and Production</li> <li>• GOAL 13: Climate Action</li> <li>• GOAL 14: Life Below Water</li> <li>• GOAL 15: Life on Land</li> <li>• GOAL 16: Peace and Justice Strong Institutions</li> <li>• GOAL 17: Partnerships to achieve the Goal</li> </ul>

## Appendix II: Detailed scoring methodology

Name of KPI	Measurement	UN Sustainable Development Goals
<b>Injuries</b>	Each company's 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 all of the same-CK Industry Group peers within the CK coverage universe. In line with GRI: This metric applies to employees (full time and part time), contracted employees (permanent and temporary), and any other workers where a company has control (shared or sole) of the work or workplace.	<ul style="list-style-type: none"> <li>GOAL 8: Decent Work and Economic Growth</li> </ul>
<b>Fatalities</b>	Each company's Fatality Score is determined by calculating the company's fatality rate (defined as the number of fatalities by employees and contractors divided by the total number of full-time equivalent employees) and percent-ranking it against all of the same-CK Industry Group peers within the CK coverage universe. In line with GRI: This metric applies to employees (full time and part time), contracted employees (permanent and temporary), and any other workers where a company has control (shared or sole) of the work or workplace.	<ul style="list-style-type: none"> <li>GOAL 8: Decent Work and Economic Growth</li> </ul>
<b>Employee Turnover</b>	Each company's Employee Turnover (Number of departures [voluntary and involuntary] / average total employees) is percent-ranked against all of the same CK Industry Group peers within the CK coverage universe. The lower the ratio, the higher the rank.	<ul style="list-style-type: none"> <li>GOAL 8: Decent Work and Economic Growth</li> </ul>
<b>Executive Gender Diversity</b>	Each company's Executive Gender Diversity Score is calculated by determining the percentage of the senior executive team that is comprised of non-male executives and percent-ranking it against all companies within the CK coverage universe. Based on time-of-review assessment of bios, names and photos, located on the current company website.	<ul style="list-style-type: none"> <li>GOAL 5: Gender Equality</li> </ul>
<b>Board Gender Diversity</b>	Each company's Board Gender Diversity Score is calculated by determining the percentage of the Board of Directors that is comprised of non-male directors (including employee representatives and excluding non-voting members) and percent-ranking it against that of all companies within the CK coverage universe. Based on time-of-review assessment of bios, names and photos, located on the current company website.	<ul style="list-style-type: none"> <li>GOAL 5: Gender Equality</li> </ul>



## Appendix II: Detailed scoring methodology

Name of KPI	Measurement	UN Sustainable Development Goals
<b>Racial Diversity Among Executive Management</b>	Each company's Executive Racial Diversity Score is calculated by determining the percentage of top tier executives who are members of a visible minority in relation to the dominant peer group of executives in the headquarter country of the company in question, and percent-ranking it against that of all companies within the CK coverage universe. In Europe, Australia and North America, this means the number of non-Caucasian directors or executives. Based on time-of-review assessment of bios, names and photos, located on the current company website.	<ul style="list-style-type: none"> <li>GOAL 10: Reduced Inequalities</li> </ul>
<b>Racial Diversity on Boards</b>	Each company's Board Racial Diversity Score is calculated by determining the percentage of board directors who are who are members of a visible minority in relation to the dominant peer group of board members in the headquarter country of the company in question, and percent-ranking it against that of all companies within the CK coverage universe. In Europe, Australia and North America, this means the number of non-Caucasian directors or executives. Based on time-of-review assessment of bios, names and photos, located on the current company website.	

## Appendix II: Detailed scoring methodology

Name of KPI	Measurement	UN Sustainable Development Goals
<b>Paid Sick Leave</b>	In the country where the company is headquartered, a paid sick-leave policy is considered sufficient if it allows for 10 or more paid sick-leave days per year (for FTEs who have been at the company a minimum of one year), where the employee receives 50% or more of their pay for sick days. A full workday is assumed to be 8 hours and a standard workweek 40 hours. Paid Sick Leave does not use any percent-ranking. The data was sourced from the following sources (in priority sequence): company website, company benefits report/publications, news articles from reputable sources, and employee-sourced Glassdoor/Indeed reviews from the last three years.	<ul style="list-style-type: none"> <li>• GOAL 3: Good Health and Well-Being</li> <li>• GOAL 8: Decent Work and Economic Growth</li> </ul>
<b>Sustainability Pay Link</b>	The Sustainability Pay Link indicator is designed to reward companies that have set up mechanisms to link the remuneration of senior executives with the achievement of sustainability 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. Sustainability Pay Link does not use any percent-ranking.	<ul style="list-style-type: none"> <li>• GOAL 3: Good Health and Well-being</li> <li>• GOAL 5: Gender Equality</li> <li>• GOAL 6: Clean Water and Sanitation</li> <li>• GOAL 7: Affordable and Clean Energy</li> <li>• GOAL 8: Decent Work and Economic Growth</li> <li>• GOAL 9: Industry, Innovation and Infrastructure</li> <li>• GOAL 10: Reduced Inequality</li> <li>• GOAL 11: Sustainable Cities and Communities</li> <li>• GOAL 12: Responsible Consumption and Production</li> <li>• GOAL 13: Climate Action</li> <li>• GOAL 14: Life Below Water</li> <li>• GOAL 15: Life on Land</li> <li>• GOAL 16: Peace and Justice Strong</li> </ul>

## Appendix II: Detailed scoring methodology

Name of KPI	Measurement	UN Sustainable Development Goals
<b>Sanctions Deduction</b>	<p>Each company's Sanctions' ratio is determined by measuring the ratio of Sanctions (the amount of money that companies paid out in qualifying fines, penalties or settlements over the January 1, 2016 to December 31, 2019 period unless they are being appealed and thus have not been paid) to total revenue for the same or closest match period. Note only entries of at least USD 100,000 are included. Each company's Sanctions ratio is percent-ranked against all of the same-CK Industry Group peers within the CK coverage universe. Companies receive deductions on a graded scale up to a maximum of 5% off their overall score. Companies with no Sanctions receive no deductions.</p>	<ul style="list-style-type: none"> <li>• GOAL 1: No Poverty</li> <li>• GOAL 3: Good Health and Well-being</li> <li>• GOAL 5: Gender Equality</li> <li>• GOAL 6: Clean Water and Sanitation</li> <li>• GOAL 7: Affordable and Clean Energy</li> <li>• GOAL 8: Decent Work and Economic Growth</li> <li>• GOAL 9: Industry, Innovation and Infrastructure</li> <li>• GOAL 10: Reduced Inequality</li> <li>• GOAL 11: Sustainable Cities and Communities</li> <li>• GOAL 12: Responsible Consumption and Production</li> <li>• GOAL 13: Climate Action</li> <li>• GOAL 14: Life Below Water</li> <li>• GOAL 15: Life on Land</li> <li>• GOAL 16: Peace and Justice Strong Institutions</li> </ul>

# Appendix II: Detailed scoring methodology

Name of KPI	Measurement	UN Sustainable Development Goals
<b>Clean Revenue</b>	Each company's Clean Revenue ratio is determined by measuring the ratio of Clean Revenue to total revenue according to the open-source Corporate Knights Clean Revenue Taxonomy. Each company's Clean Revenue ratio is percent-ranked against all of the same-CK Industry Group peers within the CK coverage universe.	<ul style="list-style-type: none"> <li>• GOAL 1: No Poverty</li> <li>• GOAL 2: Zero Hunger</li> <li>• GOAL 3: Good Health and Well-being</li> <li>• GOAL 4: Quality Education</li> <li>• GOAL 5: Gender Equality</li> <li>• GOAL 6: Clean Water and Sanitation</li> <li>• GOAL 7: Affordable and Clean Energy</li> <li>• GOAL 8: Decent Work and Economic Growth</li> <li>• GOAL 9: Industry, Innovation and Infrastructure</li> <li>• GOAL 10: Reduced Inequality</li> <li>• GOAL 11: Sustainable Cities and Communities</li> <li>• GOAL 12: Responsible Consumption and Production</li> <li>• GOAL 13: Climate Action</li> <li>• GOAL 14: Life Below Water</li> <li>• GOAL 15: Life on Land</li> <li>• GOAL 16: Peace and Justice Strong Institutions</li> <li>• GOAL 17: Partnerships to achieve the Goal</li> </ul>
<b>Clean Investment</b>	<p>Each company's Clean Investment ratio is determined by measuring the ratio of Clean Investment to total investment by applying the open-source Corporate Knights Clean Revenue Taxonomy. Each company's Clean Investment ratio is percent-ranked against all of the same-CK Industry Group peers within the CK coverage universe.</p> <p>Total Clean Investment Includes:</p> <ul style="list-style-type: none"> <li>-Total capital expenditures (investments in plant, property, and equipment or similar) consistent with the Corporate Knights Clean Taxonomy. Found in the cash flow statement.</li> <li>-Total Research and Development (R&amp;D) consistent with the Corporate Knights Clean Taxonomy. Found in the income statement.</li> <li>- Any completed acquisitions (cash amount), joint-ventures, or equity investments in companies or funds (not counted under Clean CapEx or Clean R&amp;D) consistent with the Corporate Knights Clean Taxonomy. Generally found in financial statement notes.</li> </ul> <p>For non-financial companies, clean investments refer to any investments that align with the Corporate Knights Clean Taxonomy. For Financial sector companies, “Clean Capex” refers to investments that improve operational sustainability such as greening bank branches or buying EVs; “Green R&amp;D” refers to R&amp;D into sustainable finance solutions such as new wealth management platforms to enable values-aligned investing, and Clean Acquisitions and other investments refer to any acquisitions of sustainable finance companies.</p>	

## Appendix III: Exclusionary Screens

Metric	Description
Access to medicine laggards	Lagging pharmaceutical companies in the bottom quartile of the <a href="#">Access to Medicine ranking</a> .
Access to nutrition laggards	Lagging food companies in the bottom quartile of the <a href="#">Access to Nutrition index</a> .
Adult entertainment	Companies operating in the adult entertainment industry based on <a href="#">Motley Fool</a> , <a href="#">Wespath</a> , <a href="#">Sin Stocks</a> , and <a href="#">RedLightNetwork</a> report listings.
Blocking climate policy	Companies who have been red flagged by InfluenceMap for engaging in a manner largely opposing Paris-aligned climate policy in an active and often strategic manner.
Blocking climate resolutions	Asset managers that are voting negatively on climate policy resolutions according to InfluenceMap's <a href="#">voting record</a> (bottom quartile).
Cement carbon laggards	Companies in the cement industry that were divested by Norges Bank Investment Management ( <a href="#">NBIM</a> ) for climate change reasons (internal Corporate Knights analysis).
Civilian firearms	Companies that manufacture civilian automatic and semi-automatic firearms, magazines, or parts prohibited under New Zealand law that were divested from by the <a href="#">NZ SuperFund</a> .
Controversial weapons	Companies involved with cluster munition, anti-personnel mine, and nuclear weapons manufacturing that were divested by <a href="#">NBIM</a> and <a href="#">NZ SuperFund</a> .
Conventional weapons	The Top 100 weapons producers as tracked by <a href="#">Stockholm International Peace Research Institute</a> (SIPRI) for companies that earn more than 50% of revenue from weapons.
Deforestation & palm oil laggards	Companies engaging in deforestation as deemed by <a href="#">Chain Reaction Research</a> or <a href="#">NBIM</a> . List of companies obtained from <a href="#">Deforestation Free Funds</a> , which NBIM has divested from.
Energy	Companies that operate in the fossil fuel industry based on Global Industry Classification System (GICS) with less than 20% of new investments (most recently available) in themes consistent with decarbonization.

## Appendix III: Exclusionary Screens

Metric	Metric Description
Farm animal welfare laggards	Laggard companies in farm animal welfare practices in consultation with animal welfare experts.
For-profit prisons	Companies that are recommended for divestment by the <a href="#">Project of the American Friends Service Committee</a> and that demonstrate involvement in the various aspects of the prison industry.
Gambling	Companies that operate in the gambling industry based on Global Industry Classification System (GICS).
Gross corruption violations	Companies that have been divested from by <a href="#">NBIM</a> due to gross corruption violations.
Financial sanctions	Companies whose ratio of fines, penalties, or settlements / revenue for the most recent ranked year exceeds 1.1%. Companies that have been ranked in the Global 100 are excluded if they surpass the 1.1% threshold two years in a row.
Oil sands laggards	Oil sands companies that were divested by <a href="#">NBIM</a> (internal Corporate Knights analysis.)
Severe environmental damage	Companies that have caused severe environmental damage and have been excluded by <a href="#">NBIM</a> .
Severe human rights violations	Companies that have committed severe human rights violations or have violated individuals' rights in situations of war or conflict and have been excluded by <a href="#">NBIM</a> .
Thermal coal	Identifies companies engaging in production of coal or coal-based energy and have been excluded by <a href="#">NBIM</a> .
Tobacco	Identifies companies that earn revenue from tobacco and have been excluded by <a href="#">NBIM</a> .

# Appendix IV: Corporate Knights Notice and Disclaimer

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