



# 50

CORPORATE KNIGHTS • 2005

# BEST

CORPORATE CITIZENS

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# ANNUAL RANKING

New methodology for  
2005 unveils surprises

In the following pages you will not find out which company has the glossiest sustainability report. Instead, you'll see a ranking of the Best 50 Corporate Citizens, those companies that are best living up to their civil foundation responsibilities. They are doing the best job at fulfilling their end of the social contract.

There are some surprises. Some of the companies that ranked highly in previous years are not on the list at all this year. This ranking brings us back to the basics: taxes, pensions, CEO pay fairness, and an emerging crucial component of corporate responsibility: corporate influence on public policy.

# The Corporate Citizen Database™ Key Indicators

With the support of Industry Canada and BCE Inc. over the past two years, Corporate Knights has developed the Corporate Citizen Database™, which contains data on a core set of key civil foundation performance indicators. To maintain empirical consistency and allow for benchmarking, all key indicators are quantifiable and are sourced from publicly available documents.

While this approach doesn't take into account qualitative elements or areas where companies are pushing the strategic frontier of corporate citizenship, it does provide an empirical base that will be updated and added to each year from which trends and benchmarking can be performed for key tangibles like tax generation and toxic releases per worker.

Corporate Knights developed the Corporate Citizen Database™ in order to secure a reliable and consistent source of data for the Best 50 Corporate Citizens Annual Ranking. With all this information at our fingertips, we will be able to answer the questions: Are things getting better? In which areas are we making progress and where do we have the most room for improvement?

Sources for the Corporate Citizen Database™ include:

- SEDAR/EDGAR (public filings)
- Federal Lobby Registry
- Pollution Watch (pollutionwatch.org)
- NPRI (National Pollutant Release Inventory)
- SHARE (Shareholder Association for Research and Education)
- HRSDC (Human Resources and Skills Development Canada) Workplace Information Directorate
- Standard & Poor's for GICS (Global Industry Classification Standard®) information and index constituents
- Tax Justice Network

In 2005 we collected data for and evaluated 116 companies, including all of the S&P/TSX 60 constituents. The other 56 companies were added to the Corporate Citizen Database™ Universe on the basis of their impact on the Canadian economy, or based on our prior knowledge of their corporate citizenship leadership.

To purchase detailed sector reports or indicator analysis and trends reports, contact:

[database@corporateknights.ca](mailto:database@corporateknights.ca)

## ShareCon (shareholder conflict)

**weight: 0.25**

Defined as the number of shareholder resolutions in Canada over the past five years that garnered between 5 and 65 per cent voting support. This indicator shows the company's ability to manage shareholder relations. Less than 5 per cent probably indicates a frivolous shareholder resolution; more than 65 per cent probably indicates that management supported the resolution. This year's results indicate that 19 of 116 companies had at least one ShareCon against them. The banks have by far the worst record in this category, with Toronto-Dominion Bank at 19.

## TaxGen (tax generation)

**weight: 2.00**

Defined as the per cent of cash tax paid over the statutory obligation stated in the reconciliation note in the financial statement, for companies that made a profit before taxes. Tax revenues pay for our social programs and infrastructure. It is a core responsibility of any corporation. This year's results indicate that 108 of 116 companies showed positive income before taxes, and only 20 companies paid at least their statutory tax obligation in cash. Among Canadian companies, CIBC paid \$2.3 billion in excess of its obligation and Encana shorted the government by almost \$1 billion.

## Lobby (lobbying)

**weight: 0.65**

Defined as the number of federally-registered lobbyists working on behalf of the company. This gives an indication of the degree to which a corporation is trying to influence public policy. Companies are active in the policy-making process but if they don't disclose (in their annual reports) the policy positions advocated on key issues through lobbyists, then it is usually a safe bet that they're acting against the overall public interest. This year we saw 86 of 116 companies with lobbyists, the highest being BCE Inc., with 31 lobbyists.

## CEOPay (CEO compensation)

**weight: 1.50**

Defined as the difference between the ratio of the CEO total compensation to the median CEO compensation and the ratio of the company's earnings to the median company earnings. The difference between the two ratios determine if a CEO is overpaid or underpaid relative to the company's performance. Like Warren Buffett said, "The fish rots from the head down." No one likes to see a CEO lining his pockets while the company is underperforming. This year, the most overpaid CEO is Frank Stronach of Magna International Inc. who is paid more than 13 times what would be considered fair for what his company earned. The best value for the money in Canada is Gord Nixon of RBC.

## Toxic (toxic releases)

**weight: 1.85**

Defined as the total air, water and CAC (Criteria Air Contaminants) releases per employee at NPRI-reporting facilities in 2002, the most recent year available. We expect each company that releases toxic substances and CACs to be on track to eliminating these releases. Interface Canada and Husky Injection Molding Systems managed to completely eliminate toxic releases from their industrial operations in Canada. In this year's analysis, TransCanada has the worst performance with almost a quarter million kilograms of toxic releases per employee at their NPRI-reporting facilities.

## Cleanup (reduction of toxic releases)

**bonus category**

Defined as the improvement in total air and water releases per employee at NPRI-reporting facilities from 2001 to 2002, the most recent year available. This year, 26 of 50 companies eligible for this category get bonus points. Talisman Energy has the worst performance in this category, increasing its toxic output per employee in Canada by a factor of more than seven.

## WorkStop (work stoppages)

**weight: 0.75**

Defined as the number of person-days lost per worker involved due to work stoppages over the past five years. This indicator shows a company's ability to manage relations with its labour force. This year's results show Metro having the worst trouble with work stoppages over the past five years, losing 727 person-days per worker at affected facilities.

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# CORPORATE CITIZEN DATABASE™

## Methodology

The metrics used to determine the Best 50 Ranking come from the Corporate Citizen Database™, a Corporate Knights project that was initiated in October 2003. Financial support to develop the database's key indicators came from Industry Canada and BCE Inc. The 2005 ranking took 2,200 person-hours for data collection, database development, data entry, verification, and data mining.

The Corporate Citizen Database™ contains metrics on 13 key indicators. On this and the previous page are the indicators and the applicable relational weights used for the Best 50 Ranking. We appreciate the assistance of Toronto's financial community, particularly the forensic accountants, pension fund consultants and pension fund managers who provided us with invaluable counsel to ensure that our indicators had relevance to their work as fiduciaries, and that they were correctly formulated. We also wish to thank Pollution Watch, which has assembled the NPRI data into a user-friendly format and prepared special reports for us.



Not all indicators apply to all companies. There are small industry-specific bonus scores to offset inherent biases in the measurements that unfairly impact certain sectors like materials and energy. Bonus scores are awarded on the basis of a particular industry's exposure to work stoppages, diversity, and toxic releases. Companies that reduced their toxic releases per worker also received a small Cleanup bonus score.

For non-TSX listed companies, we referred to figures from their parent company financial filings. The Toxic, Cleanup, Lobby, ShareCon, and WorkStop metrics refer only to the company's activities in Canada.

No single metric tells the entire story. Every metric should be taken within the context that it occurs. Many of the metrics have additional limitations. For example, Bombardier's customers receive tax breaks for buying from Bombardier, but we cannot capture this information in determining Bombardier's TaxGen metrics. As well, the Lobby score does not take into account what the industry associations are lobbying for on behalf of the companies.

For each company in our universe, we assembled a subsidiary list to get more complete metrics for indicators which depend on name-based searches.

For BoardInd, we counted 'unrelated' directors, as well as obvious family relations. But due to inconsistent use of terminology between 'unrelated' and 'independent' director, despite our best attempts, there might be some discrepancies.

These are the working assumptions used to calculate the total CEO compensation for CEOPay: (1) All interest rates in Black-Scholes calculations are given at a rate of 4.33 per cent if not stated in the proxy (2) Conversion rates are given at 1.32 CDA to 1 USD if not indicated in the proxy (3) Volatility per cent is given according to the life expectancy of the options if not indicated in the proxy (4) Dividend amounts or per cent are given according to today's values (5) In most cases exercised (strike) price and market value on day of grant were the same, unless otherwise indicated (6) Expected life of the option was made to equate the expiration date if not otherwise indicated in the proxy.

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## Pension (pension plan coverage)

weight: 2.00

Defined as a combination of two elements: (a) the company's unfunded pension liability for defined benefit plans; and (b) the prudence of the company's assumptions on the plan assets' rate of return. Unfunded pension plans will put pressure on the company's future earnings or, in some cases, could lead to bankruptcy, leaving the workers without the safety net they toiled for their whole lives. This year, we see evidence of a serious problem in the auto industry. But for Canadian companies, Alcan shows an unfunded pension liability of US\$2.9 billion. Hudson's Bay Company, on the other hand, has a \$329 million surplus in this category. On the rate of return assumptions, Toyota is the most prudent with an expected return of 2.1 per cent, while General Motors is counting on their assets appreciating by more than 8.9 per cent per year. For Canadian companies, the most prudent assumption falls to Enbridge (at 4.5 per cent) compared with the optimistic 8.5 per cent for Potash Corporation of Saskatchewan.

## Offshore (offshore tax havens)

weight: 0.10

Defined as the number of subsidiary companies located in tax haven countries for which there is no assurance provided in the company's annual report that the jurisdiction is not being used for tax avoidance. This is a big governance issue, as evidenced when the US subpoenaed Tommy Hilfiger's records during a tax investigation and the company lost 24 per cent of its market value. General Motors, Hewlett-Packard and Toronto-Dominion Bank top the list with 34, 29, and 28 offshore operations respectively.

## KeyExec (key executive retention)

weight: 1.30

Defined as the percentage of key executives (as listed on the proxy filings) that remain with the company from year to year. In this ranking, we took the average retention for the past three years. High key executive turnover can indicate weakness in the company's management. IGM Financial, Great-West Life, Precision Drilling, RONA, and Suncor Energy have perfect scores this year. Quebecor World managed to retain only 33 per cent of its key executives.

## BoardInd (board independence)

weight: 2.00

Defined as the percentage of directors that are unrelated. This is a key corporate governance indicator. This year, 64 of 116 companies have 80 per cent or more unrelated directors. The lowest ranking this year falls to Falconbridge, with only 5 unrelated directors out of 11.

## BoardDivers (board diversity)

weight: 0.75

Defined as the number of women or visible minorities on the board. Visible minorities are determined by pictures in the annual report. Roughly more than half the companies include pictures of their board members in their annual report. In a diverse society like Canada's, diverse board members can strengthen a company's strategic vision and planning. In this ranking, a woman visible minority gets double-counted. Husky Energy has the best score, thanks to its strong Asian representation on the 14-member board: six visible minority members, two of whom are women. Ninety-two of 116 companies have no visible minorities on the board; 30 of 116 have no women on the board.

## KeyExecDivers (key executive diversity)

weight: 1.25

Defined as the number of women key executives listed in the proxy filings. In the 21st century, a glass ceiling for female executives is unacceptable. Sadly, 32 of 116 companies have no female key executives. Many more have only one, who in most cases is the Corporate Secretary. Hewlett-Packard has the best score in this category, with 7 women among their 13 key executives (this is before Carley Fiorina's departure). Interestingly, now that Belinda Stronach is no longer with Magna International, the company has no key female executives.

# Tax Games in the Corporate Citizen Database™ Universe

This table shows the 116 companies in the ranking universe and their TAXGEN indicator statistics.

Company Name	Curr	Income	Tax		Eff. Tax		Company Name	Curr	Income	Tax		Eff. Tax	
			Rate	Tax Due	Tax Paid	Rate				Rate	Tax Due	Tax Paid	Rate
Toyota Canada	US	\$16,707	41.3	\$6,900	\$5,937	35.5	Jean Coutu Group (PJC) Inc., The	CDN	\$258	34.0	\$88	\$51	19.8
CIBC	CDN	\$3,004	35.3	\$1,060	\$3,356	111.7	Suncor Energy Inc.	CDN	\$1,636	39.0	\$638	\$50	3.1
Royal Bank Of Canada	CDN	\$4,220	35.0	\$1,477	\$2,522	59.8	Methanex Corporation	US	\$332	36.0	\$119	\$50	15.0
Bank Of Montreal	CDN	\$3,419	35.0	\$1,197	\$1,947	56.9	Maple Leaf Foods Inc.	CDN	\$176	35.1	\$62	\$45	25.6
Honda Canada Inc.	US	\$6,073	41.0	\$2,490	\$1,921	31.6	Agrium Inc.	US	\$412	41.0	\$169	\$42	10.2
Toronto-Dominion Bank (The)	CDN	\$3,205	35.1	\$1,125	\$1,509	47.1	Transcontinental Inc.	CDN	\$196	33.5	\$66	\$40	20.4
DaimlerChrysler Canada Inc	EURO	\$3,535	38.5	\$1,361	\$1,373	38.8	Industrial Alliance	CDN	\$237	33.8	\$80	\$36	15.2
Power Corporation of Canada	CDN	\$3,266	35.6	\$1,163	\$765	23.4	Potash Corporation Of Sask.	US	\$430	43.4	\$187	\$34	7.8
Bank Of Nova Scotia (The)	CDN	\$3,933	35.2	\$1,384	\$758	19.3	Forzani Group Ltd.	CDN	\$45	36.1	\$16	\$31	69.4
Imperial Oil Limited	CDN	\$3,027	37.0	\$1,120	\$641	21.2	Canadian Western Bank	CDN	\$64	35.4	\$23	\$29	46.0
HP Canada	US	\$4,196	35.0	\$1,469	\$609	14.5	Cott Corporation	US	\$115	34.7	\$40	\$27	23.8
Great-West Lifeco Inc.	CDN	\$2,362	35.5	\$839	\$552	23.4	Alimentation Couche-Tard Inc.	CDN	\$119	35.7	\$43	\$26	22.0
Alcan Inc.	US	\$588	32.0	\$188	\$552	93.9	MDS Inc.	CDN	\$134	35.7	\$48	\$26	19.4
National Bank Of Canada	CDN	\$1,071	34.0	\$364	\$460	43.0	Manitoba Telecom Services Inc.	CDN	\$426	37.6	\$160	\$24	5.6
George Weston Limited	CDN	\$1,344	35.1	\$472	\$441	32.8	Laurentian Bank of Canada	CDN	\$64	32.9	\$21	\$23	36.4
TransCanada Corporation	CDN	\$1,551	33.9	\$526	\$419	27.0	Barrick Gold Corporation	US	\$45	38.0	\$17	\$22	48.9
Loblaw Companies Limited	CDN	\$1,413	34.9	\$493	\$400	28.3	Dundee Bancorp Inc.	CDN	\$140	36.0	\$51	\$22	15.5
Manulife Financial Corporation	CDN	\$3,439	34.0	\$1,169	\$386	11.2	Fording Canadian Coal Trust	CDN	\$137	40.5	\$56	\$21	15.4
Petro-Canada	CDN	\$3,245	38.0	\$1,233	\$370	11.4	Cognos Incorporated	US	\$120	36.0	\$43	\$20	16.5
Shell Canada Ltd	CDN	\$1,885	37.5	\$707	\$303	16.1	Canwest Global	CDN	\$92	35.2	\$33	\$19	20.7
General Motors of Canada Ltd.	US	\$1,192	35.0	\$417	\$293	24.6	Bombardier Inc.	US	\$52	31.9	\$17	\$19	36.5
Talisman Energy Inc.	CDN	\$1,165	34.1	\$398	\$289	24.8	Hudson's Bay Company	CDN	\$84	35.1	\$29	\$18	22.1
Sun Life Financial Inc.	CDN	\$2,067	33.0	\$682	\$265	12.8	Cameco Corporation	CDN	\$380	43.5	\$165	\$18	4.8
IGM Financial Inc.	CDN	\$883	36.2	\$320	\$265	30.0	Sears Canada Inc.	CDN	\$189	33.5	\$63	\$18	9.2
Magna International Inc.	US	\$1,156	36.1	\$417	\$262	22.7	Domtar Inc.	CDN	\$(78)	33.7	\$(27)	\$16	--
Nexen Inc.	CDN	\$1,147	34.5	\$396	\$249	21.7	Abitibi-Consolidated Inc.	CDN	\$(267)	32.2	\$(86)	\$15	--
Enbridge Inc.	CDN	\$941	34.4	\$324	\$243	25.8	Thomson Corporation (The)	US	\$1,130	36.0	\$407	\$14	1.2
Canadian Natural Resources Ltd.	CDN	\$2,160	39.3	\$849	\$218	10.1	Rogers Communications Inc.	CDN	\$70	35.3	\$25	\$13	19.3
BCE Inc.	CDN	\$2,382	34.3	\$817	\$216	9.1	Four Seasons Hotels Inc.	CDN	\$50	34.4	\$17	\$12	23.9
Husky Energy Inc.	CDN	\$1,411	39.3	\$555	\$213	15.1	QLT Inc.	US	\$70	35.6	\$25	\$11	16.3
Ford Motor Co. of Canada Ltd.	US	\$4,600	35.0	\$1,610	\$211	4.6	Nova Chemicals Corporation	US	\$345	33.9	\$117	\$11	3.2
TELUS Corporation	CDN	\$826	34.7	\$286	\$195	23.6	CCL Industries Inc.	CDN	\$79	34.1	\$27	\$11	13.7
EnCana Corporation	US	\$2,869	39.1	\$1,122	\$175	6.1	Celestica Inc.	US	\$(602)	36.1	\$(217)	\$10	--
CGI Group Inc.	CDN	\$323	33.6	\$109	\$143	44.3	Interface Inc.	US	\$10	35.0	\$4	\$10	91.6
Shoppers Drug Mart Corporation	CDN	\$489	35.1	\$172	\$142	29.1	Cascades Inc.	CDN	\$20	45.0	\$9	\$9	45.0
Brascan Corporation	CDN	\$1,704	37.0	\$630	\$120	7.0	Tembec Inc.	CDN	\$80	34.5	\$28	\$9	10.8
Sobeys Inc.	CDN	\$253	33.7	\$85	\$111	43.9	Biovail Corporation	US	\$62	36.5	\$23	\$8	13.3
Noranda Inc.	US	\$1,181	37.6	\$444	\$107	9.1	Westjet Airlines Ltd.	CDN	\$(16)	35.4	\$(6)	\$8	--
Dofasco Inc.	CDN	\$566	43.1	\$244	\$102	18.0	Husky Injection Moldings	US	\$14	36.3	\$5	\$8	56.0
Inco Limited	US	\$1,168	39.9	\$466	\$94	8.0	Kinross Gold Corporation	US	\$24	39.1	\$9	\$7	29.4
Canadian National Railway	CDN	\$1,928	22.1	\$426	\$92	4.8	CP Ships Ltd.	US	\$80	32.1	\$26	\$7	8.8
RONA Inc.	CDN	\$212	32.6	\$69	\$89	42.0	Canfor Corporation	CDN	\$527	35.5	\$187	\$6	1.1
Falconbridge Ltd.	US	\$932	38.4	\$358	\$89	9.5	Shaw Communications Inc.	CDN	\$166	35.5	\$59	\$5	3.2
C.I. Fund Management Inc.	CDN	\$392	36.4	\$143	\$86	22.1	Transalta Corporation	CDN	\$211	33.9	\$71	\$5	2.2
Aliant Inc.	CDN	\$209	35.9	\$75	\$82	39.1	NorskeCanada	CDN	\$(57)	35.5	\$(20)	\$4	--
Teck Cominco Limited	CDN	\$899	35.5	\$319	\$79	8.8	ATI Technologies Incorporated	US	\$251	34.0	\$85	\$2	0.7
Terasen Inc.	CDN	\$226	34.5	\$78	\$78	34.6	Guardian Capital Group Limited	CDN	\$12	36.1	\$4	\$1	11.2
Sherritt International Corporation	CDN	\$258	34.6	\$89	\$77	30.0	Zenon Environmental Inc.	CDN	\$18	36.1	\$6	\$1	3.5
Precision Drilling Corporation	CDN	\$382	36.0	\$138	\$75	19.5	Zarlink Semiconductor Inc.	US	\$(45)	35.0	\$(16)	\$0	--
Metro Inc.	CDN	\$245	31.8	\$78	\$74	30.3	Ivanhoe Mines Limited	US	\$(96)	35.6	\$(0)	\$0	--
Norbord Inc.	US	\$606	28.4	\$172	\$72	11.9	Ballard Power Systems Inc.	US	\$(175)	35.6	\$(62)	\$0	--
Novelis Inc.	US	\$225	33.0	\$74	\$70	31.1	ACE Aviation Holdings Inc.	CDN	\$28	35.7	\$10	\$-	--
Quebecor World Inc.	US	\$228	33.7	\$77	\$67	29.4	Westport Innovations	CDN	\$(38)	37.1	\$(14)	\$-	--
Placer Dome Inc.	US	\$177	35.6	\$63	\$57	32.2	Research in Motion Ltd.	US	\$43	36.5	\$16	\$(0)	--
Torstar Corporation	CDN	\$184	36.1	\$67	\$57	30.8	Stelco Inc.	CDN	\$89	43.0	\$38	\$(3)	--
SNC Lavalin Group Inc.	CDN	\$160	32.5	\$52	\$57	35.4	Canadian Pacific Railway Ltd.	CDN	\$717	28.2	\$202	\$(5)	--
Fairmont Hotels & Resorts	US	\$218	37.0	\$81	\$54	25.0	Canadian Tire Corporation Ltd.	CDN	\$461	35.4	\$163	\$(53)	--
AGF Management Limited	CDN	\$85	36.0	\$31	\$52	61.0	Nortel Networks Corporation	US	\$(83)	33.3	\$(28)	\$(63)	--

## NOTES AND LEGEND

Numbers are rounded to the nearest million. Income: before taxes (\$mil.). Tax Rate: Statutory tax rate (combined). Tax Due: income tax at statutory rate (\$mil). Tax Paid: Cash tax paid (\$mil). Eff. Tax Rate: Cash tax paid over income before taxes. Figures for non-TSX companies are taken from their parent company.

# theresults Corporate Knights Best 50 Corporate Citizens Ranking 2005

Rank	Company Name	Ticker	Exchange	North American Index	GICS Sector	Earnings (\$mil) before taxes	SCORE
1	Bank Of Montreal	BMO	TSX	S&P/TSX 60	Financials	\$3,419.0	91.40
2	Shoppers Drug Mart Corporation	SC	TSX	S&P/TSX 60	Consumer Staples	\$489.4	91.30
3	IGM Financial Inc.	IGM	TSX	S&P/TSX Composite	Financials	\$883.2	86.38
4	Laurentian Bank of Canada	LB	TSX	S&P/TSX Composite	Financials	\$64.2	85.83
5	Husky Injection Moldings Systems Ltd.	HKY	TSX	S&P/TSX Composite	Industrials	US \$13.7	85.52
6	Torstar Corporation	TS.NV.B	TSX	S&P/TSX Composite	Consumer Discretionary	\$184.3	85.13
7	TELUS Corporation	T	TSX	S&P/TSX 60	Telecommunication Services	\$825.5	85.05
8	Interface Inc.	IFSIA	Nasdaq	S&P 1000	Consumer Discretionary	US \$10.5	84.48
9	Toronto-Dominion Bank (The)	TD	TSX	S&P/TSX 60	Financials	\$3,205.0	84.15
10	Canadian Imperial Bank Of Commerce	CM	TSX	S&P/TSX 60	Financials	\$3,004.0	84.10
11	RONA Inc.	RON	TSX	S&P/TSX Composite	Consumer Discretionary	\$212.3	83.04
12	Great-West Lifeco Inc.	GWO	TSX	S&P/TSX Composite	Financials	\$2,362.0	82.76
13	Loblaw Companies Limited	L	TSX	S&P/TSX 60	Consumer Staples	\$1,413.0	82.46
14	AGF Management Limited	AGF.NV	TSX	S&P/TSX Composite	Financials	\$84.9	82.33
15	National Bank Of Canada	NA	TSX	S&P/TSX 60	Financials	\$1,071.0	82.15
16	Royal Bank Of Canada	RY	TSX	S&P/TSX 60	Financials	\$4,220.0	81.96
17	Canadian Western Bank	CWB	TSX	S&P/TSX Composite	Financials	\$63.6	80.80
18	Forzani Group Ltd.	FGL	TSX	S&P/TSX Composite	Consumer Discretionary	\$45.2	80.63
19	George Weston Limited	WN	TSX	S&P/TSX 60	Consumer Staples	\$1,344.0	80.43
20	Bank Of Nova Scotia (The)	BNS	TSX	S&P/TSX 60	Financials	\$3,933.0	80.30
21	Dofasco Inc.	DFS	TSX	S&P/TSX 60	Materials	\$565.7	80.17
22	Sun Life Financial Inc.	SLF	TSX	S&P/TSX 60	Financials	\$2,067.0	79.81
23	Maple Leaf Foods Inc.	MFI	TSX	S&P/TSX Composite	Consumer Staples	\$175.5	79.65
24	Industrial Alliance	IAG	TSX	S&P/TSX Composite	Financials	\$236.9	78.90
25	SNC Lavalin Group Inc.	SNC	TSX	S&P/TSX Composite	Industrials	\$159.7	78.71
26	Talisman Energy Inc.	TLM	TSX	S&P/TSX 60	Energy	\$1,165.0	78.44
27	Transcontinental Inc.	TCL.SV.A	TSX	S&P/TSX Composite	Industrials	\$196.4	78.31
28	TransCanada Corporation	TRP	TSX	S&P/TSX 60	Utilities	\$1,551.0	77.99
29	HP Canada	HPQ	NYSE	S&P 500	Information Technology	US \$4,196.0	77.83
30	Terasen Inc.	TER	TSX	S&P/TSX Composite	Utilities	\$225.6	77.08
31	DaimlerChrysler Canada Inc	DCX	NYSE	--	Consumer Discretionary	€ 3,535.0	77.03
32	MDS Inc.	MDS	TSX	S&P/TSX 60	Health Care	\$134.0	76.72
33	Power Corporation of Canada	POW.SV	TSX	S&P/TSX Composite	Financials	\$3,266.0	76.19
34	Manitoba Telecom Services Inc.	MBT	TSX	S&P/TSX Composite	Telecommunication Services	\$426.3	75.94
35	Sobeys Inc.	SBY	TSX	S&P/TSX Composite	Consumer Staples	\$252.7	75.93
36	Four Seasons Hotels Inc.	FSH.SV	TSX	S&P/TSX Composite	Consumer Discretionary	\$49.5	75.74
37	Nexen Inc.	NXY	TSX	S&P/TSX 60	Energy	\$1,147.0	75.57
38	Toyota Canada	TM	NYSE	--	Consumer Discretionary	US \$16,707.0	75.47
39	Zenon Environmental Inc.	ZEN	TSX	S&P/TSX Composite	Industrials	\$17.8	75.37
40	Sherritt International Corporation	S	TSX	S&P/TSX Composite	Materials	\$257.6	75.21
41	Norbord Inc.	NBD	TSX	S&P/TSX Composite	Materials	US \$606.0	75.02
42	Metro Inc.	MRU.SV.A	TSX	S&P/TSX Composite	Consumer Staples	\$244.8	74.79
43	Cameco Corporation	CCO	TSX	S&P/TSX 60	Materials	\$379.5	74.42
44	Hudson's Bay Company	HBC	TSX	S&P/TSX Composite	Consumer Discretionary	\$83.7	74.06
45	Shell Canada Ltd	SHC	TSX	S&P/TSX Composite	Energy	\$1,885.0	73.60
46	General Motors of Canada Ltd.	GM	NYSE	S&P 500	Consumer Discretionary	US \$1,192.0	73.56
47	Enbridge Inc.	ENB	TSX	S&P/TSX 60	Utilities	\$941.4	73.43
48	Agrium Inc.	AGU	TSX	S&P/TSX 60	Materials	US \$412.0	73.32
49	CGI Group Inc.	GIB.SV.A	TSX	S&P/TSX Composite	Information Technology	\$323.5	72.95
50	Alcan Inc.	AL	TSX	S&P/TSX 60	Materials	US \$588.0	72.93



Legend for the Best 50 table indicators (see methodology for details)

**SHARECON**

Number of shareholder conflicts in Canada during past 5 years

**TAXGEN**

Cash income tax paid (in \$mil)

**LOBBY**

Number of federally registered lobbyists

**CEOPAY**

CEO total compensation

**TOXIC**

Total toxic air/water/CAC releases (kg) per employee at NPRI-reporting facilities

**CLEANUP**

Year-over-year per cent change in toxic air/water releases per employee

SHARECON	TAXGEN	LOBBY	CEOPAY	TOXIC	CLEANUP	WORK STOP	PENSION	OFFSHORE	KEYEXEC	BOARDIND	BOARD DIVERS	KEYEXEC DIVERS
17	\$1,947	3	\$7,469,585	--	--	--	\$32.0	5	84	16 of 17	3	26
--	\$142	--	\$1,933,612	--	--	--	\$(17.3)	0	97	8 of 9	2	28
--	\$265	2	\$1,714,424	--	--	--	\$47.8	2	100	13 of 16	0	--
5	\$23	1	\$768,818	--	--	--	\$(32.7)	0	71	12 of 13	2	17
--	US \$8	1	\$1,306,068	0	-100.0	--	--	1	82	6 of 8	1	0
--	\$57	1	\$3,489,750	--	--	5,330	\$(30.3)	0	94	14 of 16	2	38
--	\$195	5	\$5,198,117	--	--	2,650	\$90.5	0	75	10 of 11	1	30
--	US \$10	--	\$2,436,881	0	--	--	US \$(44.9)	1	79	9 of 11	2	14
19	\$1,509	11	\$10,259,697	--	--	--	\$115.0	28	76	17 of 18	3	18
15	\$3,356	3	\$9,270,543	--	--	--	\$(130.0)	14	75	16 of 19	4	14
--	\$89	--	\$1,437,763	--	--	--	\$(6.4)	0	100	7 of 12	2	13
--	\$552	6	\$2,650,000	--	--	--	\$(23.0)	0	100	19 of 21	1	17
--	\$400	--	\$2,347,900	--	--	5,830	\$(99.0)	2	93	7 of 13	2	30
--	\$52	--	\$1,545,700	--	--	--	--	5	77	6 of 9	0	25
12	\$460	2	\$4,754,841	--	--	1,820	\$(34.0)	7	87	11 of 15	4	17
18	\$2,522	27	\$9,456,015	--	--	--	\$(436.0)	22	73	14 of 17	3	29
--	\$29	1	\$1,213,588	--	--	--	--	0	53	11 of 12	1	15
--	\$31	--	\$697,100	--	--	--	--	1	71	6 of 8	0	18
--	\$441	2	\$2,300,000	918	--	--	\$(253.0)	0	93	8 of 14	2	18
11	\$758	5	\$7,026,024	--	--	--	\$307.0	15	83	14 of 16	6	14
--	\$102	3	\$4,365,982	930	-19.5	--	\$7.0	0	91	10 of 11	1	7
6	\$265	8	\$10,799,370	--	--	--	\$(13.0)	24	71	13 of 15	6	23
--	\$45	3	\$2,125,194	27	269.0	660	\$171.1	2	70	10 of 13	1	14
--	\$36	2	\$1,158,137	--	--	--	\$(22.5)	0	87	14 of 15	3	12
1	\$57	8	\$3,857,987	33	96.7	--	\$(37.5)	7	93	10 of 11	1	7
--	\$289	6	\$6,908,696	89,343	727.5	--	\$57.0	1	88	8 of 9	1	13
--	\$40	2	\$2,237,766	98	--	--	\$(22.8)	1	85	9 of 11	1	13
--	\$419	7	\$3,085,501	240,723	0.0	--	\$(130.0)	0	93	11 of 12	1	13
--	US \$609	7	\$5,009,257	--	--	--	US \$(2,086.0)	29	67	11 of 12	3	54
--	\$78	2	\$3,571,103	6,759	--	--	\$(23.5)	0	77	11 of 12	1	0
--	€ 1,373	6	--	199	-6.5	--	€ (6,644.0)	13	79	--	0	0
--	\$26	3	\$1,554,794	0	0.0	--	\$16.0	2	48	9 of 11	3	6
--	\$765	1	\$4,480,681	--	--	--	\$(95.0)	1	95	11 of 16	1	7
--	\$24	2	\$2,798,972	--	--	--	\$(92.8)	0	78	12 of 13	2	19
--	\$111	--	\$1,462,514	--	--	13,800	\$(24.5)	0	71	7 of 14	3	8
1	\$12	--	\$2,664,318	--	--	--	--	3	86	8 of 10	2	17
3	\$249	9	\$5,107,422	13,166	-20.5	--	\$(46.0)	1	67	9 of 11	0	17
--	US \$5,937	1	--	302	15.2	--	US \$(7,959.0)	1	62	--	0	0
--	\$1	--	\$622,631	0	--	--	--	6	90	5 of 6	2	14
--	\$77	1	\$864,188	12,101	20.8	--	\$(3.7)	3	86	5 of 7	1	0
--	US \$72	--	\$2,191,285	4,078	-29.1	--	US \$(12.0)	1	48	9 of 11	2	11
--	\$74	--	\$1,240,550	--	--	74,060	\$(5.9)	0	96	7 of 12	3	4
--	\$18	7	\$2,992,740	619	-4.1	9,250	\$6.7	0	75	10 of 12	2	33
7	\$19	--	\$3,274,111	--	--	2,610	\$329.4	0	88	11 of 12	2	10
--	\$303	10	\$1,200,099	36,726	11.0	--	\$(228.0)	0	68	9 of 10	2	17
--	US \$293	26	\$13,143,266	390	3.1	400	US \$(7,531.0)	34	85	11 of 12	2	7
--	\$243	14	\$2,309,884	4,157	--	--	\$(130.1)	0	94	10 of 11	1	14
--	US \$42	--	\$2,323,288	5,102	34.5	--	US \$(39.0)	0	88	10 of 11	2	17
--	\$143.4	5	\$2,080,925	--	--	--	--	0	77	8 of 14	1	7
--	US \$552	9	\$11,960,414	33,440	-1.4	--	US \$(2,916.0)	8	73	12 of 13	2	15

<b>WORKSTOP</b>	<b>Number of person-days lost to work stoppages during past 5 years</b>
<b>PENSION</b>	<b>Defined benefit pension plan surplus or (shortfall) (in \$mil)</b>
<b>OFFSHORE</b>	<b>Number of subsidiary companies in tax haven countries</b>
<b>KEYEXEC</b>	<b>Key executive retention rate (per cent) over past 3 years</b>
<b>BOARDIND</b>	<b>Number of unrelated directors on the company's board</b>
<b>BOARD DIVERS</b>	<b>Number of women and/or visible minorities on the company's board</b>
<b>KEYEXECDIVERS</b>	<b>Percentage of key executives listed on proxy who are women</b>

## Special Notes

Information for companies not listed on the TSX was sourced from their parent companies.

All figures are for most recent year unless otherwise noted.

## Sector Games: How the companies fared by sector

These are the average metrics for the Corporate Citizen Database™ universe of 116 companies by Global Industry Classification Standard® sector.

GICS® Sector	Number of Companies	Average CK Score	Companies In Best 50	% of Best 50	Average CEOPAY	Average TAXGEN	Average PENSION	Average BOARDIND	Average KEYEXEC	Average EXECDIVERS
Materials	27	67.25	7	14	65.93	38.58	85.04	78.97	78.15	29.97
Consumer Discretionary	20	71.21	9	18	70.40	57.40	89.27	77.17	80.01	42.36
Financials	19	78.69	14	28	96.61	70.52	95.35	82.90	81.11	63.33
Industrials	12	64.11	4	8	58.01	42.20	80.90	75.13	72.39	26.64
Energy	10	69.96	3	6	94.13	40.75	84.62	79.58	79.91	40.67
Consumer Staples	9	76.38	6	12	85.99	79.36	86.23	62.17	84.91	54.93
Information Technology	8	57.96	1	2	48.08	12.15	70.40	75.27	77.12	37.44
Utilities	4	75.36	3	6	95.79	65.31	82.60	91.48	84.56	39.29
Telecommunication Services	4	75.12	2	4	100.00	52.32	91.64	81.14	71.41	65.97
Health Care	3	66.91	1	2	66.37	45.50	100.00	77.75	59.78	34.51

### NOTE:

The indicator score columns (CEOPAY, TAXGEN, PENSION, BOARDIND, KEYEXEC, EXECDIVERS) refer to the **per cent score** in the Corporate Citizen Database™ used to calculate the scores for the Best 50 Corporate Citizens Ranking. These scores are not literal; for example, 40 per cent score in EXECDIVERS correlates to 10 per cent of key executives being women.

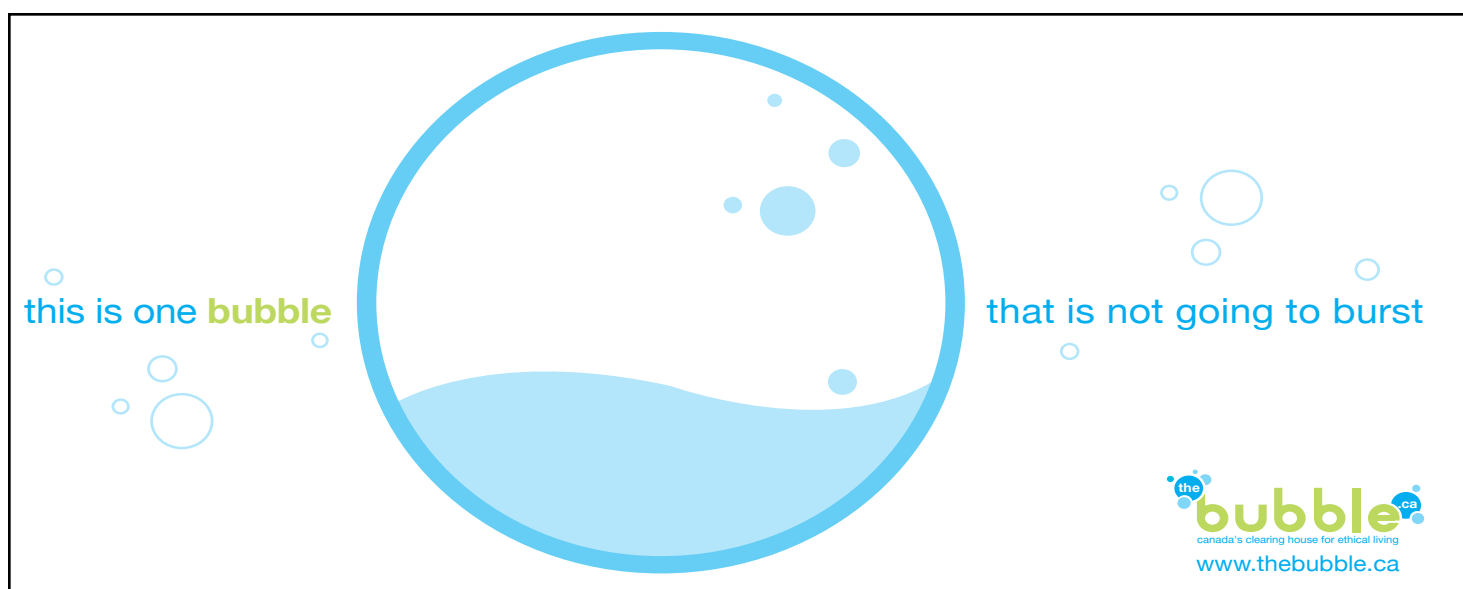
## Pension Games: The top pension shortfalls on the TSX

These are the PENSION metrics for the top 10 pension shortfalls from the Corporate Citizen Database™ companies listed on the TSX.

Company	Discount Rate	Expected Return	Closing Benefit Obligation	Closing Fair Value	Pension shortfall
Alcan Inc.	5.600	7.000	US \$11,384,000,000	US \$8,468,000,000	US \$2,916,000,000
Nortel Networks Corporation	5.800	7.400	US \$8,285,000,000	US \$6,105,000,000	US \$2,180,000,000
Bombardier Inc.	6.000	7.140	US \$5,247,000,000	US \$3,321,000,000	US \$1,926,000,000
ACE Aviation Holdings Inc.	6.000	7.500	\$11,207,000,000	\$9,673,000,000	\$1,534,000,000
BCE Inc.	6.500	7.500	\$14,348,000,000	\$13,030,000,000	\$1,318,000,000
Imperial Oil Limited	6.250	8.250	\$4,260,000,000	\$2,984,000,000	\$1,276,000,000
Stelco Inc.	6.000	7.500	\$3,807,000,000	\$2,932,000,000	\$875,000,000
Abitibi-Consolidated Inc.	6.250	7.500	\$3,771,000,000	\$2,992,000,000	\$779,000,000
Inco Limited	6.000	8.000	US \$3,049,000,000	US \$2,273,000,000	US \$776,000,000
Canadian Pacific Railway Ltd.	6.250	8.000	\$6,827,000,000	\$6,222,700,000	\$604,300,000

### LEGEND

Discount Rate: Used to determine benefit expenses. Expected Return: Expected return on plan assets. Closing Fair Value: Refers to plan assets. Pension shortfall: Unfunded pension liability.



# Index Games: The S&P/TSX 60 Facts

These are the metrics for the Corporate Citizen Database™ key indicators for the companies on the S&P/TSX 60 Index. (US\$ rate = 1.32 where appl.)

## SHARECON

Total number of shareholder conflicts: 120  
Number of companies involved: 15  
Highest number: Toronto-Dominion, 19

## TAXGEN

Total tax generated: \$17.91 billion  
Total tax at statutory rate: \$24.18 billion  
Discrepancy: \$6.28 billion tax gap  
Overpaid most: CIBC, by \$2.3 billion  
Underpaid most: EnCana, by US \$947 million  
Number of companies who underpaid: 49

## TOXIC

Total amount of toxic and CAC releases in 2002: 1.3 billion kg  
Biggest polluter: Inco, 451 million kg

## CLEANUP

Number of companies that reduced their toxic output from 2001 to 2002: 13 of 30  
Largest absolute reduction: Domtar, 302,000 kg  
Largest absolute increase: Inco, 1.85 million kg

## CEOPAY

Median CEO pay: \$3 million  
Highest CEO pay: Frank Stronach, \$53.2 million  
Lowest CEO pay: W. A. Owens, \$752,000

## WORKSTOP

Companies with work stoppages: 19  
Person-days lost: 775,000  
Largest: Inco, 215,000 person-days lost

## OFFSHORE

Number of companies with offshore subsidiaries: 29  
Largest number: Toronto-Dominion, 28

## LOBBY

Total number of lobbyists: 296  
Number of companies involved: 48  
Highest number: BCE, 31

## PENSION

Total benefit obligation: \$129.8 billion  
Total plan assets: \$112.0 billion  
Total unfunded pension liability: \$17.89 billion pension gap  
Biggest surplus: Bank of Nova Scotia, \$307 million  
Biggest shortfall: Alcan, US \$2.9 billion

## KEYEXEC

Average key executive retention rate: 79 per cent  
Highest retention rate: Precision Drilling and Suncor, 100 per cent  
Lowest retention rate: Quebecor World, 33 per cent

## BOARDIND

Average percentage of directors that are unrelated: 79 per cent  
Lowest percentage: Loblaw Companies, 54 per cent  
Number of companies with 80 per cent or above: 37

## BOARDIVERS

Total number of women board members: 87  
Number of companies with at least one woman: 45  
Largest number: Sun Life Financial, 6  
Total number of visible minority board members: 23  
Number of companies with at least one visible minority: 14  
Largest number: Husky Energy, 6

## KEYEXECDIVERS

Total number of women key executives: 160  
Number of companies with at least one woman: 46  
Largest number: Toronto-Dominion, 17

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