



**50**  
CORPORATE KNIGHTS • 2006  
**BEST**  
CORPORATE CITIZENS

**The Best 50  
Corporate Citizens  
in Canada  
2006**

**Fifth annual ranking**

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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.

**After turning the** Corporate Knights office into a massive data generating factory for three months, inputting and evaluating over 3 million data points, a task that consumed over 1,800 person-hours, we proudly present our 5th Annual Best 50 Corporate Citizens in Canada Ranking.

This year we have expanded our universe from 116 to 291 companies and introduced multi-year data for two of our indicators to paint a much clearer picture of how corporate Canada is fulfilling their civic foundation obligations.

### Highlights from the S&P/TSX Composite companies ranked:

- \$10.6 billion:** the tax gap in 2005
- \$105.1 billion:** corporate income before taxes in 2005
- \$25.6 billion:** the pension gap in 2005
- \$6.5 billion:** the increase in the pension gap from 2004
- \$1.64 million:** the median CEO pay in 2005
- 1 per cent:** fraction of all CEOs' paycheques over corporate income before tax
- 558:** offshore tax haven operations
- Barbados:** most popular tax haven
- 94:** companies with no female key executives
- 252:** companies with no visible minorities on the board of directors
- 2:** female CEOs

## The Corporate Citizen Database™ Key Indicators

With the support of Industry Canada and BCE Inc. Corporate Knights 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 toxicity 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
- US Environmental Protection Agency

In 2006, we collected data for and evaluated 291 companies. That includes all companies listed on the S&P/TSX Composite Index as of January 6, 2006, as well as a handful of other companies added to the Corporate Citizen Database™ Universe on the basis of their impact on Canada and our prior knowledge of their corporate citizenship leadership.

We ranked the companies based on the 13 indicators explained below. There were a small number changes between this year's and last year's methodology:

- TAXGEN now uses the past three years of data instead of just the most recent year
- TOXIC has been modified to reflect the volume and toxicity weight of chemicals per employee released rather than just their volume of releases

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

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

# CORPORATE CITIZEN DATABASE™

## Methodology

The Corporate Citizen Database™ contains metrics on 13 key indicators. On the following pages 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. In cases where an indicator does not apply to a company, that company received a neutral score in that indicator.

There are small industry-specific bias scores to offset inherent biases in the measurements that unfairly impact certain sectors like materials and energy. Industry bias scores are awarded on the basis of a particular industry's exposure to work stoppages, diversity, and toxic releases. Companies that reduced their total 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. Toxic, Cleanup, Lobby, ShareCon, and WorkStop metrics refer only to the company's activities in Canada.

Income Trusts were evaluated in the database but were excluded from the Best 50 ranking.

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. Because of lax enforcement of the federal lobbying registry procedures, companies have considerable discretion as to which lobbyists get registered. A limitation of the Pension indicator is that it does not take into account the percentage of the company's workforce that is covered by a defined benefit pension plan (companies with no defined benefit plan received a neutral score in this category). For instance, in 2005, 50 of the 145 defined benefit plans had obligations of less than \$100 million, suggesting that only the executive ranks were covered. Another limitation in the NPRI database, which affects our Cleanup and Toxic indicators, is that a substantial degree of the variance in numbers from year-to-year is attributable to improved reporting practices and changing guidelines. Additionally, work stoppages in one year can prevent a company from getting a positive Cleanup score the following year because the toxic releases during the strike year were lower because of the work stoppage.

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

These are the working assumptions used to calculate the total CEO compensation for CEO Pay: (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 1.10 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.

# Indicator Games in the Corporate Citizen Database™ Universe

The numbers on this page refer to the statistics for companies listed in the **S&P/TSX Composite Index**. Each indicator applies to a subset of those companies contingent upon data availability.

## **ShareCon** weight: 0.75

Shareholder Conflicts. This year, there were 107 shareholder conflicts in 26 companies among the S&P/TSX Composite Index. Nortel Networks led the way with 12 conflicts and the big six banks were hot on Nortel's heels.

## **TaxGen** weight: 1.50

Tax Generation. This year, 67 out of 270 companies in the S&P/TSX Composite fully paid their statutory cash tax obligation for the past 3 years. The cumulative tax gap (amount the government was shortchanged) for this period was \$31.2 billion. The biggest three shortchangers were BCE Inc. (\$2.57 billion), Manulife Financial Corp. (\$2.5 billion) and Suncor Energy Inc. (\$1.94 billion) over 3 years. The total tax paid over the past 3 years was \$64.0 billion on \$95.2 billion due. That is not nearly as bad as in the States.

## **Lobby** weight: 0.50

Corporate Lobbying. This year we saw 96 companies from the S&P/TSX Composite with lobbyists, the highest being BCE Inc., with 14 lobbyists. The total number of lobbyists was 316. Companies reported far fewer lobbyists this year compared to last year.

## **Pension** weight: 1.50

Pension Coverage. This year, total plan assets for the 145 S&P/TSX Composite companies involved totalled \$167.4 billion and liabilities totalled \$192.9 billion for a pension gap of \$25.6 billion. In 2004, the pension gap was \$19.1 billion and in 2003, the pension gap was \$17.2 billion. The highest assumption regarding rate of return on plan assets was 8.5 per cent by Canadian Oil Sands Trust and the lowest was 4.5 per cent by Aastra Technologies Ltd.

## **WorkStop** weight: 0.85

Work Stoppages. In the past 5 years, 39 companies on the S&P/TSX Composite lost 2.9 million person-days due to work stoppages. Telus Corp. held top spot with 1.2 million person-days lost.

## **CEOPay** weight: 1.25

Chief Executive Pay. This year, the most overpaid CEO is Hank B. Swartout of Precision Drilling Trust who is paid more than 18 times what would be considered fair for what his company earned. The best value for the money in Canada is Gord Nixon of RBC. The median CEO pay was \$1.64 million. The S&P/TSX Composite companies earned \$105.1 billion before taxes while their CEOs earned a combined \$964.5 million in 2005, representing 0.92 per cent, close to what leading companies donate to charity each year.

## **Offshore** weight: 0.25

Offshore Tax Havens. This year, 103 companies in the S&P/TSX Composite had subsidiaries registered in identified tax havens. Alcan Inc. led with 72 such subsidiaries. The most popular tax haven was Barbados with 90 subsidiaries from 46 different companies.

## **KeyExec** weight: 0.50

Key Executive Retention. During the past 3 years, the average key executive retention rate among 282 companies in the S&P/TSX Composite was 78.5 per cent.

## **BoardInd** weight: 1.00

Board Independence. This year, the median percentage of independent directors on a S&P/TSX Composite company's board was 75 per cent.

## **BoardDivers** weight: 0.25

Board Diversity. This year, Jean Coutu Group (PJC) Inc. had the most women directors in their board with 6. Across the S&P/TSX Composite, female directors occupied 225 of 2,739 spaces among 284 companies. In those same companies, only 48 of the director seats were occupied by visible minorities. Overall, 142 companies had no female directors and 252 companies had no visible minorities on the board.

## **KeyExecDivers** weight: 0.50

Key Executive Gender Diversity. This year, Dundee Bancorp Inc. had the highest ratio of women key executives in 2005 with 60 per cent. Across the S&P/TSX Composite, female key executives represented 13.4 per cent of the executive ranks among 263 companies. Overall, 94 companies had no female key executives. Only three companies, Alliance Atlantis Communications Inc., Atco Ltd., and Canadian Utilities Ltd., had a woman CEO.

## **Toxic** 1.00

Toxicity Air Releases Per Employee. In the 2004 reporting year (the most recent available), 119 companies spewed out 2.15 billion kg of toxic air releases with a toxicity of 46.3 million units, as compared to the previous year when 117 companies released 2.04 billion kg with a toxicity of 39.4 million units.

## **Cleanup** bonus category

Reduction in Total Toxic Releases (Bonus). In 2004, 51 of 117 companies got a bonus on the Best 50 ranking for cleaning up their total toxic releases since 2003. The biggest reducer was Toromont Industries Ltd. with an 89.3 per cent reduction in total toxic releases.



## Sector Games: How the companies fared by sector

These are the average metrics for the S&P/TSX Composite universe of 284 companies by Global Industry Classification Standard® sector.

GICS® Sector	Number of Companies	Average CK Score	Companies In Best 50	% of Best 50	Average CEO Pay	Average Income Before Tax	Average Tax Generation	Average Pension Gap	Average # of Tax Havens
Consumer Staples	16	78.97	6	12.0	\$3,159,602	\$333,085,125	123.1%	\$29,395,214	0.38
Financials	39	76.33	13	26.0	\$3,820,152	\$1,231,713,078	74.2%	\$130,286,900	3.18
Consumer Discretionary	29	72.02	13	26.0	\$4,594,946	\$210,060,276	68.4%	\$43,072,750	1.31
Telecommunication Services	7	70.57	0	0.0	\$3,588,987	\$677,668,571	51.9%	\$561,969,167	0.57
Industrials	24	70.36	5	10.0	\$3,316,970	\$175,025,715	66.6%	\$260,662,933	1.79
Utilities	11	70.04	2	4.0	\$1,742,908	\$197,228,333	50.9%	\$29,625,800	0.27
Health Care	10	69.56	1	2.0	\$2,423,433	\$13,054,400	64.4%	\$11,110,667	1.30
Energy	74	68.01	4	8.0	\$3,047,846	\$497,517,795	40.0%	\$153,470,316	0.74
Information Technology	14	67.61	1	2.0	\$5,073,617	\$(66,871,643)	91.2%	\$325,682,625	2.57
Materials	60	64.12	5	10.0	\$2,937,397	\$161,592,781	57.8%	\$226,172,314	3.93

## Pension Games: The top pension gaps and surpluses on the TSX

These are the PENSION metrics for the top 10 pension gaps from the Corporate Citizen Database™ companies listed on the S&P/TSX Composite.

Company	Discount Rate	Expected Return	Closing Benefit Obligation	Closing Fair Value	Pension gap
Alcan Inc.	5.300%	7.000%	\$12,527,900,000	\$9,598,600,000	\$2,929,300,000
Nortel Networks Corporation	5.700%	7.400%	\$9,847,200,000	\$7,101,600,000	\$2,745,600,000
ACE Aviation Holdings Inc.	5.750%	7.500%	\$12,921,000,000	\$10,421,000,000	\$2,500,000,000
BCE Inc.	6.200%	7.500%	\$16,569,000,000	\$14,138,000,000	\$2,431,000,000
Imperial Oil Limited	5.750%	8.250%	\$4,784,000,000	\$3,419,000,000	\$1,365,000,000
Stelco Inc.	5.750%	7.500%	\$4,211,000,000	\$3,178,000,000	\$1,033,000,000
Abitibi-Consolidated Inc.	6.000%	7.250%	\$4,167,000,000	\$3,293,000,000	\$874,000,000
Canadian Pacific Railway Ltd.	6.000%	8.000%	\$7,732,200,000	\$6,890,100,000	\$842,100,000
Royal Bank of Canada	6.250%	7.000%	\$6,524,000,000	\$5,719,000,000	\$805,000,000
Inco Limited	5.750%	7.750%	\$3,749,900,000	\$2,952,400,000	\$797,500,000

These are the PENSION metrics for the top 10 pension surpluses from the Corporate Citizen Database™ companies listed on the S&P/TSX Composite.

Company	Discount Rate	Expected Return	Closing Benefit Obligation	Closing Fair Value	Pension surplus
CN Railway Company	5.700%	8.000%	\$14,346,000,000	\$14,874,000,000	\$528,000,000
Hudson's Bay Company	5.700%	6.500%	\$1,058,050,000	\$1,387,490,000	\$329,440,000
Bank Of Nova Scotia	6.500%	7.250%	\$4,568,000,000	\$4,765,000,000	\$197,000,000
Maple Leaf Foods Inc.	5.750%	7.500%	\$1,135,138,000	\$1,321,304,000	\$186,166,000
Enbridge Inc.	6.260%	7.310%	\$1,039,300,000	\$1,191,100,000	\$151,800,000
Canadian Utilities Ltd.	6.900%	6.900%	\$1,485,000,000	\$1,561,100,000	\$76,100,000
Saskatchewan Wheat Pool Inc.	5.500%	6.500%	\$200,276,000	\$265,892,000	\$65,616,000
Atco Ltd.	5.900%	6.900%	\$1,557,800,000	\$1,616,900,000	\$59,100,000
IGM Financial Inc.	5.300%	7.000%	\$147,655,000	\$190,258,000	\$42,603,000
MDS Inc.	6.250%	6.750%	\$204,000,000	\$223,000,000	\$19,000,000

### LEGEND

Discount Rate: Used to determine benefit expenses. Expected Return: Expected return on plan assets. Closing Fair Value: Refers to plan assets. Pension gap: Unfunded pension liability. All dollar amounts converted to CAD (1 US\$ = 1.1 CAD\$).



# Lobby Games: What are these companies doing exactly?

Among the S&P/TSX Composite Index, 316 companies have 96 registered lobbyists working for them to push agendas in Ottawa.

Smog. Greenhouse gases. Environmental cancer. Water pollution. Whatever your poison, the good news is that there are viable cures or preventative actions for each. But often there is an implementation problem, which, in many cases, can be traced directly to a lack of political will. This is how it works: The scientists tell the politicians what they need to do. Then, industry tells the politicians why they cannot do it. And nothing happens.

This formula is not sustainable for the economy or the ecosystem. So how to fix it? If you accept that most large companies have an interest in ensuring there is sufficient social and natural capital for them to continue to operate far off into the future, there are rational grounds to expect these companies to use their influence to support progressive public policies. There are

two explanations for why this is not happening. One is that most companies, even those with buy-in to creating a sustainable economy, have completely incoherent government relations strategies that are often at odds with the rhetoric of the company's citizenship statements. This is possible as most companies have opaque practices when it comes to their lobbying. In many cases, the right hand doesn't know what the left hand is doing.

**Sunlight is the best disinfectant.** The first step to a solution is to shed some light on what companies' government relations departments are up to by publishing their overall lobbying policy and objectives. The second step is to disclose fully and promptly the key and material formal positions that companies take on policy issues on which they lobby, e.g. disclose

all written submissions to regulators and lawmakers, and publish the company's lobbying position on key issues. The third step is to disclose memberships in organizations which engage in lobbying. As such organizations almost always push lowest common denominator policies, companies should also ensure that the organizations substantially represent their views and uphold standards of conduct consistent with their own.

By trolling through the Federal Lobbyist Registry, you can find out which companies are lobbying on which issues, but expect scant details. What are they up to? With present disclosure practices, your guess is as good as ours. Below is a sampling of information that was reported by the various companies to the Federal Lobbyist Registry.

BANK OF NOVA SCOTIA: Merger policy

BARRICK GOLD CORPORATION: Proposed Technical Change to Income Tax Act

BOMBARDIER INC.: Resolve outstanding procurement issues and build relationships with officials

CAMECO CORPORATION: Nuclear Safety and Control Act

DOFASCO INC.: Kyoto Implementation Measures

EMERA INCORPORATED: Fisheries associated with hydro electric facilities

ENCANA CORPORATION: Notice of intent to regulate greenhouse gas emissions by Large Final Emitters

EPCOR POWER: Clean Air Act

FORD MOTOR CO. OF CANADA LTD: Vehicle Safety

GREAT-WEST LIFECO INC: Public/private pension plans, Canada Pension Plan Act

HONDA CANADA INC: Making submissions with respect to all subject areas

INCO LIMITED: Pollution prevention plan under the Canadian Environmental Protection Act

LOBLAW COMPANIES LIMITED: Chinese safeguard measures with respect to barbeques

MDS INC.: Strategic advice and counsel on any policy in relation to health and life sciences

ROTHMANS INC.: Providing information to the Ministry of Health on the Tobacco Control Program and tobacco issues

ROYAL BANK OF CANADA: Pension Benefits Standards Act

SHELL CANADA LTD.: Oil sands development policies

SHERRITT INTERNATIONAL CORPORATION: Canada-Cuba relations and climate change

SNC LAVALIN GROUP INC.: CIDA re Canadian development assistance policies and Canadian policies on African development

TALISMAN ENERGY INC.: Any Government of Canada policies relating to corporate social responsibility and applications of extra-territoriality



PHOTO: Michael Pemberton

# theresults Corporate Knights Best 50 Corporate Citizens Ranking 2006

Rank	Company Name	Ticker	Exchange	North American Index	GICS Sector	Earnings (\$mil) before taxes	SCORE
1	Shoppers Drug Mart	SC	TSX	S&P/TSX 60	Consumer Staples	\$550.6	92.12
2	Rothmans Inc.	ROC	TSX	S&P/TSX Composite	Consumer Staples	\$261.3	90.67
3	Reitman's (Canada) Ltd.	RET.NV.A	TSX	S&P/TSX Composite	Consumer Discretionary	\$96.2	90.30
4	Maple Leaf Foods Inc.	MFI	TSX	S&P/TSX Composite	Consumer Staples	\$158.5	90.14
5	Toyota Canada	TM	NYSE	S&P 500	Consumer Discretionary	US \$16,339.0	89.49
6	Home Capital Group Inc.	HCG	TSX	S&P/TSX Composite	Financials	\$91.5	88.62
7	TSX Group Inc.	X	TSX	S&P/TSX Composite	Financials	\$157.0	88.46
8	DaimlerChrysler Canada Inc.	DCX	NYSE	S&P 500	Consumer Discretionary	€ \$3,438.0	88.23
9	Bank Of Montreal	BMO	TSX	S&P/TSX 60	Financials	\$3,333.0	88.22
10	Transat A.T., Inc.	TRZ.B	TSX	S&P/TSX Composite	Industrials	\$93.0	88.04
11	Forzani Group Ltd.	FGL	TSX	S&P/TSX Composite	Consumer Discretionary	\$33.9	87.69
12	Dofasco Inc.	DFS	TSX	S&P/TSX Composite	Materials	\$231.7	87.24
13	Empire Company Ltd.	EMP.NV.A	TSX	S&P/TSX Composite	Consumer Staples	\$381.4	87.03
14	Sherritt International Corporation	S	TSX	S&P/TSX Composite	Materials	\$210.5	86.90
15	Canadian Western Bank	CWB	TSX	S&P/TSX Composite	Financials	\$81.4	86.23
16	RONA Inc.	RON	TSX	S&P/TSX Composite	Consumer Discretionary	\$260.6	86.11
17	Canadian Utilities Ltd.	CU.NV	TSX	S&P/TSX Composite	Utilities	\$477.0	86.02
18	Talisman Energy Inc.	TLM	TSX	S&P/TSX 60	Energy	\$2,984.0	85.52
19	Laurentian Bank of Canada	LB	TSX	S&P/TSX Composite	Financials	\$80.1	85.37
20	AGF Management Limited	AGF.NV	TSX	S&P/TSX Composite	Financials	\$101.7	85.32
21	Transcanada Corporation	TRP	TSX	S&P/TSX 60	Energy	\$1,903.0	84.88
22	Toronto-Dominion Bank (The)	TD	TSX	S&P/TSX 60	Financials	\$3,060.0	84.85
23	Toromont Industries Ltd.	TIH	TSX	S&P/TSX Composite	Industrials	\$109.2	84.80
24	SNC Lavalin Group Inc.	SNC	TSX	S&P/TSX Composite	Industrials	\$190.8	84.77
25	Interface Canada	IFSIA	NASDAQ	S&P 1000	Consumer Discretionary	US \$35.5	84.59
26	Loblaw Companies Limited	L	TSX	S&P/TSX 60	Consumer Staples	\$1,149.0	84.43
27	Thomson Corporation (The)	TOC	TSX	S&P/TSX 60	Consumer Discretionary	US \$1,213.0	84.34
28	St. Lawrence Cement Group Inc.	ST.SV.A	TSX	S&P/TSX Composite	Materials	\$38.1	84.19
29	Torstar Corporation	TS.NV.B	TSX	S&P/TSX Composite	Consumer Discretionary	\$193.8	84.12
30	Russel Metals Inc.	RUS	TSX	S&P/TSX Composite	Industrials	\$185.2	83.90
31	Alliance Atlantis Communications Inc.	AAC.NV.B	TSX	S&P/TSX Composite	Consumer Discretionary	\$120.0	83.71
32	Enbridge Inc.	ENB	TSX	S&P/TSX 60	Energy	\$784.2	83.43
33	Great-West Lifeco Inc	GWO	TSX	S&P/TSX Composite	Financials	\$2,489.0	83.33
34	Fortis Inc.	FTS	TSX	S&P/TSX Composite	Utilities	\$213.7	83.14
35	West Fraser Timber Co Ltd.	WFT	TSX	S&P/TSX Composite	Materials	\$151.4	83.13
36	Honda Canada Inc.	HMC	NYSE	S&P 500	Consumer Discretionary	US \$6,116.0	82.58
37	Inmet Mining Corporation	IMN	TSX	S&P/TSX Composite	Materials	\$212.1	82.42
38	I. A. Insurance and Financial Services Inc.	IAG	TSX	S&P/TSX Composite	Financials	\$194.0	82.39
39	Alimentation Couche-Tard Inc.	ATD.SV.B	TSX	S&P/TSX Composite	Consumer Staples	\$294.1	82.24
40	Astral Media Inc.	ACM.NV.A	TSX	S&P/TSX Composite	Consumer Discretionary	\$159.2	81.66
41	Northbridge Financial Corp.	NB	TSX	S&P/TSX Composite	Financials	\$271.1	81.49
42	Axcan Pharma Inc.	AXP	TSX	S&P/TSX Composite	Health Care	US \$34.8	81.39
43	Canadian Tire Corporation Ltd.	CTR.NV	TSX	S&P/TSX 60	Consumer Discretionary	\$527.7	81.12
44	Royal Bank of Canada	RY	TSX	S&P/TSX 60	Financials	\$4,702.0	81.09
45	CGI Group Inc.	GIB.SV.A	TSX	S&P/TSX Composite	Information Technology	\$333.8	81.02
46	CI Financial Inc.	CIX	TSX	S&P/TSX Composite	Financials	\$447.9	80.69
47	ATS Automation Tooling Systems Inc.	ATA	TSX	S&P/TSX Composite	Industrials	\$41.8	80.69
48	Ensign Energy Services Inc.	ESI	TSX	S&P/TSX Composite	Energy	\$271.0	80.62
49	HP Canada	HPQ	NYSE	S&P 500	Consumer Discretionary	US \$3,543.0	80.43
50	IGM Financial Inc.	IGM	TSX	S&P/TSX Composite	Financials	\$975.4	80.32



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

<b>SHARECON</b>	<b>Number of shareholder conflicts in Canada during past 5 years (5 to 65 per cent support)</b>
<b>TAXGEN</b>	<b>Cash income tax paid divided by statutory obligation (past 3 years)</b>
<b>LOBBY</b>	<b>Number of federally registered lobbyists (not qualified in company reports)</b>
<b>CEOPAY</b>	<b>CEO total compensation</b>
<b>TOXIC</b>	<b>Total toxicity per employee at NPRI-reporting facilities</b>
<b>CLEANUP</b>	<b>Year-over-year per cent reduction in total releases</b>

SHARE CON	TAXGEN	LOBBY	CEOPAY	WORK STOP	PENSION	Exp. Ret.	OFF SHORE	KEYEXEC	BOARDIND	BOARD DIVERS	KEYEXEC DIVERS	TOXIC	CLEANUP
--	100.2%	1	\$4,813,157	--	71.7%	7.500%	--	89%	10 of 11	3 / 1	39	--	--
--	119.9%	1	\$2,726,095	--	111.3%	7.000%	--	89%	7 of 9	1 / 0	20	--	7.9%
--	104.0%	--	\$1,487,530	--	116.4%	7.500%	--	96%	6 of 9	0 / 0	47	--	--
--	109.9%	2	\$2,658,906	1	116.4%	7.500%	--	75%	10 of 13	2 / 0	24	0.042	--
--	97.7%	3	--	20	64.4%	2.100%	1	70%	0 of 0	0 / 0	--	0.692	--
--	83.3%	--	\$1,350,000	--	--	--	--	100%	7 of 8	1 / 0	29	--	--
--	121.0%	4	\$2,902,144	--	98.1%	6.250%	--	81%	10 of 13	2 / 0	25	--	--
--	103.0%	3	--	10	82.7%	7.683%	--	72%	0 of 0	0 / 0	--	0.193	--
9	104.2%	5	\$8,394,060	--	96.7%	6.700%	7	86%	14 of 15	3 / 1	33	--	--
--	114.0%	2	\$1,144,577	--	--	--	2	77%	8 of 11	1 / 0	26	--	--
--	142.0%	--	\$557,500	--	--	--	--	81%	6 of 8	0 / 0	20	--	--
--	104.3%	1	--	--	83.9%	7.500%	--	100%	10 of 11	1 / 0	10	33.407	1.9%
--	98.4%	--	\$1,417,245	--	91.5%	7.000%	--	90%	10 of 15	1 / 0	12	--	--
--	85.5%	1	\$1,193,905	--	86.9%	5.250%	3	93%	5 of 7	0 / 1	0	29,503	66.3%
--	94.3%	--	\$1,462,258	--	--	--	--	67%	11 of 12	1 / 0	18	--	--
--	109.8%	--	\$1,168,462	--	82.3%	7.000%	--	88%	7 of 12	2 / 0	18	--	--
--	78.5%	--	\$2,585,280	--	105.1%	6.900%	--	79%	6 of 11	2 / 0	31	--	--
--	65.3%	3	\$10,970,004	--	91.9%	7.000%	2	100%	10 of 11	1 / 0	13	0.502	--
2	87.9%	--	\$1,718,090	--	77.1%	7.250%	--	100%	12 of 13	2 / 0	19	--	--
--	118.0%	--	\$1,544,750	--	--	--	3	68%	6 of 9	0 / 0	25	--	--
--	70.0%	5	\$4,212,853	--	85.5%	6.900%	--	100%	11 of 12	3 / 0	13	16.199	1.0%
10	106.5%	1	\$6,143,010	--	96.4%	6.750%	21	88%	15 of 17	3 / 0	21	--	--
--	108.6%	--	\$1,000,345	--	78.2%	7.000%	--	78%	5 of 8	0 / 0	0	--	89.3%
1	115.6%	1	\$2,944,253	--	73.4%	6.250%	8	90%	10 of 11	1 / 0	10	2.116	--
--	190.6%	--	\$2,616,743	--	85.6%	6.400%	3	100%	9 of 11	2 / 1	11	--	--
--	87.7%	3	\$5,335,427	--	81.7%	8.000%	1	93%	8 of 14	2 / 0	27	--	--
--	88.9%	3	us \$8,211,057	--	96.2%	7.500%	4	94%	9 of 16	2 / 0	17	--	--
--	104.5%	--	\$1,150,330	--	77.9%	7.500%	--	85%	7 of 11	2 / 0	7	10.962	11.0%
--	85.5%	--	\$3,829,167	9	94.0%	7.000%	--	76%	13 of 15	1 / 1	33	--	--
--	91.6%	--	\$5,933,132	--	75.4%	7.000%	--	92%	7 of 8	1 / 0	43	45.416	66.0%
--	102.0%	3	\$1,304,166	--	--	--	1	46%	11 of 13	2 / 0	11	--	--
--	64.8%	13	\$2,520,020	--	114.6%	7.310%	--	100%	11 of 13	1 / 0	14	2.708	--
--	57.9%	8	\$2,775,000	--	96.8%	6.830%	--	83%	21 of 22	1 / 0	25	--	--
--	67.9%	--	\$2,696,651	--	86.7%	7.250%	--	82%	9 of 10	1 / 0	19	--	--
--	197.0%	--	\$2,033,722	--	92.9%	7.000%	--	88%	7 of 9	1 / 0	0	72.041	--
--	68.5%	3	--	--	56.6%	4.853%	--	77%	0 of 0	0 / 0	--	0.218	19.2%
--	41.6%	--	\$1,294,645	--	105.2%	7.250%	--	71%	9 of 10	0 / 0	14	0.000	--
--	53.4%	--	\$806,695	--	99.3%	7.000%	--	80%	13 of 14	3 / 0	11	--	--
--	109.2%	1	\$1,274,307	--	73.1%	7.000%	--	89%	7 of 11	1 / 0	6	--	--
--	92.1%	3	\$3,568,105	--	88.5%	7.000%	--	65%	9 of 13	1 / 0	30	--	--
--	111.3%	--	\$2,700,000	--	74.1%	7.200%	--	79%	5 of 9	0 / 0	14	--	--
--	97.3%	--	us \$664,876	--	--	--	1	71%	7 of 11	0 / 0	11	--	--
--	91.2%	3	\$6,335,268	--	--	--	2	84%	10 of 14	3 / 0	15	--	--
11	130.1%	6	\$7,958,990	--	87.7%	7.000%	20	81%	13 of 16	3 / 0	29	--	--
--	94.9%	4	\$2,847,123	--	--	--	--	82%	8 of 14	2 / 0	10	--	--
--	94.5%	--	\$5,520,000	--	--	--	--	88%	7 of 8	0 / 1	0	--	--
--	76.0%	1	\$891,536	--	--	--	2	75%	6 of 7	0 / 0	7	0.000	--
--	64.7%	--	\$1,362,901	--	--	--	--	94%	7 of 9	1 / 0	13	--	--
--	52.6%	4	us \$30,865,069	--	92.7%	7.340%	4	53%	9 of 11	3 / 0	36	--	--
--	69.6%	1	\$743,799	--	128.9%	7.000%	2	42%	12 of 16	1 / 0	0	--	--

<b>WORKSTOP</b>	<b>Number of days per person lost to work stoppages during past 5 years</b>
<b>PENSION</b>	<b>DB pension plan assets divided by liabilities / Expected Return on plan assets</b>
<b>OFFSHORE</b>	<b>Number of subsidiary companies in tax haven countries (with no assurance)</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>BOARDDIVERS</b>	<b>Number of women / number of 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.



# THEY HAVE IT AND WE DON'T

Our US neighbours have a thing or two to teach us about transparency when it comes to big industry and compliance with pollution laws

by Elaine MacDonald

**Have you ever** stared at the occasionally opaque puffs billowing from smokestacks in your community and wondered whether the company is breaking the pollution laws designed to protect our environment? If you live anywhere in the United States, chances are you can find out by doing a quick online search. Unfortunately, if you live in Canada, you are probably out of luck.

As a scientist with Sierra Legal Defence Fund, I have been requesting information on compliance and enforcement with federal and provincial air and water pollution laws for several years. This process usually involves tedious access to information requests followed by a series of arduous appeals and requests for fee waivers.

The Ontario province stopped publishing non-compliance information several years ago. During that period, Sierra Legal went through the often-epic process of acquiring the information and releasing what we found to the media. This past year, the province finally acquiesced and started once again publishing some non-compliance data on its website, but it is quite dated and still doesn't provide as much detail as our neighbours do in the United States.

This past winter, the province of British Columbia requested more than \$172,000 to get information on the province's worst polluters. This is information that was previously provided to the public for free.

Simply put, Canadians have the right to know whether companies are complying with existing pollution rules and whether regulators are enforcing those rules. Yet getting this type of information in Canada usually requires an extraordinary amount of time, effort, knowledge, and often money.

By contrast, the United States has industrial compliance and enforcement information posted on an easily searchable, publicly accessible website. By using the Enforcement and Compliance History Online (ECHO)

database hosted by the United States Environmental Protection Agency (US EPA), a concerned citizen can easily search for all the compliance and enforcement information on a particular facility, industrial sector, or all industrial facilities within their community.

The US EPA website reports on all aspects of environmental compliance and enforcement right down to the wastewater and stack emissions standards that apply, the violations of those standards, permit numbers, inspection results, and more. The only way to get comparable information on a company in Canada would be through a long and drawn out, and likely costly, request through access to information laws.

To demonstrate this point, let's look at two examples:

Teck Cominco operates a smelter in Trail, British Columbia. It also has an underground zinc mine just to the south in Washington State. The two facilities are less than 100 kilometres apart, but are in different countries.

There is currently no publicly available compliance information on companies operating under provincial environmental laws in BC and thus no information on compliance at Teck Cominco's Trail smelter. A concerned member of the public that wants information on the facility's environment record is out of luck unless they can fork out the cash for the cost of a freedom of information request.

By contrast, if they are curious about Teck Cominco's operation just south of the border in Washington State, they can get a wealth of information as recent as a few months old, and compliance history dating back three years.

Let's compare two automobile manufacturing plants: one in Dearborn, Michigan and one in Windsor, Ontario. Both are Ford Motor plants and both have permits to discharge pollutants. Using the US database, one can find the exact location of each discharge point from the Dearborn Plant, the pollutant lim-

its that apply to each point, and the results of each wastewater monitoring test up to a few months ago. One can also see the date, reason, and results of all the government inspections including which level of government conducted each inspection and what, if any, enforcement action was taken.

In contrast, a citizen in Windsor that wants information on the compliance record of the Ford plant there can find just one exceedance listed from 2003 on the government's website. Only one violation is good news. What we don't know is what other tests were conducted, whether inspections were done, or which pollutants the plant is permitted to release. This is in addition to the fact that the only information available is over two years old.

This is not a commentary on the level of industrial compliance or regulatory enforcement in the US versus Canada; it is impossible to compare the two countries with the often-vague information released in Canada. This is about transparency; they have it and we don't.

In the years I have spent tracking down information on compliance and enforcement through access to information laws, it has become clear that Canada's approach is time-consuming, costly, and archaic. It is the purview of the regulators to ensure that this information is collected and publicly disseminated. This should simply not be the job of a non-profit watchdog organization like Sierra Legal.

What is needed is one central source of information in Canada that echoes the content and ease of use of the US EPA ECHO database. The government has the data; Canadians have the right to know about polluters in their community. It is now time for Canada to catch up to our southern neighbours. **CK**

Elaine MacDonald is senior staff scientist with the Sierra Legal Defence Fund.