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Press Release:

20 Years On, Canada's Best 50 Have Shown That Better Corporate Citizens Can Beat the Market

TORONTO, June 29, 2022 – This morning, Corporate Knights Inc. released its 2022 list of the Best 50 Corporate Citizens in Canada, celebrating the 20th anniversary of the pioneering annual ranking of corporate sustainability performance.

In an environment of increasing skepticism directed toward corporate sustainability ratings, Corporate Knights' annual Best 50 Corporate Citizens stands out for its transparent, quantitative [methodology](#) that places equal emphasis on the ESG (environmental, social and governance) performance of a company's operations and the environmental impact of its core products. Selected from a pool of 332 Canadian entities, including all those with revenues over \$1 billion – each evaluated on a set of 24 ESG indicators, relative to their industry peers and using publicly available information – the 2022 Best 50 companies are at the vanguard of corporate sustainability leadership in Canada.

This approach has stood the test of time, proving that better corporate citizens can beat the market, as demonstrated by the **Best Corporate Citizens' stock market performance with a 499% gross return since it was first launched in June 2002, versus 366% by its benchmark**, the S&P/TSX Composite.*

A lot has changed over 20 years, not all for the better. Corporate profits doubled in Canada (as a share of GDP), but workers shared in fewer of these gains than CEOs (who made about 106 times as much as their average employee in 2022, a ratio that has grown by more than 50% since 2002). There was also some good news: large Canadian companies now earn almost a quarter (24%, up from 18% in 2021) of their total revenues (\$113.6 billion) from products and services that have a beneficial environmental or

social impact, as determined by the [Corporate Knights Clean Taxonomy](#), which is aligned with the United Nations Sustainable Development Goals (SDGs). **Best 50 companies continue to lead the way, earning 37% of their revenues in line with the clean economy. That's six times more than the 6.2% clean revenue earned by other big Canadian companies (excluding the Best 50).**

Almost no companies had net-zero commitments five years ago, but the tides are changing. Today, 40% of large companies around the world have net-zero commitments (by market capitalization). Still, Canadian companies lag. Even among Canada's corporate sustainability leaders, just **13 of this year's Best 50 companies have made net-zero commitments**. However, **25 (50%) achieved** year-over-year emissions-intensity reductions of at least 7.6%, **the rough global benchmark to be aligned with a net-zero trajectory**.

Equally important is the evolving corporate social landscape. In 2002, non-male directors made up a mere 14% of board positions among all large companies in Canada, compared to the 27% of non-male directors that are helping guide large businesses today. **Among the Best 50, 37% of directors are now non-male.**

Corporate boards are becoming more racially diverse as well: Across all large companies, 7% of board members are now non-white, compared to just 4% in 2011, when Corporate Knights first began tracking this metric. **Among Best 50 companies, 9% of board members are non-white.**

“While things are heading in the right direction for the most part, we need to speed up on climate action, pay equity and diversity to keep up with the rest of the world,” says Corporate Knights CEO Toby Heaps.

This year's top three companies are Hydro-Québec (1), Innergex Renewable Energy Inc (2) and Brookfield Renewable Partners L.P (3). Hydro-Québec placed first for the second consecutive year, due to its top-quartile scores on Carbon and Water Productivity, Taxes Paid Ratio, CEO–Average Worker Pay Ratio, Executive and Board Gender Diversity, and Clean Revenue (earned from electricity generation from renewable sources).

Best 50's Pioneering History

In 2002, Toby Heaps, Corporate Knights' co-founder and CEO, made a bold claim: in a world where profit-driven corporations were often seen as the antithesis to the common good, Heaps described how the modern corporation could act as an “incubator for human progress and wealth creation.” The belief that companies could be guided by purpose, equity, integrity and sustainability inspired

Corporate Knights to embark on a data-driven search for Canada’s best corporate citizens. This commitment to measure companies on what matters most for people and the planet has now spanned over two decades.

Comparative Results: The 2022 Best 50 Corporate Citizens Versus the Rest*

Indicator	2022 Best 50 Results	Average Large Company in Canada (ex-Best 50)
CEO–Average Worker Pay Ratio	74:1	160:1
Board Gender Diversity	36.7%	23.3%
Executive Gender Diversity	26.6%	13.1%
Board Racial Diversity	8.8%	8.2%
Executive Racial Diversity	12.0%	6.6%
Cash Taxes Paid (% of EBITDA)	11.6%	8.9%
*Clean Revenue (% Total Revenue)	36.8%	6.2%
Carbon Productivity (\$ sales/tonnes GHGs)	\$1,517,909	\$641,183

*Large Canadian companies (with more than \$1b in annual revenue) excluding the Best 50.

**Based on Corporate Knights’ Clean Taxonomy

Comparative Results: All Large Canadian Companies* (2022 vs 2021)

Indicator	Canadian publicly traded, privately owned or Crown corporations with gross revenue of at least \$1B (2022)	Canadian publicly traded, privately owned or Crown corporations with gross revenue of at least \$1B (2021)
CEO–Average Worker Pay Ratio	106:1	109:1

Board Gender Diversity	26.9%	28.0%
Executive Gender Diversity	16.5%	18.5%
Board Racial Diversity	7.0%	5.9%
Executive Racial Diversity	8.4%	9.0%
Cash Taxes Paid (% of EBITDA)	9.1%	11.6%
*Clean Revenue (% Total Revenue)	23.6%	18.2%
Carbon Productivity (\$ sales/tonnes GHGs)	\$949,041	996,421

*Large Canadian companies (with more than \$1b in annual revenue)

Company Headquarters by Province

Not surprisingly, Ontario (Canada’s largest province), which is currently home to more large Canadian companies (126) than any other province, leads the Best 50, followed by Quebec, British Columbia, Alberta and Manitoba.

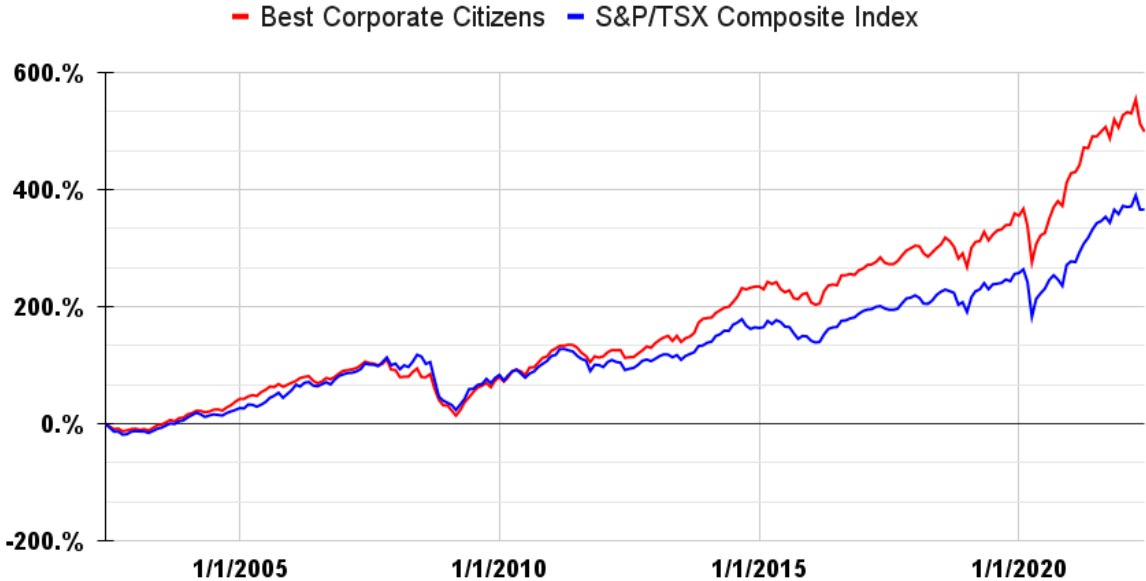
Province	No. of companies headquartered in province
Alberta	5
British Columbia	8
Manitoba	2
Ontario	21
Quebec	14

Financial Returns

	20 Year	10 Year	5 Year	3 Year	1 Year
Best Corporate Citizens*	499.1%	187.2%	58.6%	44.9%	0.60%
S&P/Composite	366.2%	146.3%	55.7%	41.4%	6.60%

*Based on gross return. Best Corporate Citizens consist of the active publicly traded entities on the Best 50 and are equally weighted. Inception is June 1, 2002.

Best 50 vs. Composite Performance Graph



*Canada’s Best Corporate Citizens outperformance story holds for the past three, five and 10 years but did not hold in the most recent year, when oil and gas stocks were on a tear. (The Best 50 Corporate Citizens does not explicitly exclude oil and gas companies, but it does require that at least 20% of oil and gas companies’ total investments be allocated to decarbonization or low-carbon diversification purposes to be eligible, and in 2022, no oil and gas company passed this threshold.)