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Press Release

Transit provider tops list of Canada's Best Corporate Citizens

Trend lines across Canadian economy remain positive, but far too few companies meeting carbon and other key benchmarks

Toronto, Canada, June 26, 2024 – A diverse set of companies takes top honours in the 24th edition of Corporate Knights' ranking of the Best 50 Corporate Citizens in Canada. The Société de transport de Montréal (STM) – a public corporation operating public transit services in the Greater Montreal area – is the country's best corporate citizen.

Design and engineering firm Stantec Inc. took second place, with investments and insurance provider Co-operators in third. All three were top 10 performers in the 2023 Best 50 ranking – a year when renewable-energy companies occupied the top three spots – but this is the first time that a transit and ground transportation company has led the rankings.

STM stood out for its large-scale investments in public transit infrastructure. Among other major projects this includes the Bellechasse Transport Centre, which features the necessary equipment to operate a complete fleet of 100% electric buses. More than 85% of STM revenues were from sustainable sources, and it also achieved a doubling of racial diversity on its board of directors.

The Best 50 Corporate Citizens are identified each year from among the full universe of Canadian corporations with at least \$1 billion in annual revenues. They are assessed relative to the percentage of their investments and revenues that are sustainable, and to up to 25 other metrics that reflect both global carrying capacities in areas such as carbon emissions and aspirations for greater social equity.¹

¹ Sustainable investments and revenues are as defined in the [Corporate Knights Sustainable Economy Taxonomy](#). The 2024 Best 50 ranking is based on publicly available 2022 performance data.

Collectively, this year's Best 50 companies account for most of the sustainable investments made by large corporations, and a substantial proportion of the sustainable revenues earned. Among the full universe of companies assessed (and for which a full four-year data set was available), sustainable investments rose by 82% from 2019 to 2022 (2022: \$41 billion) and sustainable revenues by 77% (2022: \$155 billion). In contrast, non-sustainable investments among the same group of companies rose by only 4% and non-sustainable revenues by 20%. While that trend line is encouraging, even at \$41 billion, corporate investments in key aspects of decarbonization and broader economic transformation continue to lag behind the required level of \$98 billion a year starting in 2024 for the rest of the decade.²

The Best 50 companies are setting a strong pace on carbon productivity, now earning on average \$1.6 million for every tonne of carbon emitted. Carbon productivity among all companies assessed was \$1 million, up from \$0.7 million in 2019. Half (25) of the Best 50 companies this year have formal commitments to align with a net-zero future.

Yet only 28% of the full universe of Canadian companies are meeting the benchmark of 7.6% annual reductions in absolute carbon emissions, which the UN Environment Programme has determined is necessary throughout this decade to limit average global temperature increases to 1.5°C.

The picture is even more mixed on several key equity-related measures, where performance trends among all companies assessed are positive but the pace of improvement moderate – and where in some instances the Best 50 companies lag behind performance in the broader economy.

Among all companies assessed,* CEOs earn on average \$65 dollars for every dollar earned by an average worker, reflecting a continued trend in which CEO pay is rising exponentially faster than average-worker pay. In contrast, cash taxes paid are trending upward faster than corporate profits, and current trends suggest we are less than a decade away from both gender and racial parity on boards.

Quotes – All attributable to Corporate Knights CEO Toby Heaps

“It's fitting to see a public transit provider in top spot, given the huge benefits of providing people with better means of getting around. And this year's top three companies demonstrate that leading sustainability performance is not a niche phenomenon and can be achieved across diverse sectors.”

² Federal Budget 2022, Chart 3.1 estimates up to \$140 billion per year in required investments to attain net-zero emissions by 2050. GFANZ Net Zero Financing Roadmap pegs private sector role at 70% of total.

“The Best 50 companies are setting important benchmarks, and economy-wide trends are generally positive. But our analysis shows that we need to do more and we need to do it faster. It’s critical that we accelerate investment tax credits, clean electricity regulations, and various other frameworks that will drive more investments in sustainable directions.”

“Sustainable investments and revenues are at the core of the strategies that will drive long-term corporate success. But we can’t lose sight of the importance of also addressing key inequities, and the deep tensions that they continue to create. This year’s analysis suggests that even top-performing companies have a lot more work to do in that regard.”

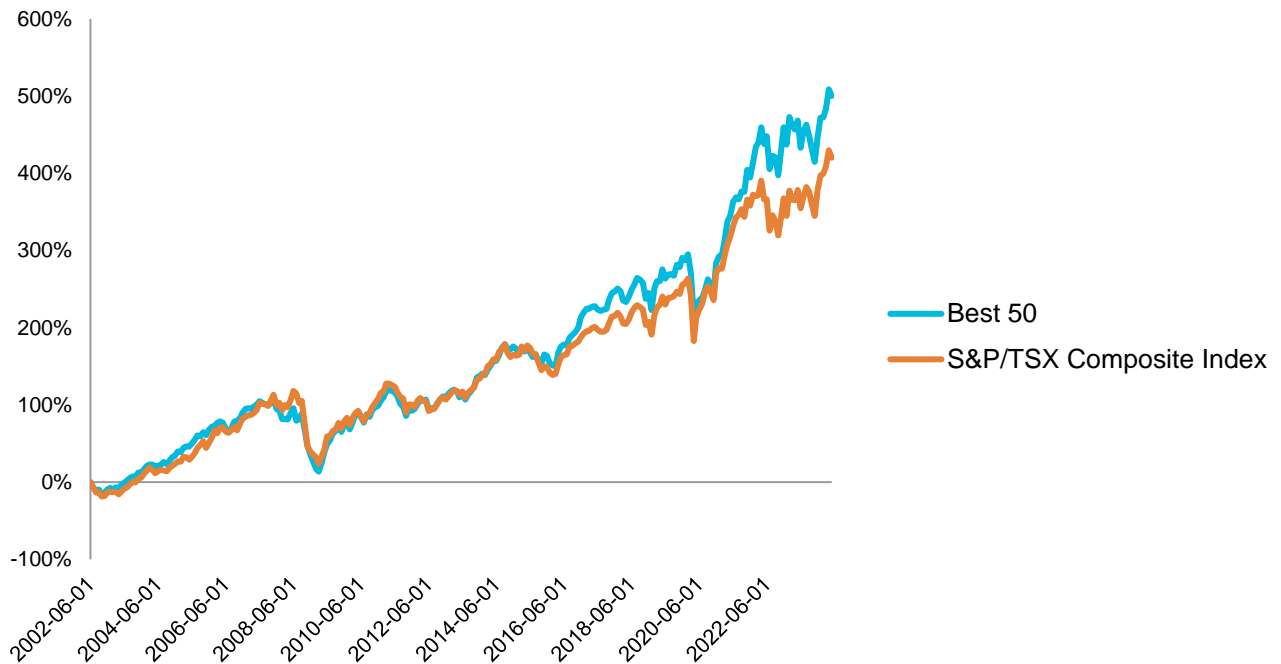
Metric	Best 50 (2024)	Canadian Companies as a Whole*		
		2022	2019	% Change
Total Sustainable Investments	\$38.7B	\$41.3B	\$22.7B	↑82%
Total Sustainable Revenues	\$116.1B	\$155.1B	\$87.8B	↑77%
Carbon Productivity**	\$1.6 million	\$1 million	\$0.7 million	↑43%
Absolute Carbon Emissions	24 million T	211 million T	229 million T	↓ 8%
Ratio of CEO to Average Worker Pay	76:1	65:1	54:1	↑20%
Cash Taxes Paid as % of EBITDA	9.9%	11.8%	10.8%	↑9%
Racial Diversity on Board	12.6%	13.60%	9.60%	↑42%

* Full universe of Canadian companies assessed (annual revenues of at least \$1 billion) and which disclosed data for each of 2019, 2020, 2021 and 2022.

** Revenues earned per tonne of carbon emitted.

Financial returns: Best 50 vs. S&P/TSX Composite Index

On a total return basis, the Best 50 Corporate Citizens' stock market performance has outpaced that of its peers, earning 500.2% gross return since it was first launched in June 2002, versus 420.2% for S&P/TSX Composite.



About the Best 50 Corporate Citizens

Inaugurated in 2002, this annual ranking is based on an assessment of all Canadian publicly traded, privately owned and Crown corporations with gross annual revenues of at least \$1 billion.³ Each is evaluated on a set of up to 25 key performance indicators. All companies are scored on applicable metrics relative to their peers, with 50% of the weight assigned to sustainable investment and sustainable revenues. Nine of the indicators have fixed weights; the rest are assigned weights according to each industry's relative impact in relation to the overall economy. The ranking relies on publicly available information and is distinguished by its transparent and quantitative methodology. A digital version of the ranking and further contextual and methodological information is available [here](#).

³ There are some additional inclusions (e.g., 10 largest credit unions by assets under management) and some exclusionary screens (e.g., companies operating in the adult entertainment industry) – a total of 340 companies were eligible for the 2024 Best 50 ranking.

A separate ranking, released concurrently, identifies the Top International Corporate Citizens in Canada. These are companies with a Canadian subsidiary with revenues of at least \$1 billion⁴, and that ranked highest on Corporate Knights' previously released [Global 100 Most Sustainable Companies in the World](#).

About Corporate Knights

Corporate Knights Inc. is an independent media and research B Corp. Its media division publishes the award-winning sustainable-economy magazine *Corporate Knights*, circulated in *The Globe and Mail*, *The Washington Post* and *The Wall Street Journal*. Its research division maintains the [Sustainable Economy Intelligence Database](#), produces sustainability rankings, research reports and financial product ratings based on corporate sustainability performance. Learn more at corporateknights.com.

⁴ North American ex U.S.