

SECONDARY BASELINE INDICATORS

Shareholder Conflict — The number of shareholder resolutions that were withdrawn (resolved) by the filer minus the shareholder resolutions that were omitted by the company or that gained over 7.5 per cent of the vote at the AGM over the past three years. Rationale: Companies that resolve concerns by shareholders demonstrate better stakeholder relations.

Work Stoppages Penalty — Person-days lost as a per cent of total employees in most recent year (only counts if more than 500 person-days lost). Rationale: Labour disruptions impose costs on many stakeholders and generally do not increase the goodwill between management and workers. This can lead to delays and lower productivity.

Labour Force Relations — A company receives a score in this category if a significant portion of its employees have a collective bargaining agreement or if no worker strife (not including work stoppages) has been documented by provincial labour relations boards over the past year. Rationale: Companies that have cordial labour relations tend to perform better.

CRITERIA FOR INCLUSION IN THE BEST 50 CONSIDERATION SET

As of December 31, 2008 to qualify for 2009: In TSX60, Top 50 on FP500 and/or ROB1000. Must be traded on TSX and/or have Canadian headquarters to be considered. Publicly available indicators for at least half of the major indicators. Additional companies with significant operations in the following high-impact sectors were also added (communications, financials, forestry, mining, oil and gas, retail, utilities).

CRITERIA FOR INCLUSION IN THE TOP FOREIGN CORPORATE CITIZEN CONSIDERATION SET

As of December 31, 2008 to qualify for 2009: In top 150 on FP500 with headquarters outside of Canada. Analyzed by Innovest Strategic Value Advisors. Additional companies with significant operations in the following high-impact sectors were also added (chemicals, forestry, IT, industrials, mining, retail).

The scoring methodology used is similar to last year's with some exceptions. See full methodology at www.corporateknights.ca

METHODOLOGY

The methodology for the Best 50 Corporate Citizens is based on environment, social and governance indicators found in the public domain. The scoring includes baseline indicators, and sector-specific key performance indicators (KPIs). The baseline indicators are worth 50 per cent of the final score, with KPIs making up the balance. The ranking for each indicator is based on each company's sector rank. Where necessary, the most suitable normalizer available was used (throughput, revenues, employees, assets).

There are dozens of KPIs that fall under three categories: environment, social, and governance. Information used is for the entire company.

The weightings and full details for the baseline and KPI indicators are available for purchase in the form of Sector-Specific Reports on demand by contacting the Corporate Knights Sales Group at sales@corporateknights.ca.

BASELINE INDICATORS

Tax — The company's average tax gap over the past 3 years / # of employees. Rationale: When a company obtains a break from their tax bill, in effect the State has invested in that company. It is reasonable to expect a return on that investment in the form of increased social welfare, measured in the number of full time jobs sustained by the company.

Pension Quality — The closing fair value of the defined benefit plan / the total number of employees. Rationale: The extent to which a company provides strong pension benefits to the majority of its workforce can influence morale and generate greater loyalty from employees, which helps productivity and reduces turnover rates.

Pension Health — The ratio of the company's unfunded pension to total assets. Rationale: This number gives an indication of the company's ability to honour its pension fund obligation.

Board Diversity and C-Suite Diversity — The percentage of directors / C-Suite members who are women, Aboriginal, and/or visible minorities. Rationale: A company that wants to attract and retain the best and brightest must show there are no glass or white ceilings.

Board Independence — The percentage of key committee(s) (audit and compensation) that are chaired by an independent director. Rationale: A strong independent board can provide valuable perspective and checks that help a company stay focused and steer it away from strategic risks.

Full SD Committee — The number of board-level committees tasked specifically with environmental issues, social license to operate, sustainability, safety, public policy or corporate responsibility. Rationale: Making sustainability part of the formal purview of the board helps to provide oversight over broad stakeholder issues from the company's top leadership, which enhances a company's ability to both manage risk and seek out related strategic opportunities for profit.

C-Suite Pay — The mean total salary of top three paid officers divided by the company's profits. Rationale: Companies that divert excessive compensation to just a few executives in relation to the company's earnings may suggest conflicts of interest and sub-optimal resource deployment.

Deloitte has reviewed the ranking process undertaken based on the information available for selected baseline indicators. No assurance was provided.