



# **SUSTAINABLE ECONOMY INTELLIGENCE**

Corporate Knights Inc.

The companies investing in the sustainable economy of today will own the economy of tomorrow.

**The time to get in is now.**

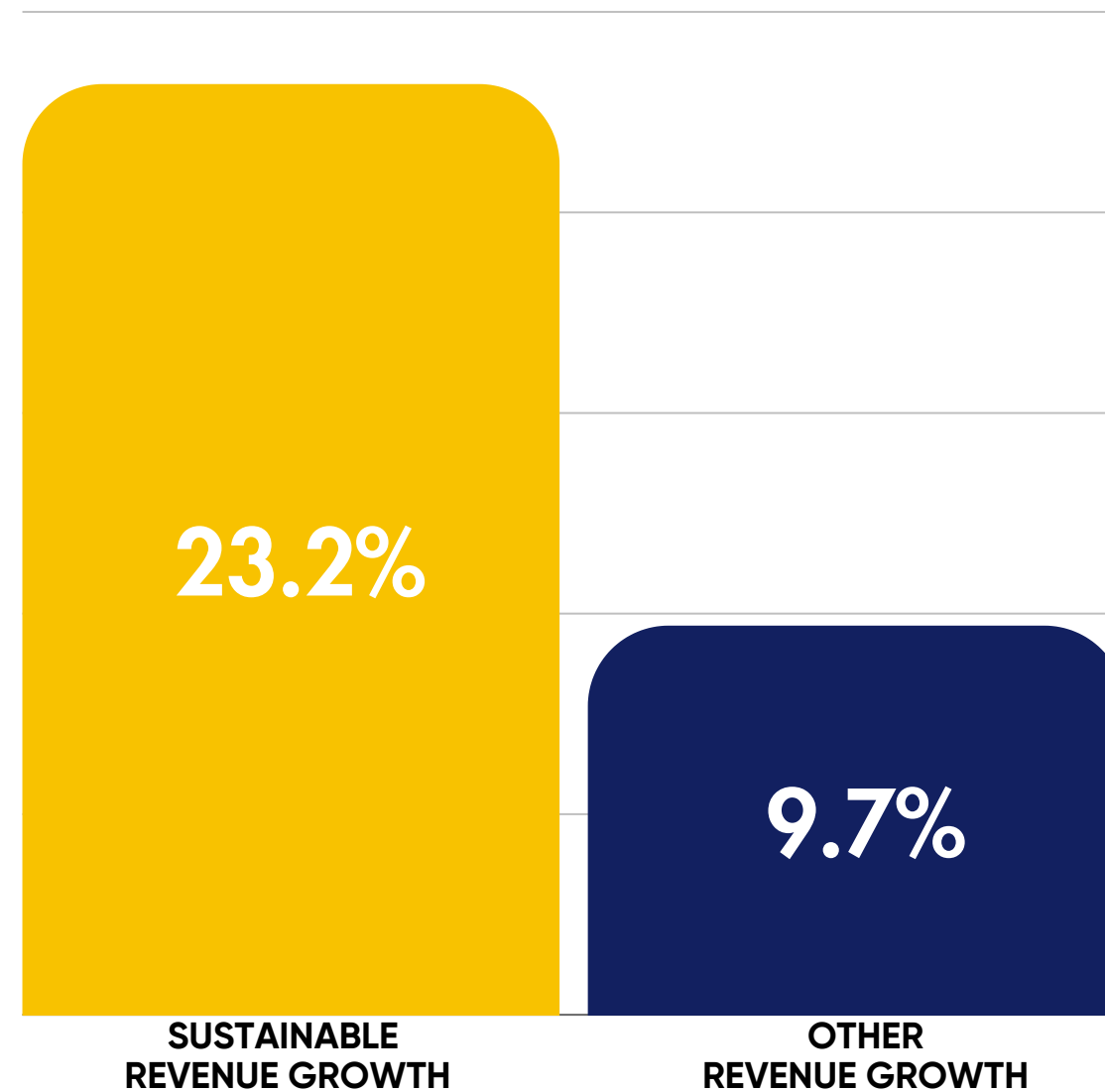


## THE GREEN ECONOMY IS TAKING OFF

Sustainable revenue has been growing twice as fast as all other revenues over the past four years. **Our sustainable CapEx data will help you find the companies best poised to capture this upside.**

**LESS GREENWASH,  
MORE UPSIDE.**

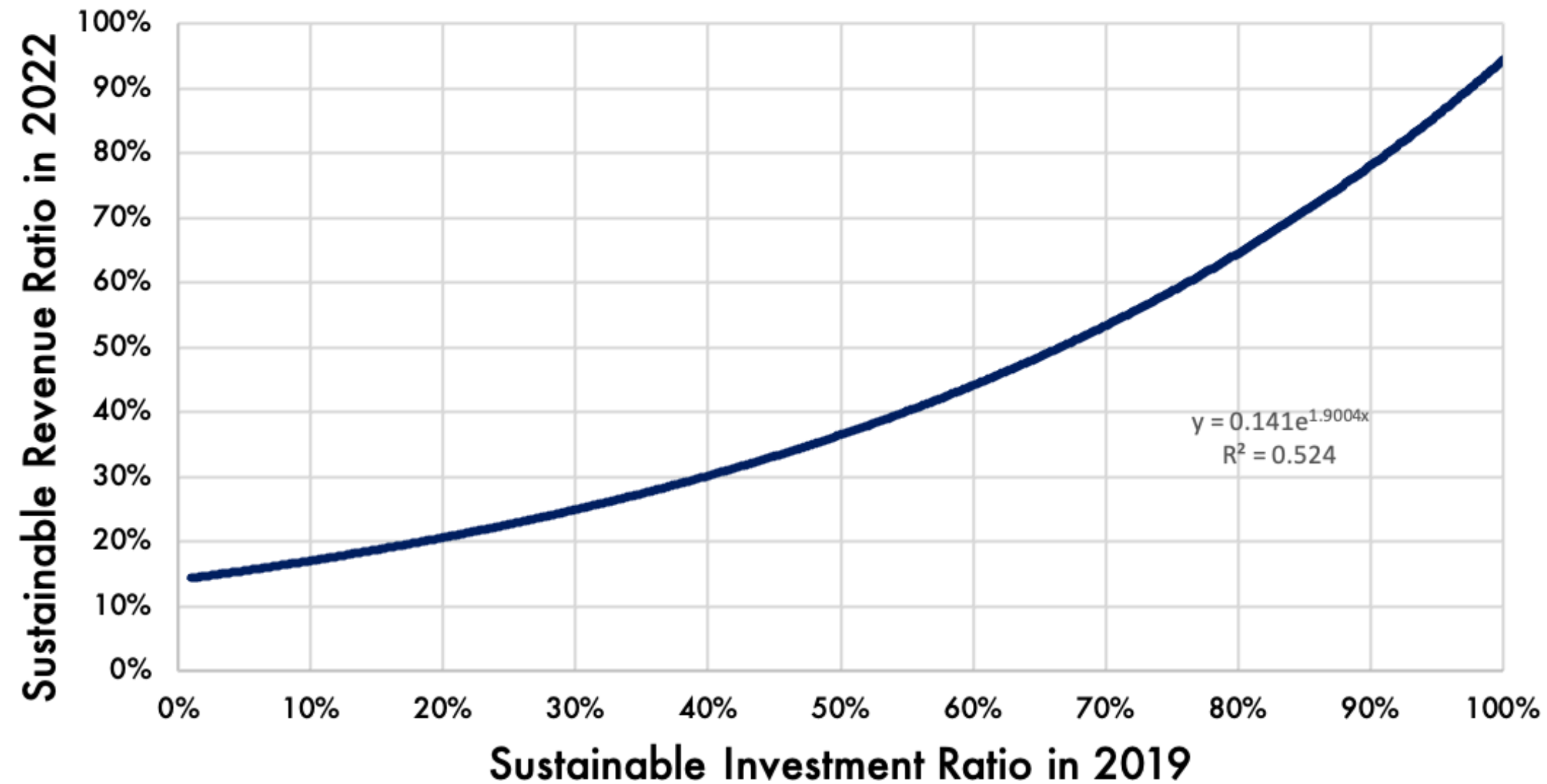
### Revenue Growth (2019-2022 CAGR)



*Source: Corporate Knights Sustainable Intelligence for 2,475 companies which have four years of data history.*

Since 2019, we have measured how the revenue and CapEx of 2,800+ global companies align with a leading edge roadmap of the sustainability transition.

## THE PATTERN IS CLEAR



“

Climate Action 100+ is the most significant global investor engagement on climate change, representing almost \$70 trillion in assets. In order to measure their success, **we need data like green revenue and green CapEx.** That's where Corporate Knights comes in.

”

**Jane Ambachtsheer,  
Global Head of Sustainability  
BNP Paribas Asset Management**



# DATA THAT REVEALS WHO IS WALKING THE TALK ON SUSTAINABILITY

No other data providers are approaching the quantification of sustainable CapEx in this way and to this depth.

**Since 2019, we have identified:**

**\$13.5 trillion**

SUSTAINABLE REVENUE\*

**\$2.3 trillion**

SUSTAINABLE INVESTMENT\*\*

\*Sustainable Revenue represents over 6% of total revenue in companies covered by Corporate Knights.

\*\*Sustainable CapEx (the largest segment of Sustainable Investment) represents over 11% of total CapEx in companies covered by Corporate Knights.



Sustainable Economy Intelligence follows the money to find the companies that are leading the transition to the low-carbon economy through their SDG-aligned product/service offerings and investments (CapEx, R&D and acquisitions) by mapping revenues and investments against the Corporate Knights Sustainable Economy Taxonomy.

This critical research offers actionable trend analysis covering companies' revenues and investments.

"While net zero commitments are the foundation of a net zero transition strategy, **CapEx is indicative of what companies actually intend to do.**"

**Climate Action 100+**



# OVERVIEW

## ENTITY

2,800+ global, publicly-traded companies, all industries (financial & non-financial)

## HISTORY

2019, 2020, 2021, 2022

## DATA SOURCES

Company annual and sustainability reports + direct engagement vetted against CK sustainable taxonomy

## FRESHNESS STANDARD

Company financial results translated into sustainable revenue and investment as quickly as possible by dedicated team of 12 analysts and data scientists

**An integrated global taxonomy applied by a team of analysts doing bottom-up research, with global, all-sector and direct correspondence with 600 companies representing \$17 trillion of global market cap.**

Sustainable Economy Intelligence covers a subset of 2,800+ companies capturing five pivotal groups:

1. The 100 Biggest Emitters globally (publicly traded)
2. Transition Pathways Initiatives (TPI) companies
3. S&P 500 companies
4. MSCI All Country World Index (ACWI) ETF companies
5. S&P/TSX Composite

## INCLUSIONS

**Sustainable Revenue & Investment + SDG mapping**

**Ratios & Raw Data**

**Growth vs. Maintenance CapEx**

**Projected Investments**



# Corporate Knights Sustainable Economy Intelligence vs Others

## KEY DATA INDICATORS COMPARISON

All figures in PPP millions

Superior fill rates | More stringent criteria

More sustainable revenue and sustainable investment

	2022 CK SEI	2021 CK SEI	2022 LEADING ESG DATA PROVIDER A	2022 LEADING ESG DATA PROVIDER B	2021 LEADING ESG DATA PROVIDER C
TOTAL SUSTAINABLE REVENUE	\$4,538,270	\$3,565,640	\$2,391,525	\$745,912	\$2,863,615
SUST REV RATIO ALIGNMENT WITHIN +/- 10%	N.A.	N.A.	77%	72%	64%
% SUST REV / GROSS REV	7%	6%	4%	1%	5%
SUST REV # NON-ZERO VALUES	1244	1144	352	180	1025
TOTAL SUST CAPEX	\$615,607	\$521,574	N.A	\$161,493	N.A
SUST CAPEX RATIO ALIGNMENT WITHIN +/- 10%	N.A	N.A	N.A	73%	N.A
% SUST CAPEX / GROSS CAPEX	15%	11%	N.A	4%	N.A
SUST CAPEX # NON-ZERO VALUES	1352	1228	N.A	217	N.A
COVERAGE (N=2763)	100%	98%	70%	8%	74%

## TOP SECTOR DIFFERENTIALS

**POWER TRANSMISSION/DISTRIBUTION:** CK scales revenues proportionate to the % of renewables transmitted

**POWER GENERATION:** EU credits Biomass, nuclear, natural gas  
**AUTO:** CK credits PHEV's at 50%, BEVs at 100%, no credit for basic hybrids

**BUILDINGS:** CK's methodology is much more stringent, requires disclosure of scope 1 intensity of building(s), with scaling credit as the intensity approaches 0. Additionally, requirement for a reputable green building certification.





# Sustainable Economy Intelligence vs Others

## REVENUE BY GICS SECTOR COMPARISON

All figures in PPP millions

GICS SECTOR	2021 CK SEI	2021 LEADING ESG DATA PROVIDER C
CONSUMER DISCRETIONARY	\$434,098	\$414,508
FINANCIALS	\$279,385	\$186,836
INDUSTRIALS	\$649,485	\$267,140
ENERGY	\$33,478	\$96,312
CONSUMER STAPLES	\$40,766	\$655,164
MATERIALS	\$510,076	\$135,401
REAL ESTATE	\$24,317	\$124,392
UTILITIES	\$494,720	\$155,958
COMMUNICATIONS SERVICES	\$231,570	\$30,311
HEALTHCARE	\$209,553	\$547,988
INFORMATION TECHNOLOGY	\$622,167	\$241,115

-  CK SEI captures more than 3x sustainable activity in key sectors for the sustainable economy transition (industrials, utilities, and materials).
-  ESG Data Provider C's revenues exceed CK-SEI figures due to less rigorous criteria (which appear to count self-defined sustainable revenues), crediting JBS, Amazon, Shell, Evergrande, Walmart, and Tyson Foods among the ten biggest sustainable revenue earners in the world.

Note: Above data pertains to the the measured amount of "sustainable revenue" for 2,763 companies on the CK core universe which includes MSCI ACWI ETF constituents as + large emitters from the Transition Pathways Initiative focus list.



“

Corporate Knights' research distills how companies make and invest their money, revealing **who is walking the sustainability talk.**

”



**Fate Saghir,  
SVP, Head of Sustainability and Head of Marketing  
Mackenzie Investments**



# ABOUT THE CORPORATE KNIGHTS SUSTAINABLE ECONOMY TAXONOMY

In 2018, Corporate Knights committed to developing a taxonomy for measuring corporate contributions to a sustainable economy by mapping revenues and investments against defined standards, with close alignment to the [UN Sustainable Development Goals](#) and [EU Taxonomy](#).

The same definitions of sustainable are used for the four types of data that can be tracked using our [Sustainable Economy Taxonomy](#): revenue, CapEx, R&D and acquisitions.

The Sustainable Economy Taxonomy includes definitions for each of the categories, including certifications and ecolabels (and related thresholds) accepted by Corporate Knights as validation of sustainable revenue or investment. It is a living document, with suggestions from stakeholders helping to serve continuous improvement.

Read the taxonomy [Governance and Method Overview](#) for more information.

## SYNTHESIS

The Sustainable Economy Taxonomy is informed by a synthesis of, among others, these sources and best practices.

### EU Taxonomy for Sustainable Activities

Designed to support the transformation of the EU economy to meet its European Green Deal objectives. As a classification tool, the [EU Taxonomy](#) seeks to provide clarity for companies, capital markets, and policy makers on which economic activities are environmentally sustainable.



### Climate Bonds Taxonomy

The [Climate Bonds Taxonomy](#) is a guide to climate aligned assets and projects. It is a tool for issuers, investors, governments and municipalities to help them understand what the key investments are that will deliver a low carbon economy.



### Sustainability Accounting Standards Board

[SASB Standards](#) identify the subset of environmental, social, and governance issues most relevant to financial performance in each of 77 industries. They are designed to help companies disclose financially-material sustainability information to investors.



### Sustainable Finance Action Council

The Sustainable Finance Action Council (SFAC) released their [roadmap report](#) in February 2023, which includes 10 recommendations addressing the merits, design and implementation of a green and transition finance taxonomy for Canada. A detailed taxonomy is expected to be published by 2025.



# CERTIFICATIONS

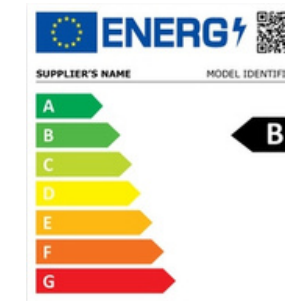
Corporate Knights reviewed over 400 of the leading global sustainability certifications and identified those that meet a high standard of sustainability. We count revenues earned from credible sustainability certifications that meet these conditions:



1. Fully disclosed, credible and stringent methodology
2. Certification subject to 3rd party verification
3. Requirement to maintain certification
4. Concerned with both outcome and process
5. Governance structure of the certifying body prevents greenwashing

**EXAMPLE**  
**TAXONOMY**  
**TIER 1:**  
**GREEN**  
**PRODUCTS**

CERTIFICATION	REVENUE COUNTED AS SUSTAINABLE
Green Seal-certified	100%
Blue Angel	100%
Cradle-to-Cradle certified	100%
EcoLeaf-certified	100%
EcoMark Japan-certified	100%
Ecologo Certified	100%
Energy Star Most Efficient	50%
Energy Star	25%
EU Energy Label Efficiency Class A-C	50%
EU Energy Label Efficiency Class D-G	0%



The Corporate Knights Sustainable Economy Taxonomy

# A TRUSTED GLOBAL SUSTAINABILITY STANDARD



Powers corporate sustainability reporting



Companies that use the Corporate Knights standard to publicly report their SDG-aligned revenues.

Powers Climate Arc's AGM Tool for Climate Action 100+ investors

climate arc

Powers The Banker's annual Sustainable Banking League Tables

The Banker

Powered the inaugural Terra Carta Seal launched by HRH The Prince of Wales



Powers the Global 100 Most Sustainable Corporations in the World Index

GLOBAL100

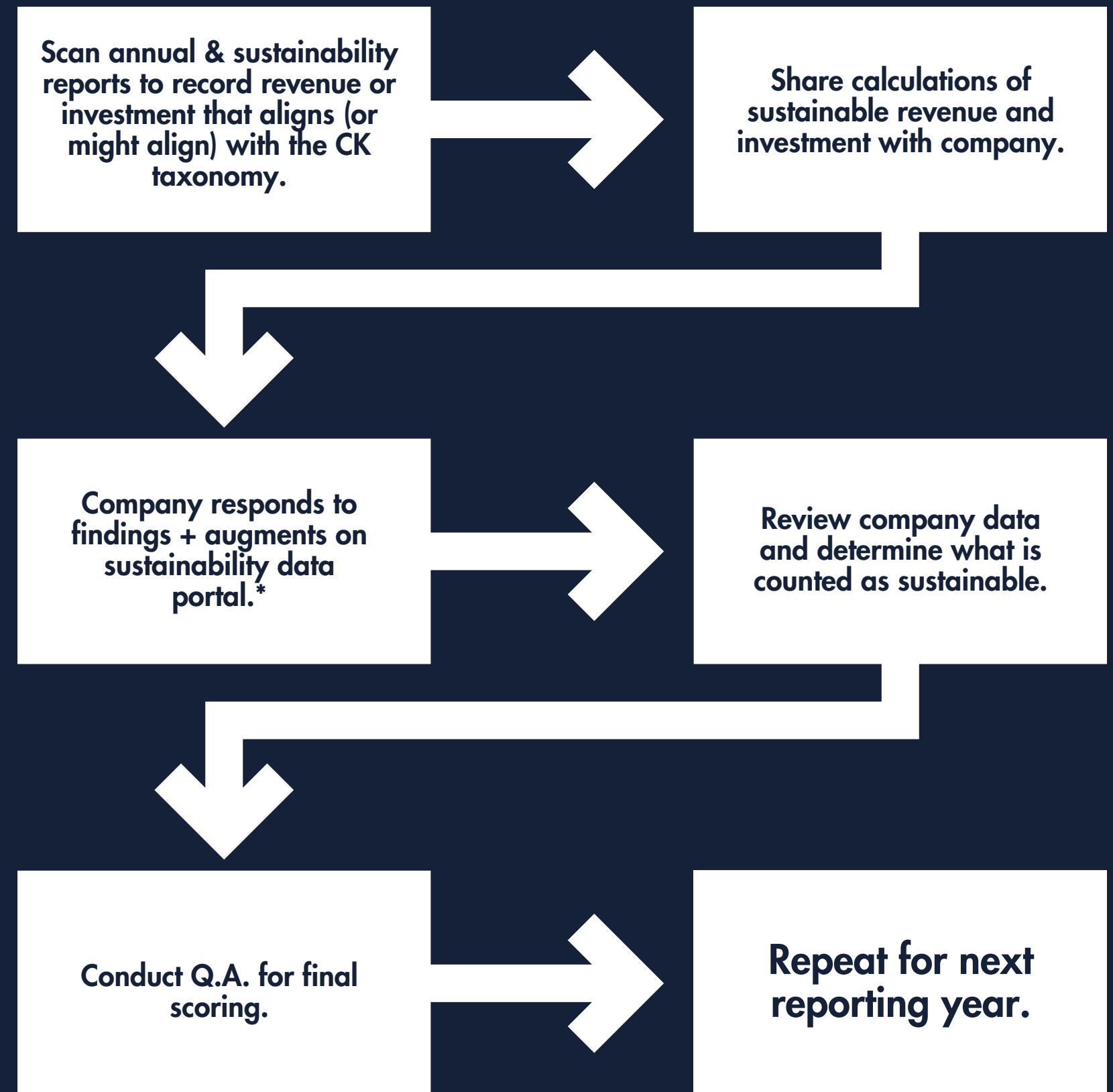


The world's top performing global equity ESG index over the past two decades [CKG100]





# HOW WE FIND NEEDLES IN HAYSTACKS



**\*500+ companies with \$17 trillion in market value engage with CK directly.**



“

Corporate Knights is **one of the most advanced practitioners** seeking ESG correlation to core business metrics such as revenue growth, cost reduction and profitability.

”

**Michael E. Porter,  
Harvard Business School**



# POWER YOUR INVESTMENT STRATEGY WITH CORPORATE KNIGHTS INTELLIGENCE

## FUTURE STATES

Use SEI in valuation models to better predict future revenue growth on sustainable economy megatrends.

## INVESTMENT OPPORTUNITIES

Identify companies with superior exposures to sustainability themes on revenues and investments.

## IMPACTFUL ENGAGEMENT

Use SEI as a fact base for more fruitful engagement with high-emitting companies.

## DUE DILIGENCE

Apply SEI as an extra level of diligence for vetting corporate net-zero commitments.

**Toby Heaps**  
**CEO**

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