

Overview of the 2026 Corporate Knights Rating Methodology



CORPORATE KNIGHTS INC.

www.corporateknights.com



Global 100 Fast Facts

Overview

- **Annual ranking** of corporate sustainability performance.
- **Released each January** and covered by leading media outlets.

Eligibility

- Size: publicly-listed companies with gross revenue of a minimum of \$PPP-currency \$1B (RY 2024*).
- Corporate Knights Peer Group (CKPG) and geography: All industries and geographies are automatically considered before screening out companies from certain industries or with identified egregious practices.

* RY 2024: Any fiscal year end between July 1st, 2024 and June 30th, 2025.

Contact info and to learn more

- Email research@corporateknights.com if you would like to confirm the correct contacts for your organization.
- [Sign up for email updates](#) on future rankings and research from Corporate Knights and the Global 100.
- Visit <https://www.corporateknights.com> for more details.

Approach

- Ranking is based primarily on **publicly-disclosed data** (e.g. financial filings, sustainability reports, company websites).
- Submissions or payment from companies is **not** required.
- Companies included in the Ranking Universe **are contacted for data verification** prior to project completion.

Ranking is conducted by Corporate Knights, a specialized media and investment research firm



Corporate Knights Magazine

- World's largest circulating magazine focused on advancing a sustainable economy.
- Reaches 400k+ of the world's most influential business and political decision-makers.



Corporate Knights Research

- Corporate Knights' rankings and ratings currently serve as an input to identify potential investment candidates for investors representing \$15 trillion in assets under management.



Council for Clean Capitalism

- CEO-supported group catalyzing smart and efficient public policy.
- Engages with leading public policy-makers.

Principles of the Corporate Knights Rating Methodology

- **Relevance:**
The ranking is meant to be representative of business sustainability in the current socio-economic context.
- **Transparency:**
The precise methodology of the ranking and the results of the process are fully disclosed.
- **Objectivity:**
Companies are assessed primarily using quantitative data and performance indicators.
- **Public data:**
Ranking relies primarily on data-points that are part of the public domain.*
- **Comparability:**
Companies are compared against their *Corporate Knights Peer Group*** (CKPG) peers.***
- **Engagement:**
Companies eligible for the ranking are informed prior to the ranking, so as to have an opportunity to ensure the necessary data is made available.
- **Stakeholders:**
Stakeholder feedback is actively solicited throughout the project.

* Private data may be used in certain circumstances, provided the company confirms its validity to Corporate Knights.

** There are 64 CKPGs.

*** Exceptions apply to a number of KPIs where performance comparison is against the whole universe of eligible companies. See [Appendix I](#).

Methodology Updates

01

KPIs and Weights

Starting with the 2026 Global 100, the KPIs employed in the ranking will be focusing on the Sustainable Economy Intelligence metrics as follows:

KPI	Weight
Sustainable Revenue Score (RY 2024)	33.3%
Sustainable Investment Score (RY 2024)	33.3%
Sustainable Revenue Momentum Score (percentage change in sustainable revenue earned 2022 – 2024 on a compound annual growth rate – CAGR basis)	33.3%

See [Appendix I](#) for details.

02

Bonus KPI: Sustainability Pay Link up to 5%

The Sustainability Pay Link indicator is designed to reward companies that have set up mechanisms to link the remuneration of the CEO with the achievement of sustainability goals or targets. Companies are scored as follows:

0% - No pay link

Where a company indicates the existence of a CEO pay link AND discloses (1) the monetary amount earned by the CEO that is tied to the pay link, and (2) the CEO's total variable (short-term and long-term), the resulting percentage is percent-ranked against that of all companies in the CK eligible universe, then weighted at 5%. See [Appendix I](#) for details.

Methodology Updates

03

Sanctions Deduction: up to 5%

Companies receive deductions on a graded scale up to a maximum of 5% off their overall score. Companies with no Sanctions receive no deductions.

The Sanctions ratio is calculated as:

Total fines, penalties and settlements / revenue

Each company's Sanctions' ratio is determined by measuring the ratio of Sanctions (the amount of money that companies paid out in qualifying fines, penalties or settlements over the period January 1, 2024 to December 31, 2024 period unless they are being appealed and thus have not been paid) to total revenue for the same or closest match period. Note only entries of at least USD \$100,000 are included. Each company's Sanctions ratio is percent-ranked against the whole CK coverage universe. See [Appendix I](#) for details.

04

Fatalities Deduction: up to 5%

Each company receives a penalty based on the percent-rank of the number of fatalities as a ratio of total employee count against that of all companies within the CK coverage universe. Zero fatalities receive no penalty.

Top quartile results with at least one fatality receives a 1% deduction, 2nd quartile results in 2% deduction, 3rd quartile in 3% deduction and bottom quartile results in a 5% deduction. This KPI applies to all CKPGs.

See [Appendix I](#) for details.

Methodology Updates

05

New ESG Exclusionary Screens*

The following two aspects are added to the list of CK Exclusionary Screens:

Cash taxes paid

- No negative cash taxes paid (sum of five years 2020-2024)

Gender Diversity

- Must have at least one female member on either the Board of Directors or among the Senior Executive Team

See [Appendix II](#) for details.

**The same list of behaviour-based exclusionary screens employed in the prior year ranking still apply, as listed in [Appendix II](#).*

06

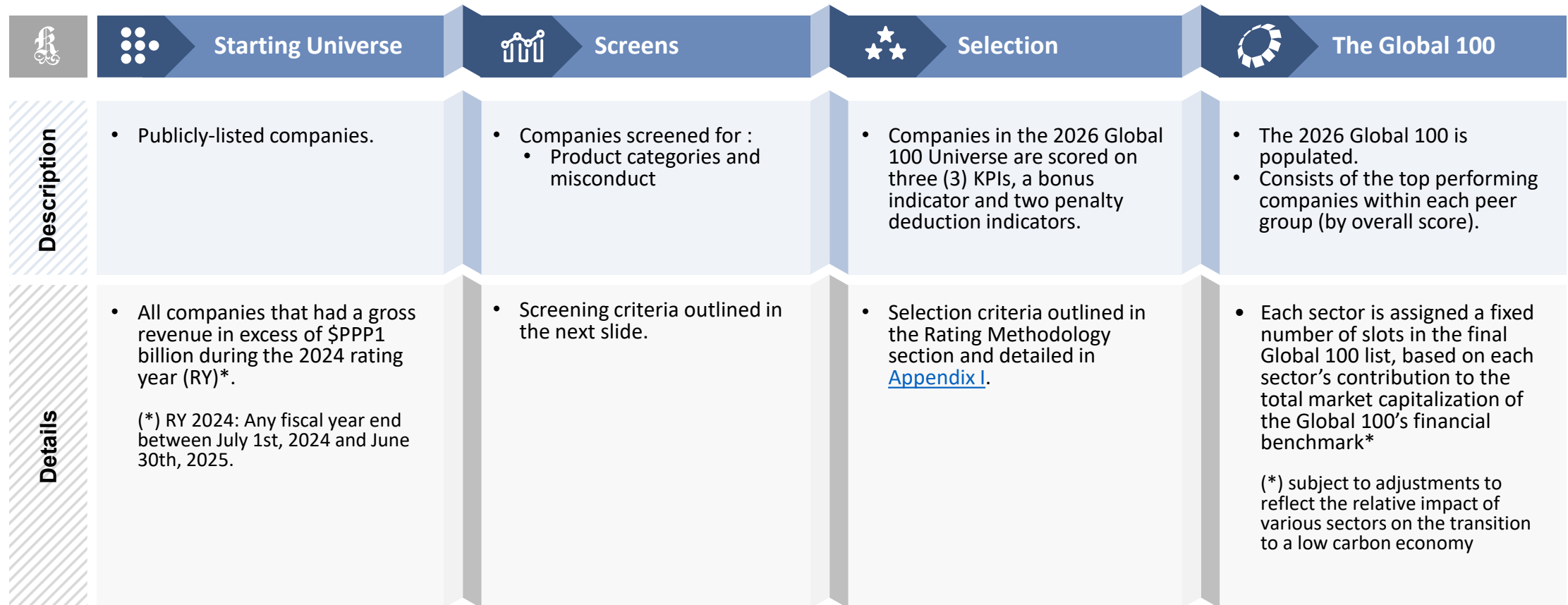
Corporate Knights Sustainable Economy Taxonomy V9.0

The Corporate Knights Sustainable Economy Taxonomy V9.0 has been released with several updates to the definitions of what constitute sustainable revenue and sustainable investments as well as new and renamed Tier 2 categories.

For a list of all updates, please refer to the “Revision Log” sheet in V9.0 Taxonomy document which can be accessed by clicking on the link below:

[Corporate Knights Sustainable Economy Taxonomy](#)

Global 100 Process



Screening criteria

	 Product Categories/ Misconduct
Description	• Companies involved in certain products or services and behaviours counterproductive to sustainable development. • Companies with a sustainable revenue ratio of less than 2% are not eligible for the ranking.
Details	• Examples include weapons, tobacco, companies that lobby to block climate change policy. • See Appendix II for a full list of exclusionary screens.

Quick Resources



[Corporate Knights Sustainable Economy Taxonomy](#)

The complete Corporate Knights Sustainable Economy Taxonomy



[Taxonomy Governance and Method Overview](#)

Overview of the governance and methodology of the Corporate Knights Sustainable Economy Taxonomy



[2026 G100 Universe](#)

Alphabetical list of all companies considered for as a part of the Global 100 ranking universe



[CKPG List](#)

Alphabetical list of all 64 Corporate Knights Peer Groups (CKPGs)

Rating Methodology



CORPORATE KNIGHTS INC.

Metrics

	KPI	Methodology	Year(s) assessed	Weight
	 Sustainable Revenue Score (KPI 1)	Percentage of total revenue derived from products and services that are categorized as “sustainable” according to the Corporate Knights open-source Sustainable Economy Taxonomy	2024	33.3%
	 Sustainable Investment Score (KPI 2)	Percentage of a company’s total investment (Capital expenditures, R&D, Acquisitions & Other) directed towards projects/research/companies categorized as “sustainable” according to the Corporate Knights open-source Sustainable Economy Taxonomy.	2024	33.3%
	 Sustainable Revenue Momentum Score (KPI 3)	Compound annual growth rate (CAGR) in Sustainable Revenue	Two most recent years (2022 – 2024)	33.3%
 Corporate Knights Sustainable Economy Taxonomy Please click on the link above to download the most up-to-date Sustainable Economy Taxonomy				

Appendix I



CORPORATE KNIGHTS INC.



Detailed scoring methodology



All Corporate Knights key performance indicators are linked to one or more of the United Nations Sustainable Development Goals (the UN SDGs).

Detailed scoring methodology

KPI	Methodology
Sustainable Revenue Score (KPI 1)	Each company's Sustainable Revenue ratio is determined by measuring the ratio of Sustainable Revenue to total revenue according to the open-source Corporate Knights Sustainable Economy Taxonomy. Each company's Sustainable Revenue ratio is percent-ranked* against all of the same-CK Peer Group peers within the CK coverage universe. The Sustainable Revenue ratio and Sustainable Revenue percent-rank are equally weighted in the calculation of the contribution towards the Sustainable Revenue score (known as the 50/50 rule). This will be in reference to the performance year 2024.



Detailed scoring methodology

KPI	Methodology
Sustainable Investment (KPI 2)	Each company's Sustainable Investment ratio is determined by measuring the ratio of Sustainable Investment to total investment by applying the open-source Corporate Knights Sustainable Economy Taxonomy. Each company's Sustainable Investment ratio is percent-ranked* against all of the same-CK Peer Group peers within the CK coverage universe. The sustainable investment ratio and sustainable investment percent rank are equally weighted in the calculation of the contribution towards the Sustainable Investment score (known as the 50/50 rule). This will be in reference to the performance year 2024. Total Sustainable Investment includes: • Total capital expenditures (investments in plant, property, and equipment or similar) consistent with the Corporate Knights Sustainable Taxonomy. Found in the cash flow statement. • Total Research and Development (R&D) consistent with the Corporate Knights Sustainable Taxonomy. Found in the income statement. • Any completed acquisitions (cash amount), joint-ventures, or equity investments in companies or funds (not counted under Sustainable CapEx or Sustainable R&D) consistent with the Corporate Knights Sustainable Taxonomy. Generally found in financial statement notes. For non-financial companies, sustainable investments refer to any investments that align with the Corporate Knights Sustainable Taxonomy. The Sustainable Investment KPI is not applicable to companies in the finance and insurance sectors.



Detailed scoring methodology

KPI	Methodology
Sustainable Revenue Momentum (KPI 3)	The Sustainable Revenue Momentum KPI measure the company's growth in Sustainable Revenue over the two most recent years. Each company's Sustainable Revenue in the company's reporting currency is determined for each of the 2022 and 2024 performance years according to the open-source Corporate Knights Sustainable Economy Taxonomy. The company's Sustainable Revenue growth is then calculated as a percentage (compound annual growth rate from 2022 to 2024). That Sustainable Revenue growth is then percent-ranked* against all of the same CK Peer Group peers within the CK coverage universe. The company's Sustainable Revenue Momentum is arrived at by multiplying the Sustainable Revenue growth percent-rank by the Sustainable Revenue Score (KPI 1).



• Percent-ranking using SQL's CUME_DIST function

Note 1: Where the 2022 local currency value of Sustainable Revenue is zero and that of 2024 is non-zero, the Sustainable Revenue Momentum KPI will not be applicable, and the weight of the remaining two indicators (sustainable revenue and sustainable investment) will be adjusted to 50% each..

Note 2: A negative growth in Sustainable revenue as measured by the compound annual growth rate 2022 - 2024 receives a zero percentank.

Bonus

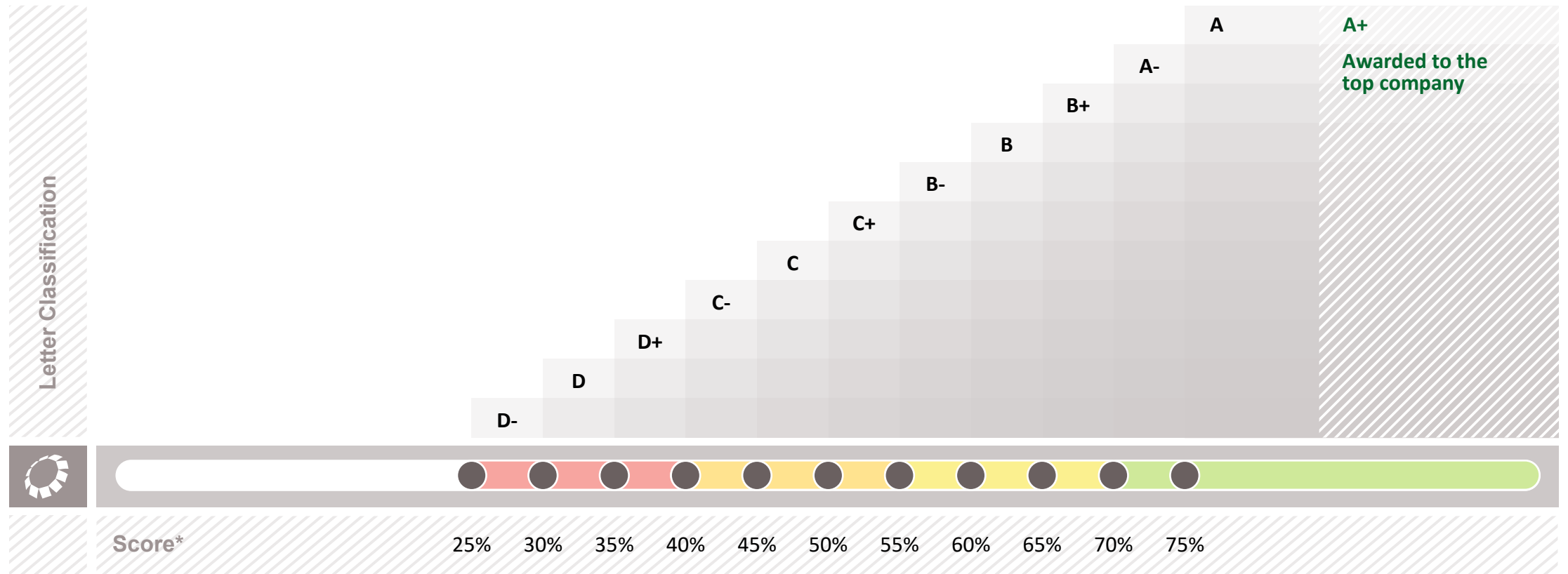
Metric	Description
Sustainability Pay Link	Mechanisms that link senior executive pay to sustainability targets (including sustainable revenue). The Sustainability Pay Link indicator is designed to reward companies that have set up mechanisms to link the remuneration of the CEO with the achievement of sustainability goals or targets. Companies are scored as follows: • 0% - No pay link • Up to an additional 5%, where a company indicates the existence of a CEO pay link AND discloses: A. The monetary amount earned by the CEO that is tied to the pay link, and; B. The CEO's total variable (short-term and long-term) • The resulting percentage (A/B) is percent-ranked* against that of all companies in the CK eligible universe, then multiplied by 5%.



Penalty deductions

Metric	Description	
Sanction Deductions (Jan 1 – Dec 31, 2024)	Total fines, penalties and settlements / revenue Each company's Sanctions' ratio is determined by measuring the ratio of Sanctions (the amount of money that companies paid out in qualifying fines, penalties or settlements over the period January 1, 2024 to December 31, 2024 period unless they are being appealed and thus have not been paid) to total revenue for the same or closest match period. Note only entries of at least USD \$100,000 are included. Each company's Sanctions ratio is percent-ranked* against the whole CK coverage universe. Companies receive deductions on a graded scale up to a maximum of 5% off their overall score. Companies with no Sanctions receive no deductions. Note that the data will be pre-populated by Corporate Knights and therefore no company input is required.	
Fatalities	Fatalities / total number of full-time equivalent employees Each company receives a penalty based on the percent-rank of the number of fatalities as a ratio of total employee count against that of all companies within the CK coverage universe. Zero fatalities receive no penalty. Top quartile results with at least one fatality receives a 1% deduction, 2nd quartile results in 2% deduction, 3rd quartile in 3% deduction and bottom quartile results in a 5% deduction. This KPI applies to all CKPGs. Note that the data will be pre-populated by Corporate Knights and therefore no company input is required.	

Detailed scoring methodology



*These scores do not reflect absolute performance, but reflect a company's performance on our KPIs, relative to other companies in their peer group.

Appendix II



CORPORATE KNIGHTS INC.



Behaviour-based Exclusionary Screens

Metric	Description
 Access to medicine laggards	Lagging pharmaceutical companies in the bottom quartile of the Access to Medicine ranking.
 Access to nutrition laggards	Lagging food companies in the bottom quartile of the Access to Nutrition index.
 Adult entertainment	Companies operating in the adult entertainment industry based on Motley Fool, Wespath, Sin Stocks, and RedLightNetwork report listings.
 Blocking climate policy	Companies who have been red flagged by InfluenceMap for engaging in a manner largely opposing Paris-aligned climate policy in an active and often strategic manner.
 Blocking climate resolutions	Asset managers that are voting negatively on climate policy resolutions according to InfluenceMap's voting record (bottom quartile).
 Carbon bomb involvement	Companies involved in a material operational and/or financial manner (10%+) with a project considered harmful for the planet's climate as tracked by BankTrack.
 Cement carbon laggards	Companies in the cement industry that were divested by Norges Bank Investment Management (NBIM) for climate change reasons (internal Corporate Knights analysis).
 Civilian firearms	Companies that manufacture civilian automatic and semi-automatic firearms, magazines, or parts prohibited under New Zealand law that were divested from by the NZ SuperFund.
 Controversial weapons	Companies involved with cluster munition, anti-personnel mine, and nuclear weapons manufacturing that were divested by NBIM and NZ SuperFund.

Behaviour-based Exclusionary Screens

Metric	Description
 Conventional weapons	Companies earning more than 5% revenue from weapons and related services. Sources: SIPRI, NBIM, NZ SuperFund and As You Sow
 Deforestation & palm oil laggards	Companies engaging in deforestation as deemed by Chain Reaction Research or NBIM. List of companies obtained from Deforestation Free Funds, which NBIM has divested from.
 Energy	Companies that operate in the fossil fuel industry with less than 50% of new investments (most recently available) in themes consistent with decarbonization.
 Farm animal welfare laggards	Laggard companies in farm animal welfare practices according to CK Red Flag list (made in consultation with animal welfare experts).
 For-profit prisons	Companies that are recommended for divestment by the Project of the American Friends Service Committee and that demonstrate involvement in the various aspects of the prison industry.
 Fossil fuel financing	The five largest banks by ratio of new fossil fuel-related loans to total outstanding loans (most recently available) as tracked by Banking on Climate Chaos. If the company's most recently available Sustainable Revenue ratio is at least 10%, it is exempted from exclusion.
 Gambling	Companies that operate in the gambling industry.
 Gross corruption violations	Companies that have been divested from by NBIM due to gross corruption violations.
 Monetary sanctions	Companies whose ratio of fines, penalties, or settlements / revenue for the last 12 months exceeds 1%

Behaviour-based Exclusionary Screens

Metric	Description
 Government sanctions	Companies on the Canadian or U.S. government sanctions list for investors.
 Oil sands laggards	Oil sands companies that were divested by NBIM.
 Severe environmental damage	Companies that have caused severe environmental damage and have been excluded by NBIM.
 Severe human rights violations	Companies that have committed severe human rights violations or have violated individuals' rights in situations of war or conflict and have been excluded by NBIM.
 Thermal coal	Identifies companies with more than 10% of generation or revenue is from thermal coal*. Exception: If the company has less than 20% of generation or revenue that is from thermal coal AND • has no plans for expansion of coal AND • at least 50% of its investments are sustainable (according to the CK Sustainable Taxonomy) then the company is not excluded Source: Global Coal Exit List (GCEL) * For rail freight, revenue is assessed on all fossil fuel products including thermal coal, crude oil, refined oil products and natural gas-related products
 Tobacco	Identifies companies that earn revenue from tobacco, and those excluded by NBIM and NZ SuperFund.

ESG Exclusionary Screens

Metric	Description
 Cash taxes paid	No negative cash taxes paid (sum of five years 2020-2024)
 Gender diversity	Must have at least one female member on either the Board of Directors or among the Senior Executive Team

Appendix III

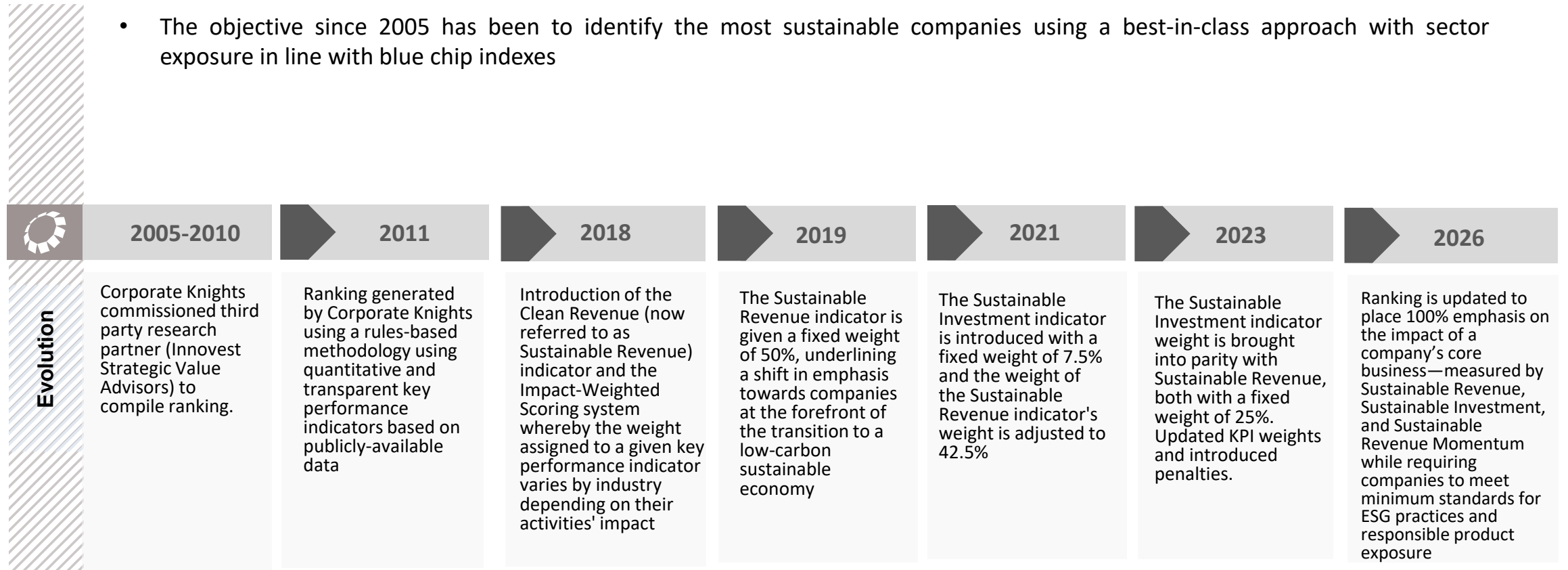


CORPORATE KNIGHTS INC.



Corporate Knights Rating Methodology Development History

- The objective since 2005 has been to identify the most sustainable companies using a best-in-class approach with sector exposure in line with blue chip indexes



Policy for Changes to the Rating Methodology

The rating methodology is reviewed at least annually by Corporate Knights Research staff.

An oversight committee composed of staff from Corporate Knights and its subsidiaries (the “Committee”) is responsible for decisions regarding any amendments to the rules of the Index. Any such amendment must be submitted to the Committee for prior approval.

Any changes or updates to any part of the rating methodology are published prior to the beginning of a rating cycle or issuance of an index reconstitution.

Any such methodological updates are communicated through the Methodology Updates section in the Overview of Corporate Knights Rating Methodology document which is published on corporateknights.com.

Link to the aforementioned document is included in any communication from Corporate Knights to users of the Index as well as companies eligible for any given ranking.

Corporate Knights Peer Groups

Appliances and lighting fixtures manufacturing	Electrical equipment manufacturing	IT services except telecom and hosting	Passenger airlines	Scientific R&D
Asset management	Farming and fishing	Integrated oil and gas	Personal products (retail chemical)	Semiconductor and electronic components manufacturing
Automobile retail	Food and beverage manufacturing	Machinery manufacturing	Pesticide and fertilizer manufacturing	Steelmaking
Banks	Forest products	Medical equipment manufacturing	Pharmaceutical manufacturing	Steel products
Basic inorganic chemicals and synthetics	Freight transport, all modes	Metal products manufacturing	Plastic and rubber product manufacturing	Telecom providers
Battery manufacturing	Furniture and general manufacturing	Mining industry support	Power generation	Telephones and telecom equip manufacturing
Business, engineering and personal services	Glass and ceramics	Mining, smelting and refining	Power transmission and distribution	Textiles and clothing manufacturing
Cars and trucks manufacturing, including parts	Grocery stores	Non-metallic mining	Primary aluminum	Tobacco
Cement, lime and concrete	Health care	Non-road transport equipment manufacturing	Real estate and leasing	Transit and ground transportation
Commercial building construction	Hotels and entertainment venues	Non-store retailers	Refining, petrochemicals and basic organic chemicals	Waste Management
Computers and peripherals manufacturing	HVAC equipment manufacturing	Oil and Gas production and extraction	Residential construction	Water and sewage treatment
Data processing, hosting services	Instrumentation and other electronic manufacturing	Oil and Gas transmission and transportation	Restaurants	Wholesale trade and warehousing
Education	Insurance companies	Packaging	Retail, except grocery and auto	

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