

FLASH REPORT: 82% of the S&P 500 Companies Published Corporate Sustainability Reports in 2016

SOURCE: GOVERNANCE & ACCOUNTABILITY INSTITUTE, INC.

Highlights from G&A Institute:

G&A Institute has analyzed the index company components' sustainability reporting activities for the past years. Our research over the last six years shows that reporting on the corporate sustainability including environmental, social and corporate governance (ESG) continues to be a consistent, reliable norm for the largest companies in US capital markets.

Sustainability reporting rose dramatically from just 20% of the companies reporting in 2011 to 72% just three years later in 2013. From 2013 to 2016, the frequency of reporting has maintained with slight increases each year, now up to 82% in 2016, the latest year of our study released.

New York, New York May 31, 2017 In the sixth annual monitoring and analysis of S&P 500 Index® company

sustainability reporting, just completed by the **Governance & Accountability Institute** research team, the findings are that eighty-two percent (82%) of the companies included in this important investment benchmark published a sustainability or corporate responsibility report in the year 2016. **Over the last few years, this consistent volume of corporate reporting underscores the importance and staying power of considering ESG issues when setting corporate strategies, managing resources and communicating to important stakeholders such as customers, employees and shareholders.**

The S&P Index is one of the most widely-followed barometers of the US economy, and conditions for large-cap public companies in the capital markets.

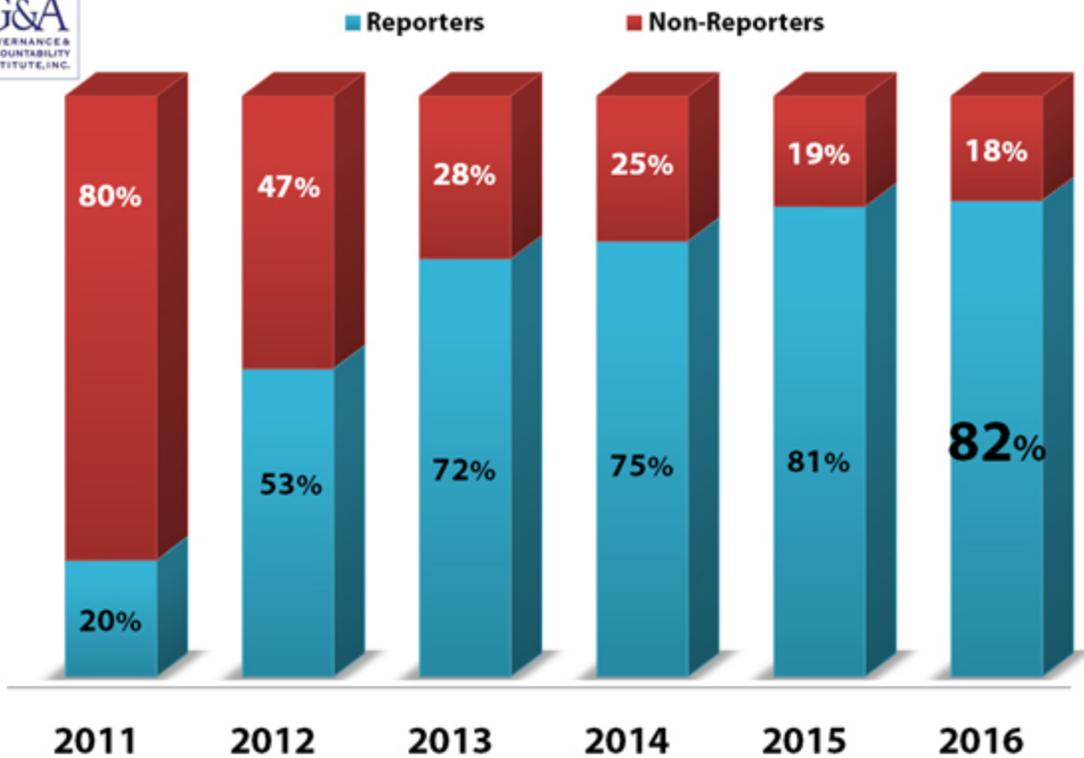
To put this in context, in charting prior years reporting, G&A found that:

- in the year 2011, just under 20% of S&P 500 companies had reported on their sustainability, corporate social responsibility, ESG performance and related topics & issues;
- in 2012, 53% (for the first time a majority) of S&P 500 companies were reporting;
- by 2013, 72% were reporting — that is 7-out-of-10 of all companies in the popular benchmark;
- in 2014, 75% of the S&P 500 were publishing reports;
- in 2015, 81% of the total companies were reporting;
- in 2016, 82% signals a steady embrace by large-cap companies of sustainability reporting.

As we entered the year 2017, just 18% of the S&P 500 were *not* publishing sustainability reports. The practice of reporting by the 500 companies is holding steady with minor increases year-after-year. The chart below represents the trends of S&P 500 sustainability reporting over the last six years:



Governance & Accountability Institute Research Results S&P 500® Companies Sustainability Reporting



Source: Governance & Accountability Institute, Inc. 2017 Research — www.ga-institute.com

Comments

[Louis Coppola](#), EVP & Co-Founder of G&A Institute, who designs and coordinates the annual analysis, notes: "Year after year we continue to see that corporations are reporting on their ESG performance and related issues. We also see that there are some companies that continue to ignore the growing demands of their stakeholders and shareholders."

"However, the pressure is on! While searching for sustainability information on the non-reporters, more often than not, the first result on Google was an investor proxy resolution requesting for the company to start reporting on its management of ESG issues. These non-reporting companies are feeling the pressure from other stakeholders such as employees and customers as well."

"As reporting standard setters and frameworks continue to evolve rapidly, leading reporters are continuously working to integrate the latest concepts into their strategy making and reporting. These leaders are seeing dramatic benefits from their efforts and are also increasingly engaging with investors to help make ESG data more strategically useful for decision-making by both company management, stakeholders and investors."

[Hank Boerner](#)

, Chairman & Co-Founder of the Institute, observed: "As we continue to see this steady level in US corporate sustainability and responsibility reporting, we are wondering what the thinking is in the *non-reporting* enterprises. These companies are now clearly laggards in this important peer group (the S&P 500), which is a very important benchmark for institutional investors. Are these companies not recognizing the significant range of benefits that accrue to their more sustainable peers?"

"Do they not understand the rising expectations of stakeholders seeking much more comprehensive information about their company's ESG performance? At the least, the companies seem to be firmly resistant to the demands of shareholders for more information about their ESG policies and performance."

The Diminishing Missing Among US Corporate Sustainability Reporters

This chart presents the number of companies from the sectors in our annual S&P 500 study that are choosing

sustainability with comparisons from 2014 through 2016.

SECTOR	2014 NON- REPORTERS	2015 NON- REPORTERS	2016 NON- REPORTERS	# REPORTING Y/Y DIFFERENCE
Consumer Discretionary	24	24	22	+2
Financials	24	24	15*	+2*
Real Estate*	n/a*	n/a*	7*	0*
Information Technology	20	15	10	+5
Industrials	18	11	11	0
Health Care	15	13	14	-1
Energy	12	8	8	0
Consumer Staples	4	1	2	-1
Telecommunications Services	3	1	1	0
Materials	2	0	0	0
Utilities	1	2	0	+2
TOTAL	123	99	90	+9

**In 2016, GICS broke out "Real Estate" as a headline sector from the Financials sector.*

Governance & Accountability Institute's GRI Data Partner Report Analyst Research Team of talented interns contributed significantly to this research and we recognize and salute them here:

RESEARCH TEAM

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For more information on our GRI Data Partner Report Analyst Research Interns, please visit www.ga-institute.com/the-honor-roll.html

Governance & Accountability Institute Training, Coaching & Workshops

In response to the rising demand for corporate sustainability knowledge and the rapidly rising embrace of ESG integration to investment decision making, the Institute offers a range of industry-leading training opportunities for corporate managers and investment professionals. For more information, go to: <http://www.ga-institute.com/training.html>

About Governance & Accountability Institute, Inc.

Founded in 2006, G&A Institute is a sustainability consulting firm headquartered in New York City, advising corporations in executing winning strategies that maximize return on investment at every step of their sustainability journey. The G&A

issues to address stakeholder and shareholder concerns. G&A Institute is the exclusive Data Partner for the Global Reporting Initiative (GRI) in the USA, UK and Republic of Ireland. A G&A team of six or more perform this pro bono work on behalf of GRI. Over the past 6-plus years, G&A has analyzed more than 5,000 sustainability reports in this role and databased more than 100 important data points for each of the thousands of reports.

G&A's sustainability-focused consulting and advisory services fall into three main buckets: Sustainability/ESG Consulting; Communications and Recognitions, and Investor Relations. The resources available within each bucket include strategy-setting; sustainability/CSR reporting assistance; materiality assessments; stakeholder engagement; ESG benchmarking; enhancing investor relations ESG programs; investor engagement; investor ESG data review; sustainability communications; manager coaching; team building; training; advice on third party awards, recognitions, and index inclusions; ESG issues monitoring and customized research.

***S&P 500®**

According to S&P Dow Jones Indices / McGraw Hill Financial: "The S&P 500® is widely regarded as the best single gauge of large cap US equities. There is over US\$7 trillion benchmarked to the index, with index assets comprising approximately US\$1.9 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization." The S&P 500 is a trademarked® property of S&P Dow Jones Indices, McGraw Hill Financial. Ticker: SPX

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