

## Nearly All S&P 500 Companies Provide Sustainability Reporting

December 5, 2018 | Client Update | 2-minute read

With funding from the Investor Responsibility Research Institute (IRR), the Sustainable Investment Institute (Si2) reviewed the current state of companies' [sustainability reporting](#) and found that although most S&P companies gave sustainability information, they followed a wide range of practices. The websites of 92% of S&P 500 companies included disclosure on sustainability, but only 395 companies (78%) issued reports. Within those reports, 357 companies provide environmental metrics and 320, social data. Other findings include:

*Most reports can be downloaded, although companies often provide dynamic website information.* Discrete reports in downloadable time-bound form were favored by 68% of companies, updated annually by 93% of those companies, while 9% of companies overall offered web-only information that could change at any time. Most companies use some combination of both formats.

*Metrics are given, but goals may be more elusive.* Specific environmental and/or social metrics are usually provided, but only 67% set quantified environmental goals, generally for greenhouse gas emissions (GHG) reduction, and only 40% established goals for social performance.

*External assurance is uncommon.* A minority of reports (38%) provide third-party assurance, but 90% of those pertain primarily to GHG emissions. Only 3% are completely externally verified, and that language was ambiguous as to whether a third party simply reviewed the report or verified the data.

*Sustainability is mentioned in some form in SEC reports by 40% of companies.* A total of 118 companies disclosed sustainability information in 10-Ks (23%) or annual reports (18%), and 191 companies (38%) included a discussion of corporate responsibility or sustainability in proxy statements, beyond general sections like risk factors or governance-related discussions.

*Specific board committee oversight is almost majority practice.* Less than half (42%) formally designate a board committee to oversee sustainability issues.

*Companies mix and match frameworks and standards.* Nearly all companies failed to select a single standard or framework, instead following or at least referencing multiple ones. The Global Reporting Initiative (GRI) is the most commonly used for reports, and the Carbon Disclosure Project (CDP) is the next-most referenced. SASB frameworks were not yet completed at the time the project was completed, but were still cited in 9% of companies reviewed.

*Integrated reporting continues to be rare.* Only 14 companies issued an integrated report, among them Clorox, Intel, Pfizer, Southwest Airlines, Medtronic and Ingersoll-Rand. All the reports can be found on the Investor Relations page on their websites.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

**Ning Chiu**

+1 212 450 4908

[ning.chiu@davispolk.com](mailto:ning.chiu@davispolk.com)

---

*This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.*