WINSTON & STRAWN LLP

BLOG

Sustainability Reporting Takes Off, Provides Benefits

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A 2012 corporate sustainability reporting study published by the Governance & ccountability Institute, Inc. (G&A) indicates that as of the end of April 2012, 53% of S&P 500 companies are currently providing sustainability reports (also known as Corporate Social Responsibility reports), compared to about 19-20% of S&P 500 companies who reported in 2010. The percentage of S&P 500 companies that do not report on sustainability is 47%.

G&A is a research organization that monitors, collects, and identifies all sustainability reports published in the United States for the Global Reporting Initiative (GRI), a non-profit organization that has established a comprehensive sustainability reporting framework. G&A's research also looked at potential benefits recognized by corporate sustainability reporters, and whether companies that used the GRI Framework enjoyed more benefits than companies using non-GRI reporting methods. The benefits analyzed by G&A included stronger financial performance, inclusion on sustainability indices such as the Dow Jones Sustainability Index, reputational lists and awards such as Newsweek's list of Greenest Companies, and ratings and rankings from entities and websites. The research determined that companies who reported using the GRI Framework were more likely to be included in leading sustainability indices, had higher Carbon Disclosure Project disclosure and performance scores, and more favorable Glassdoor, Bloomberg, and CSRHub® ratings. While sustainability reporting alone does not guarantee better rankings, it does improve the chance of being recognized by ratings and ranking organizations. With respect to financial performance, G&A's analysis found that over the long term, companies that manage sustainability issues and report on progress and initiatives in that area tend to perform better in capital markets.

1 Min Read

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