



G&A GOVERNANCE &
ACCOUNTABILITY
INSTITUTE, INC.™

10TH ANNIVERSARY

SUSTAINABILITY REPORTING IN FOCUS

2021

S&P 500® + RUSSELL 1000®

Examining 2020 sustainability reporting trends of the largest publicly-traded companies in the U.S.

92% of the S&P 500® and 70% of the Russell 1000® Published Sustainability Reports in 2020

INTRODUCTION TO OUR 10TH ANNUAL RESEARCH ON ESG REPORTING TRENDS

Governance & Accountability Institute, Inc. (G&A) is a consulting and research organization providing services to publicly-traded and privately-owned companies to help enhance their public environmental, social and governance (ESG) and sustainability profiles – which investors and other stakeholders are using to gauge company success in various ways.

One of G&A's core specialties is helping companies to expand their ESG disclosures and more effectively embrace the leading reporting frameworks and standards for developing structured reports on ESG factors.

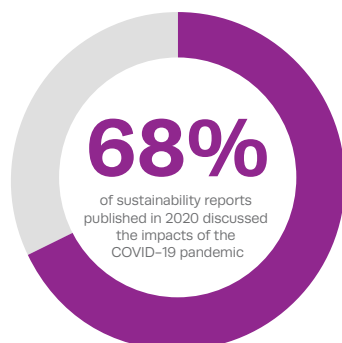
G&A is pleased to welcome you to the 10th Anniversary edition of our annual research series tracking sustainability reporting trends of the largest U.S. public companies.

Over the past decade, the number of companies publishing sustainability reports has continued to increase every year. During the 2020 publication year, G&A found that sustainability reporting has clearly become a best practice among the largest U.S. public companies, with all-time highs of 92% of S&P 500 companies and 70% of the full Russell 1000 companies reporting on sustainability. *More data and details on our findings can be found in the below report.*

G&A's sustainability reporting research efforts are focused on a variety of publicly accessible corporate reports, typically titled as corporate sustainability, corporate responsibility, corporate citizenship, ESG, environmental update, and the like. Our research also analyzes the content of the identified sustainability reports to provide detailed breakdowns of the reporting frameworks and standards used (GRI, SASB, TCFD); alignment with the United Nation's Sustainable Development Goals (SDGs); and trends in external assurance and CDP reporting.

Like all organizations and individuals, we faced challenges from the COVID-19 pandemic while conducting our 2021 research. We found that 68% of reports published in 2020 by Russell 1000 companies discussed the impacts of COVID-19. We also saw that some companies delayed the usual publication of their 2020 reports due to disruptions caused by the pandemic.

COVID-19 Impacts

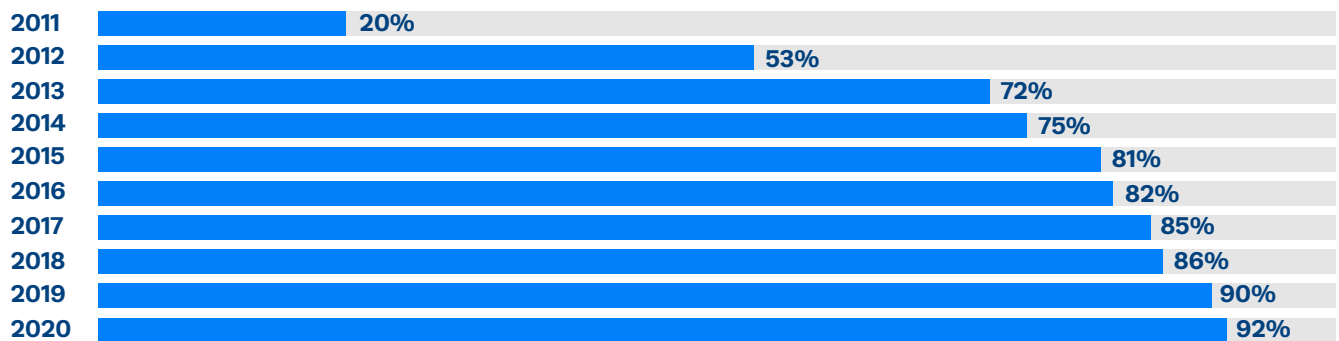


In 2012, G&A's analysts began researching the sustainability reporting of the S&P 500® companies for the publication year 2011. This became the baseline foundation for our annual examination of corporate sustainability reporting trends in subsequent years.

The results of this initial research ten years ago showed that just 20% of the S&P 500 companies published sustainability reports or disclosures, **meaning that 80% of the S&P 500 companies were NOT publishing such reports.** G&A has examined sustainability reporting trends of the S&P 500 companies each calendar year since then – **and today the percentage of non-reporters is only 8%.**

10TH ANNIVERSARY

THE 10-YEAR TRACK RECORD OF S&P 500 REPORTERS



RESEARCH EXPANDED TO INCLUDE THE FULL RUSSELL 1000®

G&A's research has shown that over the past decade, voluntary sustainability reporting has become a common practice among the S&P 500, consisting of some of the largest companies in the U.S. measured by market cap.

With this in mind, the G&A research team decided in 2019 to start to examine the sustainability reporting trends of smaller companies by expanding the scope of the research to include all companies in the Russell 1000. The Russell 1000 Index companies' total market cap represents 92% of all listed stocks in the U.S. equity market.

The composition of the S&P 500 Index is made up of exclusively large-cap stocks, while the remaining half of the Russell 1000 Index collects some mid-cap stocks in its overall portfolio composition. Currently, the S&P 500 components have a market cap of over \$13 billion, while the overall Russell 1000 components have a minimum of \$2 billion.

This publication marks our third year of examining the sustainability reporting trends of the Russell 1000 companies – and therefore, the second year we are able to compare year-over-year developments.

2021 G&A RUSSELL 1000® RESEARCH HIGHLIGHTS

G&A's analysts have determined that 70% of the total Russell 1000 Index companies published sustainability reports in 2020 – that's up from 65% in 2019 and 60% in 2018.

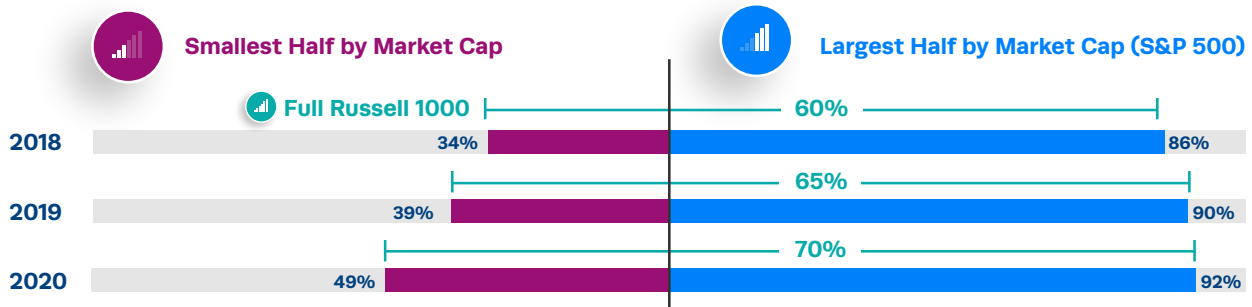
When analyzing the reporting trends of the entire Russell 1000 Index, we broke out the companies into the larger and smaller halves of the index by market cap. The largest half by market cap of the Russell 1000 Index generally comprises the same companies as the S&P 500 Index.

In this examination, we found that of the largest half of companies, 92% published reports in 2020 – an increase from 90% in 2019.

The number of reporters in the smallest half of the Russell 1000 index, while significantly lower, included an additional 10% of reporters since last year's research. This growth represented an increase to 49% publishing reports in 2020 – up from 39% in 2019, and 34% in 2018.

The S&P 500® companies are continuing to set an expectation for best practice. In the coming years, we hope to see the same expansive increase in ESG reporting among the smallest half of the Russell 1000, as we have seen in the largest half.

ANNUAL REPORTING TRACK RECORD OF RUSSELL 1000 COMPANIES

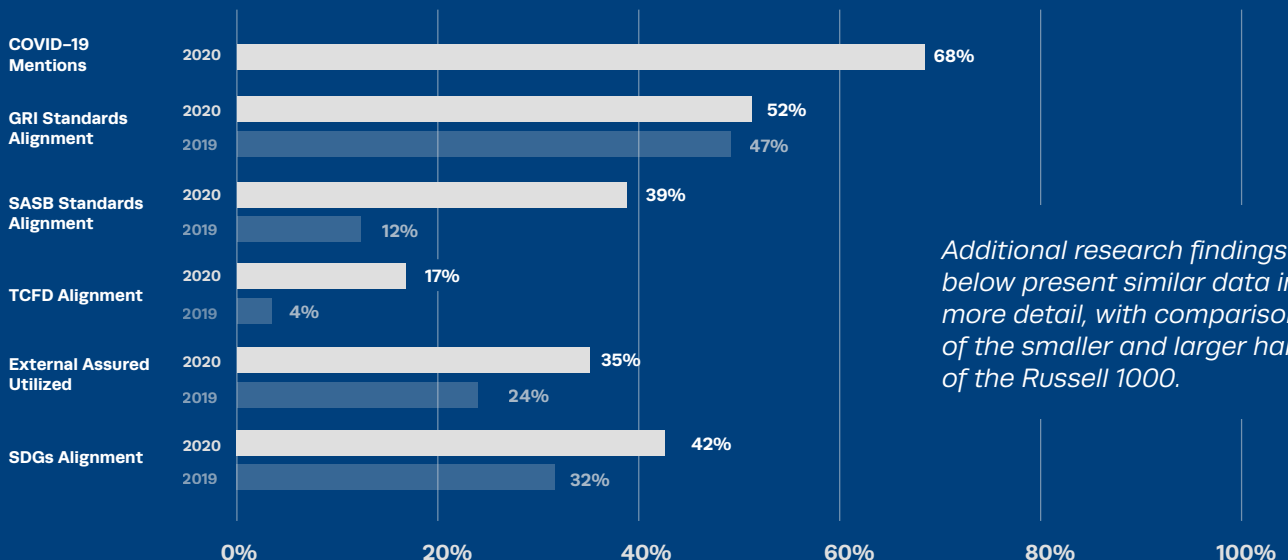


In 2020, G&A expanded our sustainability reporting research for the publication year 2019 to include the full Russell 1000. Our annual research now analyzes trends for the companies included in the full Russell 1000 index, as well as breakouts for the largest half (S&P 500) and smallest half market cap of the overall index. The annual reporting trends of the S&P 500 companies over the last decade can be found on the prior page.

KEY TAKEAWAYS ON RUSSELL 1000 REPORTING

G&A found that 70% of the Russell 1000 companies published sustainability disclosures in 2020.

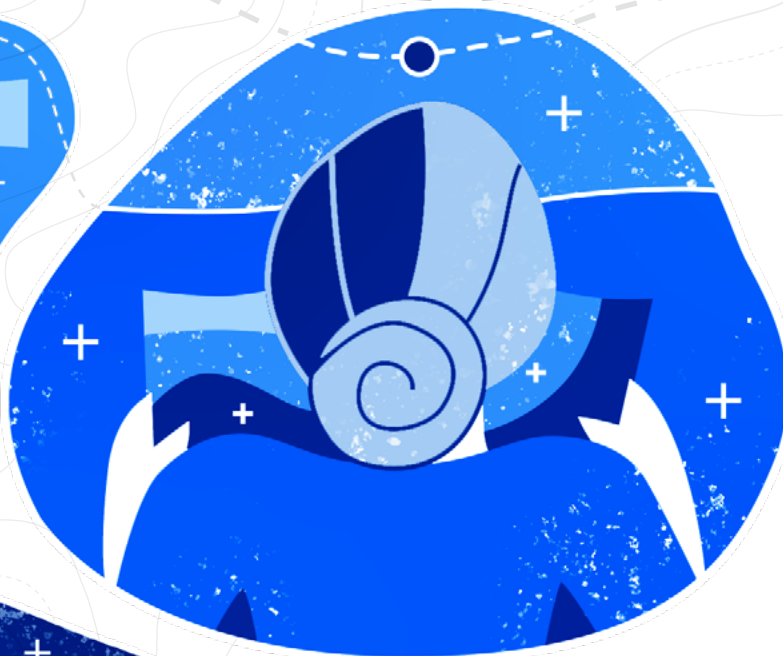
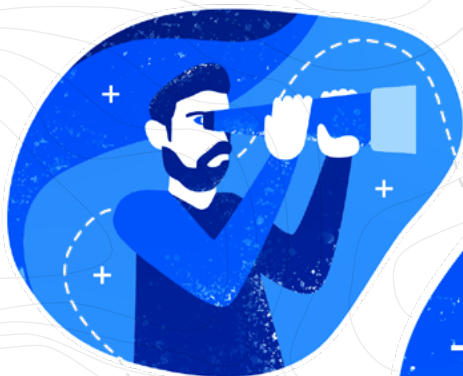
Below is a summary of growth in specific reporting behaviors from 2019 to 2020 for this cohort of reporters:



Additional research findings below present similar data in more detail, with comparisons of the smaller and larger halves of the Russell 1000.

OUR FINDINGS ARE FOR ALL

G&A is proud to invite your in-depth review of our comprehensive research findings and analysis throughout the report below. As a public service to further G&A's education and information-sharing mission, this report is an important demonstration of our efforts. We will continue to publish annual updates on the sustainability reporting trends found in this report to inform the corporate sustainability community. Our findings are meant to be used by various stakeholder groups, including, investors, companies, professionals, governments, and more.



+ **Note:** Permission is granted for re-use of data results and the graphics presented throughout this publication, however please ensure that credit is accurately attributed to G&A for any replication of representations in this report and that a link is provided back to our website as a source.

Market Cap

Outstanding Shares
x Share Price =
Market Cap



Note on Publication

In 2021, G&A has officially transitioned to **ONE** comprehensive annual Russell 1000 research publication – now replacing our past two-part annual publications which had a separate report focused on just the S&P 500 companies. With multiple years of data going forward we can examine the year-over-year changes of this expanded cohort. Our S&P 500 findings can still be found in the report. For reference, G&A's historical Russell 1000 / S&P 500 annual research reports can be found [here](#).

METHODOLOGY

The 2021 G&A Sustainability Reporting in Focus research focused on corporate ESG disclosure and reporting activities of the companies listed in the Russell 1000® Index during the calendar year 2020 and expanded upon the ESG factors typically examined by the G&A analyst team and senior staff.

This year's report has been enhanced with new charts and infographics to improve navigation and understanding of the results of this comprehensive annual analysis, informed by a decade of dedicated monitoring and analysis by G&A's expert team.

In this enhanced research effort, G&A examined and analyzed the Russell 1000 Index companies as a whole, as well as a breakout into two halves: the largest firms vs. the smaller of the firms by **Market Cap**. The "largest half of the Russell 1000" generally represents the S&P 500 Index® companies and is determined based on company market cap. The "smallest half of the Russell 1000" are the remaining companies in the index (representing smaller market caps than those companies in the S&P 500).

This is an important perspective throughout the research below, as we keep in mind the amount of resources that large cap companies are able to devote to ESG initiatives and disclosure compared to smaller mid-cap companies.

Note that these two breakouts of the full Russell 1000 are not necessarily equal "halves." In 2020, there were a total of 1,005 companies included in the full Russell 1000 Index. This total was broken out by market cap to include 500 companies in the S&P 500 Index, and 505 in the smaller "half" of the Russell 1000.

The indices are updated regularly by their owners; as a result, large-cap companies are often added or removed from time to time, which can alter the baseline from year to year. For the purposes of this year's research, the list of Russell 1000 companies was pulled as of December 31, 2020.

However, it is important to note that the S&P 500 Index is rebalanced on a quarterly basis, while the Russell 1000 Index is rebalanced once a year – at the end of the second quarter. Due to this differing rebalancing frequency, there were three additional companies added to the S&P 500 in 2020 Q3 and Q4. These additions were captured in our analysis even though the Russell 1000 at end of 2020 had not been rebalanced yet to include these.

**REPORT
 LEGEND**



**Smallest Half
 by Market Cap**



**Largest Half by
 Market Cap (S&P 500)**



**Full Russell 1000
 Companies**

Throughout this report, we have utilized the following three icons for ease of review and reference when examining the results of our research in the various data and infographics within.



Louis Coppola

Executive Vice President
& Co-Founder
G&A Institute

G&A COMMENTS

Louis Coppola, G&A's EVP & Co-Founder, who has designed and managed all of G&A's annual analyses to date, explains:

"The last few years have been incredibly challenging with the compounding crises of COVID-19, social inequity, climate change, and for many a loss of trust and faith in our institutions. During these trying times, the focus on ESG and sustainability issues and topics has continued to deepen and accelerate. In some ways, I believe this acceleration is a direct reaction by society to the problems we all face and the environment we now find ourselves in, and I believe it will help us navigate our way through these crisis situations and the ones to come.

Frameworks, standards, methodologies, and KPIs for properly managing, measuring, and disclosing across a wide array of

ESG issues have all continued to be built upon, refined, and made more decision useful. Since our founding in 2006, G&A has tracked these trends and utilized the underlying data to create systems and tools that help our clients become leaders in sustainability. For example, we have developed a comprehensive 5-step approach to ESG leadership using a hybrid standards approach incorporating the best features of the most influential and important standards and frameworks.

It is exciting to see the smaller companies in this year's research embracing this trend as well. It is also interesting to see increased use of relatively newer, yet critical reporting frameworks like SASB and TCFD – especially as regulators here in the U.S. and around the world move towards further consolidation and rulemaking of disclosure standards for ESG.

G&A is proud of the work we've done in the ESG space for over 15 years, and our partnerships with so many great organizations, as well as the strong bonds we've forged with a growing number of clients as we all move further along in our sustainability journey.

As this space grows, G&A grows, our team grows, our tribe grows, our clients grow, and combined our impact on the world grows. Onward and upward!"

It is interesting to see increased use of relatively newer, yet critical reporting frameworks like SASB and TCFD.



Hank Boerner

Chairman, Chief Strategist
 & Co-Founder
G&A Institute

G&A COMMENTS

Hank Boerner, G&A's Chairman, Chief Strategist & Co-Founder, discusses trends in ESG:

"The corporate sustainability community has been challenged over the past decade by the rapid expansion of reporting frameworks and standards that have emerged and evolved. The G&A team wrestles with an alphabet soup of frameworks and standards that corporations and their providers of capital are expected to use for sustainability reporting and ESG metrics. The settling down of this phenomenon seems to be at hand with the consolidation of ESG raters, increased alignments of standards, and potential regulation of what companies need to disclose and the standards they need to follow.

G&A's research has clearly shown that corporate sustainability reporting is now a best practice for the leading U.S. public companies and is increasingly being adopted by mid-cap companies as they recognize the value of being recognized for their commitment to ESG. As the world confronts the impact of climate change and other global challenges, we believe the corporate sustainability community will continue to play an important role by holding corporations and the capital markets accountable and providing ways to measure the impact of sustainability and ESG programs."

LOOKING FORWARD

In 2021, we saw significant progress on the development of sustainability and ESG reporting standards. On the global scale, the IFRS Foundation, which oversees the International Financial Reporting Standards (IFRS) accounting standards applied in about 140 countries, has proposed the creation of the International Sustainability Standards Board (ISSB). The ISSB will develop sustainability reporting standards to capture financially material information about sustainability-related risks and opportunities, and their impact on a company's enterprise value, with an initial focus on climate-related risks.

In the U.S., the Biden-Harris Administration has applied a "whole of government" approach to address climate-related financial risks. As part of this approach, the Securities and Exchange Commission (SEC) is expected to develop rules for U.S. corporate sustainability reporting, which will potentially be based on SASB and TCFD reporting standards. G&A has already seen an increase in TCFD reporters in 2020 and we expect that trend to continue in 2021.

Stay Tuned: Corporate sustainability reporting is only increasing. G&A analysts have gotten a head start on our 2022 Russell 1000® research examining sustainability reporting trends for the publication year 2021. At this preliminary stage, we expect to see an additional 10% of the Russell 1000 companies reporting in 2021 – a very encouraging upward trend showing increased reporting by the smallest half by market cap of the Russell 1000 companies. We believe this provides further evidence that mid-cap companies are following the lead of large-cap companies in adopting sustainability reporting as a best practice. We look forward to sharing the final results of our research with you in the new year.

G&A COMMENTS



Elizabeth Peterson
Senior Sustainability Analyst
G&A Institute

Elizabeth Peterson, Senior Sustainability Analyst at G&A, has been involved in the research since 2017 and oversees the day-to-day work of the effort, supervising the talented analysts and team members involved. She comments:

“After 10 years of tracking the upward trends in reporting for the S&P 500® companies, the analysis was becoming more of an expectation of increased reporting – with 92% now reporting in 2020. During internal brainstorming to improve G&A’s annual research offering, we arrived at a hypothesis that as we examine smaller companies, the less likely they are to have dedicated sustainability departments and/or comprehensive ESG disclosures. We landed on measuring progress with a focus on company size and market cap value.

We believe this current lack of comprehensive reporting by smaller companies is due to not having access to the same amount of resources as larger cap companies in the S&P 500.

However, with the increased pressures being put on companies (especially those that are publicly-traded) from investors and the threat of mandatory reporting regulations – we expect to see continued progress among the smaller companies.

This report delivers an impressive analysis supporting our hypothesis through the comparison of reporting habits between the larger and smaller cap companies included in the Russell 1000®. With three-years of comparable data, we are already seeing an upward trend (an additional 15% since 2018) of smaller companies picking up the pace when it comes to ESG reporting. In the coming years, we hope to see the same expansive increase in ESG reporting that we saw in our S&P 500 research trickle down into the smaller cap companies in the Russell 1000 – as the S&P 500 companies continue to set an expectation for best practices.

Each year we attract an outstanding class of intern analysts who devote several months to carefully parsing the reports of public companies included in the Russell 1000. We thank each of them for their time, passion, and dedication devoted to this research. They are outstanding professionals with a solid foundation in ESG research.”

Read more about our analysts in the back of this report.

S&P 500 companies continue to set an expectation for best practices in sustainability reporting.

RESEARCH & ANALYSIS RESULTS

In 2020, 70% of the companies included in the Russell 1000® Index published sustainability reports and data disclosures. Only 30% of this important universe of publicly-traded companies did not report during 2020. Throughout our annual research on corporate reporters, we continue to see a steady decrease of sustainability reporting laggards. However, some sectors are progressing more quickly than others. Below we provide sector-based highlights from the 2020 reporting year.

2020 TOP LINES FOR RUSSELL 1000 INDEX

83
 Non-Reporters
 in the I.T. Sector

TOP SECTOR
Utilities
100%
 REPORTING

LAGGING SECTORS NOT REPORTING

Financials	I.T.	Health Care
51%	45%	44%

SECTORS MAKING PROGRESS

15 NEW REPORTS	
Financials	
15 NEW REPORTS	
Real Estate	

SECTOR WITH MOST REPORTS
Industrials
110
 COMPANIES

NON-REPORTERS AMONG U.S. CORPORATES IN RUSSELL 1000® INDEX

G&A Analyst Note In 2020, the year-over-year increase in non-reporters under both the Health Care and Information Technology (IT) sectors could be attributed to the large influx of companies added to the Russell 1000 Index among these sectors in 2020; which likely had an adverse effect on the amount of non-reporters.

The chart below presents the number of companies from each GICS sector that have not published a sustainability report between 2018, 2019, and 2020 – implying no visible organized focus on sustainability and ESG. More information on GICS sector categories is available [here](#).

■ **Progress In Non-Reporters** ■ **Needs Improvement in Reporting** ■ **No Change**

	Communications	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	TOTAL
Russell 1000 Index												
2018 Non-Reporters	32	37	11	16	77	46	49	65	11	42	2	388
2019 Non-Reporters	29	33	10	8	63	45	44	73	10	30	0	345
2020 Non-Reporters	23	30	7	2	48	54	31	83	7	15	0	300
YOY Change in Non-Reporters	-6	-3	-3	-6	-15	+9	-13	+10	-3	-15	0	-45
% Of Sector Not Reporting	51%	27%	13%	6%	33%	44%	22%	45%	13%	19%	0%	30%
Total Companies in Russell 1000	45	112	54	36	144	123	141	183	52	77	38	1005

	Communications	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	TOTAL
Smallest Half by Market Cap												
2018 Non-Reporters	24	30	8	13	65	36	41	52	11	34	2	316
2019 Non-Reporters	24	27	8	6	59	37	36	63	9	26	0	295
2020 Non-Reporters	18	22	6	2	44	46	25	75	6	14	0	258
YOY Change in Non-Reporters	-6	-5	-2	-4	-15	+9	-11	+12	-13	-12	0	-37
% Of Sector Not Reporting	78%	43%	27%	18%	56%	77%	37%	68%	25%	30%	0%	51%
Total Companies in Smallest Half	23	51	22	11	79	60	68	110	24	47	10	505

	Communications	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	TOTAL
Largest Half by Market Cap (S&P 500®)												
2018 Non-Reporters	8	7	3	3	12	10	8	13	0	8	0	72
2019 Non-Reporters	5	6	2	2	4	8	8	10	1	4	0	50
2020 Non-Reporters	5	8	1	0	4	8	6	8	1	1	0	42
YOY Change in Non-Reporters	0	+2	-1	-2	0	0	-2	-2	0	-3	0	-8
% Of Sector Not Reporting	23%	13%	3%	0%	6%	13%	8%	11%	4%	3%	0%	8%
Total Companies in S&P 500	22	61	32	25	65	63	73	73	28	30	28	500

REPORTING FRAMEWORKS

In this research, we determined the practices of Russell 1000® Index reporters by analyzing their use of various reporting frameworks and public reporting surveys. There are many approaches to sustainability reporting. For this research, we examined three commonly used reporting frameworks – GRI, SASB, and TCFD, and one public reporting questionnaire, CDP.

Each of these presents unique reasons for consideration by corporate management. Although each of these frameworks is distinct, all are in some ways complementary to one another. Therefore, it is common for companies to align their sustainability reporting with more than one, if not all, of these frameworks.



The GRI Standards enable any organization – large or small, private or public – to understand and report on its impacts on the economy, environment and people in a comparable and credible way. The GRI Standards are designed as an easy-to-use modular set delivering an inclusive picture of an organization’s material topics and how their impacts are managed. Three series of Standards support the reporting process: the GRI Topic Standards, each dedicated to a particular topic and listing disclosures relevant to that topic; the GRI Sector Standards, applicable to specific sectors; and the GRI Universal Standards, which apply to all organizations.



The SASB Standards are designed for communication by companies to investors about how sustainability issues impact long-term enterprise value. SASB Standards guide the disclosure of financially material sustainability information by companies to their investors. Available for 77 industries, the SASB Standards identify the subset of environmental, social, and governance (ESG) issues most relevant to financial performance in each industry.



The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information and more effectively disclose climate-related risks and opportunities. The TCFD framework is structured around four thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets.



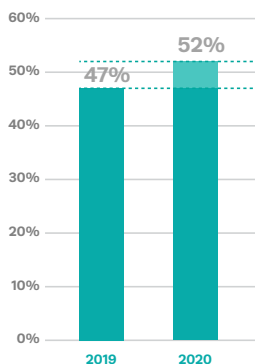
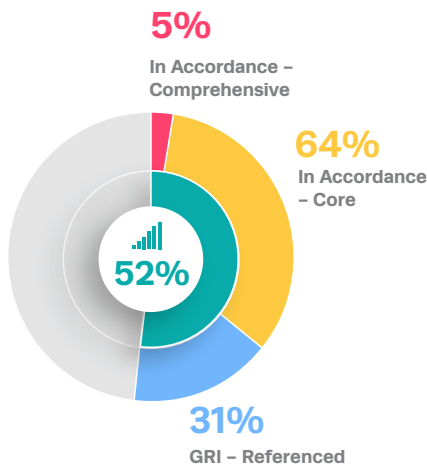
CDP is a not-for-profit charity that maintains the most comprehensive database of disclosures from public and private companies, governments, and other organizations about their environmental performance related to carbon emissions, water use, deforestation, and supply chain engagement. Although not a framework like GRI, SASB and TCFD, company responses to the CDP Climate Change Questionnaire are publicly available and closely align with TCFD.

GLOBAL REPORTING INITIATIVE (GRI)



Looking to improve your company's GRI reporting? G&A can help! [Learn more](#)

Russell 1000 GRI Reporting in 2020



An additional 5% of Russell 1000 reporters have utilized GRI since 2019

The Global Reporting Initiative (GRI) is the de facto global standard for corporate sustainability reporting. Since 1999, when the first corporate reporters began using the GRI framework, hundreds of companies followed, beginning with the “G1” framework (the first generation, released in early 2000).

GRI was established in 1990 by the NGO Ceres, following the Exxon Valdez oil spill in Alaska waters. They were initially known as the Valdez Principles, then became the Ceres Principles, and were later adopted and enhanced by a convening of parties including investors by the United Nations in 1994.

Now in its 5th generation, the framework is referred to as the GRI Standards, which represents a new era for the organization as they move from a framework to being accepted as a commonly used standard of reporting. These comprehensive standards were officially updated and adopted in 2017 and are modular, allowing for the constant update, expansion, and enhancement of the standards which cover economic, environmental, and social impacts.

Conversations and consultations around improvement to the standards are on-going. Recent updates and additions to the GRI Standards have applied to various topic-specific disclosures including: GRI 306: Waste (2020), GRI 207: Tax Strategy (2019), GRI 403: Occupational Health & Safety (2018), and GRI 303: Water and Effluents (2018). In 2021, GRI revised their Universal Standards to put

an emphasis on due diligence and human rights. Use of the newly revised standards will go into full effect at the start of 2023. Additionally, GRI is beginning to roll out new sector-specific standards – with the first sector (Oil & Gas) being revealed in 2021. More on this update available [here](#).

In 2020, more than half (52%) of the reporting companies in the Russell 1000® Index utilized GRI reporting standards. This is an 11% increase from 2019. Companies have found that the GRI Standards help improve ESG disclosure by providing structure and consistency to their sustainability reporting publications.

On the next page, we detail the GRI reporting behaviors of the full Russell 1000 companies – as well as breakouts for the smaller and larger halves of the index.

For example, of those reporters utilizing the GRI Standards, **we found that the majority (64%) chose to report in accordance with the “Core” option.**

A smaller portion (5%) utilized the “Comprehensive” level of reporting. Those adhering to this level of accordance are considered leaders in the reporting realm, as they take it the extra mile.

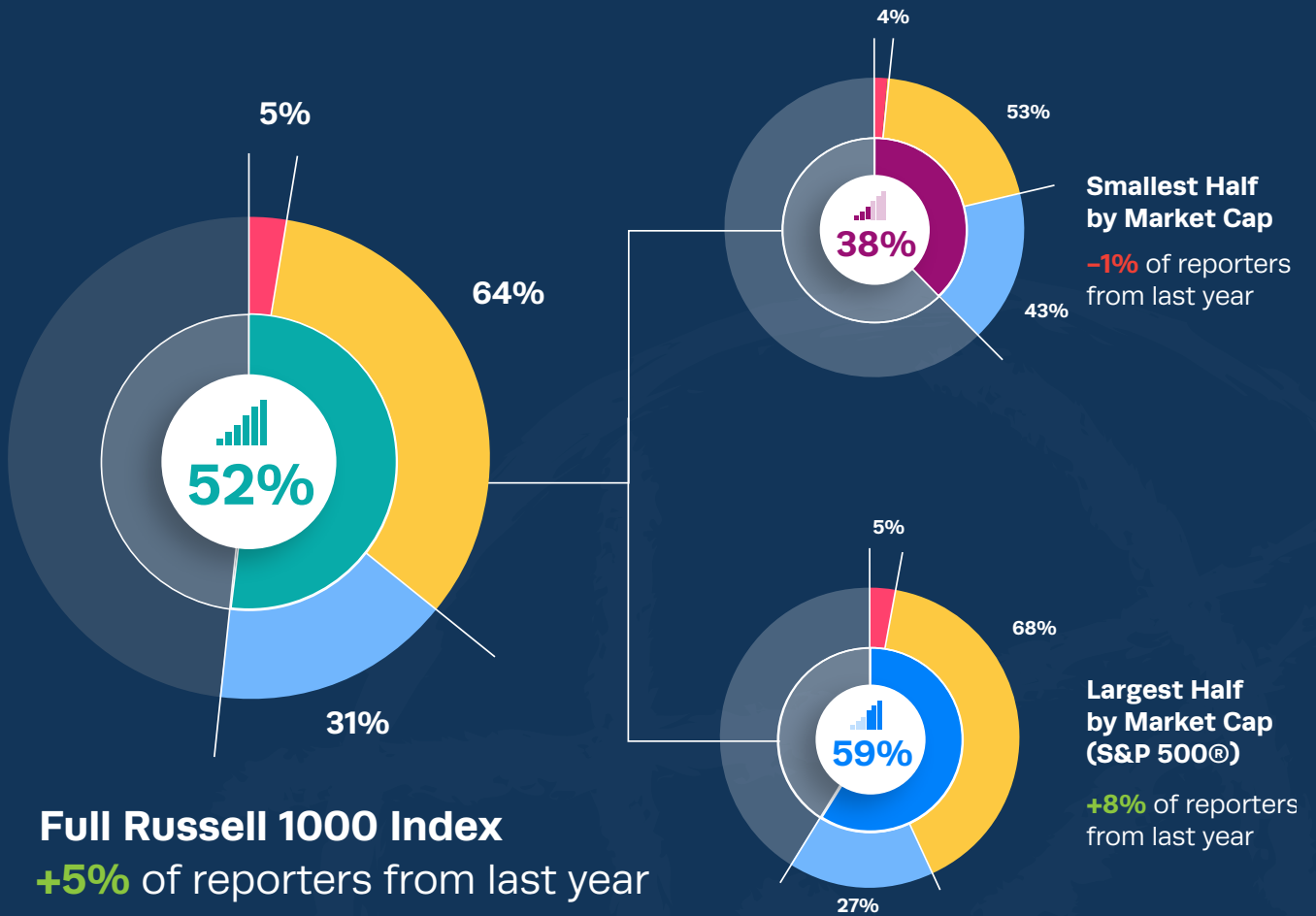
GRI-Referenced reports are not fully in accordance with the GRI Standards, but they contain the GRI Content Index and reference certain disclosures.

More information on the GRI Standards can be found [here](#).



BREAKDOWN OF RUSSELL 1000® REPORTERS UTILIZING THE GRI STANDARDS

Below, the center of each chart depicts the percentage of reporters that utilize the GRI Standards, while the outer ring breaks down that percentage into how the Standards are being utilized (In Accordance – Comprehensive, In Accordance – Core, or GRI – Referenced).



+ G&A Analyst Note

When comparing the larger half of the Russell 1000 (the S&P 500) to the smaller half, not only does a larger percentage of S&P 500 reporters utilize the GRI Standards in general – a larger portion also adheres to a higher accordance level with more GRI reporters aligning at the Core-level over a GRI-Referenced report.

LEGEND

- In Accordance – Comprehensive
- In Accordance – Core
- GRI – Referenced

REPORTING FRAMEWORKS



SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

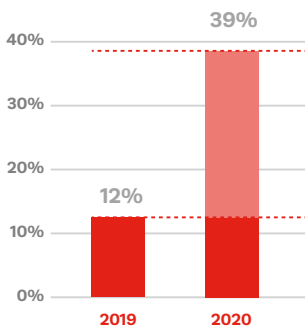
Looking to improve your company's SASB reporting? G&A can help! [Learn more](#)

The Sustainability Accounting Standards Board (SASB) was organized by investors to bring more disciplined and organized reporting by publicly-traded companies for ESG performance disclosure and at the same time focusing on what is financially material information. SASB and its universe of supportive investors encourage publicly-traded companies to use its SASB Materiality Map®. At this point, SASB reporting for publicly-traded companies remains voluntary in the United States. However, this year there has been significant pressure from investors for companies to disclose using SASB, including letters to CEOs and Boards from the CEOs of both BlackRock and State Street urging companies to disclose on material SASB topics for their industry. We anticipate that in the future we will see a significant rise in SASB reports.

There are now specific SASB standards for 77 industry categories in 11 sectors. More information on a company's identified industry under SASB's SICs® classification can be found [here](#).

In 2020, the G&A analyst team determined that 53% of the Russell 1000® reporters either mention or align with SASB. Of the Russell 1000 reporting companies, 39% are in alignment with SASB Standards, while the other 14% are simply mentioning the standards. With growing discussions around regulating corporate disclosures with SASB, we anticipate those only mentioning the SASB Standards will improve their disclosures in the coming years and advance to full alignment.

SASB ALIGNMENTS



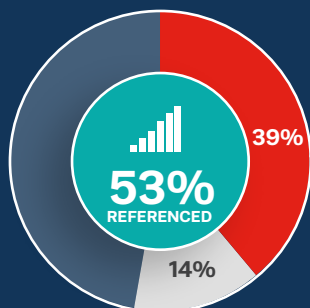
An additional 27% of Russell 1000 reporters have utilized SASB since 2019

+ G&A Analyst Note

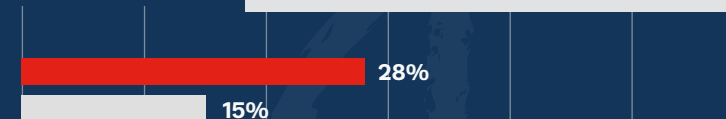
In 2020, we saw a substantial increase in SASB reporters. An additional 27% of Russell 1000 reporters are aligning with the SASB Standards - up to 39% from 12% in 2019.

A monumental 45% of the S&P 500® reporters are now publishing disclosures in accordance with SASB.

SASB MENTIONS & ALIGNMENTS



43% REFERENCED
 Smallest Half by Market Cap



58% REFERENCED
 Largest Half by Market Cap (S&P 500)



All Russell 1000 Index Reporters



Reporters that align with SASB



Reporters that only mention SASB



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Looking for TCFD reporting? G&A can help! [Learn more](#)

The Task Force on Climate-Related Financial Disclosures (TCFD) was organized by the G20 nations' Financial Stability Board (FSB); consisting of Finance Ministers and Central Bank Governors, to review how the financial sector can take into account climate-related issues.

In 2020, the G&A analyst team determined that 30% of the Russell 1000® reporters either mention or align with TCFD recommendations. Of the Russell 1000 reporting companies, 17% are in alignment with the TCFD recommendations, while the other 13% are simply mentioning the recommendations.

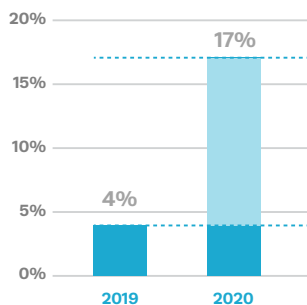
In 2017, TCFD published the voluntary TCFD Recommendations as a new reporting framework. The TCFD mission is to develop voluntary, reliable, clear, efficient, and consistent disclosure to accurately measure and respond to climate change risks for use by companies to provide relevant information to investors, lenders, insurers, and other stakeholders.

With growing discussions around regulating climate-related corporate disclosure, we anticipate those only mentioning the TCFD recommendations will improve their disclosures in the coming years and advance to full alignment. This will be additional growth building off the influx of TCFD reporters already. More information can be found [here](#).

The TCFD Recommendations are comprised of four pillars:

- **Governance**
- **Strategy**
- **Risk Management**
- **Metrics and Targets**

TCFD ALIGNMENTS



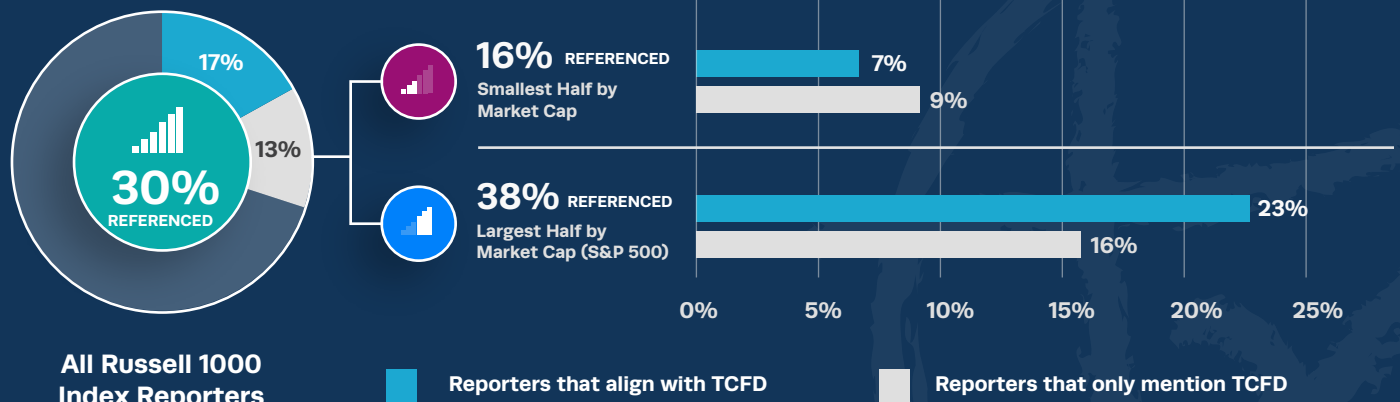
An additional 13% of Russell 1000 reporters have utilized TCFD since 2019

+ G&A Analyst Note

In 2020, we saw a substantial increase in TCFD reporters. An additional 13% of Russell 1000 reporters utilized the TCFD Recommendations - up to 17% from 4% in 2019.

When focusing on just the S&P 500® companies, the amount of reporters using TCFD increases to 23%.

TCFD MENTIONS & ALIGNMENTS



CDP RESPONDERS



Looking to improve your company's CDP Response? G&A can help! [Learn more](#)

+ G&A Analyst Note
 63% of the Russell 1000 companies responding to the CDP Climate Change questionnaire scored a B or higher.

"CDP" (formerly the Carbon Disclosure Project), was first organized two decades ago by investors to help investors, cities, and corporate managements disclose the environmental impact of their organization through an annual questionnaire where they are scored, ranked, and recognized. These scores and responses are made publicly available for all stakeholders to access and review.

At the start, carbon emissions (now "climate change") was the main focus of the CDP Climate Change response. Over the years CDP has expanded to include specific surveys related to: water,

waste, forests, and supply chain. CDP encourages environmental transparency and accountability as being "vital to tracking progress towards a thriving, sustainable future".

In 2020, 397 (40%) of the Russell 1000® universe responded to the CDP Climate Change questionnaire. For the S&P 500®, the percentage of CDP responders was at a high of 65%, but only 14% of the smaller half of the Russell 1000 were CDP responders. Below is a makeup of the overall CDP Climate Change scores from the Russell 1000 responders.



CDP CLIMATE CHANGE

397

of Russell 1000 Index Companies Respond to CDP Climate Change



CDP FORESTS

51

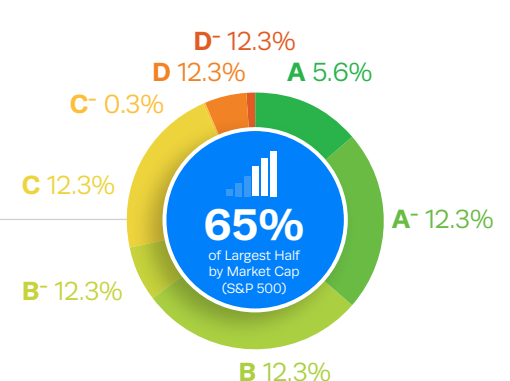
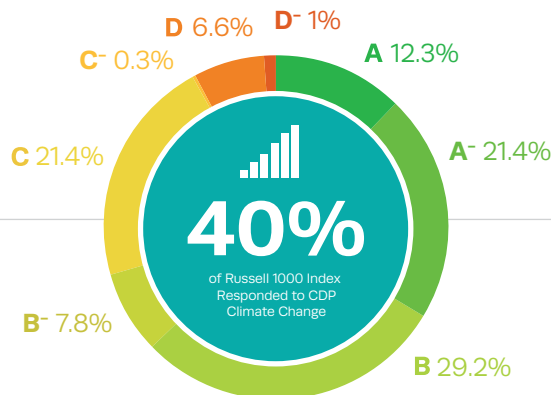
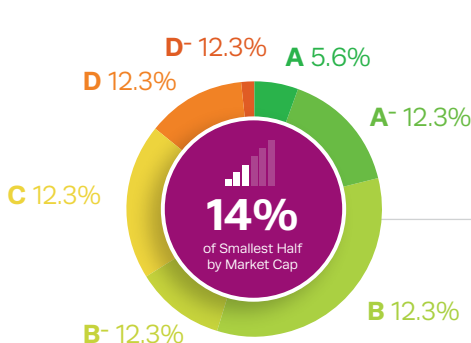
of Russell 1000 Index Companies Respond to CDP Forests



CDP WATER SECURITY

170

of Russell 1000 Index Companies Respond to CDP Water Security



EXTERNAL ASSURANCE

Frequently used synonyms:

assurance, external assurance, verification, or certification

A growing number of companies are choosing the route of external assurance for their environmental and/or social disclosures. Assurance provides increased recognition, transparency, and credibility of a company's ESG disclosures while reducing risk. Seeking external assurance often indicates strong internal reporting and management systems. Overall, assurance improves stakeholder communication and trust.

Among the Russell 1000® reporters, 35% obtained external assurance for their non-financial ESG disclosures in 2020 – that's a 46% increase overall from 2019 (24%). When examining this same percentage broken out into the smallest and largest halves of the Russell 1000, we see that the percentage doubles for the larger companies in the S&P 500®.

External assurance varies from company-to-company based on provider type, the scope of assurance, and level of assurance.

The below data shows the various details of assurance among the the full Russell 1000, and breakouts of the smallest and largest halves. For example, 89% of Russell 1000 companies utilizing external assurance had it conducted at a limited / moderate level.



of Russell 1000 Index Reporters Seek External Assurance

Up from **24%** in 2019



Smallest Half by Market Cap

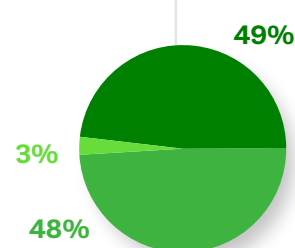
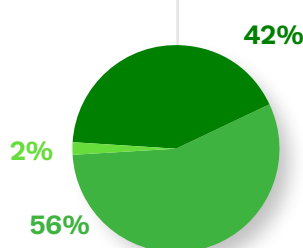
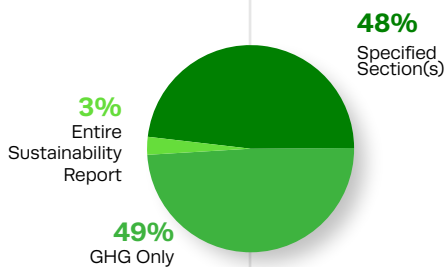
Up from **12%** in 2019



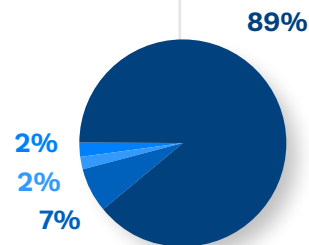
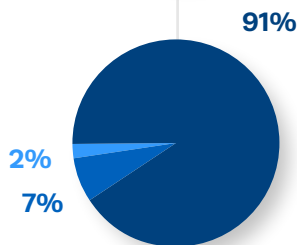
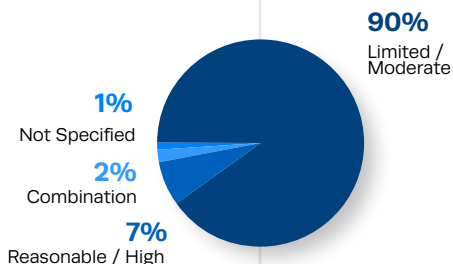
Largest Half by Market Cap (S&P 500)

Up from **29%** in 2019

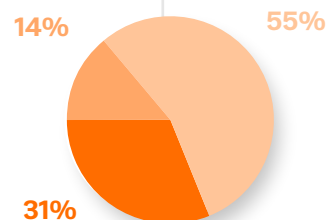
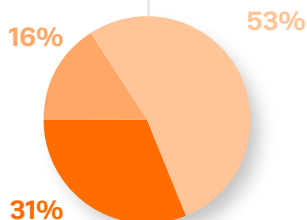
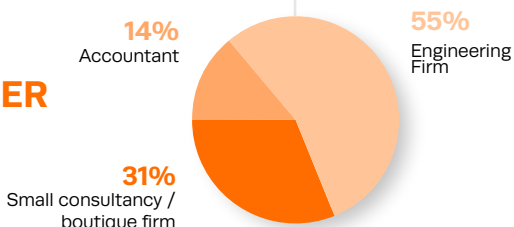
SCOPE
of external assurance



LEVEL
of external assurance



PROVIDER
of external assurance



U.N. SUSTAINABLE DEVELOPMENT GOALS AND CORPORATE ALIGNMENT

Looking to align your strategies or reporting with the SDGs? G&A can help!

[Learn more](#)

The Sustainable Development Goals (SDGs) were adopted by the United Nations' Member States in 2015. There are 17 major goals and 169 underlying targets. The goals are blueprints for striving to achieve a more sustainable future – following the 2030 Agenda for Sustainable Development, a 15-year plan to achieve the goals.

The SDGs succeeded the seven Millennium Goals, established at the start of the 21st Century, with achievements including improvements in education, decent work, healthcare, and other aspects of societal needs.

SDG 8 is among the top SDG alignments from corporations



SDG 13 is among the top SDG alignments from corporations

Why are they important to corporates?

With just 9 years remaining to achieve the goals, world leaders at the annual SDG Summit called for a Decade of Action and delivery for sustainable development with the need for financing, more national implementation by sovereigns, and strengthened institutions moving toward 2030.

In this 2020–2030 decade, more effort is needed to address inequalities, the challenges of climate change, and investment for creating shared prosperity.

Corporations are an important part of the SDGs implementation, and capital markets are increasingly expecting more alignment with SDGs from companies they invest in. Further,

local governments attempting to meet their obligations for the goals are actively looking for public and private partnerships operating in their territories.

Aligning strategy and disclosure with the SDGs can lead to better relationships and mutually beneficial partnerships with important stakeholders such as investors, local governments, communities, employees, and others.

How many overall reporters align with the SDGs?

In 2020, over 342 companies referenced the SDGs in their ESG reporting disclosures. Some companies broadly referenced the overall SDGs and their importance, while 294 of those companies had alignments to specific SDGs and how they relate to the company's

corporate ESG strategy, initiatives, contributions, and other factors. This amounts to 42% of Russell 1000 reporters aligning with the SDGs – an additional 10% compared to 2019 (32%).

From these 294 companies, there are a total of 2,474 specific alignments to SDGs – with the S&P 500® representing the majority of alignments.

G&A Analysts examined the sustainability reports of the Russell 1000® companies to identify where they aligned their strategies and disclosures with the SDGs, and which particular SDGs they aligned with. We present the results of this analysis in the form of two heatmaps; one by sector and one by SDG. More information about the goals is available [here](#).

SDG ALIGNMENT BY SECTOR

This heatmap is color-coded by SDG (rows) and allows for quick identification of which sectors have the strongest alignments with a specific SDG. We can pick an SDG and scan horizontally to see which sectors have the strongest alignment with that specific SDG, as indicated by the prominence of green coloring. For example, we can see that the sectors aligning with SDG 7 the most are Energy and Utilities. We can also see that the sectors with the highest number of specific goal alignments overall are: Consumer Staples, Utilities, Information Technology, Materials, and Consumer Discretionary, respectively.

In the sectors header across the top, we highlight the five sectors (1-5) with the highest percentage of companies aligning with SDGs.

SDG	SDG NUMBER	Communications	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	TOTAL
No Poverty	1	5%	13%	23%	9%	10%	6%	10%	17%	9%	5%	11%	11%
Zero Hunger	2	5%	15%	49%	3%	8%	9%	9%	9%	27%	5%	8%	12%
Good Health and Well-Being	3	9%	24%	53%	35%	14%	45%	15%	24%	36%	29%	29%	27%
Quality Education	4	23%	22%	23%	35%	14%	22%	20%	37%	22%	11%	29%	23%
Gender Equality	5	18%	28%	43%	21%	20%	35%	23%	36%	29%	26%	34%	28%
Clean Water and Sanitation	6	9%	22%	51%	24%	10%	22%	15%	20%	38%	16%	29%	21%
Affordable and Clean Energy	7	14%	27%	32%	35%	22%	17%	15%	28%	29%	29%	50%	26%
Decent Work and Economic Growth	8	18%	33%	53%	32%	28%	30%	25%	40%	33%	24%	34%	32%
Industry, Innovation and Infrastructure	9	5%	16%	17%	15%	14%	19%	22%	25%	33%	21%	39%	21%
Reduced Inequalities	10	14%	17%	30%	9%	17%	20%	15%	29%	11%	13%	24%	19%
Sustainable Cities and Communities	11	9%	18%	19%	9%	20%	9%	15%	19%	22%	29%	32%	18%
Responsible Consumption and Production	12	9%	34%	57%	18%	20%	35%	25%	32%	38%	29%	26%	30%
Climate Action	13	23%	32%	53%	32%	25%	30%	24%	40%	36%	37%	47%	33%
Life Below Water	14	5%	12%	23%	18%	5%	4%	5%	6%	18%	2%	13%	9%
Life on Land	15	9%	18%	40%	24%	7%	10%	8%	11%	24%	8%	24%	15%
Peace, Justice and Strong Institutions	16	14%	13%	19%	12%	8%	17%	9%	14%	11%	6%	18%	12%
Partnerships for the Goals	17	9%	15%	23%	15%	11%	17%	7%	17%	20%	6%	16%	14%

% OF REPORTERS ALIGNING ON SDGS	27%	40%	64%	38%	33%	45%	31%	49%	47%	42%	50%	42%
TOTAL COMPANIES ALIGNING ON SDGS	6	33	30	13	32	31	34	49	21	26	19	294
TOTAL REPORTERS	22	82	47	34	96	69	110	100	45	62	38	705
TOTAL COMPANIES IN RUSSELL 1000	45	112	54	36	144	123	141	183	52	77	38	1005

SDG ALIGNMENT BY SDG

This heatmap is color-coded by Sector (columns) and allows for quick identification of the most popular SDG alignments for each sector. For example, the most popular SDGs among the Industrials sector are SDG 8 and SDG 12. We can also see that the most popular SDGs in the Russell 1000® overall are: SDG 13, SDG 8, SDG 12, SDG 5, and SDG 3, respectively. In 2020, we saw SDG 3: Good Health and Well-Being replace SDG 7 as a top SDG alignment. We attribute this rise in importance for SDG 3 due to the impacts of the COVID-19 pandemic.

In the SDG column on the left-hand side, we highlight the five SDGs (1-5) most aligned with among the Russell 1000 reporters.

SDG	SDG NUMBER	Communications	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	TOTAL
No Poverty	1	5%	13%	23%	9%	10%	6%	10%	17%	9%	5%	11%	11%
Zero Hunger	2	5%	15%	49%	3%	8%	9%	9%	9%	27%	5%	8%	12%
5 Good Health and Well-Being	3	9%	24%	53%	35%	14%	45%	15%	24%	36%	29%	29%	27%
Quality Education	4	23%	22%	23%	35%	14%	22%	20%	37%	22%	11%	29%	23%
4 Gender Equality	5	18%	28%	43%	21%	20%	35%	23%	36%	29%	26%	34%	28%
Clean Water and Sanitation	6	9%	22%	51%	24%	10%	22%	15%	20%	38%	16%	29%	21%
Affordable and Clean Energy	7	14%	27%	32%	35%	22%	17%	15%	28%	29%	29%	50%	26%
2 Decent Work and Economic Growth	8	18%	33%	53%	32%	28%	30%	25%	40%	33%	24%	34%	32%
Industry, Innovation and Infrastructure	9	5%	16%	17%	15%	14%	19%	22%	25%	33%	21%	39%	21%
Reduced Inequalities	10	14%	17%	30%	9%	17%	20%	15%	29%	11%	13%	24%	19%
Sustainable Cities and Communities	11	9%	18%	19%	9%	20%	9%	15%	19%	22%	29%	32%	18%
3 Responsible Consumption and Production	12	9%	34%	57%	18%	20%	35%	25%	32%	38%	29%	26%	30%
1 Climate Action	13	23%	32%	53%	32%	25%	30%	24%	40%	36%	37%	47%	33%
Life Below Water	14	5%	12%	23%	18%	5%	4%	5%	6%	18%	2%	13%	9%
Life on Land	15	9%	18%	40%	24%	7%	10%	8%	11%	24%	8%	24%	15%
Peace, Justice and Strong Institutions	16	14%	13%	19%	12%	8%	17%	9%	14%	11%	6%	18%	12%
Partnerships for the Goals	17	9%	15%	23%	15%	11%	17%	7%	17%	20%	6%	16%	14%

% OF REPORTERS ALIGNING ON SDGS	27%	40%	64%	38%	33%	45%	31%	49%	47%	42%	50%	42%
TOTAL COMPANIES ALIGNING ON SDGS	6	33	30	13	32	31	34	49	21	26	19	294
TOTAL REPORTERS	22	82	47	34	96	69	110	100	45	62	38	705
TOTAL COMPANIES IN RUSSELL 1000	45	112	54	36	144	123	141	183	52	77	38	1005

ABOUT THE G&A RESEARCH TEAM

Each year a small group of highly-qualified analysts research, capture, and analyze the prior year's corporate sustainability disclosure and reporting activities. G&A's EVP and co-founder Louis D. Coppola, MBA, is the architect and overall manager of the research, starting with the conception and research efforts of the first analysis in 2011. In 2021, the G&A analyst team worked under the supervision of G&A's Senior Sustainability Analyst, Elizabeth Peterson, with the assistance of G&A's Sustainability Reporting Analyst, Kirstie Dabbs, as team leader. We proudly recognize the [2021 team](#) of talented Analysts: Keerthana Ramasamy Thirugnana Sambantham, Gia Hoa Lam, and Emilie Ho; and Supporting Analysts: Cannelle Revault, Yutong Wu, Kaylee Wong – all who made significant contributions to this study.

Elizabeth Peterson

New York

G&A Research Supervisor

Senior Sustainability Analyst at G&A Institute

Completed GRI Standards Certified Training
 Certificate for Completing TCFD Trainings

Kirstie Dabbs

New York

Team Leader

Sustainability Analyst at G&A Institute

Completed GRI Standards Certified Training
 Certificate for Completing TCFD Trainings
 Leader, Climate Reality Leadership Corps

Keerthana Ramasamy Thirugnana Sambantham Analyst

Michigan

MSE in Energy Systems Engineering,
 University of Michigan (MI), 2020

M.Tech in Environmental Engineering &
 Management, Pondicherry University
 (India), 2017

B.Tech in Energy & Environmental
 Engineering, Tamil Nadu Agricultural
 University (India), 2015

LEED Green Associate

Emilie Ho Analyst

California

JD, USC Gould School of Law (CA), 2023

MPhil, Environmental Policy, University of
 Cambridge (UK), 2017

BA, Politics and International Relations,
 Scripps College (CA), 2016

Gia Hoa Lam Analyst

Connecticut

BS, Economics–Finance, Sustainability,
 Bentley University (MA), 2022

Founding Member of Bentley's
 Green Revolving Fund

Yutong Wu Supporting Analyst

Shanghai, CN

MPP, Georgetown University
 (Washington, D.C.), 2021

BBA, Xi'an Jiaotong–Liverpool
 University (Suzhou), 2019

Chartered SRI Counselor™

Kaylee Wong Supporting Analyst

Arizona

MS, Accounting, Fordham University
 (NY), 2021

BS, Public Accounting, Fordham
 University (NY), 2021

Cannelle Revault Supporting Analyst

New York

BA, University College London (UK), 2021



Interested in participating?

For more information on our Sustainability Reports Research Analyst Internship, please click [here](#).

Specialized team, big offerings.

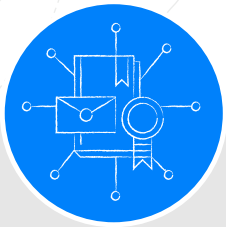
G&A Institute is a for-profit consulting and research organization with customized resources and services structured to support corporate and investment community clients in every phase of their sustainability journey.

Here are highlights of our suite of services, resources and tools:



Sustainability / ESG Reporting & Disclosure

- Full-suite sustainability reporting
- Reporting standards & framework support
- Strategic planning
- ESG survey response support
- Advanced specialized services



Communications & Design

- Annual sustainability reports
- Dedicated sustainability microsites
- Internal corporate ESG campaigns
- Interview video series
- Investor influencer kits
- Social media campaigns



Investor Relations & Capital Markets

- ESG data review & enhancement
- ESG perception studies
- Investor engagement
- Shareholder base profiling
- Survey responses



We are pleased to simultaneously be introducing the launch of the beta version of G&A's U.S. Sustainability Reporting Database (SRD). Be the first to check it out and let us know your thoughts [here](#).

ABOUT THE INSTITUTE

G&A Institute is a sustainability consulting and research firm headquartered in New York City, advising corporations and investors on executing winning strategies that maximize ROI at every step of their sustainability journey.

The G&A consulting team helps corporate and investor clients recognize, understand, and address sustainability issues to address stakeholder and shareholder concerns. The firm's proprietary, comprehensive five-step strategic support program is designed to help organizations achieve sustainability leadership in their industry and sector.

THE IMPORTANCE OF THE RUSSELL 1000® INDEX

In 1984, the Russell U.S. Indices (now ranging from mega-cap to micro-cap companies) were launched and today they are the leading benchmarks for institutional investors. These market-weighted benchmarks are typically used to track trends of and investments in the companies listed among the large, mega-cap, mid, small, micro-cap indices. The Russell 3000® Index, which is the compilation of all the indices, seeks to track performance of the largest 3,000 U.S. stocks. The Russell 1000 Index represents the largest (approximately 1,000) U.S. publicly-traded companies by size of their market capitalization.

The indices can be used as performance benchmarks or as the basis for index-linked products — such as index-tracking funds, derivatives, or Exchange-Traded Funds (ETFs).

The indices/benchmarks are maintained by FTSE Russell for U.S. and global markets. FTSE Russell is a wholly-owned subsidiary of the London Stock Exchange (LSE) and is a unit of the Information Services Division. To learn more, click [here](#).

Want to know more? Let's Talk!

For information about the Russell 1000 Index research effort and G&A's suite of sustainability and ESG services offered, contact:

646.430.8230

info@ga-institute.com

ga-institute.com

Governance & Accountability Institute, Inc.

14 Wall Street, 20th Floor, New York, New York 10005