



Sustainability Reporting Trends Amid A Pandemic

Webcast, January 2021



Our panelists today



Thomas Singer
Principle Researcher
The Conference Board



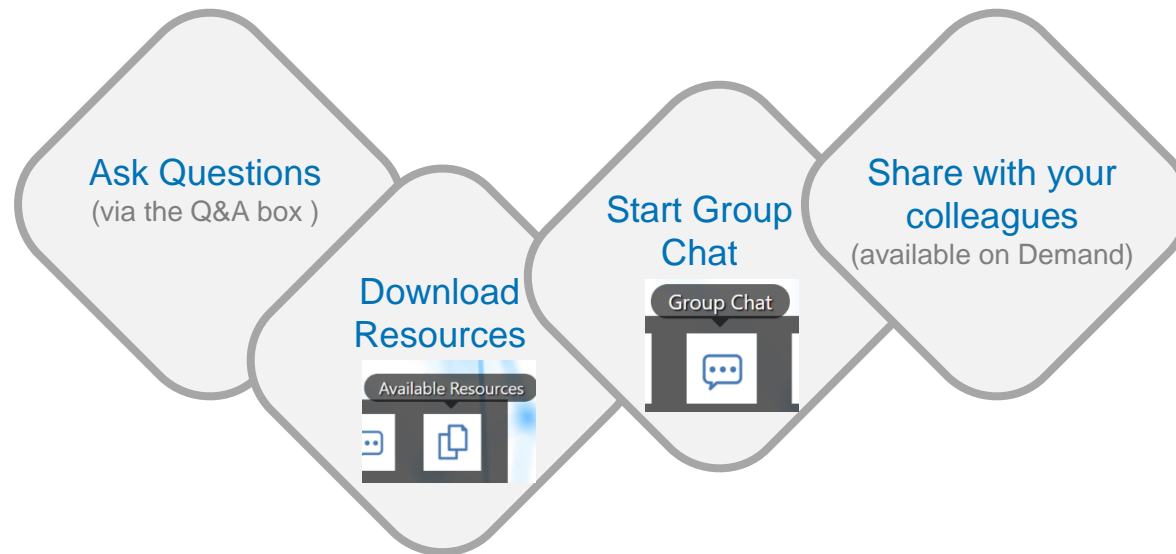
Anuj Saush
Senior Researcher
The Conference Board



Dr Uwe G. Schulte (Moderator)
Governance & Sustainability Center Leader, Europe and Asia
The Conference Board



Making the most of the webcast



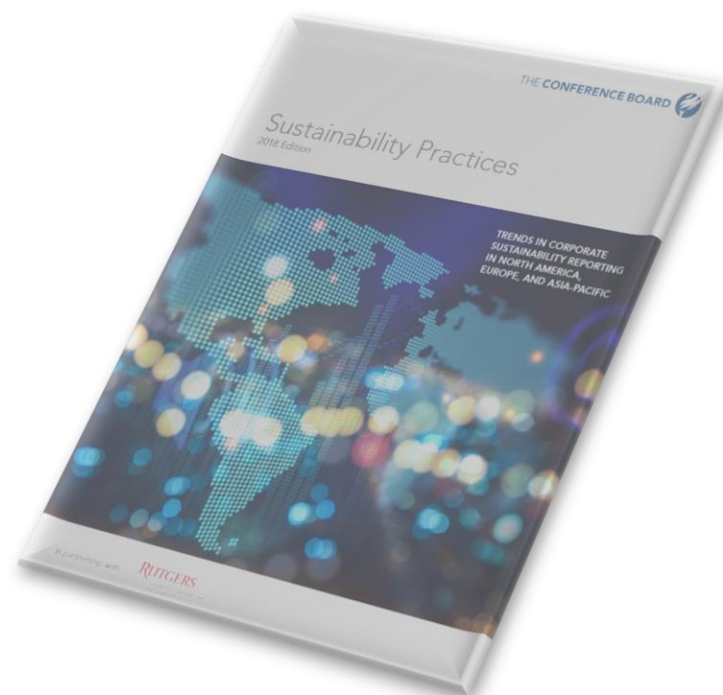
Tell us about your experience to help us improve our future program



A moment to reflect on 2020

About the Sustainability Practices Report and Dashboard

- Analysis of trends in corporate sustainability reporting
- Based on ESG data compiled by Bloomberg
- 92 environmental and social practices examined
- In total, data analyzed for more than 6,000 companies across North America, Europe, and Asia-Pacific
- Report complemented by online dashboard, allows benchmarking by index, region, sector and revenue group



Key global trends in sustainability reporting

The trend toward disclosing **climate risks** in financial reports is accelerating

Efforts to increase **gender diversity** on boards in many countries are gaining traction

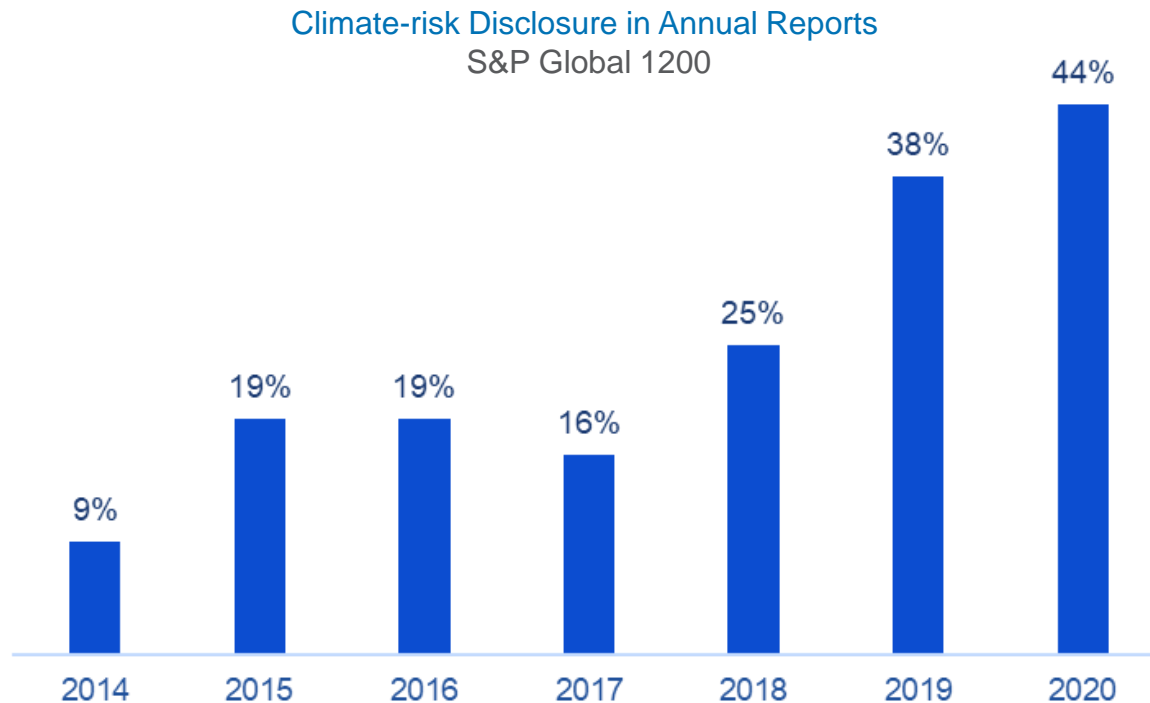
Regulatory activity related to **human rights risks** is picking up across jurisdictions

The COVID-19 pandemic will bring greater urgency to efforts aimed at protecting **biodiversity**

Companies should be prepared to assess their exposure to **water risks**



Investor pressure, regulations, and reporting framework are accelerating the trend toward disclosing climate risks in financial reports

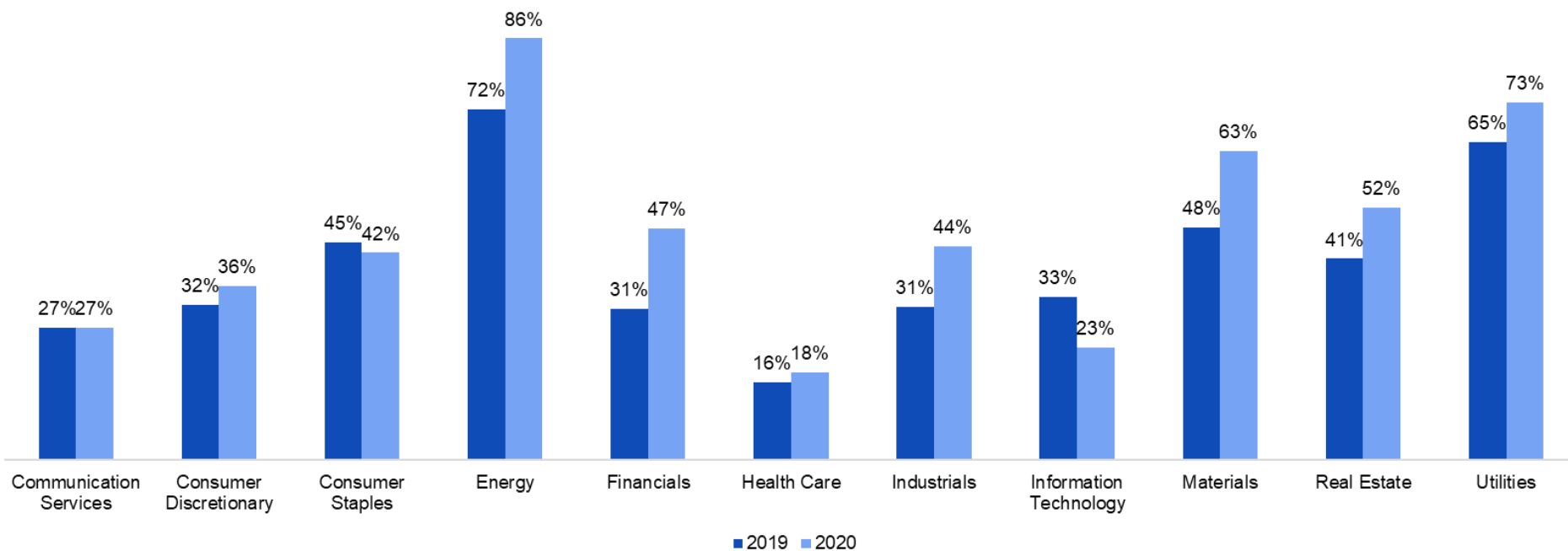


Source: The Conference Board/Bloomberg, 2020.



The energy sector leads in climate risk disclosure; the biggest uptick was among financial companies

Climate-risk Disclosure in Annual Reports, by Sector
S&P Global 1200



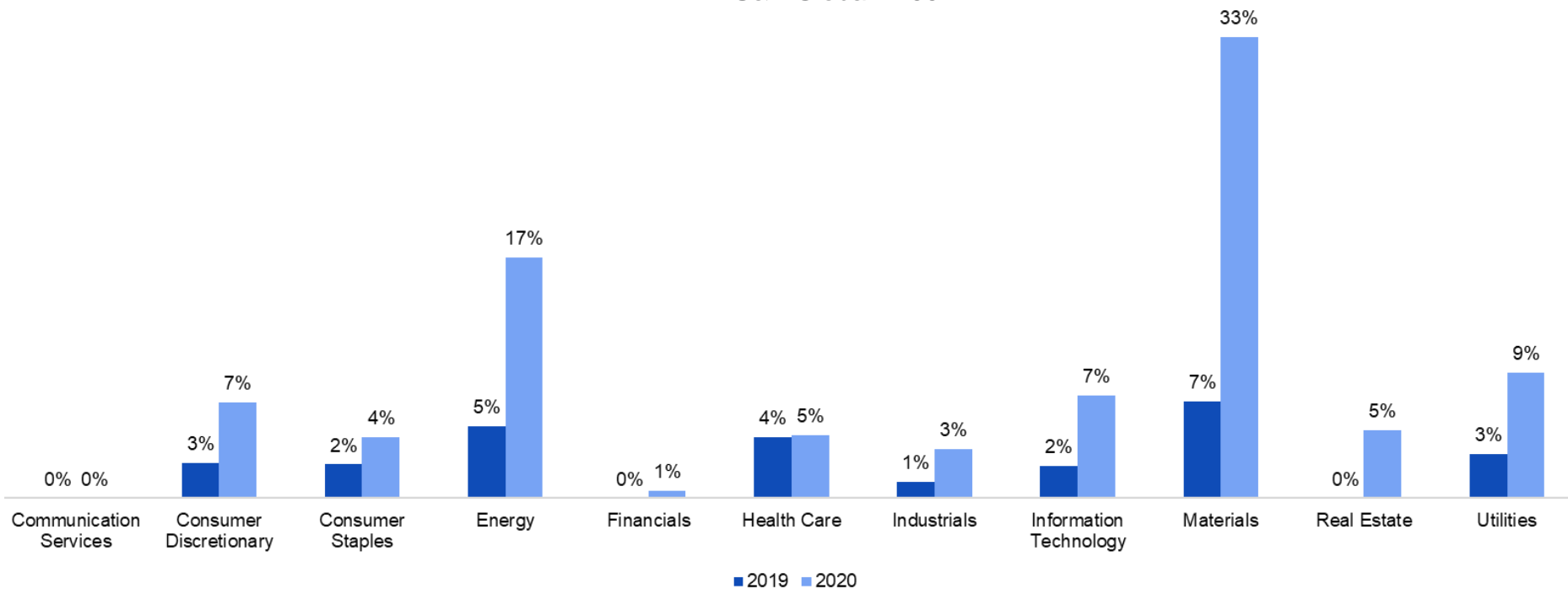
Source: The Conference Board/Bloomberg, 2020.



Companies should be prepared to assess their exposure to water risks

Investors increasingly acknowledge water as an “under-reported risk”

Disclosure of Water Stress Exposure, by Sector
S&P Global 1200



Source: The Conference Board/Bloomberg, 2020.



Biodiversity: a new focus area for sustainability reporting

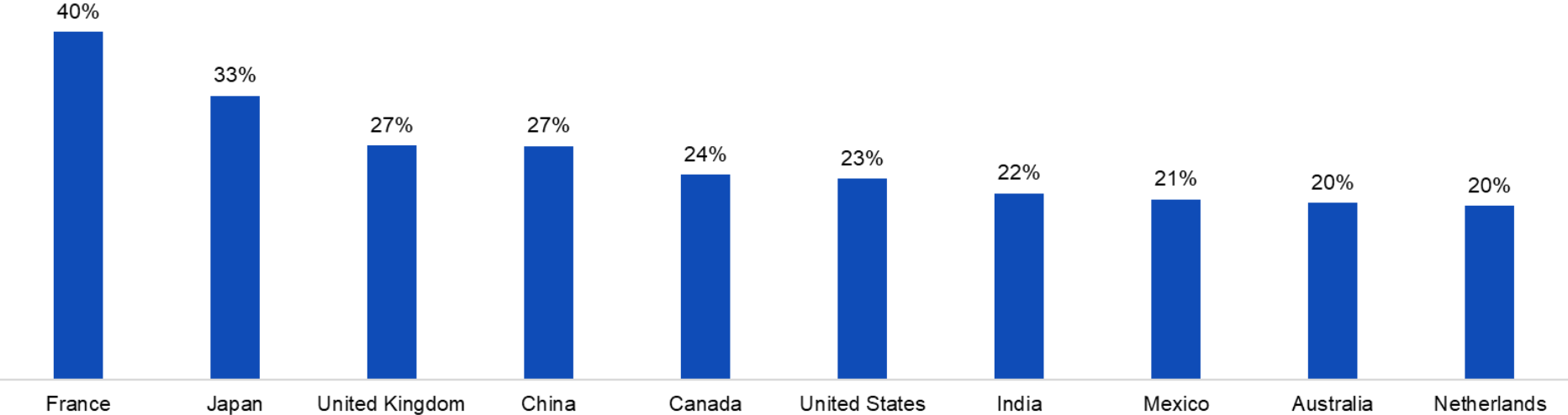
Biodiversity loss a top five risk in terms of both likelihood and impact (WEF)

Biodiversity loss is #2 issue in perceived urgency, after climate change (GlobeScan)

Task Force on Nature-related Financial Disclosure (TNFD) recommendations

Shareholder resolutions on deforestation

% of Companies with Biodiversity Policies, by Economy

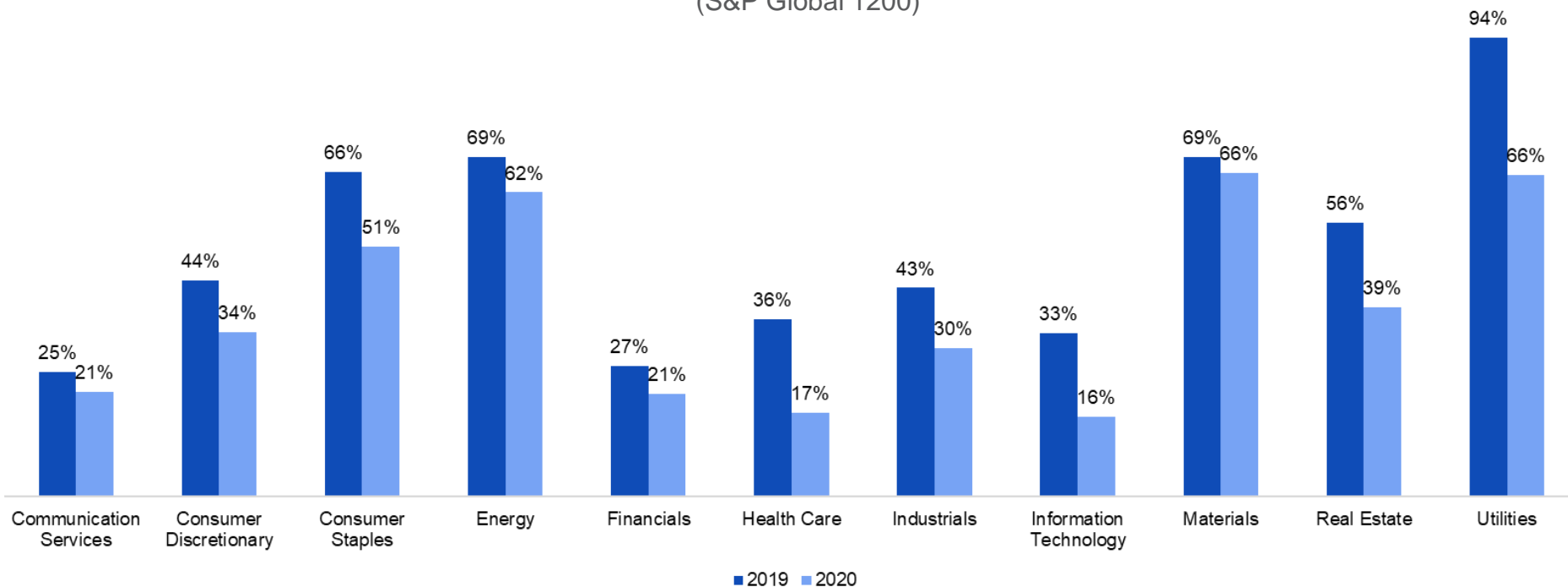


Source: The Conference Board/Bloomberg, 2020.



Biodiversity policies are most common among companies in the utilities and materials sectors

% of Companies with Biodiversity Policies, by Sector
(S&P Global 1200)



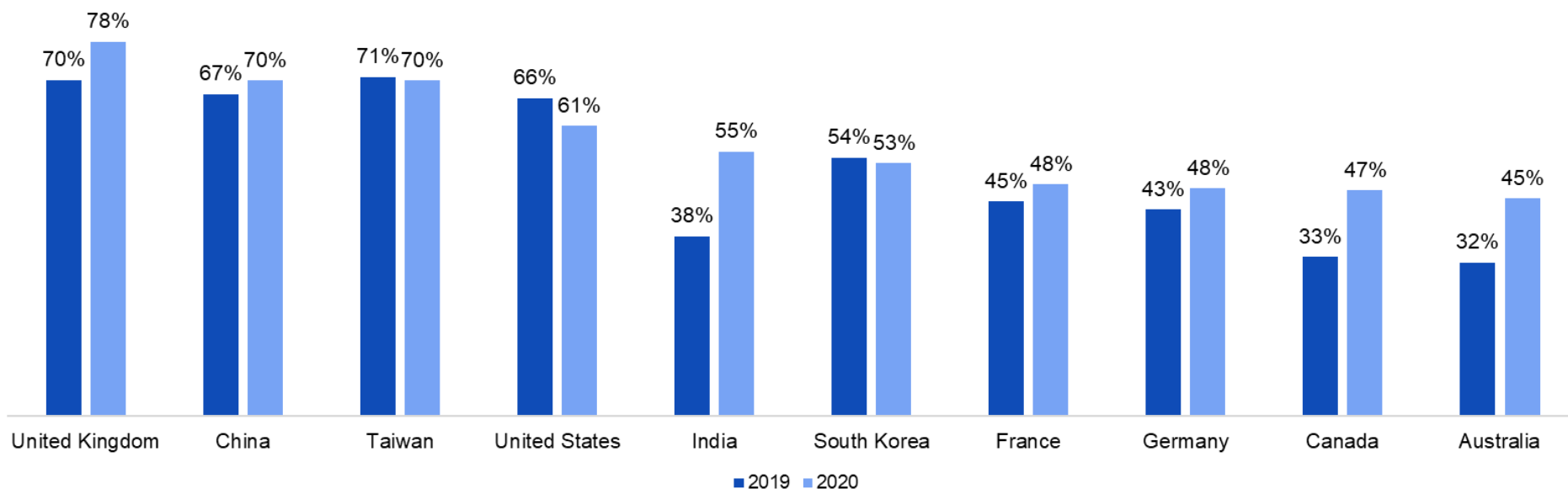
Source: The Conference Board/Bloomberg, 2020.



Regulatory activity related to human rights appears to have an impact on disclosure practices

Some recent interventions include proposal for an EU wide mandatory human rights due diligence, India's National Action Plan on Business & Human Rights, and Canada's BILL S-211 An Act to enact the Modern Slavery Act

% of Companies with Human Rights Policies, by Economy



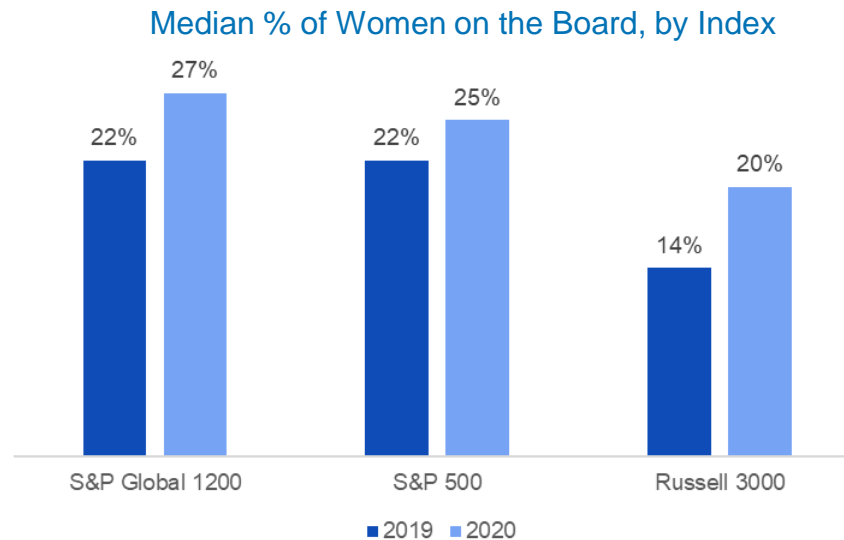
Source: The Conference Board/Bloomberg, 2020.



Gender diversity on boards is increasing, albeit at a slow pace

New SEC rules on human capital management disclosure

Ethnic diversity of boards will be a key focus going forward



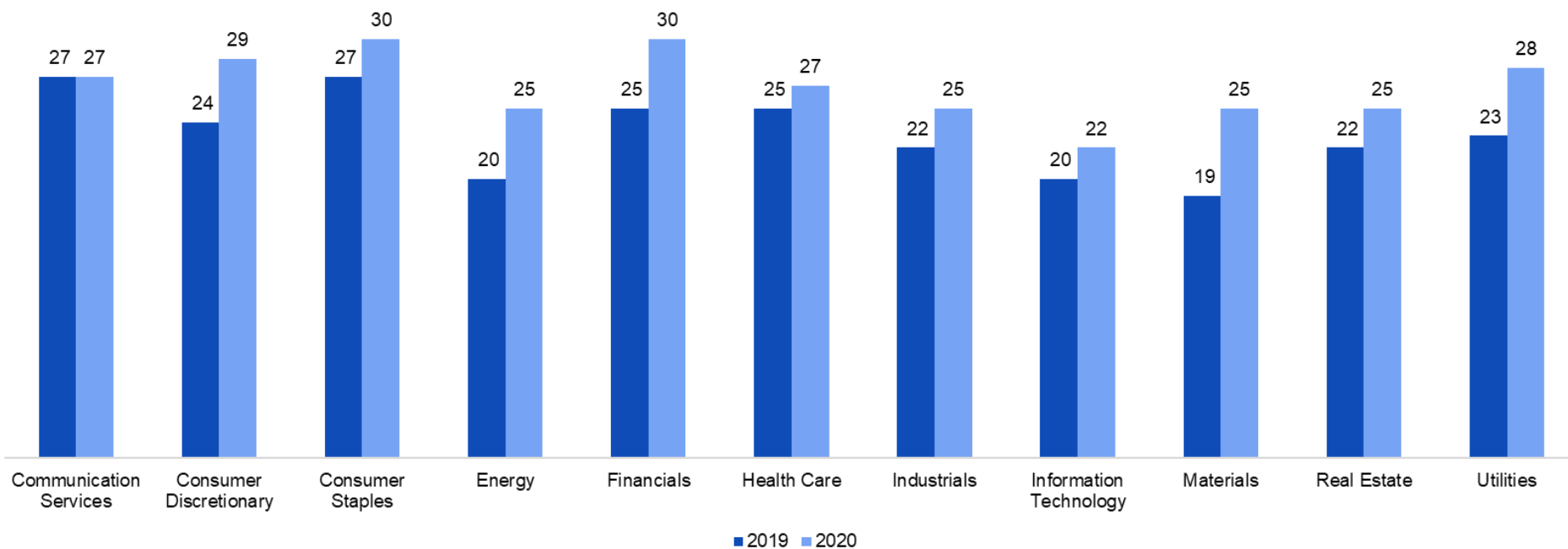
Leadership roles remain limited: Less than 5% of board chair positions are held by women

Source: The Conference Board/Bloomberg, 2020.



This year one sector reported fewer than 1 in 4 women on the board; last year there were seven

Median % of Women on the Board, by Sector
S&P Global 1200



Source: The Conference Board/Bloomberg, 2020.



Upcoming webcasts

Thursday, 18th February
03:00 PM CET (Brussels) | 09:00 AM ET (New York)

Thursday, 18th March
03:00 PM CET (Brussels) | 09:00 AM ET (New York)

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