Sustainability Reporting by the Top 100 Companies in the S&P 500 Index: Findings from Some Recent Data

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Abstract

The research described in this paper examined sustainability reports and/or disclosures voluntarily published by some of the larger companies in the US for the year 2014. The term sustainability was considered interchangeable with corporate social responsibility in accordance with several of the past academic studies and the approach taken by the Global Reporting Initiative (GRI). Data collected from the stand-alone reports or the website-based disclosures for the top 100 S&P 500®companies showed that, while the number of companies that published such information had grown over the years, there was both considerable variation in the format and volume of the information published, and variety in the sustainability initiatives pursued by different companies. The study showed a need to bring comparability in the published data. Also, companies that published the data should use independent, external assurance services to enhance the credibility of such data, which happened only for less than half of the sample.

Keywords: Sustainability, corporate social responsibility, environmental stewardship, corporate citizenship, global reporting initiative, environmental performance

Introduction

Investors and stockholders of publicly traded companies have become conscious about the sustainability performance of their companies while also expecting them to perform well financially. In today's world, "[i]t is no longer acceptable for a corporation to experience economic prosperity in isolation from those agents impacted by its actions. A firm must now focus its attention on both increasing its bottom line and being a good corporate citizen" (D'Amato, Henderson, & Florence, 2009, p. 1). As publicly traded companies contribute to the wealth of investors and creditors who provide them funds to operate the business, they do so while drawing resources from the physical environment in which they operate. Further, they impact the lives of the people whom they employ as well as of those who buy their products and services, and leave their footprint on the communities in which they do business. Also, businesses have a responsibility to comply with the laws and regulations of the land where they operate and work in an ethical manner while protecting the interests of their stockholders and various other stakeholders. Therefore, how these companies discharge their environmental, social, and governance responsibilities in addition to growing their financial performance is worthy of scrutiny, and that is possible if companies report on and/or make disclosures about their performance in the area of what is frequently labeled as "sustainability". The reporting on the financial performance of publicly traded companies is subject to monitoring by the Securities and Exchange Commission (henceforth, the SEC). Further, companies disclose information about corporate governance via the annual proxy statement and through their corporate web site. However, at the present time there are no concrete requirements for publicly traded companies to provide environmental or social performance disclosures as well as the format in which such information must be provided.

Such information has to be gleaned from the environmental and social responsibility reports and/or disclosures made *voluntarily* by companies. With this background, the current paper examined the kind of environmental and social performance information that was published by the top 100 companies included in the S&P 500® Index as of December 31, 2014. The authors reviewed the sustainability reports and/or disclosures that were published in 2015 and were purportedly made for the preceding fiscal year. The results showed a considerable amount of variety in the volume and type of information published as well as the emphasis placed on different aspects of sustainability by different companies. All in all, it could be concluded that sustainability reporting has been quite common among the larger U.S. companies; but companies differed widely with respect to which aspects of their social and environmental obligations were important to them. They also differed with respect to how and when they would report such information.

Motivation for and Purpose of the current study

Large business entities, like the ones being studied in this research, use a significant amount of resources, and create a lot of waste in the environment (Parris, 2006). They each employ hundreds of thousands of employees in the manufacturing of products and/or delivery of services. Many of these companies procure materials and supplies from different areas of the world including those that may be under scrutiny for unfair treatment of labor. Additionally, some of these companies sell products such as tobacco products, pharmaceuticals, natural gas, etc., and financial services with potentially hazardous effects on the physical health or financial wellbeing, respectively, of their end-users. Hence, the way they treat their physical environment, resources, employees, customers, supply-chain, and the overall community around them can have huge implications including “issues of justice and equity” (Parris, 2006).

In the past, not all companies have done a good job of disclosing issues such as how climate change risk has affected their businesses (McFarland, 2009). In recent years, investors have turned their attention to the environmental, social and governance performance of companies. Analysts have been looking at various non-financial factors to help assess the future valuations of publicly traded companies (CFA Institute, 2008). Based on various third-party studies, the SEC (2016) too has acknowledged in its Concepts Release[1] that investors are likely to engage companies on matters pertaining to environmental and social sustainability, more so than financial performance. The desire to learn more about the sustainability efforts of publicly traded companies and investors’ corresponding interest in *sustainable* investment opportunities are certainly here to stay as can be seen from the launching of investment products by the mainstream financial firms that take into account environmental, social and governance factors (Davidson, 2016).

Therefore, the research described in this paper studied the current sustainability reporting practices of the largest 100 of the companies listed on the U.S. stock exchanges based on the data available from the companies’ recent sustainability reports and/or disclosures. The published information was reviewed with specific reference to various matters of interest as described in the following sections. The study concluded with some broad observations about the style and extent of sustainability reporting by these large companies.

What is sustainability reporting?

There is no uniform definition or understanding of what sustainability means. The authoritative organizations appear to treat sustainability either synonymous to or closely related with corporate social responsibility (CSR). For instance, the GRI guidelines (GRI, *ABOUT SUSTAINABILITY REPORTING, n.d.*) consider sustainability to be synonymous with corporate social responsibility and describe a sustainability report as “a report published by a company or organization about the economic, environmental and social impacts caused by its everyday activities”. An examination of some academic studies in the recent past shows that most researchers make no material distinction between sustainability and CSR (Parris 2006; Dickinson et al. 2008; Uddin, Hassan, & Tarique 2008; Gamerschlag, Möller, & Verboten 2011). All of the definitions of CSR used in the past research repeatedly highlight that there are multiple stakeholders whose interests might be affected by the environmental and social behavior of corporations, and that both sustainability and CSR have to do with a voluntary effort on the part of an entity to contribute to the betterment of future lives of its stakeholders. Accordingly, in this study the terms sustainability and CSR are used interchangeably with respect to their reporting.

[1] Concept Release: Business and Financial Disclosure Required by Regulation S-K

All references throughout the rest of the paper to the CSR activities and reports/disclosures of the sampled companies also apply to the sustainability reporting practices of those companies.

Sample Selection and Collection of Data

For the purpose of this research, the companies were selected based on the names included in the S&P 500® Index (henceforth, "the Index") as of the end of December 31, 2014. Based on their market capitalization as of the above date, the largest 100 companies in the Index were identified for inclusion in the sample. These 100 companies are some of the well-known companies both nationally and internationally. They are frequently subject to public attention simply because of (a) the volume of their businesses; (b) their reach across the globe in terms of the widely scattered sources of materials and labor that they access; (c) the geographically dispersed markets where they sell their products and services; (d) their potential to make a large impact on their physical and social environment; and (e) the extensively diverse communities that they serve. Over the past few decades, researchers have found that companies that were large in size and were otherwise in the public's eyes tended to make more voluntary disclosures of sustainability (Belkaoui & Karpik1989; Cowen, Ferreri, & Parker 1987; Patten 1991; Roberts 1992; Hackston & Milne 1996; Cormier & Gordon 2001; Huafang & Jianguo 2007; Michelon 2011; Gamerschlag et al. 2011; and Chan, Watson & Woodliff 2014). Globally, Chu, Chatterjee and Brown's (2013) study showed that larger Chinese companies disclosed more information about their greenhouse gas emissions than their smaller counterparts, and more recently, Herbohn, Walker and Loo (2014) studied the link between sustainability disclosure and sustainability performance in the Australian extractive industries to find that firm size was positively associated with sustainability. Therefore, the current study too expected to find more and *exemplary* disclosures of sustainability among the top 100 companies in the Index.

The data were collected from the online, stand-alone sustainability reports wherever available, or from the online disclosures integrated into the corporate websites of the sampled companies when a stand-alone report was not published. In all but four cases, the sustainability report or disclosure was based on the information pertaining to the 2014 fiscal year. For three out of those four companies, the report was based on the information for the 2013 fiscal year because those companies produced their full sustainability report on bi-annual basis, and for one company the report was based on the 2013 fiscal year because that was the most recent report available on the company's website. Table 1 provides some descriptive information on the companies in the sample. As seen in Table 1, the companies were significantly large by all measures, i.e., based on total assets, revenues, or market capitalization. Each of these companies had the potential to have a huge impact on the well-being of its various stakeholders. Approximately half of the sampled companies belonged to industries that are either regulated (e.g., banks, insurance) or have the potential to leave an impact on the environment (e.g., chemicals, oil and gas, pharmaceuticals, tobacco). The remaining companies belonged to industries such as consumer products, retailers, and information technology, to name a few.

Table 1 Descriptive Information about the Top 100 companies in the S&P 500® Index

Mean Assets: $202 billion	Median Assets: $63 billion
Mean Revenues: $62 billion	Median Revenue: $40 billion
Mean Market Cap: $121 billion	Median market cap: $85 billion
Stock exchanges: 77 companies from NYSE and 23 companies from NASDAQ	
Industry classification: • Regulated, or environmentally-sensitive industries, such as banks, chemicals, minerals and metals, oil and gas, paper - 49 • Un-regulated/less-regulated, or environmentally-less-sensitive industries such as computers and software, consumer goods, services, retail - 51	

Findings and Discussion

Dickinson et al. (2008) had found that the firms in their sample used their web-based reporting of sustainability issues in a "biased fashion", using their own discretion to decide what to report and how much to report about each initiative.

The results of the current study also showed a noticeable lack of consistency in the ways companies chose to report on their fulfillment of environmental, governance and social responsibilities, although there were also similarities in some respects.

While not all 100 companies in the sample reported or disclosed sustainability information, even those that published such information did so in different ways when dealing with the format of presentation, the sustainability priorities reported, how much information was reported about each initiative, and the overall structure or strategy that *appeared* to have been established to facilitate the goal of sustainable performance. The good news was that 93 out of the top 100 S&P 500 companies published reasonable to generous amount of information on their sustainability efforts. The following paragraphs present the findings about the nature and extent of the information published by the sampled companies.

Mode and format of disclosure: A total of 77 companies out of the 100 in the sample published on their sustainability performance via a stand-alone report. All the companies that published stand-alone reports also provided some sustainability information on their websites, although the extent of the information provided on the website varied from a short summary to a very lengthy discussion of the sustainability performance. Another 16 companies provided the sustainability information that was integrated into the *Sustainability* section of their corporate website. Of the remaining 7 companies in the sample, two companies, Berkshire Hathaway, and Priceline.com, did not report or disclose anything about their sustainability performance for the year of the study. The other 5 companies, namely Amazon.com[2], Facebook, Google, Visa, and Yahoo!, had very limited website-based disclosure of information about their sustainability initiatives.

The sustainability reports for all the sampled companies that used a stand-alone report varied considerably in size and format, which was expected because of the lack of a regulatory requirement to provide consistent sustainability information. The shortest report had only 2 pages[3] whereas the longest report contained 603 pages. Twenty-three companies used 100 or more pages in presenting their stand-alone sustainability report, *in addition to* the disclosures made on their corporate website. There was a considerable variety in the titles used for the report. The companies that used the word *environment* in the title typically focused a significant portion of their report on their efforts to conserve the environment. However, such companies were not necessarily restricted to the "polluting" industries (Gamerschlag et al., 2011) like energy or heavy engineering[4].

The commonly found components of the sustainability reports included (i) cover page; (ii) table of contents; (iii) opening statement or letter from a senior officer of the company who almost always was the head of the company; (iv) information about the structure of the sustainability program including a policy statement, if there was one, and goals and objectives of such program for the foreseeable future; (v) description of the materiality assessment and stakeholder engagement efforts undertaken by the company, if any; (vi) discussion of the specific sustainability initiatives undertaken by the company; and (vii) tables and charts containing metrics and graphs that outlined the company's progress in the area of sustainability. In many cases, the stand-alone report ended with a reference to the GRI framework if it was adopted by the company. However, companies did not necessarily update their sustainability/CSR information concurrently with their annual financial reports, and not every company that published a stand-alone report followed the practice of publishing annual sustainability report[5].

Support of the top management toward the pursuit of sustainability: Such support was deemed present based on two factors, namely, the existence of an opening letter or statement in the report that was signed by a top officer of the company; and the existence of a strategy, structure or framework within the company to guide the sustainability efforts. With the exception of one company where the sustainability report was signed by the Vice President of Global Citizenship, all stand-alone reports contained a statement or letter at the beginning that was signed by the President/CEO/Chairman and sometimes was co-signed by other high-ranking officers. The typical statement ran from one page to three pages across different companies and frequently included a brief summary of the company's commitment to its environmental and/or social responsibilities.

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[2] Amazon has since put together a Sustainability Leadership Team to do more in the area of sustainability and its reporting.
[3] The company provided more detailed sustainability information its website which was contrary to the "normal" found in the sample.
[4] Two notable examples being Apple, Inc. and IBM Corp that belong to a traditionally non-polluting sector.
[5] As examples, American Express reported only quarterly updates on corporate social responsibility. Also, Wells Fargo & Co. published short "interim" reports in even years and more detailed reports in odd years.

Thus, the top management of these companies showed visible support to the sustainability efforts within their entities. The existence of a sustainability strategy or framework was judged based on visible signs of a sustainability program or structure, backed by the presence of a dedicated office to support the initiative, and by the company's engagement in the assessment of the "materiality of sustainability issues."

Eighty-five companies that published either a stand-alone report or presented significant sustainability information on their website indicated the presence of a coordinated sustainability initiative by describing their goals and progress towards the accomplishment of those goals for the next few years.[6] Seventy-five of these 85 companies also showed signs of a structure by publishing a CSR mission statement and/or a vision statement outlining the company's approach towards sustainability, or by describing a clearly laid-out framework of issues, priorities, goals and objectives, with specific people charged with the responsibility to carry out the initiative.[7] In terms of the organization set up within each company to plan and execute sustainability initiatives, eighteen (or more than 20%) of the above 85 companies had a clearly labeled sustainability group to lead the effort. This group reported either to the Governance Committee of the company's board of directors or to a high-ranking officer within the company. This was a good sign since past research indicated that companies where social responsibility was on the board of directors' agenda were likely to make more sustainability disclosures (Michelon, 2011). Many committees consisted of senior level managers from different areas of the company, thus demonstrating a company-wide presence of sustainability thinking. Besides, in twenty-nine (or 34%) of these 85 companies, there was a designated individual in charge of the sustainability initiative[8]. This too was a good indication because, as Peters and Romi (2015) suggested, companies with the presence of an officer in charge of sustainability were likely to seek external assurance of their sustainability reports which would only increase the integrity of such reports.

Michelon (2011) found that when companies engaged with their stakeholders, they disclosed more information about their environmental and social responsibility efforts. One way of demonstrating such stakeholder engagement could be through conducting m*ateriality assessment* of sustainability matters. Different aspects of sustainability are critical to different groups of stakeholders, and different sustainability initiatives have different cost-benefit implications. Hence, establishing priorities and reassessing those priorities on a periodic basis is crucial to the success of the sustainability efforts, which is then reflected in the information communicated by the company through its sustainability report. In this study, while more than 90% of the top 100 companies in the Index reported on sustainability, not all of them showed evidence that it was also important to them to pursue those aspects of sustainability that were of greater interest to their various stakeholders. Only sixty companies in the study described their materiality assessment of sustainability issues that would be of importance to their stakeholders. The majority of these 60 companies conducted a materiality assessment every year or every other year by surveying groups of stakeholders, which also resulted in re-prioritizing their initiatives. The matters commonly identified as critical included environmental issues, societal performance of the company, and governance and ethics concerns. The information gathered from the material assessment surveys and studies was purportedly used in guiding the company's strategy and goals in the areas of sustainability.

<u>Issues commonly addressed in the reports/disclosures</u>: As expected, in the absence of any required disclosures, a significant majority (i.e., greater than 90%) of the companies that released sustainability information addressed a variety of issues in their publications as described below, with certain issues emerging more commonly among the companies as shown in Table 2 below.

[6] The other 15 companies that published sustainability information in some form or did not publish such information still may have had a framework present within them. It just was not evident.

[7] In some cases, the policy statement was published on the corporate website instead of being incorporated in the company's sustainability report.

[8] The title Chief Sustainability Officer was used by more than 20% of the companies that had an officer in charge of the initiative.

Table 2 Sustainability Priorities Addressed by Sampled Companies

Priority	No. of Companies (out of 100) that reported on it
Environmental stewardship	84
Giving back to the community	74
Employee-related Matters	70
Governance and ethics	68
Supply chain sustainability	66
Safety	44
Quality and Innovation	24

Past literature indicated that entities in certain industries were inclined to focus more on only certain aspects of sustainability, such as community involvement or philanthropy (Holcomb, Upchurch, & Okumus, 2007; Khan, Islam, Fatima, & Ahmed, 2011; Lipunga, 2013). However, since the companies in the current sample constituted the top layer of the S&P 500 Index, it was expected that most would be conscious of the need to maintain their reputation and avoid adverse attention from their stakeholders, both by engaging in a variety of environmental and social initiatives and by publicizing them through their reports and/or disclosures. Data showed that the initiatives that the sampled companies pursued, and the extent to which each sustainability initiative received attention in the report varied from company to company in the sample. In this study, the authors reviewed the placement of the different CSR topics in each report to judge the level of importance placed by the company on each of those topics.

a) *Environmental stewardship*: Past researchers (Kolk, Walhain, & van de Wateringen 2001; Dickinson et al. 2008; Gamerschlag et al. 2011; Chu et al. 2013; and Chan et al. 2014) had found a relationship between companies in the “polluting sectors” and their emphasis on reporting environmental information. However, in the current study, companies that reported on environmental matters belonged to a variety of industries in addition to the polluting sector. A total of 84 companies discussed environment and its preservation to varying degrees in their reports. The list included names like Apple, Amgen, and Boeing that dedicated almost the entire report to the discussion of environmental impact and resource efficiency, as well as companies such as Google, Visa, and Yahoo! which focused only on the environmental impact in their very limited disclosure of sustainability. Despite the prevalence of the environmental disclosures, only about 25% of these 84 companies actually placed the discussion of the environmental performance at the beginning of their report.

In addition to the discussion of greenhouse gas emissions, the environmental disclosures frequently included topics such as resource conservation, energy efficiency, use of renewable energy sources, and waste management as well as recycling efforts. While several companies appeared to make a sincere effort in minimizing their environmental footprint while also contributing resources to conserve and renew resources, for some companies the environmental reporting appeared to be more a matter of “keeping up with the peers” without disclosing substantive details.

Sixty-five (or a little more than 75%) of the 84 companies that reported environmental information also acknowledged participating in CDP, formerly known as the Carbon Disclosure Project. CDP is a disclosure system where companies from all over the world voluntarily report information about how they measure and manage their environmental performance.

b) *Giving back to the community*: In the current study, community involvement and/or philanthropy were popular items in the sustainability reports of 74 companies. These companies took pride in reporting on the volunteering and other community service projects in which they were involved. Thus, while engaging in activities that contributed to their bottom-line, many of these very large companies were also setting aside their resources in “serving” the community in which they earned their business. This was an encouraging finding since a company’s involvement in its community’s welfare can be important to its employees. When a company is involved in a socially responsible behavior in its community, it can impact the job satisfaction level of its employees and increase their commitment to the organization (Brammer, Millington & Rayton 2005).

c) *Employee-related Matters*: The Commission of the European Communities (CEC) has acknowledged that “[g]oing beyond basic legal obligations in the social area, e.g., training, working conditions, management-employee relations, can also have a direct impact on productivity” (CEC, 2001, p. 8).

Academic literature also has suggested that CSR efforts that focused on employee welfare played a critical role in satisfying the emotional needs of employees (Vitaliano 2010; Krainz 2015; Feng 2015). Thus, paying good remuneration to the workforce is necessary; but investing in the workforce is also important. The good news in this study was that 70% of the companies included information about the initiatives they have put in place to ensure employees' well-being. Such initiatives dealt with promoting employee health, work satisfaction, human rights, employee training, and personal growth and development of employees.

d) Further, 21% of these 70 companies placed the discussion of employee-related priorities at the top of their report. The list included names such Wal-Mart and General Electric that employ hundreds of thousands of employees, and major financial powerhouses such as Black Rock, Inc. and Goldman Sachs that are built on human capital.

e) *Governance and ethics*: Sixty-eight companies in the sample discussed corporate governance policies and compliance as part of their published CSR information. A little more than half of these companies also made specific reference to policies regarding ethical behavior by employees and officers, either in association with or independently of the discussion of corporate governance. Thirty-three (or about 48%) of these 68 companies began their sustainability report with a discussion of corporate governance, ethics and/or transparency in dealings, which can be considered a good sign about the level of importance given by the management of these companies to operating *responsibly*.

f) *Supply chain sustainability*: "Supply chain sustainability is the management of environmental, social and economic impacts and the encouragement of good governance practices, throughout the lifecycles of goods and services." (UN Global Compact, 2015, p. 5). The supply chain sustainability is especially important to large U.S. companies such as the ones in this sample because these companies engage with businesses as well as employees and sub-contractors of those businesses, many of whom may be located in different regions across the world. These companies have to ensure that the relevant laws and regulations of respective geographical regions are followed within the supply chain; the suppliers and their associates are conscious about protecting their environment; the welfare of the employees of suppliers and their sub-contractors is assured; and that there are no violations of human rights or acceptable labor practices in the supply chain.

Sixty-six companies in the sample actively reported on how they monitored supply chain sustainability. Supply chain sustainability efforts often included training suppliers about workplace safety and responsible sourcing as well as minimizing the impact on the environment, and helping suppliers align their respective codes of conduct with the company's code of conduct. Four of these companies also described in detail their initiatives in the area of promoting the diversity of their suppliers.

g) *Safety*: In the views of those who oppose spending on sustainability, any efforts to promote the safety of workers, consumers and the overall community in which a business operates would typically be considered a wasteful expense. The good news was that 44 companies in the sample actively disclosed their efforts to ensure and promote safety of their employees, customers and the local community. These companies belonged to a variety of industries, such as pharmaceutical, energy, heavy engineering, financial institutions, consumer products, retail, and information technology, to name a few. Five companies put safety of employees at the top of their report, addressing it before all other initiatives, and four out of those five companies were in the energy sector. Employee safety typically involved providing safe working conditions and training, which would reduce work-related accidents and health hazards. Customer safety, also linked to product safety, was found to be a reportable initiative in 13 companies, of which seven were either pharmaceutical companies or companies involved in making healthcare-related products. The other companies included consumer-products companies and companies involved in making "heavy products" that need important safety precautions. The six major banks in the sample also addressed the issue of customer safety a little differently by discussing their efforts in creating more financial literacy, empowering customers, and in taking risk management measures to ensure customer protection.

h) *Quality and innovation*: Luo and Du (2015) found that companies that engaged in CSR activities also were more innovative. These researchers suggested that by engaging with various external stakeholders, a company boosted its own learning, which enabled it to pursue product innovation. Twenty-four companies mentioned product and/or service quality or innovation as one of their important initiatives currently being undertaken. The companies that mentioned *innovation* as part of their sustainability priorities were not restricted only to the manufacturing sector although the notable one was Apple, Inc. that is known for its product innovation. The list also included such service companies as Goldman Sachs, US Bancorp., and eBay. The companies that emphasized quality were in a variety of businesses ranging from pharmaceuticals and consumer products, to heavy manufacturing and energy. These companies recognized that innovation and quality of products/services were related to employee safety as well as customer safety.

Adherence to the GRI framework: Fifty-eight companies acknowledged using the GRI framework while reporting on sustainability. While many of these companies included the GRI Content Index within the report, others provided the same on the company's website...outside of the stand-alone PDF report. Different companies were at different stages of following the GRI framework. For example, 35 (or about 60%) of the 58 companies that used the GRI framework had adopted the G4 guidelines[9] while the rest used either G3 or G3.1 guidelines in their 2014 report.

Evidence of external assurance of the information reported: Just as the adoption of globally accepted reporting guidelines can increase the reliability of a voluntarily prepared sustainability report, external assurance of the reported information can also add to the credibility of such report. Still, majority of the companies in the current sample did not give much credence to the external assurance of the sustainability information. Only 44 of the sampled companies *acknowledged* using external assurance for the data reported. In most cases the external assurance pertained to quantitative and qualitative data regarding environmental performance, greenhouse gas emissions, and health and safety information. Only one company confirmed using a limited assurance report for the entire CSR report. Moreover, not all companies obtained assurance on the same type of information in their reports. The assurance report was frequently placed at the end of the sustainability report, making it relatively unnoticeable. Presenting the assurance statement near the front of the sustainability report could increase the credibility of the statement itself, and hence that of the overall report.

Thus, although voluntary sustainability reporting has been on the rise as found by the prior research and the present study, the practice of obtaining a validation of the data reported is still much behind the curve. The relative absence of external verification of much of the sustainability performance indicators added to the problem of reliability of the information from different reporting companies when many of such reports were not based on a common set of guidelines. However, the current lack of external assurance of the sustainability information also creates an opportunity for CPA firms and independent verification companies who can improve the value of the published information by providing their external assurance services.

Concluding remarks

Today, investors of publicly traded companies not only value the financial return received from their monetary investments, but also expect companies to be governed sensibly and ethically, and function in a socially and environmentally responsible manner. The information about corporate governance is available through the companies' annual filings with the SEC; however currently there are no requirements for companies to report on their social and environmental stewardship other than the environmental remediation liability. Consequently, companies publish such information on a voluntary basis with many using their own judgment, and some by adhering to a reporting framework of their choice. The current study showed that most of the companies in the sample had accepted the idea that they had a role to play in maintaining and improving the environment, and in enhancing the well-being of the society in which they operated. A significant proportion of the companies in the sample was voluntarily disclosing sustainability information even when gathering and disclosing the information imposed a cost on the companies. However, different companies placed different levels of importance on exactly how they would fulfill this responsibility and provided different volumes of sustainability information in their publications.

It was clear that the sustainability activities in more than 80% of the reporting companies received the support from top management who set the tone for the initiatives that the company pursued. It would be in the best interest of each company to create the infrastructure for sustainability initiatives that works in liaison with different departments and reports to the company's board of directors, because it could establish the credibility of the initiatives and help garner the support of all areas within the company.

[9] The G4 Guidelines have been superseded by the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards will be required for all reports or other materials published on or after 1 July 2018. The G4 Guidelines remain available until this date. (Source: https://www.globalreporting.org/information/g4/Pages/default.aspx)

There was a visible diversity both in the issues pursued by the companies as well as in the amount and form of information published about those issues. This may have been partly because only 60% of the companies conducted systematic efforts towards assessing what was "material" to their stakeholders, which would influence the companies' priorities in achieving a socially responsible performance.

Many, but not all, of these companies followed the Global Reporting Initiative's guidelines for reporting on sustainability although several companies had not made the transition to the most recent generation of the guidelines available at the date of this research. Of course, though the use of the reporting guidelines from an authoritative body such as the GRI would "attest to the seriousness of" what otherwise was a discretionary report (Hedberg & Malmborg, 2003), the importance of using globally accepted reporting guidelines should not be exaggerated because it could also have some unintended consequences. For example, following the guidelines and reporting on the activities could become the main goals for the sustainability initiative instead of assessing sustainability performance and responding appropriately to improve that performance (Vigneau, 2015).

In spite of the volume of information published in some reports, it was not easy to distinguish between a genuine effort to remain socially and environmentally conscious as against the desire to remain compliant with the "norms" and be comparable to one's peers. The proliferation of various performance metrics provided in the CSR reports offered evidence of the work being done; but it did not provide any conclusive indication of whether the companies did everything that they could to improve their environment or if it was only an attempt to do what was necessary to keep the regulatory and social organizations away and avoid negative publicity. Furthermore, most of the stand-alone reports contained a large amount of metrics about the companies' social and environmental performance, including emission statistics, energy usage, workplace-related injuries prevented, quantity of material recycled, and the like. However, rarely a report described the impact of the sustainability activities on the bottom line of the company. Such information would be of use to those external stakeholders who make financial decisions with respect to these companies. Certainly, the cost of gathering such information would be currently prohibitive compared to the benefits achieved from providing it. However, those companies that are able to provide such details could have an advantage over those that do not. Finally, the current lack of external assurance of sustainability reports in a large number of companies offers an opportunity for CPA firms and non-accounting professional assurance firms. At the same time, making use of such services offers a chance to the companies to improve the trustworthiness of the information published in their sustainability reports.

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