



CENTRE for SUSTAINABILITY  
and EXCELLENCE

# Sustainability Reporting Trends in North America, 2018-2019

The Influence of Sustainability in Financial Results and  
the rise of AI and Blockchain

# The goals for the research were to:

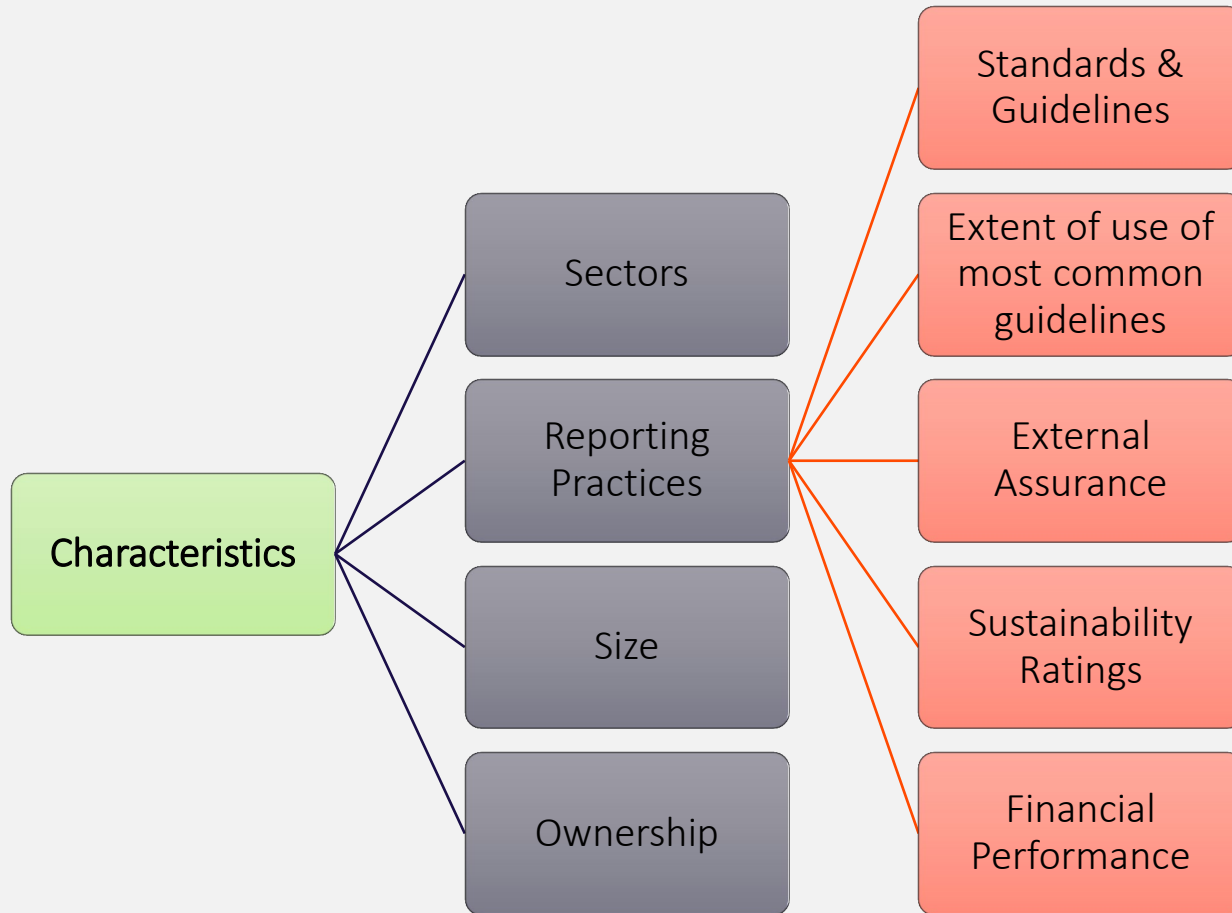
Identify new trends in Sustainability Reporting and examine:

- Correlations between sustainability reporting and strategy practices of companies and their financial results.
- Sustainability practices of the leading companies in each sector.
- Blockchain and the use of artificial intelligence practices in analyzing sustainability reports.
- Which sectors are more active in sustainability reporting.
- Characteristics of companies that publish sustainability reports.
- Extent of use of standards and guidelines for publishing sustainability reports (such as the Global Reporting Initiative and other guidelines).
- Compliance and application level of reports which were conducted using the GRI's reporting guidelines.
- Practices for seeking external assurance for sustainability reporting.



# CSE RESEARCH PROFILE

The research analyzes 642 unique sustainability reports published by private companies and other organizations based in North America (U.S.A. and Canada).





# SUSTAINABILITY (ESG) REPORTING TRENDS IN **NORTH AMERICA**

01

Top reporting sectors for 2016-2017:  
Energy & Energy Utilities **(11%)**, Financial Services **(10%)**, Mining **(8%)**

02

**Companies have not been convinced to do External Assurance:  
Only 25.7% of GRI reports have been externally assured  
(5.3% decrease since 2015)**

03

**124% increase** (from the previous year) to the number of companies referencing and reporting the Sustainable Development Goals

04

Rise of supply chain pressures and Sustainability Reporting in Medium size enterprises: **5.1% increase** in **United States** and **8.0% increase** in **Canada** since the previous reporting period

05

Rise of AI and BlockChain tools on Sustainability.  
**10% of GDP by 2025** will be stored on Blockchain and similar technologies (World Economic Forum Report)

06

**59% of companies use the Reporting Guidelines of the GRI** improving stakeholder transparency, integrity and reliability

## THE INFLUENCE OF SUSTAINABILITY PERFORMANCE IN FINANCIAL RESULTS!

**Strong Correlation between corporate sustainability performance and financial results: 75% of companies with Sustainability Reports & high ESG Ratings (e.g. CSRHub) recorded better financial results than the previous year.**

### CSE RESEARCH PROFILE

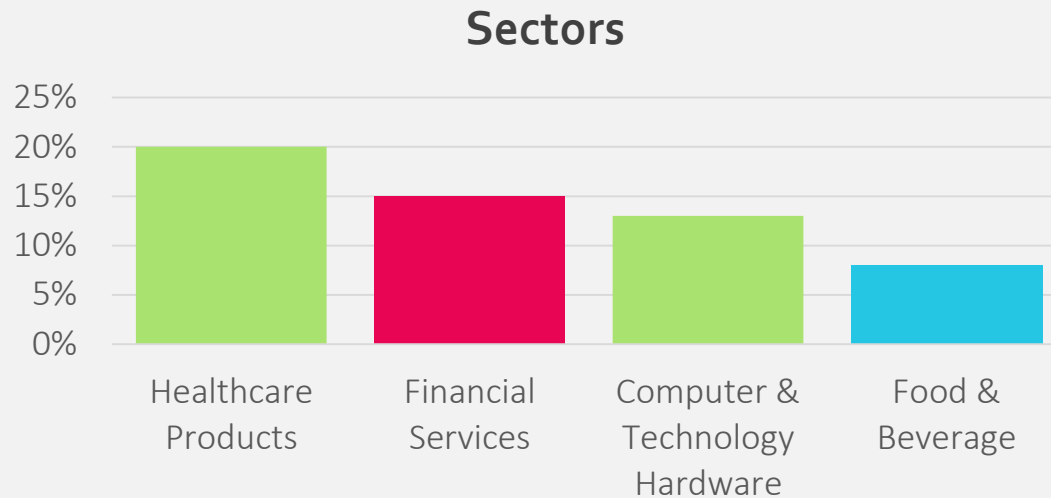
Sustainability Reports from **642 companies** from **United States (79%)** and **Canada (21%)**.  
Trends on Top 50 companies with high ESG scores and Top 10 per sector.

# Sustainability Performance(ESG) & Financial Results Correlations

Closely examined the CSRHub Top-50 Rated companies with Sustainability Reports.

These companies had:

- 40 Active Resource (on average) – culture of transparency
- 73% (2 out of 3 companies) recorded better financial results in 2017 compared to 2016\*
- 67% report using the GRI guidelines
- 32% seek external assurance (6% higher than the average of all companies in research)
- 36% integrate the SDGs (22% higher than the average of all companies in research)
- 44% report to the CDP (20% higher than the average of all companies in research)



Most companies focus on their **Employees**, having the highest average rating of **70**. Next priority goes to the **Environment** with an average rating of **65**. Then follows **Community** and **Governance**.

\*Similar findings identified in CSE's 2017 research in over 500 companies with Sustainability Reports.

# Return on Sustainability (RoS) Framework Criteria



## Checklist (Minimum Requirements)

Related to the company's culture and strategy as expressed through its transparency, goal setting practices, planning and credibility



## Preferred Tools and Guidelines

Tools and guidelines related to reporting, how the SDGs have been used and applying ESG criteria



## RoS Outcomes

Related to higher ESG ratings, stakeholder perception and positive contribution to financial results

# Most Significant Findings

01

Financial growth may be linked to sustainability performance through the application of minimum requirements (related to the company's culture) and the use of a wide range of sustainability tools and guidelines.

03

Artificial Intelligence (AI) is gaining more followers & will play an intrinsic role in enabling and scaling sustainability solutions.

02

The percentage of top-10 companies per sector that publish a sustainability report is very high: 100% for healthcare products, 90% for automotive, 80% for food and beverage, 80% for energy, 80% for chemicals, 80% for financial services.

04

Blockchain can also change the way business transactions take place. From a supply chain perspective, such visibility will help ensure efficient transactions, while promoting food safety, efficient recalls, the elimination of counterfeits, and the assurance of ethical trading partners.

# Most Significant Findings

05

Decline in the percentage of companies that seek external assurance. Out of the total sample, 25.7% sought external assurance for their sustainability report. One of the barriers is the high cost.

07

Most of the companies that publish sustainability reports are Large and Multinational Enterprises. The global presence of their operations and impacts makes reporting on their sustainability performance a necessity in order to keep their social and environmental license to operate.

06

The most active sectors are the financial services, energy and energy utilities, food and beverage, healthcare products and mining. These sectors are the most proactive when it comes to disclosing the data and information on their business activities and operations.

08

Growing trend for Small-Medium Enterprises to publish sustainability reports to increase their transparency, attract customers and grow their business.



# Most Significant Findings

09

The reporting guidelines of the Global Reporting Initiative remain the most widely used reporting guidelines for conducting sustainability reports and support a culture of transparency.

10

124% increase was observed in the number of companies that referenced their commitment to the sustainable development goals since 2017.





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**Thank You!**

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