

SUSTAINABILITY REPORTING BY S&P 100 COMPANIES MADE MAJOR ADVANCES FROM 2005-2007

SIRAN/Social Investment Forum Report Finds Strong Growth in CSR Web Sites, CSR Reports and Use of Global Reporting Initiative Guidelines

WASHINGTON, D.C. – July 17, 2008 -- More than half of the United States' 100 largest publicly traded companies now report on their sustainability efforts, and more than a third now incorporate elements of the Global Reporting Initiative (GRI) sustainability reporting guidelines, according to a report released today by the Sustainable Investment Research Analyst Network (SIRAN), a working group of the Social Investment Forum (SIF), and conducted by the independent investment research firm KLD Research & Analytics, Inc.

The *2008 S&P 100 Sustainability Report Comparison*, which evaluates SIRAN data through the end of 2007, shows a marked increase in sustainability reporting and use of the GRI by the top U.S. companies since mid-2005.

Key findings include:

- 86 of the S&P 100 companies now have corporate sustainability websites, compared to 58 in mid-2005, an increase of 48 percent;
- 49 of the leading U.S. companies produced a sustainability report in 2007, an increase of 26 percent from 39 in 2005;
- 41 now include a reference or references to the GRI standards, up 71 percent from just 24 in 2005; and
- 34 companies now include a GRI Index in their report, an increase of 70 percent, up from 20 in 2005.

SIRAN's third annual analysis of sustainability reporting by companies listed on the Standard & Poor U.S. 100 Index is available at www.siran.org/projects_s_and_p_reporting_comparison.php

Daniel Nielsen, member of the SIRAN Steering Committee and manager of socially responsible investing for the General Board of Pension and Health Benefits of The United Methodist Church, said: "The purpose of this study was to identify the level of corporate sustainability disclosure among the largest publicly traded companies in the U.S. Sustainability reporting is a process through which organizations report on extra-financial performance metrics, covering such areas as the environment, diversity, governance, human rights, and ethics. The growth of sustainability reporting is an important indicator of the usefulness with which this information is viewed by companies, investors, employees, and community members."

"It's encouraging to see continued progress," said Katy Chapdelaine, senior research analyst at KLD and project manager for the *Sustainability Report Comparison*. "Our hope is that this trend continues, and that more companies realize the full potential of communicating transparently. Sustainability reporting is an important means through which corporations can communicate challenges, goals, and progress on issues that are critical to their industries and stakeholders."

REPORT METHODOLOGY

For the purposes of the SIRAN study, a "sustainability report" was defined as a report that included data covering three or more areas of environmental, social, or governance performance. Reports covering a single topic and reports without performance data and policy statements were not considered to be complete sustainability reports.

The *Sustainability Report Comparison* considered six distinct criteria in its analysis of S&P 100 companies:

- Is there corporate sustainability information on the company's website?
- Was a report issued during the year?
- Does the company reference the Global Reporting Initiative's (GRI) "Sustainability Reporting Guidelines"?
- Does the report contain a content index that follows the GRI Guidelines?
- Is the report produced "In Accordance" with the 2002 GRI guidelines or at the "A" level as defined by the 2006 GRI "G3" guidelines?
- Does the report include benchmarks and performance goals?

ABOUT SIRAN AND THE SOCIAL INVESTMENT FORUM

The Sustainable Investment Research Analyst Network (SIRAN), a working group of the Social Investment Forum (SIF), is an analyst network that supports more than 150 North American social research analysts from 30 investment firms, research providers, and affiliated investor groups. The Social Investment Forum is the only national membership association in the US dedicated to advancing the concept, practice, and growth of socially and environmentally responsible investing (SRI). SIF's membership includes more than 500 social investment practitioners and institutions. For more information, see <http://www.siran.org> and <http://www.socialinvest.org>.

ABOUT KLD RESEARCH & ANALYTICS, INC.

KLD Research & Analytics, Inc. is an independent investment research firm providing management tools to institutional investors, managers, trustees, consultants and advisors. Since 1988, professionals worldwide have used KLD research and indexes to integrate environmental, social, and governance factors into their clients' investment decisions. KLD products and services, including SOCRATES (a web-based company research tool), are used for screening, compliance, and asset gathering. For more information, see <http://www.kld.com>

ABOUT THE GLOBAL REPORTING INITIATIVE

The Global Reporting Initiative (GRI) is an independent institution that has developed standardized sustainability reporting guidelines with the active participation of representatives from business, accounting, investment, environmental, human rights, research, and labor organizations from around the world. GRI indicators include measures of economic performance (such as community donations); environmental performance (such as greenhouse gas emissions and water use); labor practices (such as worker health and safety and diversity); human rights (such as policies around child labor and indigenous rights); impact on society (such as community impacts, bribery, and political contributions); and product responsibility (such as customer health and safety, advertising, consumer privacy). For more information, see <http://www.globalreporting.org>.

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