

Sustainability disclosure flatlines: time for regulators to step in

TORONTO, Ontario, September 8, 2015 A study launched this morning by Corporate Knights and Aviva has revealed that the majority of the world's largest listed companies* fail to disclose their performance on basic sustainability indicators, and that improvements in disclosure rates have flatlined.

In their fourth annual study, "*Measuring Sustainability Disclosure: Ranking the World's Stock Exchanges*", investment advisory and research firm Corporate Knights Capital researched how well listed companies on global stock exchanges disclose basic corporate responsibility data.

Corporate Knights analysed the extent to which the world's publicly traded companies are disclosing the seven basic 'first-generation' metrics: employee turnover, energy, greenhouse gas emissions, injury rate, payroll, water consumption and waste.

Just over a third of large listed companies (37%) report on the amount of greenhouse gases they are emitting, but less than a quarter disclose their water consumption (22%) and just 12 per cent report on their rate of employee turnover.

The study found that disclosure of performance metrics has flatlined, suggesting that we have reached the limits of voluntary mechanisms. For example, growth in greenhouse gases has slowed by two thirds over the past five years. At the current 6% annual rate of improvement, it will take until 2032 before investors have access to full carbon datasets to inform their decisions.

This is in stark contrast to investors' growing interest in building sustainable investment strategies, in particular with respect to climate change with the Paris Climate Conference less than six months away and the ongoing vibrant discussion around divestment and stranded assets.

The findings once again underline that good disclosure is the result of precise regulatory requirements. Each of the top-10 ranked stock exchanges are located in jurisdictions with mandatory, prescriptive and broad sustainability disclosure policies—what we refer to as “super policies.” A case in point: In 2012, the United Kingdom government announced it would be the first country in the world to make it compulsory for listed companies to include emissions data in annual reports. Today, fully 100% of the FTSE 100 disclose their carbon emissions.

The study ranks the world's stock exchanges on sustainability reporting performance. It reveals that:

- The **Helsinki Stock Exchange** was once again the top-ranked exchange.
- The **Euronext Amsterdam** once again took second spot, followed by the **Copenhagen Stock Exchange**, moving up from fifth position in last year's assessment.
- This was followed by **Australian Securities Exchange** and The London Stock Exchange, moving up from tenth and ninth place respectively.

- **None of the three major North American** exchanges cracked the top ten.

The study was prepared with the support of Aviva plc.

Comments on the study's findings:

"Voluntary mechanisms have created broad adoption of sustainability reporting, but progress has stalled just at the time when investors are looking for carbon data to reduce risk in their portfolios. Regulators must now step in and require mandatory disclosure of salient sustainability factors, starting with carbon, in order to meet investor demand."

- Toby Heaps, CEO at Corporate Knights

"Investors need data on the long term sustainability performance of companies in order to make sustainable long term investment decisions. Without this, the US\$59 trillion worth of assets signed up to the UN supported Principles for Responsible Investment will not be able to deliver on their commitments."

-Steve Waygood, Chief Responsible Investment Officer, Aviva Investors

Notes to editors:

*World's largest listed companies with a market capitalization of at least US\$ 2 billion

Rank	Rank	Rank	Exchange name	Number of large listed companies	Final score
1	1	2	Helsinki Stock Exchange	19	89.1%
2	2	10	Euronext Amsterdam	35	85.5%
3	5	7	Copenhagen Stock Exchange	22	75.6%
4	10	17	Australian Securities Exchange	90	73.6%
5	9	11	London Stock Exchange	206	73.2%
6	4	6	Euronext Paris	116	72.9%
7	20	15	Deutsche Börse	92	72.5%
8	3	5	Johannesburg Stock Exchange	55	72.0%
9	7	4	Oslo Stock Exchange	14	71.9%
10	8	1	BME Spanish Exchanges	45	71.0%
11	14	12	Stockholm Stock Exchange	57	70.4%
12	15	8	SIX Swiss Exchange	67	66.2%
13	37	N/A	Irish Stock Exchange	11	64.4%
14	18	26	Shanghai Stock Exchange	346	64.4%
15	22	18	Singapore Exchange	52	62.3%
16	35	34	Bombay Stock Exchange/ National	132	61.0%
17	27	40	Bangkok Stock Exchange	41	60.6%
18	13	31	Bolsa Colombia	17	60.5%
19	23	24	Bursa Malaysia	45	59.8%
20	26	38	Shenzhen Stock Exchange	381	59.7%
21	12	3	Tokyo Stock Exchange	400	59.3%
22	28	27	Wiener Börse	15	58.4%

23	17	23	Hong Kong Stock Exchange	234	57.7%
24	32	30	Toronto Stock Exchange	145	57.6%
25	29	22	Euronext Brussels	24	57.5%
26	24	21	BM&FBOVESPA	57	55.4%
27	21	25	Taiwan Stock Exchange	72	55.2%
28	33	39	Philippine Stock Exchange	38	53.7%
29	34	33	New York Stock Exchange	1,070	51.8%
30	19	13	Borsa Italiana	56	51.1%
31	38	37	Indonesia Stock Exchange	34	50.8%
32	39	36	Nasdaq	440	50.7%
33	43	35	Warsaw Stock Exchange	18	49.4%
34	11	32	Borsa Istanbul	26	46.2%
35	31	16	Korea Exchange	102	46.2%
36	25	28	Mexican Stock Exchange	44	46.1%
37	30	19	Moscow Exchange	32	45.6%
38	41	45	Tel Aviv Stock Exchange	22	41.4%
39	36	20	Santiago Stock Exchange	30	33.2%
40	N/A	N/A	Dubai Financial Market	10	18.1%
41	44	44	Qatar Stock Exchange	21	18.0%
42	40	N/A	New Zealand Exchange	11	17.5%
43	45	41	Kuwait Stock Exchange	13	17.1%
44	42	42	Saudi Arabia Stock Exchange	45	15.2%
45	46	43	Lima Stock Exchange	13	2.7%

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About Corporate Knights

Corporate Knights is a media and research firm based in Toronto, Canada. Corporate Knights' mission is to accelerate the transition to long-term sustainable capitalism by helping companies and investors to quantify and optimize their sustainability impact. For more information about Corporate Knights, please visit: www.corporateknights.com

About Aviva

Aviva provides life insurance, general insurance, health insurance and asset management to 34* million customers, across 16 markets worldwide. In the UK we are the leading insurer serving one in every four households and have strong businesses in selected markets in Europe, Asia and Canada. Our shares are listed on the London Stock Exchange and we are a member of the FTSE100 index.

Aviva's asset management business, Aviva Investors, provides asset management services to both Aviva and external clients, and currently manages over £245 billion in assets. Aviva helps people save for the future and manage the risks of everyday life; we paid out £24.6 billion in benefits and claims in 2014.

By serving our customers well, we are building a business which is strong and sustainable, which our people are proud to work for, and which makes a positive contribution to society.

*Before the deduction of overlapping Aviva and Friends Life customers.