



# Stand by ESG? Our Annual State of U.S. Sustainability Reports

Teneo Insights / September 2024



# Introduction

**A lot has happened in the sustainability world since we published our [State of 2023 U.S. Sustainability Reports](#) one year ago. The long-awaited U.S. Securities and Exchange Commission’s climate disclosure rule was legally challenged and halted within a few months of it being finalized. Ironically, California finalized its own climate disclosure rules that go beyond the requirements of the SEC’s rule. Outside of the U.S., dozens of countries have announced that they will adopt rules mandating disclosure to the International Sustainability Standards Board (ISSB) sustainability framework. And the first European Union’s Corporate Sustainability Reporting Directive (CSRD) disclosures are due next year for many companies. Of course, all these regulatory initiatives come amidst the ongoing “anti-ESG” campaign led by politicians and activist groups.**

These two mega trends – increasing requirements from regulators for more ESG disclosure and increasing pressure to abandon ESG altogether – have forced many companies to rethink their existing ESG strategies. How are companies managing the risks of these conflicting mega trends? How are companies adjusting their ESG communications? What impact is the anti-ESG campaign having on company ESG goals?

To help companies answer these and other critical questions, we are publishing our fourth annual look at the “State of U.S. Sustainability Reports,” analyzing 250 sustainability reports from S&P 500 companies published in 2024 to date. In this report, we provide (i) our study methodology; (ii) our top 10 takeaways from 2024 Sustainability Reports; and (iii) 20 key statistics of 2024 Sustainability Reports.

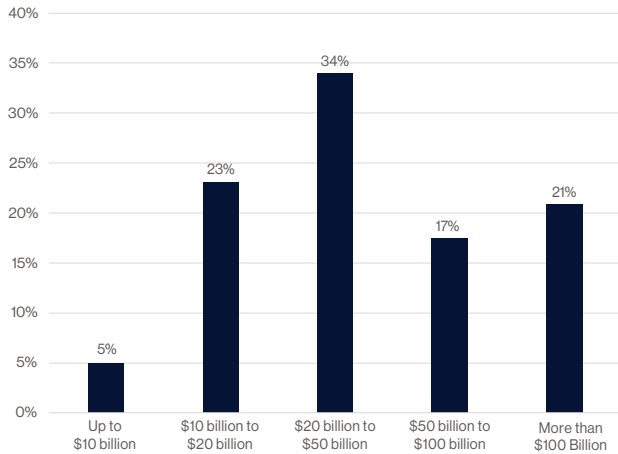
We plan to publish additional thought leadership pieces on related 2024 Sustainability Report topics later this year.



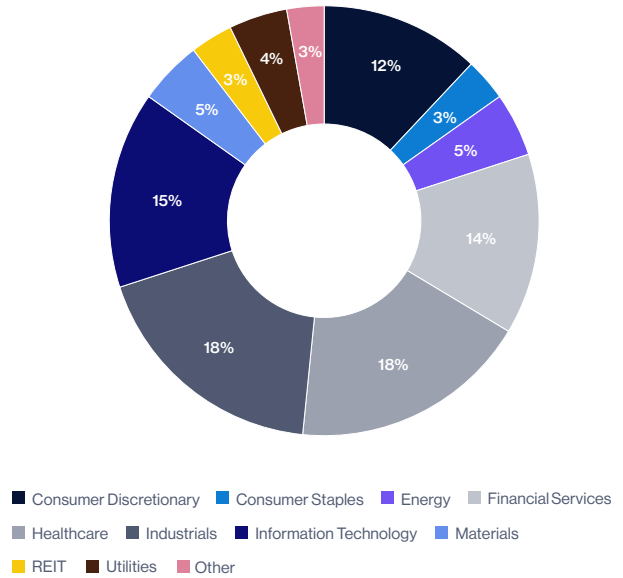
# Study Methodology

We analyzed 250 sustainability reports from S&P 500 companies published between January 1 – July 30, 2024 (“2024 Sustainability Reports”). For the purposes of this report, all references to 2024 Sustainability Reports refer to any annual ESG disclosure report regardless of its naming convention. The majority of 2024 sustainability reports analyzed were published by large-cap companies with a sector profile that generally aligns with the S&P 500.

**Figure 1: Market Cap of Companies Reviewed (USD)**



**Figure 2: Sector Breakdown of Companies Reviewed**



# Top 10 Takeaways From 2024 Sustainability Reports



## The acronym “ESG” is down but certainly not out.

The most common key word in 2024 report titles was “Sustainability” (39%), overtaking last year’s leader “ESG” (24%, down from 35% in 2023). However, the “ESG” acronym appeared 62 times within 2024 Sustainability Reports on average, and most companies that dropped “ESG” from their 2024 report title used it within their 2024 report.



## CEOs are increasingly accountable for ESG strategies.

CEOs were noted as ultimately responsible for company ESG strategies 32% of the time – almost double the amount in 2023 (18%). Like last year, CEOs signed a supermajority of 2024 Sustainability Report cover letters with other executives (e.g., Chief Sustainability Officers) also signing cover letters about a quarter of the time.



## Sustainability reports are getting longer, not shorter.

The length of 2024 Sustainability Reports increased for the third year in a row, averaging 83 pages (up 20% from an average of 70 pages in 2021). There was a broad range of page lengths in 2024 Sustainability Reports, with the shortest being 15 pages and the longest being 211 pages.



**[DE]I will survive.** Despite current challenges to these efforts, 94% of companies continued to use the term “DEI” in some form within their ESG reports, a very modest decrease from last year. Among those that adjusted their disclosure practices, most opted to restructure their sections to focus more broadly on themes of belonging and inclusion, rather than removing the DEI section entirely.



**More companies are now living in a double material world.** Almost 80% of companies conducted a materiality assessment – about the same percentage as last year. However, the number of companies that have completed (or were in the process of completing) “double” materiality assessments tripled from 9% in 2023 to 27% in 2024.



**Sustainability reports are being issued with less pomp but with more circumstance.** The number of companies issuing press releases with 2024 Sustainability Reports was down significantly (49%) from when we first started tracking this in 2021 (75%). However, ESG microsites are ubiquitous, providing stakeholders with a variety of opportunities to interact with a company’s ESG initiatives.

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**The EU CSRD and IFRS disclosure frameworks begin to surface.** Mentions of the EU CSRD disclosure framework increased from 0% in 2023 to 13% in 2024, while 5% of companies mentioned the IFRS. SASB and TCFD sustainability disclosure frameworks continue to dominate with approximately 90% prevalence, with the GRI (73%) and UN SDGs (64%) also continuing to be widespread.

 **09**

**Company ESG goals are in a transition phase.** Fewer companies provided an ESG goals progress section in 2024 (36%) than in 2023 (46%). Accordingly, the number of companies signaling that at least one ESG goal was “off-track” dropped from 22% in 2023 to 8% in 2024.

 **08**

**External assurance increasingly includes “Social” data points.** The percentage of companies obtaining external assurance of at least one ESG data point held steady at 62%. However, more companies added social data points when getting environmental data assured 32% of the time in 2024, up from 22% in 2023.

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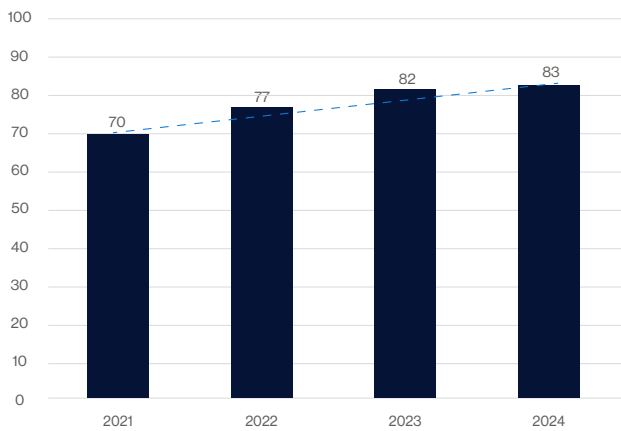
**Responsible AI enters the ESG chat.** Approximately 21% of companies notes its responsible use of AI within its 2024 Sustainability Report. While this is the first time we have tracked this data point, we expect this trend to significantly grow in the coming years.



# Key Statistics of 2024 Sustainability Reports

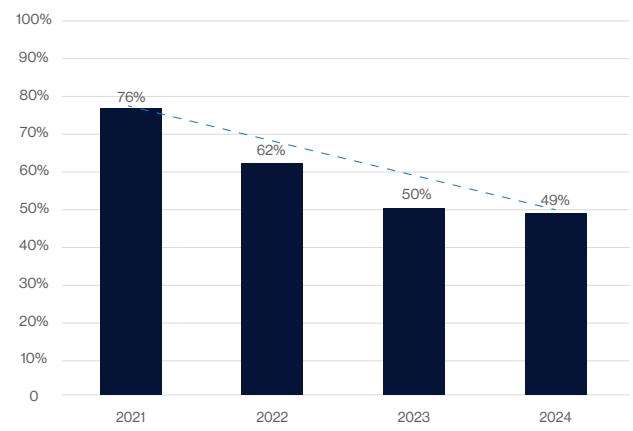
## I. Sustainability Report Communications Characteristics

**Figure 3: Average Length of Sustainability Reports (2021-2024)**



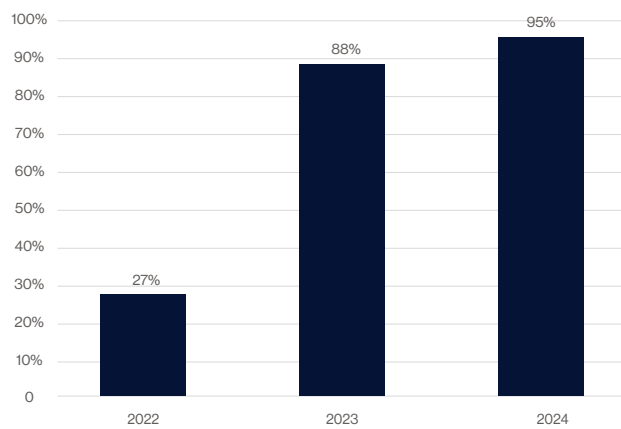
The length of 2024 sustainability reports varied greatly, ranging from a low of 15 pages to a high of 211 pages.

**Figure 4: Issued Press Release with Sustainability Report (2021-2024)**



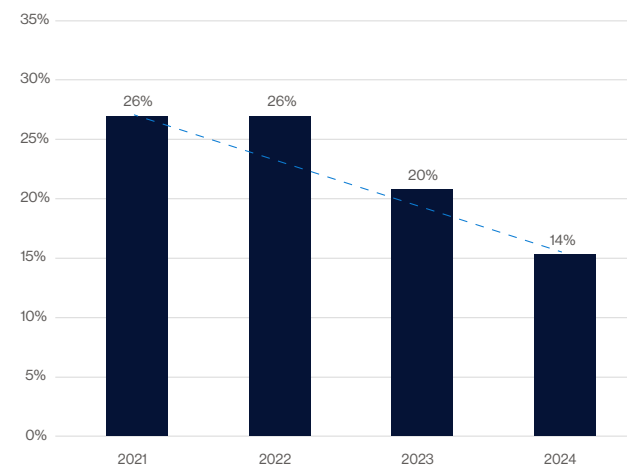
While trending downward, about half of the companies reviewed still issued a press release announcing the publication of their 2024 sustainability report.

**Figure 5: Corporate Website Included Sustainability Microsite (2022-2024)**



Almost all companies reviewed made their 2024 sustainability report more accessible by creating some form of an ESG microsite within their corporate website.

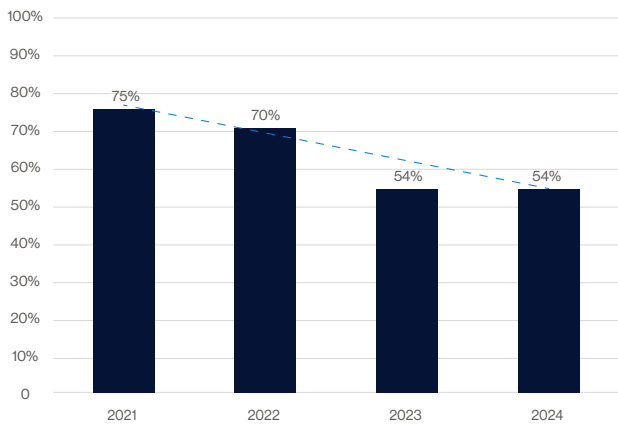
**Figure 6: Provided Summary/Highlights Version of Sustainability Report (2021-2024)**



Fewer and fewer companies are providing summary versions of their sustainability reports.

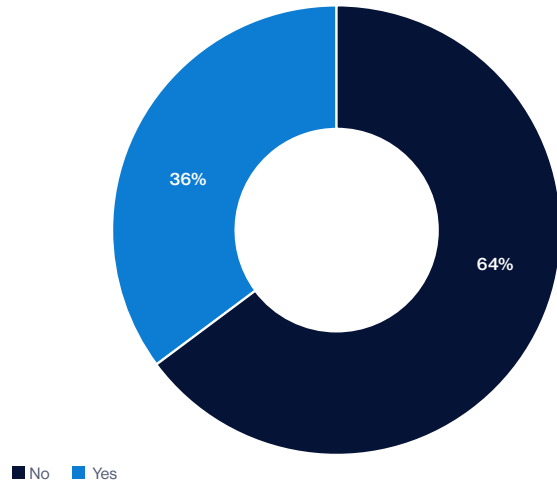
# Key Statistics of 2024 Sustainability Reports

**Figure 7: Included ESG Data Table Within Sustainability Report (2021-2024)**



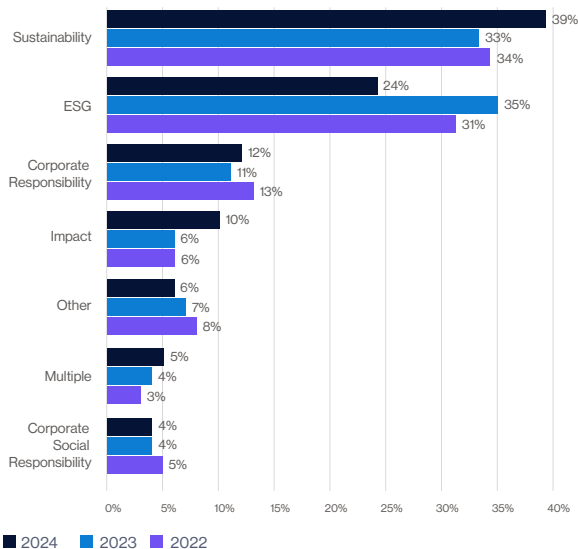
More than half of the companies reviewed included an ESG data table within their 2024 sustainability report.

**Figure 8: Included Tag Line in Title of 2024 Sustainability Report (2024)**



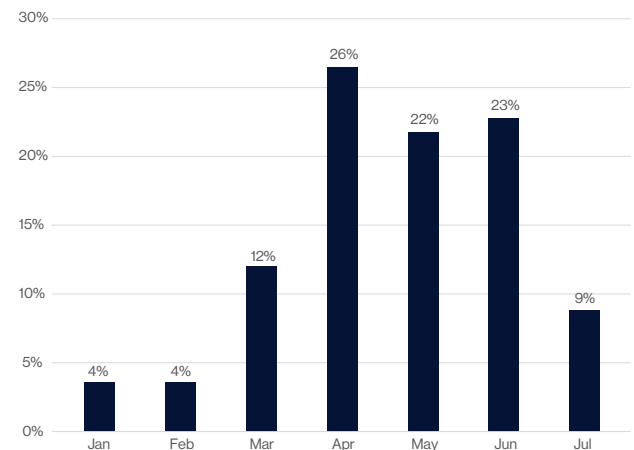
While some companies utilize sustainability reports as a branding opportunity, a majority of the companies reviewed did not include a tag-line in the title of their 2024 sustainability report.

**Figure 9: Key Word of 2024 Sustainability Report Titles (2022-2024)**



"Sustainability" overtook "ESG" as the most common key word within report titles, with 9% of companies removing the term "ESG" year-over-year from the report's title. The use of "impact" nearly doubled.

**Figure 10: Publication Date of 2024 Sustainability Reports (2024)**



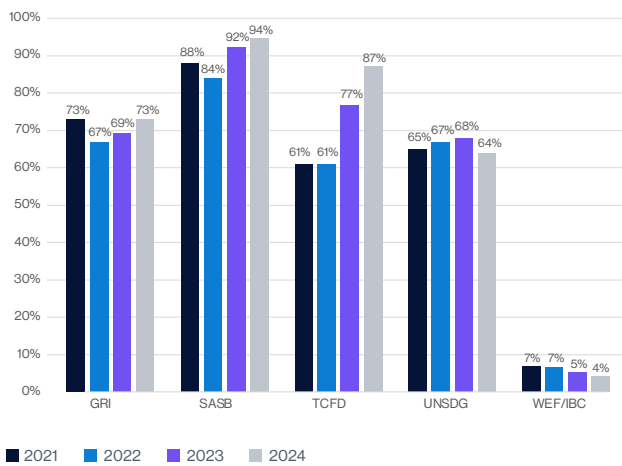
As was the case in 2023, April, May and June were the most common months for 2024 sustainability report publication, likely to align with company annual shareholder meetings.<sup>1</sup>

1. Note we only reviewed reports published from January 1 to July 16, 2024.

# Key Statistics of 2024 Sustainability Reports

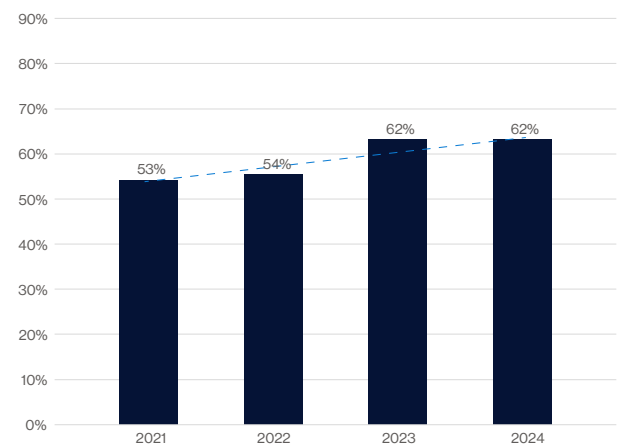
## II. Sustainability Report Content Characteristics

**Figure 11: ESG Disclosure Frameworks Included in 2024 Sustainability Reports (2021-2024)**



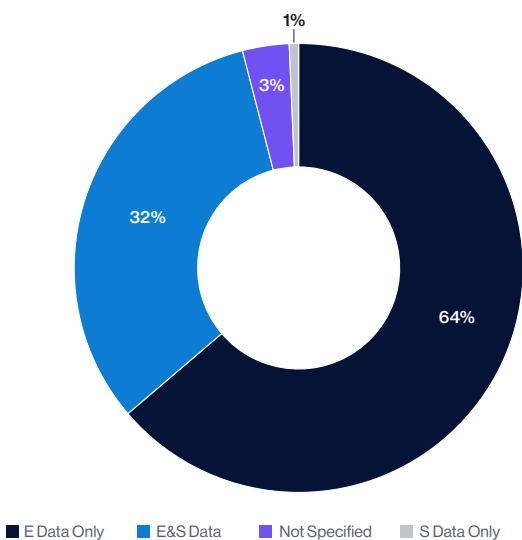
13% of companies noted they were preparing for the EU CSRD disclosures and 5% of companies noted they were preparing for IFRS disclosures.

**Figure 12: External Assurance Provided Within 2024 Sustainability Reports (2021-2024)**



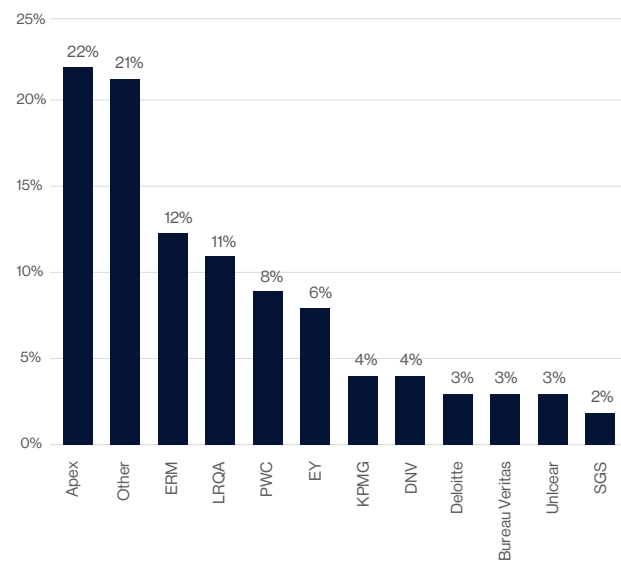
Companies continue to obtain external assurance for at least one ESG data point to maintain objectivity of their data disclosed around ESG with the emergence of regulatory requirements.

**Figure 13: Type of ESG Data Assured (2024)**



Of those who received an external assurance, 88% did so at a limited level and 5% at a reasonable level. Another 5% received assurance at mixed levels (i.e. certain data points at limited and others at reasonable).

**Figure 14: External Assurance Providers (2024)**

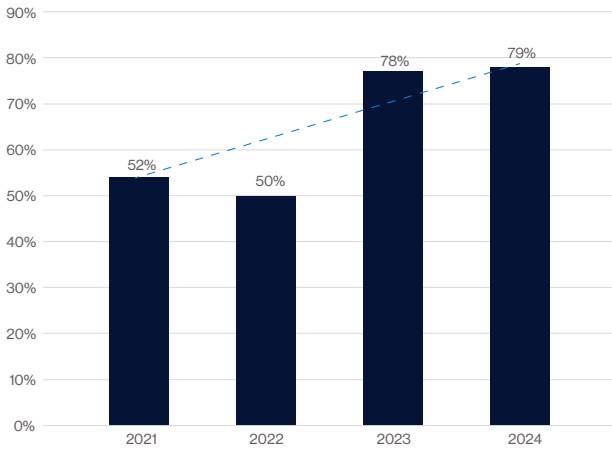


Apex is the most frequently selected auditor for external assurance on environmental data as evidenced through the assessed 2024 sustainability reports.



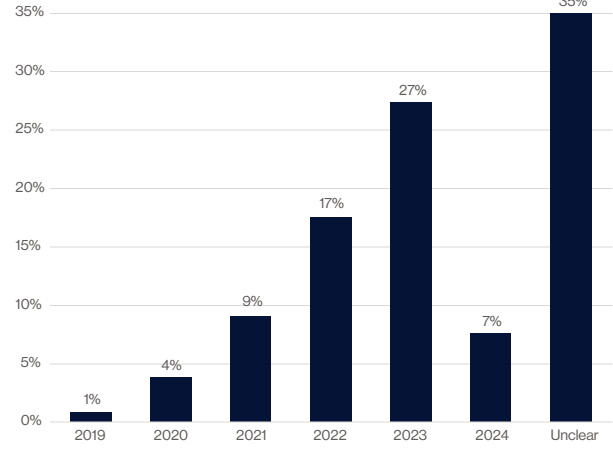
# Key Statistics of 2024 Sustainability Reports

**Figure 15: Referenced A Materiality Assessment (2021-2024)**



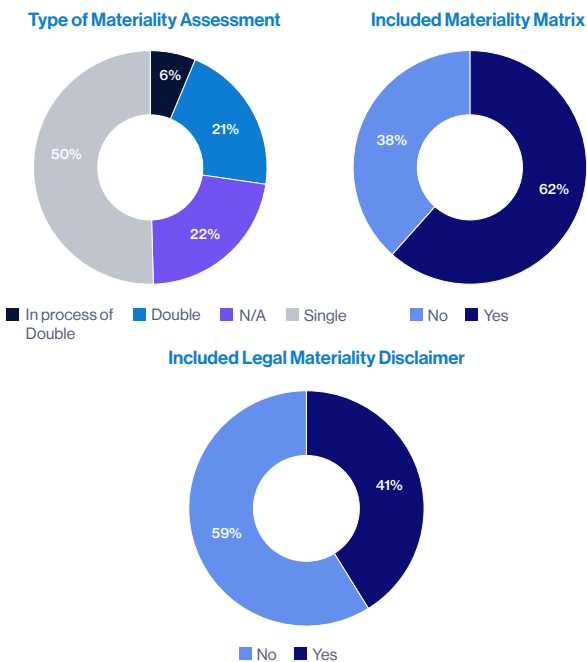
In accordance with increasing focus on materiality from investors and regulators, reference to materiality assessment remains a prevalent practice.

**Figure 16: Date of Last Materiality Assessment (2024)**



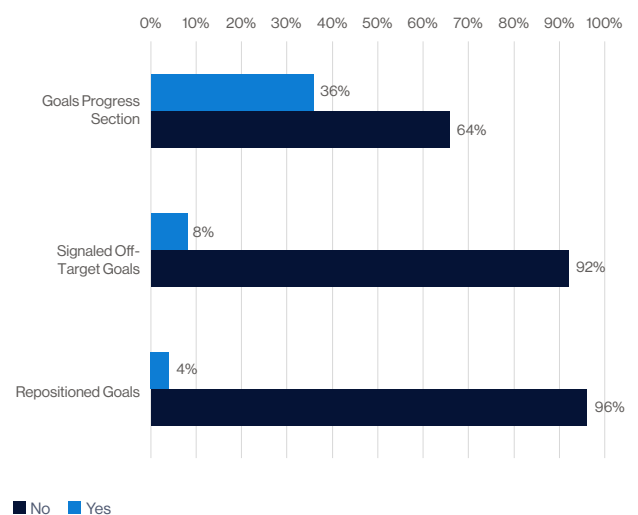
Of the companies that disclosed the date of their last materiality assessment, 68% of them have conducted one within the past two years.

**Figure 17: Other Materiality Assessment Characteristics (2024)**



Companies that conducted (or have indicated that they are in the process of conducting) a double materiality assessment increased from 9% in 2023 to 27% in 2024. The average number of material issues listed by companies within 2024 sustainability reports was 12 while the average number of stakeholders engaged was four.

**Figure 18: ESG Goals Characteristics (2024)**

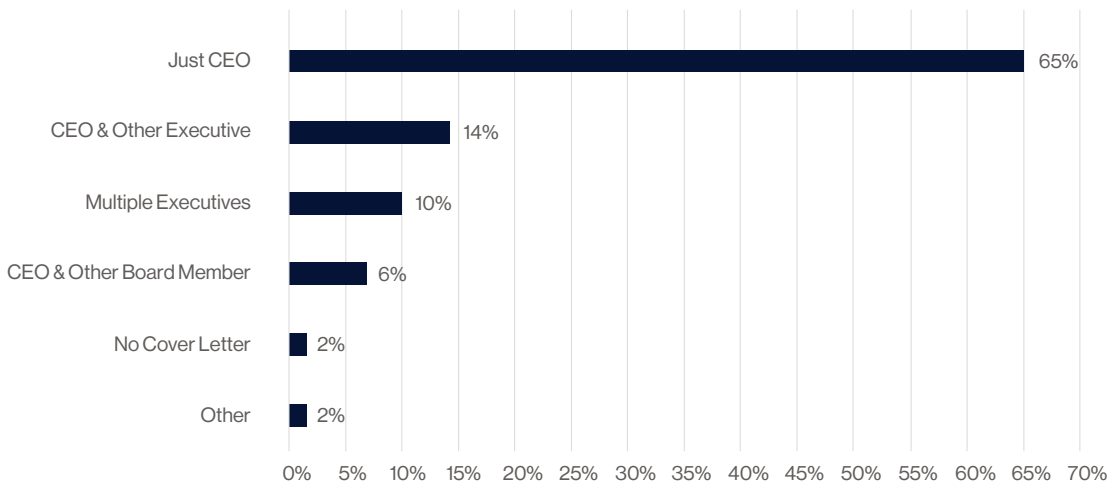


Fewer companies provided a dedicated ESG goals progress section (36%) than in 2023 (46%). Of those who disclosed progress on key goals, 12% signaled that at least one ESG goal was either "off-track" or "repositioned."

# Key Statistics of 2024 Sustainability Reports

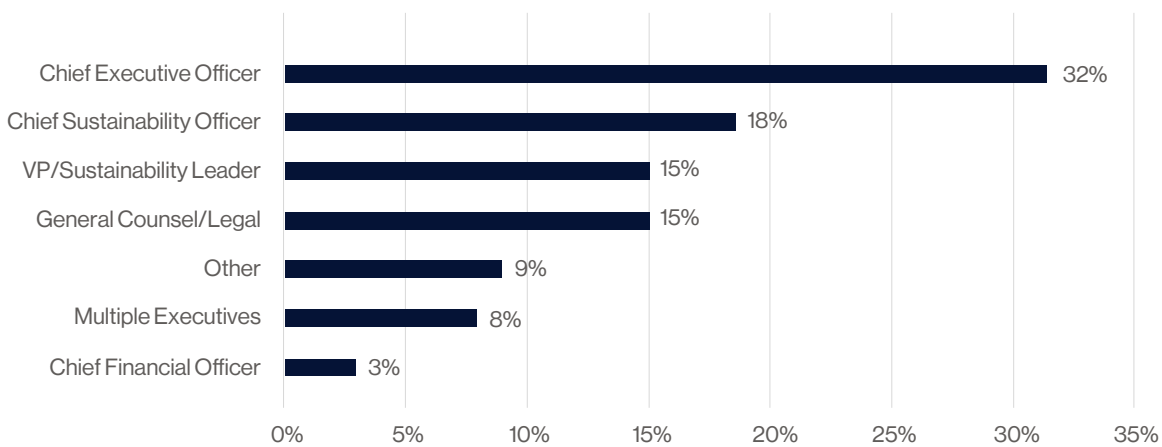
## III. Sustainability Report Governance Characteristics

**Figure 19: 2024 Sustainability Report Cover Letter Signatory (2024)**



CEOs continue to be the primary signatory of 2024 sustainability report cover letters, with less than a quarter also being co-signed by another executive (e.g., Chief Sustainability Officer).

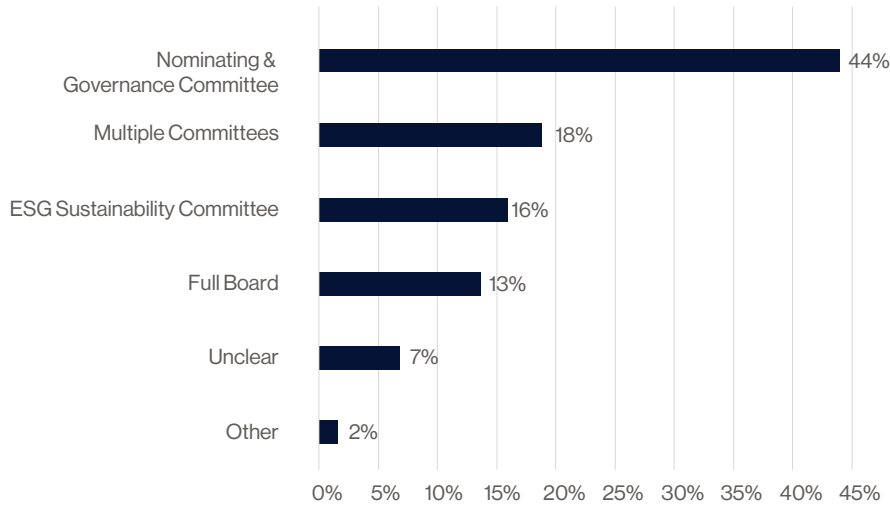
**Figure 20: Executive with Primary ESG Oversight Responsibilities (2024)**



CEOs are increasingly taking the primary ESG oversight responsibility.

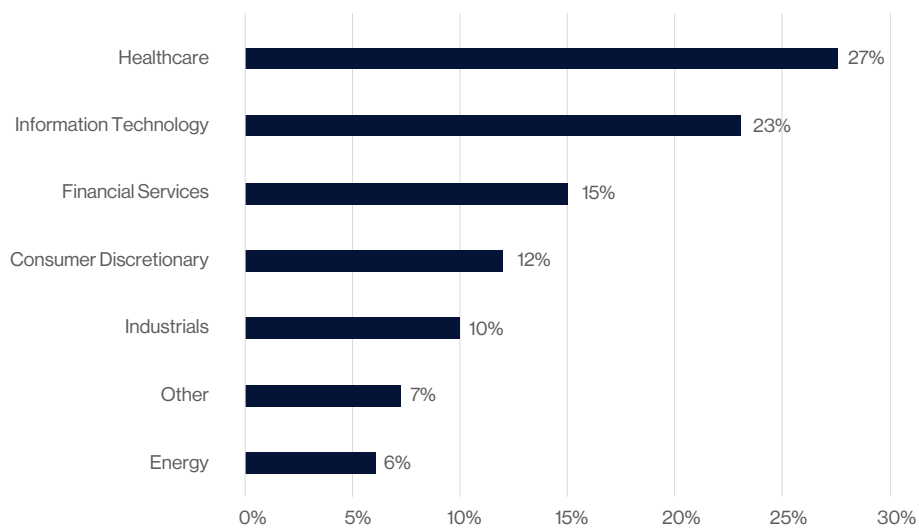
# Key Statistics of 2024 Sustainability Reports

**Figure 21: Primary Board Committee with Primary ESG Oversight Responsibilities (2024)**



While the Nominating & Governance Committee continues to be primarily responsible for ESG strategy, many companies indicated that multiple board committees have oversight of certain ESG issues.

**Figure 22: % of Companies Discussing Responsible Use of AI (2024)**



21% of the companies assessed discuss their policy on Responsible Use of AI as part of 2024 sustainability reports. Sectors who operate with personal identifiable information tend to include Responsible Use of AI more frequently in 2024 sustainability reports.

# Authors



**Matt Filosa**  
**Senior Managing  
Director, Governance &  
Sustainability Advisory**  
matt.filosa@teneo.com



**Diana Lee**  
**Senior Vice President,  
Governance &  
Sustainability Advisory**  
diana.lee@teneo.com



**Adia Njie**  
**Associate, Governance  
& Sustainability Advisory**  
adia.njie@teneo.com



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