



OPEN FOR GOOD

2023

TRANSPARENCY

INDEX

**UCLA**

**Anderson**  
School of Management

**UCLA**

**Center for Impact**



# The Center for Impact

*Our mission is to inspire, educate, and challenge the next generation of leaders to be change makers for positive societal impact.*

*As the UCLA Center for Impact at Anderson approaches its 8th year, it presents an opportunity to reflect on the work we have done. We have created courses, experiential opportunities, and conferences serving students, alumni, and the community. We have had more than 75 students complete the Social Impact Specialization and served numerous community organizations.*

*Businesses, and the Anderson students who will go on to lead them, will be instrumental in addressing the large-scale challenges facing our society and the environment. As a public academic institution, we believe that it is our duty to ensure our students and the public have access to unbiased, transparent, and scientific research to guide them in addressing social and environmental challenges. With our mission in mind, we created the Open for Good initiative and are proud to launch our first Transparency Index showcasing those companies with the highest disclosure rates on key sustainability metrics.*



*Through our work, we hope to provide decision-useful information that society and businesses can use to understand corporate disclosures and that can inspire our students to be agents of change in their careers.*

*Magali Delmas*

Faculty Director,  
Center for Impact Professor  
of Management at UCLA

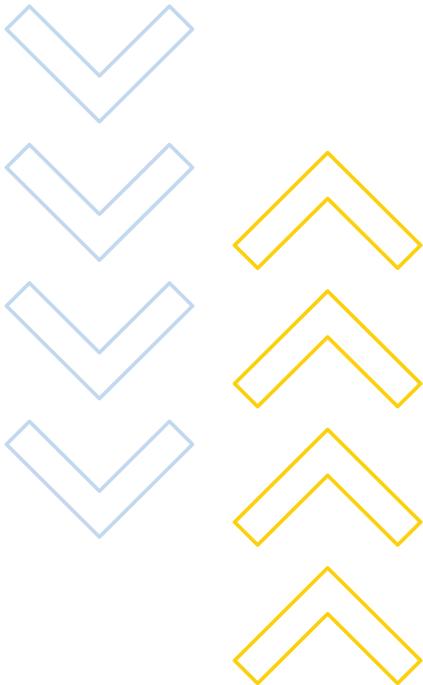


Open for Good’s mission is to provide transparent, unbiased, and accessible insights into corporate sustainability.

In the last decade, we have seen an encouraging shift by business to prioritize not only financial measures of success, but also social and environmental ones. Along with this shift, businesses have begun disclosing large amounts of information on their environmental, social, and governance performance. These disclosures are voluntary, and there is no universal standard for what or how firms disclose information, creating difficulties for stakeholders trying to compare firms and understand impacts.

We began the Open for Good initiative to provide a resource companies, investors, researchers, and the general public can use to better understand how firms are performing on transparency.

Focusing on the S&P 500, Open for Good collects publicly disclosed sustainability information that can be found in company reports, websites, and regulatory filings. Using a set of metrics that cover environmental, social, and governance issues, we assess whether each company has disclosed relevant information and what information they disclose. Corporate sustainability disclosure is not equivalent to sustainability performance. Nonetheless, we consider it a vital first step towards promoting positive change.



This Transparency Index builds on our 2022 report, The State of Corporate Sustainability Disclosure, that examined the disclosures of 300 of the largest US businesses. In that report, we found that just under half of the metrics were disclosed on average. Those findings led us to investigate what firms were leaders in disclosure, and to create our first Transparency Index.

# The 2023 Transparency Index Top 10

ON  
AVERAGE,  
COMPANIES  
DISCLOSE  
51% OF  
METRICS

1. **The Mosaic Company** (84%)
2. **Newmont Corporation** (81%)
3. **Texas Instruments Incorporated** (81%)
4. **Fifth Third Bancorp** (81%)
5. **International Flavors & Fragrances** (80%)
6. **Philip Morris International Inc.** (80%)
7. **General Motors Company** (80%)
8. **Intel Corporation** (80%)
9. **Johnson Controls International plc** (79%)
10. **Seagate Technology Holdings PLC** (79%)

*These 10 firms had the highest disclosure rates for our 39 Environmental, Social, and Governance metrics.*

# THE TOP 10 EXTERNALLY ASSESSED FIRMS

These firms have the highest disclosure scores and indicate that their reported data has been assessed by a third party. In the S&P 500, only 37% indicate that they have worked with a third party to assess some or all of their data.

THE MOSAIC CO (84%)
NEWMONT CORPORATION (81%)
CITIGROUP INC. (77%)
ECOLAB INC. (74%)
FREEMPORT-MCMORAN INC. (74%)
THE COCA-COLA COMPANY (73%)
AGILENT TECHNOLOGIES INC. (72%)
3M COMPANY (71%)
BAXTER INTERNATIONAL INC. (71%)
W.W. GRAINGER, INC. (69%)

IN THE S&P 500,  
ONLY **37%** INDICATE  
THAT THEY HAVE  
WORKED WITH A THIRD  
PARTY TO ASSESS  
SOME OR ALL OF  
THEIR DATA.



*Trustworthy information is key to comparing performance and understanding progress. Currently, there are no requirements that companies work with third parties to ensure the data they report is accurate.*

# THE TOP 10 FIRMS: ENVIRONMENTAL METRICS

How a company's operations affect the environment is a key component of sustainability. While many companies disclose information about their GHG emissions, there are other important areas of environmental sustainability that should be considered.

## The Top 10: Environment

% metrics reported

TEXAS INSTRUMENTS INCORPORATED	98%
SEAGATE TECHNOLOGY HOLDINGS PLC	96%
NISOURCE INC.	94%
EDWARDS LIFESCIENCES CORPORATION	94%
AMEREN CORPORATION	94%
BANK OF AMERICA CORPORATION	93%
DTE ENERGY COMPANY	88%
THE MOSAIC COMPANY	88%
EXELON CORPORATION	84%
LAS VEGAS SANDS CORP.	84%

## Environmental Metrics

Emissions

TCFD

Land Use

Biodiversity

# THE ENVIRONMENTAL METRICS

A green dot below means the company disclosed all of the requested information, a yellow dot means they disclosed some of the requested information, and a red dot means that the company did not disclose the requested information. Even among these top performers, you can see where disclosure can be improved. For example, few firms disclose information about their land use near key protected areas.

## Environmental Metrics



	Texas Instruments	NiSource Inc.	Edwards Lifesciences	Ameren Corporation	Bank of America Corporation	DTE Energy Company	Exelon Corporation	Las Vegas Sands Corp.	Seagate Technology Holdings Public Limited Company	The Mosaic Company
Scope 1 GHG Emissions	●	●	●	●	●	●	●	●	●	●
Scope 2 GHG Emissions	●	●	●	●	●	●	●	●	●	●
Scope 3 GHG Emissions	●	●	●	●	●	●	●	●	●	●
TCFD Risks & Opportunities	●	●	●	●	●	●	●	●	●	●
TCFD Management's Assessment	●	●	●	●	●	●	●	●	●	●
TCFD Risks & Opportunities Over Time	●	●	●	●	●	●	●	●	●	●
TCFD Impacts of Climate Change	●	●	●	●	●	●	●	●	●	●
TCFD Resilience Strategy	●	●	●	●	●	●	●	●	●	●
TCFD Process of Identifying Risks	●	●	●	●	●	●	●	●	●	●
TCFD Risk Management Process	●	●	●	●	●	●	●	●	●	●
TCFD Integration into Overall Risk Management	●	●	●	●	●	●	●	●	●	●
TCFD Metrics for Risk Management	●	●	●	●	●	●	●	●	●	●
TCFD Metric Targets	●	●	●	●	●	●	●	●	●	●
Biodiversity Areas	●	●	●	●	●	●	●	●	●	●
Water Withdrawals	●	●	●	●	●	●	●	●	●	●
Water Withdrawal from WRI Areas	●	●	●	●	●	●	●	●	●	●
Water Consumption	●	●	●	●	●	●	●	●	●	●
Water Consumption from WRI Areas	●	●	●	●	●	●	●	●	●	●

# THE TOP 10 FIRMS: SOCIAL METRICS

How a company's operations affect society is an important part of sustainability. Whether a company creates a diverse workforce and prioritizes pay equity are key considerations.

## The Top 10: Social

INTERNATIONAL FLAVORS & FRAGRANCES (100%)

JOHNSON CONTROLS INTERNATIONAL PLC (97%)

AMAZON.COM, INC. (93%)

COSTCO WHOLESALE CORPORATION (93%)

PHILIP MORRIS INTERNATIONAL INC. (93%)

CITIGROUP INC. (93%)

PEPSICO, INC. (93%)

GENERAL MOTORS COMPANY (90%)

AGILENT TECHNOLOGIES, INC. (90%)

APPLE INC. (83%)

Unlike environmental metrics that companies may have to create new processes to measure, for most of the social metrics, companies already collect the requested information. However, companies have been slow to disclose this information. These top 10 are leading the way.



# THE SOCIAL METRICS

A green dot means the company disclosed all of the requested information, a yellow dot means they disclosed some of the requested information, and a red dot means that the company did not disclose the requested information. Some metrics, like CEO to median employee pay are mandated disclosures, and thus have high rates of compliance.

## Social Metrics

 Full disclosure
  Partial disclosure
  No disclosure

	International Flavors & Fragrances Inc.	Johnson Controls International	Amazon.com, Inc.	Costco Wholesale Corporation	Philip Morris International Inc.	Citigroup Inc.	PepsiCo, Inc.	General Motors Company	Agilent Technologies, Inc.	Apple Inc.
Employee Age Diversity	●	●	●	●	●	●	●	●	●	●
Employee Gender Diversity	●	●	●	●	●	●	●	●	●	●
Employee Ethnic Diversity	●	●	●	●	●	●	●	●	●	●
Gender Pay Equity	●	●	●	●	●	●	●	●	●	●
CEO to Median Emp. Compensation	●	●	●	●	●	●	●	●	●	●
Risk of Child, Forced, or Compulsory Labor by Type	●	●	●	●	●	●	●	●	●	●
Employee Access to Healthcare	●	●	●	●	●	●	●	●	●	●

## The Social Metrics

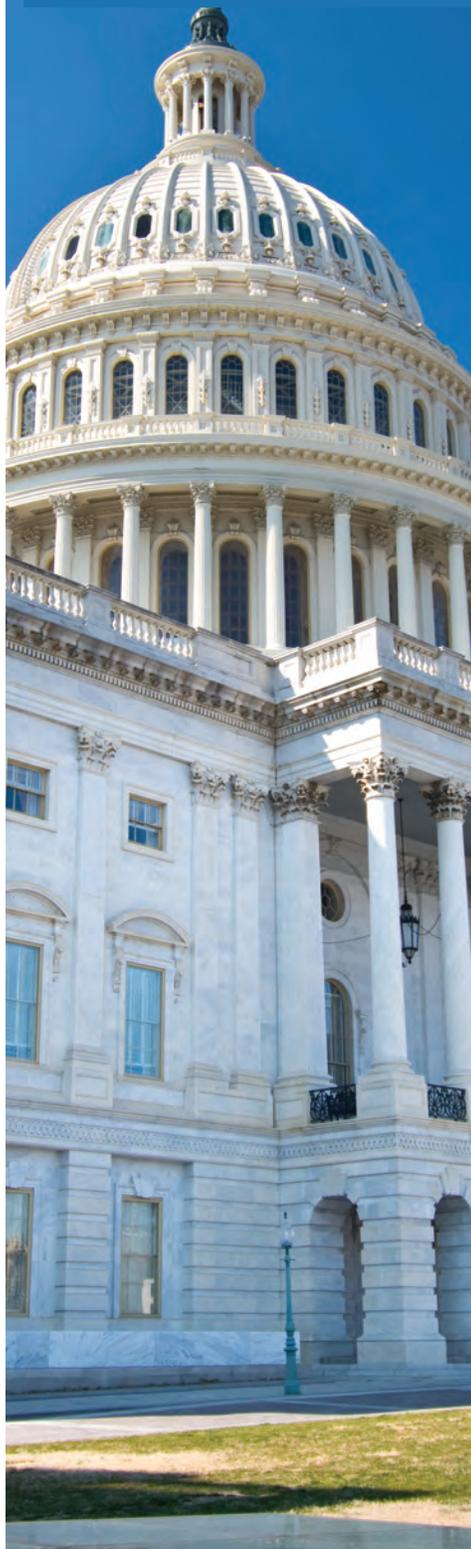
**Employee Diversity:  
Age, gender, ethnicity**

**Employee access to healthcare**

**CEO to median employee  
compensation**

**Risks of forced labor**

# THE TOP 10 FIRMS: GOVERNANCE METRICS



Governance is key to ensuring companies can achieve sustainability goals. Good governance focuses on the role and makeup of the board of directors and the policies in place to ensure the company operates in an ethical manner.

## The Top 10: Governance

THE CLOROX COMPANY (96%)

NASDAQ, INC. (96%)

STATE STREET CORPORATION (96%)

APA CORPORATION (93%)

ALLSTATE (93%)

NEWELL BRANDS INC. (93%)

HP INC. (89%)

FIDELITY NATIONAL INFORMATION  
SERVICES, INC. (89%)

ALBEMARLE CORPORATION (88%)

EQUITY RESIDENTIAL (88%)

# THE GOVERNANCE METRICS

A green dot means the company disclosed all of the requested information, a yellow dot means they disclosed some of the requested information, and a red dot means that the company did not disclose the requested information.

## Governance Metrics



	The Clorox Company	Nasaq, Inc.	State Street Corporation	APA Corporation	The Allstate Corporation	Newell Brands Inc.	HP Inc.	Fidelity National Information Services, Inc.	Albemarle Corporation	Equity Residential
Board Environmental Competencies	●	●	●	●	●	●	●	●	●	●
Board Social Competencies	●	●	●	●	●	●	●	●	●	●
Board Economic Competencies	●	●	●	●	●	●	●	●	●	●
Executive/Non-Executive Ratio	●	●	●	●	●	●	●	●	●	●
% Independent Board Members	●	●	●	●	●	●	●	●	●	●
Board Member Tenure	●	●	●	●	●	●	●	●	●	●
Board Member Commitments	●	●	●	●	●	●	●	●	●	●
% Women on Board	●	●	●	●	●	●	●	●	●	●
% Underrepresented groups on board	●	●	●	●	●	●	●	●	●	●
% Non-Shareholder Representation	●	●	●	●	●	●	●	●	●	●
Materiality	●	●	●	●	●	●	●	●	●	●
Pct Employees Anti-Corruption Trained	●	●	●	●	●	●	●	●	●	●
Culture of Combating Corruption	●	●	●	●	●	●	●	●	●	●

## The Governance Metrics

**Board Competencies:**  
Environmental, social, and economic

**Board Diversity:**  
Percent women and percent from underrepresented groups

**Board Experience:**  
Tenure and other commitments

**Board Independence:**  
Executive to non-executive ratio, number of independent members, and non-shareholder representation

# Methodology

Open for Good analyzes the publicly disclosed data from firms listed on the S&P 500 in the fourth quarter of 2021. For the 2023 Transparency Index, we collected data on 39 metrics focused on Environmental, Social, and Governance performance.

We sourced publicly available data from sustainability reports, firm websites, and public filings with the Securities and Exchange Commission from 2019 or later.

For each of the 39 metrics, we evaluated whether firms fully disclosed, partially disclosed, or did not disclose relevant information. Firms were awarded a 1 (full disclosure), 0.5 (partial disclosure), or 0 (no disclosure) score based on their response. Examples of partial reporting include reporting only a number or rate when both were requested; reporting only certain demographic data; or reporting aggregated data not requested by the metric.

After data collection, we verified accuracy by having a second team member cross-check each entry for validity. Any inconsistencies were evaluated further by the team and corrected. Data was also checked for outliers for each metric, verifying their accuracy once again.

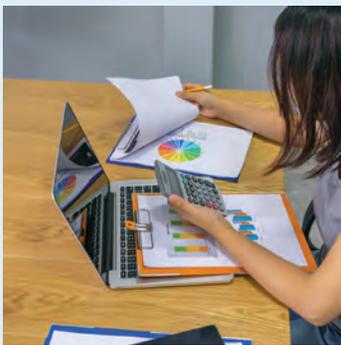
A few caveats should be noted. Our metrics derive from the World Economic Forum's Stakeholder Capitalism Metrics, some of which we have modified and adapted based on the results of our earlier research outlined in *The State of Corporate Sustainability Disclosure*. Additionally, the makeup of the S&P 500 means that certain sectors may be overrepresented in our sample. Finally, while the reporting rates may seem higher than those cited in the 2022 *State of Corporate Sustainability Disclosures*, that is partially due to a reduced subset of metrics that eliminated ones firms were rarely disclosing or ones that provided no differentiation among firms.





# THE PATH FORWARD

## Open for Good



### Increasing Accountability

As data and performance comparisons become more important, companies should implement policies to ensure they are providing trustworthy data. **We call on companies to provide third-party assurance of their reported sustainability data.**

### Providing Access to Unbiased Data for All

As part of an academic institution, the Open for Good initiative can provide unbiased data and insights into how companies are responding to calls to increase their sustainability. **You can learn more and explore corporate transparency rankings on our website.** Also keep a look out for the second State of Corporate Sustainability Disclosure in later in 2023.



### Expanding Reporting

The Open for Good initiative focuses on 39 key metrics; however, these are not the only important ones for assessing corporate performance. **Companies should also consider the specific impacts of their operations and report on the material impacts they have on the environment and society. For example, more reporting is needed related to land use and biodiversity and the effects on society of company supply chain practices.**

# THE CENTER FOR IMPACT



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More information and additional resources can be found on our website [anderson.ucla.edu/about/centers/impactanderson](http://anderson.ucla.edu/about/centers/impactanderson)

# APPENDIX

## Environmental Metrics

- **GHG Emissions:** Does the company disclose its Scope 1 emissions?
- **GHG Emissions:** Does the company disclose its Scope 2 emissions?
- **GHG Emissions:** Does the company disclose its Scope 3 emissions?
- **TCFD:** Does the company disclose a description of its governance around climate-related risks and opportunities?
- **TCFD:** Does the company disclose a description of management's role in assessing and managing climate-related risks and opportunities?
- **TCFD:** Does the company disclose a description of climate-related risks and opportunities it has identified over the short, medium, and long terms?
- **TCFD:** Does the company disclose a description of the impact of climate-related risk and opportunities on the organization's business strategy and financial planning?
- **TCFD:** Does the company disclose a description of the resilience of their strategy taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario?
- **TCFD:** Does the company disclose a description of their processes for identifying and assessing climate-related risks?
- **TCFD:** Does the company disclose a description of their process for managing climate-related risks?
- **TCFD:** Does the company disclose a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management?
- **TCFD:** Does the company disclose the metrics they use to assess climate-related risks and opportunities in line with their strategy and risk management process?
- **TCFD:** Does the company disclose the targets they use to manage climate-related risks and opportunities, as well as performance against those targets?
- **Land Use:** Does the company disclose the number and area of sites owned, leased, or managed in or adjacent to protected areas of key biodiversity areas?
- **Water Use:** Does the company disclose the amount of water withdrawn for its operations?
- **Water Use:** Does the company report the percentage of water withdrawn from high or extremely high baseline water stress according to the World Resources Institute's aqueduct water risk tool?
- **Water Use:** Does the company disclose the amount of water consumed for its operations?
- **Water Use:** Does the company report the percentage of water consumed from high or extremely high baseline water stress according to the World Resources Institute's aqueduct water risk tool?

# APPENDIX

## Social Metrics

- **Employee Diversity:** Does the company disclose a breakdown of its employees by age groups?
- **Employee Diversity:** Does the company disclose a breakdown of its employees by gender?
- **Employee Diversity:** Does the company disclose a breakdown of its employees by ethnicity?
- **Pay Equality:** Does the company provide a pay equality ratio by gender broken down by geographical area?
- **Wage Level:** Does the company report the ratio of its total CEO compensation to the median employee wage?
- **Risks for Child and Forced Labor:** Does the company disclose an explanation of the operations and suppliers considered to have a significant risk of incidents of child, forced, or compulsory labor in relation to the type of operations and type of suppliers?
- **Risks for Child and Forced Labor:** Does the company disclose an explanation of the operations and suppliers considered to have a significant risk of incidents of child, forced, or compulsory labor in relation to countries with such risks?
- **Health and Safety:** Does the company disclose how it facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided?

# APPENDIX

## Governance Metrics

- **Board of Directors:** Does the company disclose the number of board members with economic competencies?
- **Board of Directors:** Do the board member biographies indicate that some members have competencies in environmental topics?
- **Board of Directors:** Do the board member biographies indicate that some members have competencies in social topics?
- **Board of Directors:** Does the company disclose the numbers of executive and non-executive board members?
- **Board of Directors:** Does the company disclose the percentage of independent board members?
- **Board of Directors:** Does the company disclose the tenure in years of each board member?
- **Board of Directors:** Does the company disclose the significant commitments of its board members including positions on other boards, academic appointments, or other professional engagements?
- **Board of Directors:** Does the company disclose the percentage of women on its board?
- **Board of Directors:** Does the company disclose the number of board members who are part of underrepresented social groups?
- **Board of Directors:** Does the company disclose whether non-shareholders are represented on the board?
- **Materiality:** Does the company disclose its processes for assessing and reporting material issues that impact stakeholders?
- **Anti-corruption:** Does the company disclose the percentage of governance body members, employees, and business partners who have been trained in the company's anti-corruption policies and procedures by region?
- **Anti-corruption:** Does the company disclose details regarding its initiatives to improve the broader operating environment and culture to combat corruption?

