

Fortune® 500 Scorecard Analysis

Performance snapshot of the corporate sector in the Fortune® 500



The increasing interest in Environmental, Social, and Governance (ESG) metrics is reflected in the following Strategic Scorecard. This tool offers evidence of how the private sector seeks to improve their performance among an increasing number of ESG indicators. Companies in the Fortune® 500 showed strong financial performance, increased social investments through a rise in total giving, as well as more environmentally friendly corporate policies. These improvements are happening within a more inclusive context that seeks greater representation of women, and incorporation of ESG and sustainability incentives among senior management.

PERFORMANCE (FINANCIAL)	FY2015	FY2017	Favorable Delta Δ in green
Revenues (Median, in US\$ Billions)	11.1	12.3	11.6%
EBITDA (Median, in US\$ Billions)	1.7	2.0	17.8%
EBITDA to Revenue (Median, Ratio)	15.1	16.3	8.0%
ENTERPRISE VALUE/EBITDA (Median, %)	11.1	10.7	-0.4 pp
Return on Invested Capital (Median, %)	8.4	8.6	+0.2 pp
Market Capitalization (Median, in US\$ Billions)	11.3	14.4	26.5%
PLANET (ENVIRONMENT)	FY2015	FY2017	Favorable Delta Δ in green
Greenhouse Gas Emissions (Median, in Millions of Metric Tons)	1.2	1.0	-12.3%
Water Use (Median, in Millions of Cubic Meters)	7.3	7.6	4.1%
Offers Water Policy (%)	60.4	68.7	+8.3 pp
Recycled Waste (Median, in Thousands of Metric Tons)	46.3	36.5	-21.1%
Offers Waste Reduction Policy (%)	71.3	77.8	+6.5 pp
Offers Products Addressing Climate Change (Proxy for Customer Welfare) (%)	1.4	2.8	+1.4 pp
PEOPLE (SOCIETY, EMPLOYEES)	FY2015	FY2017	Favorable Delta Δ in green
Employee Turnover (Average, %)	15.0	14.3	-0.7 pp
Total Giving (Median, in US\$ Millions)	26.2	29.3	11.9%
Total Giving as a % of Pre-Tax Profit (Median, %)	0.8	0.9	+0.1 pp
Women in Workforce (Median, %)	31.4	31.0	-0.4 pp
Lost Time Incident Rate per 100K Employees (Average, Ratio)	0.2	0.2	0.0 pp
POLICIES (GOVERNANCE)	FY2015	FY2017	Favorable Delta Δ in green
CSR/Sustainability Committee (%)	24.4	27.3	+2.8 PP
Women on Boards (Median, %)	20.0	22.2	+2.2 PP
Business Ethics Policy (%)	100.0	100.0	0.0 pp
Social Supply Chain Risk Management (%)	64.8	78.1	+13.4 PP
ESG Linked to Bonus (%)	22.0	22.5	+0.5 PP

Higher company financial value:

Higher absolute value of market cap, EBITDA, EV/EBITDA, EBITDA to revenue, revenue, and return on invested capital between Fiscal Year 2015 and Fiscal Year 2017. **+26.5%** Growth rate of market cap for Fortune® 500 companies.

Caring for the Environment:

Less green house gas emissions; more companies offering water/waste reduction policies; more companies offering products addressing climate change. Companies can focus on reducing water use and increase recycled waste. **-12.3%** Decrease rate in green house gas emissions for Fortune® 500 companies.

Investing in society:

More Total Giving and more Total Giving as a % of Pre-Tax Profits among and less employee turnover. There's room to increase women's overall participation in the labor force. **+11.9%** Growth rate of total giving for Fortune® 500 companies.

Increasing governance policies in place:

All assessed companies have established ethical guidelines/compliance policies for their employees. A higher percentage of companies are implementing social supply chain risk management initiatives. A higher percentage of companies had a corporate social responsibility/sustainability committee that reports directly to the board. More companies had women on boards. A higher percentage of companies had board compensation linked to ESG goals. **+13.4 pp** Percentage points of increase of companies having a Social Supply Chain Risk Management policy.

Notes and Methodology:

Sample of companies are part of the Fortune® 500 ranking for all metrics. Fortune magazine is a registered trademark of Time Inc. Monetary figures are measured in nominal US Dollars. Data is retrieved from CECP's dataset and the Bloomberg database. Sample size ranges between 21 to 422, this variation is derived from differences in metrics data availability. Green growth rates indicate a favorable change. In limited cases, percentage point change replaces growth rate. "pp" corresponds to percentage point changes that evidence deltas between metrics reflecting percentages. Year-over-year calculations are based on a three-year matched-set data.