



Study Finds Female Representation in Leadership Positions is Correlated to a Company's Higher Financial Performance

Median percentage of female executives within top financial performers 2.4 - 4.2% higher than bottom 10%

NEW YORK, May 2, 2024- A new Chief Executives for Corporate Purpose® (CECP) [*Investing in Society*](#) report shows companies' environmental, social, and governance (ESG) disclosures are increasing and becoming an integral responsible business practice. The study finds Fortune 500® companies increased ESG disclosures by 8.9% between 2019 to 2022, and S&P Global 1200 companies¹ increased by 6.6% over the same period. To enhance investor understanding of climate-related business risks and opportunities, the amount of environmental data disclosed by Fortune 500 companies rose by 22.24% between 2019 and 2022.

Investing in Society is a must-read source for how concurrent social and political pressures—including climate change, artificial intelligence (AI), and geopolitical tensions—are impacting the corporate sector's ability to get a return on corporate purpose. Developed from CECP's research and insights from more than 200 of the world's leading companies, all harnessing the power of purpose to benefit their businesses, this report examines how social and political pressures impact corporations' public-facing disclosures over a four-year period.

"This report showcases the progression of corporate strategies, identifying both successes and areas that need improvement," said Jenna Moore, Senior Manager of ESG & Sustainable Business Insights, CECP. "CECP's *Investing in Society* research serves as a guide to understanding what truly drives corporate purpose and highlights areas where responsible businesses can create more value. Our findings help companies improve brand trust, connect with strategic investors, and contribute to the bottom line."

The new study finds reporting is increasing rapidly in certain areas, such as the environment, due to newly proposed regulations around the world, but other areas, such as diversity, equity, and inclusion (DEI) progress, are more guarded. For example, a July 2023 CECP Pulse Survey on the impacts of the ruling by the Supreme Court of the United States on affirmative action found that about a third of responding companies anticipated the ruling would affect internal DEI initiatives and resources, as well as staff recruitment efforts and talent pipelines. This indicates a potential shift in private employers communicating more on general inclusivity and diversity efforts than specifically on race and ethnicity throughout 2024. Other ESG findings include:

E: Driven by increasing pressure from key stakeholders, many more companies are setting net-zero targets, but **few are setting near-term targets to make progress towards achieving those long-term goals**. For example, in 2022, 55% of Fortune 500 and 73% of S&P Global 1200 companies had net-zero targets. But there was an insufficient number of

¹ The Fortune 500 data is also reflected in the S&P Global 1200 data set.



companies disclosing their near-term targets to conduct analysis, highlighting the need for companies to take further action.

S: The number of companies implementing initiatives or engagement strategies with local communities has grown substantially from 2019 to 2022. In 2022, 34.95% of Fortune 500 companies and 29.55% of S&P Global 1200 companies had established community engagement policies, up from 18.69% and 19.05%, respectively. Additionally, the study found that **strong female representation in leadership positions is correlated to business performance**. Companies with the highest revenue growth in the S&P Global 1200 tracked and reported against their gender representation for all four years: 94% reported the percentage of women on the board, and 92% reported the percentage of female executives. Notably, **the median percentage of female executives within the top financial performers is 2.4-4.2% higher than that of the bottom 10% of financial reporters**, indicating that higher women representation in leadership roles is correlated to better financial performance.

G: Almost all boards of Fortune 500® and S&P Global 1200 companies —99% and 98% respectively— have at least one female director. While female representation on Fortune 500 boards has remained relatively steady, representation in the S&P Global 1200 grew by 5.26% from 2019 to 2022. **Yet, gender parity on boards is still not within sight**. Within both datasets, the median percentage of women on the board remains under one-third: 30% in the Fortune 500 and 31.01% in the S&P Global 1200. In addition, **sustainability and CSR management are growing in importance as demonstrated in the marked growth in board oversight from 2019 to 2022**. By the end of 2022, 85.43% of Fortune 500 companies formally managed sustainability through a CSR/sustainability committee that reported directly to the board, an increase of 31.86 percentage points over 2019. The S&P Global 1200 also saw a significant increase of 23.83 percentage points. By the end of 2022, 66.16% of S&P Global 1200 companies had a committee reporting to the board.

The study summarizes these findings through a proprietary quantitative tool, the CECP Integrated Disclosure Scorecard. The scorecard breaks down each Key Performance Indicator and analyzes the four-year (FY 2019-2022) median performance on each metric, which is enhanced by CECP's thought leadership and a review of sector-wide opinions and research.²

As companies encounter growing pressure from investors, customers, partners, society, and government, they may progressively set and exhibit proactive goals and policies contributing to environmental and social impact. CECP helps organizations navigate the evolving ESG landscape by providing research, benchmarking, and tools, such as the Integrated Long-Term Plan Framework, to guide companies in setting near-term and long-term goals to make a positive social impact. With our companies, we share a goal of harnessing the power of purpose for the benefit of business, stakeholders, and society.

² *Investing in Society* analyzes the latest trends in ESG metrics for companies in the Fortune 500® as ranked by *Fortune*® Magazine and the S&P Global 1200



The 2024 edition of *Investing in Society* is available for free on cecp.co. CECP-affiliated companies have access to fast-track consulting and benchmarking on these data.

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Chief Executives for Corporate Purpose® (CECP) is the only business counsel and network dedicated to driving measurable returns on purpose. We promote responsible purpose-driven business as it increases customer loyalty, builds employee engagement, improves brand trust, attracts top talent, connects with strategic investors, and contributes to the bottom line.

More than 200 of the world's leading companies seek to improve their return on purpose through access to CECP's solutions in research and insights, strategy and benchmarking, and convening and communications. With our companies, we harness the power of purpose for business, stakeholders, and society.

For more information, visit <http://cecp.co>.