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Study Finds Companies Invest in ESG For Important Ethical and Fiscal Benefits

Despite companies reducing public discourse on ESG, many continue to invest in ESG given significant ethical and financial advantages

NEW YORK, January 22, 2025 - [Chief Executives for Corporate Purpose](#)® (CECP), in collaboration with [CECP Global Exchange](#), released the fifth edition of [Global Impact at Scale: Challenges and Opportunities in Non-Financial Reporting](#). Despite dire warnings about the environmental, social, and governance (ESG) pushback, the study finds most corporate leadership views ESG positively, and companies are not pulling back on ESG work or changing strategies as they know the ethical and fiscal benefits. But most companies are not fully prepared for mandatory reporting requirements, noting the need for resources to build up the practice such as strengthening operational and governance frameworks to meet regulatory requirements, satisfying stakeholders, and ensuring data quality.

Key findings of the report include:

ESG and/or Sustainability Reporting, Requirements, Measurement

- Most companies (46.5%) cited that a standalone ESG/Sustainability report was how they reported annually on their operations' goals and impacts: while 12.7% of responding companies indicated that they do not report on ESG at all.
- Most companies (55%) reported they are "somewhat prepared" to meet mandatory reporting requirements, but time and resources are still needed to comply with reporting procedures.
- A fair number (28.6%) of CECP affiliated companies cited the greatest challenge that they anticipate in implementing CSRD requirements is the integration of ESG reporting into existing financial reporting processes; 25.7% cited managing third-party risks and supply chain data; another 25.7% cited allocating resources and managing costs to compliance.
- Many companies agreed that measuring the "Social Impact" of their organizational processes of ESG was the most complex (35.6%) even more respondents deemed all items "Equally Complex" to measure (44%).

Leadership on ESG, and ESG Backlash

- Seventy-five percent of respondents stated that leadership within their organization views ESG positively, 21% reported that leadership views it neutrally, and 20% indicated that leadership views it negatively.
- Fifty-one percent of respondents indicated ESG backlash has had no impact on strategies, and 26.1% of respondents cited increased transparency and reporting.
- Sixteen percent indicated their organizations have reduced public discourse around ESG but have continued to invest in ESG because it yields an important ethical and fiscal benefit.
- A majority (77%) of respondents indicated either that the backlash had no impact on their organization's strategies or that they had increased ESG data sharing. This result deviates



only slightly from that of companies headquartered in the U.S., where the largest percentage (42.3%) of respondents indicated no change to their ESG strategies.

"With new regulations and stakeholder pressure reshaping society's expectations of companies around the world, organizations must refine their approaches to reporting on sustainability issues and ensuring quality data related to these topics," said Kate Stobbe, Director, Corporate Insights, CECP. "This study demonstrates that globally, businesses are prioritizing robust systems and accurate disclosures as critical to addressing the growing complexity and meeting stakeholder needs."

The insights presented in this report are the results of a collaborative effort with CECP's Global Exchange (GX) Partners. This document features insights from GX Partners' market-specific research and secondary research from multiple sources, including CECP's Pulse Surveys, the European Commission's Sustainable Corporate Governance Initiative Public Consultation, documents pertaining to country/region-specific legislative policies, and other relevant sources.

The CECP GX partners are in 10 countries and regions and serve companies by building a body of knowledge on locally relevant corporate citizenship best practices, through information sharing and collaborative research. The GX acts as a catalyst to enhance and advance corporate social investment strategies. GX partners include: [Comunitas](#) in Brazil, [CSRone](#) in Taiwan, [Corporate Responsibility Türkiye](#) in Türkiye, [Dynamo Academy](#) in Italy, [Fundacion Seres](#) in Spain, [Maala](#) in Israel, [SynTao](#) in Mainland China and Hong Kong, [Trialogue](#) in South Africa, and [Wider Sense](#) in Germany.

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

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