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CECP Reveals Companies with a Defined Purpose Deliver Higher Revenue, Growth, and Returns on Capital

NEW YORK, April 22, 2025 – Chief Executives for Corporate Purpose® (CECP) today released the 2025 edition of *Corporate Purpose: Driving Business Value*, finding that companies with a corporate purpose statement had 58% more revenue growth, and 63% higher returns on invested capital (ROIC) in 2023. While purpose-driven companies achieved 12% ROIC growth over the past five years, their counterparts experienced a 28% decline. And three-quarters (76%) of investors expect companies to define their corporate purpose with 93% believing purpose is essential to long-term business strategy and value creation.

Previously, Corporate Purpose: Driving Business Value was called Investing in Society. The renamed report reflects the increased urgency—and opportunity—for companies to quantify the value of their corporate purpose as a core business strategy in an era of rapid economic, cultural, and geopolitical change—including sustainability reporting, artificial intelligence (AI), and responsible resource use. Leveraging CECP's research and insights from over 200 of the world's leading companies, the report provides actionable insights, benchmarking data, and case studies for leaders looking to embed purpose into business strategy and unlock sustainable value.

"Companies that lead with purpose aren't just doing good socially—they're doing better economically," said Jenna Moore, Senior Manager of Sustainable Business Insights, CECP. "This report clearly shows that purpose-driven strategies are delivering real business results across revenue, growth, and returns. Purpose is no longer a peripheral initiative or a nice-to-have—it's a core element of business strategy that drives performance, builds resilience, serves as a North Star, and creates long-term value for stakeholders and society alike."

Other key findings include:

- **Responsible Al Adoption:** While 67% of companies incorporated worker voice into Al adoption efforts, only 50 companies in the S&P Global 1200 reported having a formal Al ethics policy in place. Cybersecurity remained a focus, with 95% disclosing security risks and 77% maintaining risk management protocols.
- **Evolving Non-Financial Reporting:** More than half of Fortune 500 companies have established a Sustainability Controller. Finance teams are increasingly responsible for non-financial reporting, ensuring alignment with investor expectations and regulatory requirements.

- **Biodiversity Reporting Slows:** While biodiversity-related disclosures rose 10.8 percentage points between 2020 and 2021, growth slowed to 3.7 points between 2022 and 2023. Companies headquartered in North America lag global peers.
- Room for Improvement: Disclosure remains limited across key workforce and supply chain metrics. Only 15% of companies reported the percentage of minorities or people with disabilities in the workforce, and just 1% disclosed supplier audits in 2023.

The report summarizes these findings through a proprietary quantitative tool, the CECP Integrated Disclosure Scorecard. The scorecard measures how well companies in the S&P Global 1200 embrace principles of corporate purpose and long-term sustainable value creation. CECP breaks down each Key Performance Indicator and analyzes the four-year (FY 2019-2023), median performance on each metric, which is enhanced by CECP's thought leadership and a review of sector-wide opinions and research. The study uses a five-year period to account for a pre-COVID-19 baseline.

The 2025 edition of *Corporate Purpose: Driving Business Value* is available for free on <u>cecp.co</u>. CECP-affiliated companies have access to fast-track consulting and benchmarking with this data. Corporate leaders use benchmarking to monitor their year-over-year performance on key metrics, draw comparisons against competitors, or advocate for budget adjustments.

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About Chief Executives for Corporate Purpose (CECP)

Chief Executives for Corporate Purpose® (CECP) is the only nonpartisan 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 insights and benchmarking. With our companies, we harness the power of purpose for business, stakeholders, and society. For more information, visit http://cecp.co.