2025 EDITION

Corporate Purpose: Driving Business Value

CECP

About Chief Executives for Corporate Purpose (CECP)

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 benchmarking and insights. With our companies, we share a goal of harnessing the power of purpose for the benefit of business, stakeholders, and society.

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Preface

Dear Colleagues,

Chief Executives for Corporate Purpose (CECP) is pleased to share the 2025 Edition of *Corporate Purpose: Driving Business Value*. In a period marked by rapid social, geopolitical, cultural, and economic shifts, the role of corporate purpose has never been more critical. This report delves into the long-term return on corporate purpose, providing an analysis of the latest trends and performance metrics for companies within the S&P Global 1200. The report also leverages CECP's Integrated Long-Term Plan Framework to offer actionable insights and case studies that corporate purpose leaders can use to inform their strategies for sustainable value creation.

Previously, *Corporate Purpose: Driving Business Value* was called *Investing in Society*. We have renamed the report in acknowledgement of the opportunities and challenges corporate leaders face in measuring the returns on purpose-driven initiatives. As the landscape continues to evolve, so will this report—to remain a highly relevant, quantitative, qualitative, and actionable resource for informing business strategy and decision making.

Our findings underscore the significant benefits that purpose-driven companies enjoy. These companies not only achieve higher financial performance but also excel in areas such as stakeholder engagement and long-term strategic positioning. The data reveal that companies prioritizing purpose see greater returns on R&D investments, improved financial performance, and enhanced stakeholder trust.

As leaders navigate the complexities facing business today, it remains clear that leading with corporate purpose is not just a moral imperative, but a strategic advantage. This report aims to equip business leaders with the knowledge and tools needed to unleash the power of corporate purpose for the benefit of their organizations, stakeholders, and society.

Sincerely,

Jenna Moore
Senior Manager, Sustainable Business Insights
CECP

Executive Summary

Corporate purpose refers to a company's fundamental reason for existing beyond profit generation.

It defines the broader impact a company hopes to have on the world as it builds long-term sustainable value.[1] Stakeholders expect companies to have an authentic statement of corporate purpose and to act in accordance with their mission, vision, and corporate values. A well-defined corporate purpose aligns a company's values, strategy, and actions with long-term goals that serve both economic and social interests. At purpose-driven companies, corporate purpose is embedded across the organization, serves as its North Star in strategic decision making, and helps leaders navigate uncertainty.

Key Findings:

Companies that prioritize and promote their corporate purpose—why they do what they do, beyond generating profit—reap greater financial and human capital returns. In 2023, companies with a corporate purpose had revenue 58% higher than those without a corporate purpose.

Long-term goals tied to corporate purpose yield higher returns on R&D and financial performance.

S&P Global 1200 companies achieved positive performance on 41 out of the 42 key performance indicators (KPIs) in the CECP Integrated Disclosure Scorecard, with varied progress across geographies and industries.

Boards are expected to oversee emerging areas, such as responsible AI. Thirteen percent of S&P 500 boards now have AI expertise.[2]

Companies are reassessing where sustainability functions sit within their organizations' structures. More than half of Fortune 500 companies now have an ESG Controller to oversee reporting.[3]

Sixty-seven percent of companies are including the worker voice in AI adoption to meet future workforce needs and deploy AI responsibly.

Against an ever-shifting backdrop of geopolitical, societal, and economic trends, *Corporate Purpose: Driving Business Value* analyzes data, highlights case studies, and provides actionable insights that corporate purpose leaders need to inform their companies' long-term, sustainable, value creation strategies.

Companies across all regions are increasing disclosures, but prioritize different issues

From 2019 to 2023, all four metrics measuring the quantity and quality of corporate disclosures have increased. However, overall environmental, social, and governance (ESG) disclosure scores slightly declined from 2022 to 2023 in Europe and North America, contributing to the overall decrease observed in “All companies.” There are notable regional differences in the types of disclosures companies prioritize, influenced by varying stakeholder pressures (Figure 1).

FIGURE 1: Regional Differences in Corporate Disclosures

Source: CECP analysis of Bloomberg data.
Disclosure scores range from 0.1 for companies that disclose a minimum amount of data to 100 for those that disclose every data point tracked by Bloomberg.

Companies headquartered in North America prioritize governance disclosures the most, outperforming all other regions, but lag in social disclosures. Latin American and Caribbean companies lead in environmental and social disclosures compared to other regions yet fall significantly behind other regions in governance. European companies rank highly across all four metrics but have declined slightly in social disclosures from 2022 to 2023. East Asian and Pacific companies, while lagging in environmental and social disclosures, have focused on enhancing transparency in governance issues. The subsequent sections of this report explore key trends influencing corporate disclosures and the impact transparency has on corporate purpose.

Corporate executives should use this report to communicate the critical role of corporate purpose in driving long-term value. Share these insights among your colleagues:

- **CEO:** Companies leading with a corporate purpose outperform peers financially.
- **CHRO:** Companies with a corporate purpose tend to have higher gender parity.
- **CSO:** Only 35% of companies are on track to meet long-term emission reduction targets.
- **CFO:** Companies leading with a corporate purpose had 58% higher revenue than their peers in 2023.
- **IR:** 76% of investors expect companies to have defined their corporate purpose and 93% think it is needed to set a long-term business strategy that creates value.
- **Corporate Foundation:** More companies are prioritizing community engagement.
- **Chief Purpose Officer:** Purpose-driven leadership is critical to retaining an engaged workforce, building competitive advantage, and making progress toward long-term goals.

Competitive Strategic Positioning

As technology and consumer preferences evolve, companies are adopting strategies to remain competitive by integrating corporate purpose into long-term goals and initiatives.

Long-term strategic goals and initiatives tied to corporate purpose yield higher returns

Connecting corporate purpose with long-term objectives helps manage risk, build resilience, and create competitive advantage. **CECP analyzed 53 companies' 2023 performance using our Integrated Long-Term Plan Framework and Disclosure Assessment. The analysis found that companies that tie their corporate purpose to long-term goals and strategic initiatives tend to invest more in research and development (R&D) and have higher financial returns (see case studies below).**

CORPORATE PURPOSE LINKED TO LONG-TERM GOALS CORRELATED WITH HIGHER FINANCIAL PERFORMANCE

Pharmaceutical Case Study

Long-Term Value Drivers: Goals to expand access to their portfolio through social investment and pricing strategies, access solutions, and partnerships

Financial Performance: From 2019 to 2023, R&D investments increased by 214% and revenue grew by 54%

Software Case Study

Long-Term Value Drivers: Goals focused on product, environmental, human capital, and social impact

Financial Performance: From 2019 to 2023, R&D investments increased by 106% and revenue grew by 112%

S&P Global 1200

R&D expenses increase (2019-2023):

- Median S&P Global 1200: 29%
- Top Quartile S&P Global 1200: 62%

Revenue growth (2019-2023):

- Median S&P Global 1200: 25%
- Top Quartile S&P Global 1200: 52%

Customer-centric long-term planning builds long-term strategic positioning

Customer-centric companies bring in 5.7 times more revenue than their competitors.[4] Unsurprisingly, these companies put customers and their needs at the heart of their long-term value drivers and innovation. They prioritize integrating key environmental or social objectives into product design or strategic initiatives to meet customer needs and simultaneously reduce environmental impact. This approach not only enhances customer satisfaction and loyalty but also builds a positive brand reputation.

Case Study: CUSTOMER-CENTRIC VALUE DRIVERS

T-Mobile: Seeking to close the digital divide in the U.S. by investing over US$6.4 billion in products and services.[5]

The Estée Lauder Companies: In fiscal 2024, 71% of ELC's packaging by weight was recyclable, refillable, reusable, recycled, or recoverable.[6]

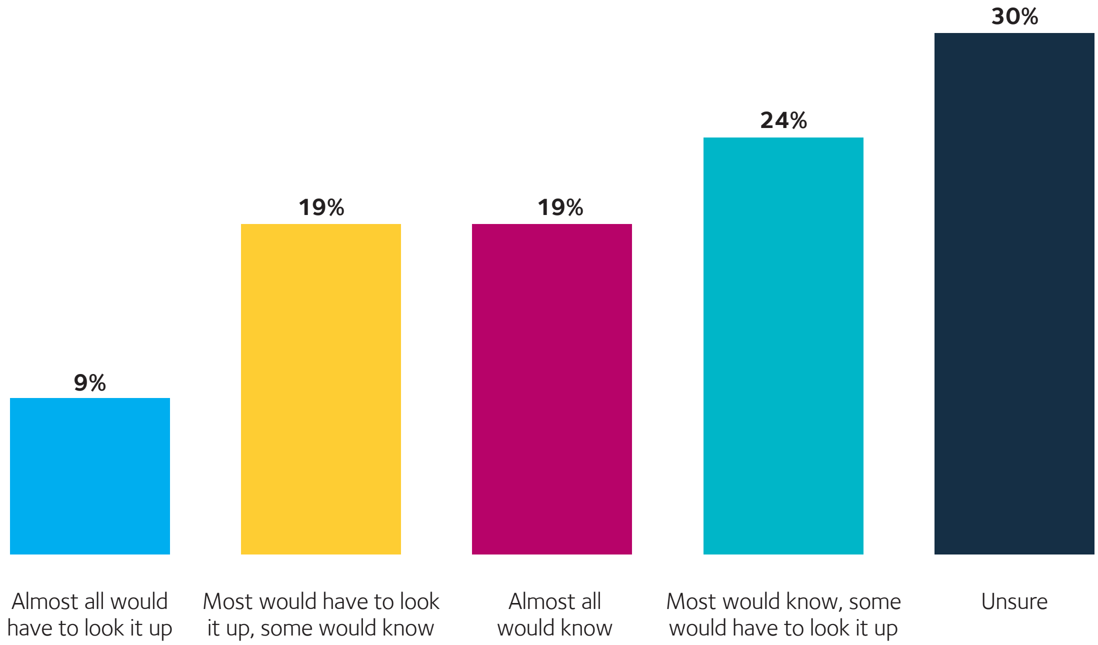
Intuit: Seeking to reach 200M+ customers and accelerating revenue growth while doubling household savings rates.[7]

Half of employees lack awareness of their company's key competitive advantages

To stay ahead, companies need a clear internal understanding and alignment on their core competitive advantages. **Such an understanding helps employees see how they contribute to the company's success and purpose; it also drives motivation and enables the effective communication of the company's strengths to stakeholders.**[8]

A February 2025 CECP Pulse Survey found that only 19% of respondents believed almost all employees would know their company's key competitive advantages, while 24% said most would know, and 19% said most would have to look it up (Figure 2). These results show that while some companies communicate their advantages effectively, others face challenges. Respondents noted that town halls, "ask me anything" sessions, intranet posts, and quarterly business reviews are useful methods for improving employee understanding.

FIGURE 2: Employee Competitive Advantages Awareness



Source: CECP Pulse Survey, February 2025.

Corporate Governance

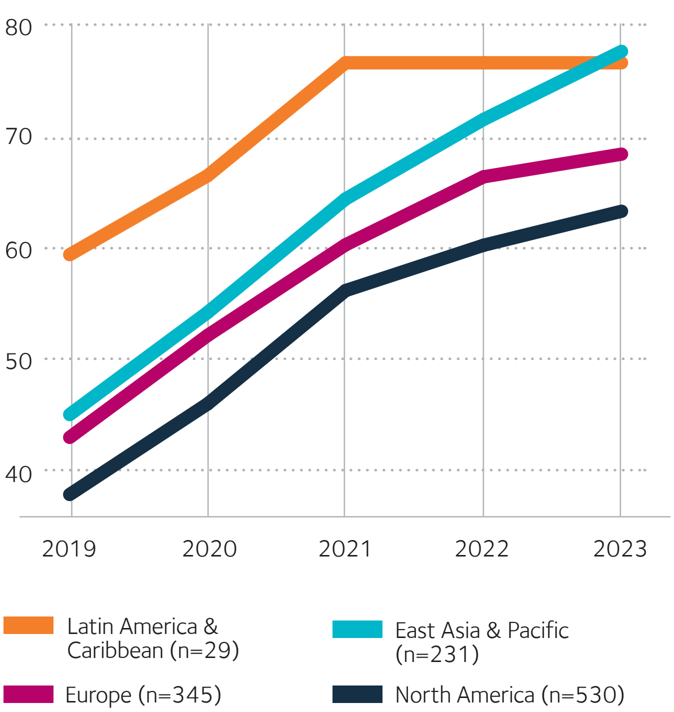
Corporate governance is evolving as organizations adapt to new business landscapes, investor expectations, and regulatory requirements.

Sustainability oversight is becoming more rigorous—half of Fortune 500 companies now have ESG Controllers

The European Union's (EU) Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) are reshaping corporate non-financial reporting globally, placing pressure on boards to oversee material non-financial issues. Under the Omnibus Package, non-EU companies that generate at least €450 million in net annual turnover in the EU will need to comply with the two directives. The CSRD implies that directors have a statutory duty to ensure adequate oversight and accountability for corporate sustainability matters. This raises liability risks for directors. Recent court interventions in the UK and the Netherlands underscore the value of strong governance and scrutinize boards' oversight and practices to determine a board's liability with respect to its company's supply chains.[9]

Under the CSDDD, parent boards have the responsibility to ensure compliance across all subsidiaries. For this reason, robust governance frameworks are key to monitoring and managing sustainability impacts.[10] The percentage of companies with sustainability or CSR committees reporting to the board has grown across all four regions where S&P Global 1200 companies are located. Notably, companies headquartered in Europe and North America lag behind their peers headquartered in East Asia and the Pacific and Latin America and the Caribbean (Figure 3) due to growing environmental impacts, regulatory changes, and stakeholder expectations in these regions.

FIGURE 3: Percentage of Companies with CSR/ Sustainability Committee Reporting to the Board



Source: CECP analysis of S&P Global 1200 companies, Bloomberg data.

Additionally, where sustainability functions sit within organizations is shifting. Since new reporting regulations will require some degree of assurance, **many large companies are appointing ESG Controllers, now present in half of the Fortune 500.**[11] Finance functions will increasingly assume responsibility for measuring and reporting on non-financial factors to provide a comprehensive view of an organization's performance and comply with reporting requirements.

Executive compensation is increasingly tied to various environmental, social, or governance goals

Executive compensation has become ever more closely tied to environmental, social, or governance progress over the past five years, incentivizing long-term value creation, sustainability, and societal impact. For example, compensation may be linked to:

- **Environmental:** Carbon footprint reduction, energy efficiency, water reduction
- **Social:** Workforce diversity, employee engagement, community investments
- **Governance:** Ethical practices, board diversity, anti-corruption compliance

In 2023, 53% of companies in the S&P Global 1200 linked executive compensation to ESG metrics, a significant increase of 25 percentage points compared to 2019. While the adoption of ESG-linked pay grew across all industries, heavily regulated sectors like Energy and Utilities led the way, with 87% and 75% of companies, respectively, incorporating ESG metrics into executive compensation. However, when focusing specifically on climate-related goals, only one-third of companies tied executive compensation to these metrics, highlighting room for further progress in addressing climate risks and opportunities. Geographically speaking, companies within the U.S. have lagged behind other regions in linking ESG or climate goals to executive compensation (Figures 4 and 5).

FIGURE 4: Percentage of Companies with Executive Compensation Linked to ESG Goals

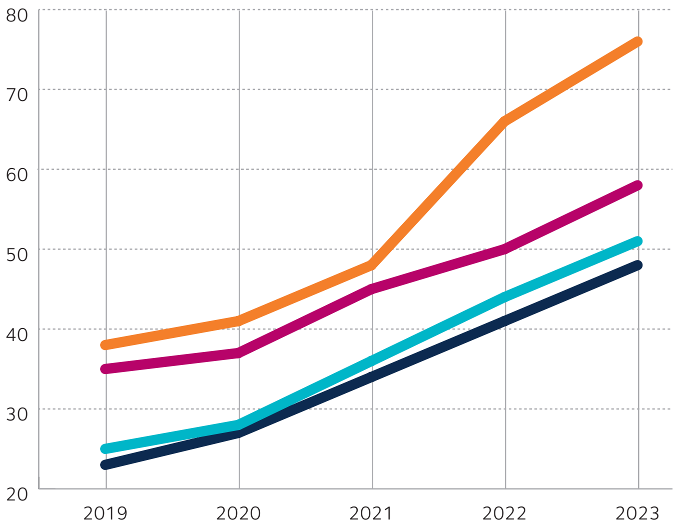
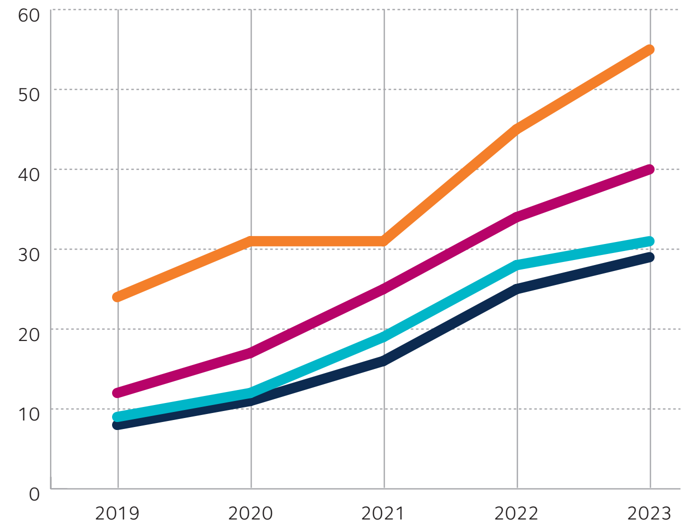


FIGURE 5: Percentage of Companies with Executive Compensation Linked to Climate Goals



Source: CECP analysis of S&P Global 1200 companies, Bloomberg data.

Source: CECP analysis of S&P Global 1200 companies, Bloomberg data.

CECP anticipates more EU-based companies will adopt ESG- and climate-linked executive compensation practices over the coming years. To comply with the current CSRD requirements, companies must disclose information about sustainability-related performance in incentive schemes for members of the administrative, management, and supervisory bodies (ESRS 2, GOV-3).

Company ownership structures are shifting in the U.S., with private capital deprioritizing environmental and social issues

The number of public companies in the U.S. has drastically declined, from 7,300 in 1996 to 4,300 in 2023, and is on pace to decrease to 2,000 by 2044, reducing investment options and increasing market concentration.[12] While the IPO market is slowly rebounding, with 176 IPOs in 2024,[13] private equity-backed companies have grown exponentially faster, from 1,900 to 11,200 over the past two decades.[14] The growth of private equity is due to complex and detailed regulatory requirements in the public market, the ability to keep financials private, the ease of accessing capital, and the fact that investors are looking for higher returns.[15] Private companies face lower regulatory requirements, leading to less transparency on environmental and social impacts. They are not required to disclose key information that public companies must disclose, such as balance sheets and greenhouse gas emissions. Edelman's 2024 LP (Limited Partner) Survey on Private Capital reports that a fifth of respondents say ESG considerations have decreased in importance over the past two years and 94% of North American LPs think that private capital's focus on ESG has gone too far.[16]

Companies will need to build responsible AI governance

Nearly 60% of CEOs name artificial intelligence (AI) as the technology that will most significantly impact their industry.[17] Generative AI (GenAI) has the potential to add US$2.6 to US$4.4 trillion annually to the global economy, primarily driven through efficiencies in customer operations, marketing and sales, software engineering, and research and development.[18] While AI offers powerful capabilities and opportunities, it also presents ethical, legal, environmental, and social challenges.

Managing risks and opportunities in technology is critical to mitigating risk and building competitive advantage in today's digital world. Nearly all companies have cybersecurity risk management policies (77%) and disclose data security risks (95%). However, due to the rapid emergence of AI, **only 50 companies in the S&P Global 1200 had an AI ethics policy in place in 2023. With the absence of sufficient regulations governing AI, companies need to adopt ethical governance approaches whether they build or use AI within their operations.**

Stakeholders will increasingly expect AI to be governed at the highest levels of the organization. Meanwhile, companies are adding AI experts to their boards: 13% of S&P 500 companies now have at least one director with AI expertise.[19]

COMPANIES SHOULD DEVELOP A COMPREHENSIVE AI GOVERNANCE MODEL WITH AN AI ETHICS POLICY TO:

- Enable long-term plans to scale AI responsibly
- Enhance brand reputation
- Build stakeholder trust
- Manage long-term risks
- Build organizational capabilities

Case Study: IBM'S AI ETHICS GOVERNANCE FRAMEWORK[20]

IBM employs a robust AI governance framework to hold the company and all employees accountable for the ethical development and deployment of technology. The governance framework is built around four core roles:

- **The Policy Advisory Committee:** Senior leaders who establish strategy and risk tolerance and oversee the AI Ethics Board.
- **The AI Ethics Board:** A central, cross-functional body supporting centralized governance, review, and decision making for policies, practices, communications, research, products, and services.
- **AI Ethics Focal Points:** Business unit representatives trained in AI ethics who identify concerns, mitigate risks, and escalate issues to the AI Ethics Board as needed.
- **Advocacy Network:** A network of employees who share and promote the ethics principles within teams and scale AI ethics initiatives throughout the organization.

Financial and Capital Allocation

Companies within the S&P Global 1200 showed overall strong financial growth, with top-quartile revenue growth significantly outpacing that of the bottom quartile and corporate purpose statements correlating with increased revenue.

Purpose-driven companies financially outperform peers

Beyond a company's strategic vision, goals, and financial outlook, 76% of investors expect companies to have defined their corporate purpose and 93% think it is a critical element of a long-term business strategy that creates value.[21] Companies with a corporate purpose performed better in 27 out of the 45 metrics included in this report's analysis. **Significantly, purpose-driven companies reap greater returns across multiple areas compared to peers without a corporate purpose:**

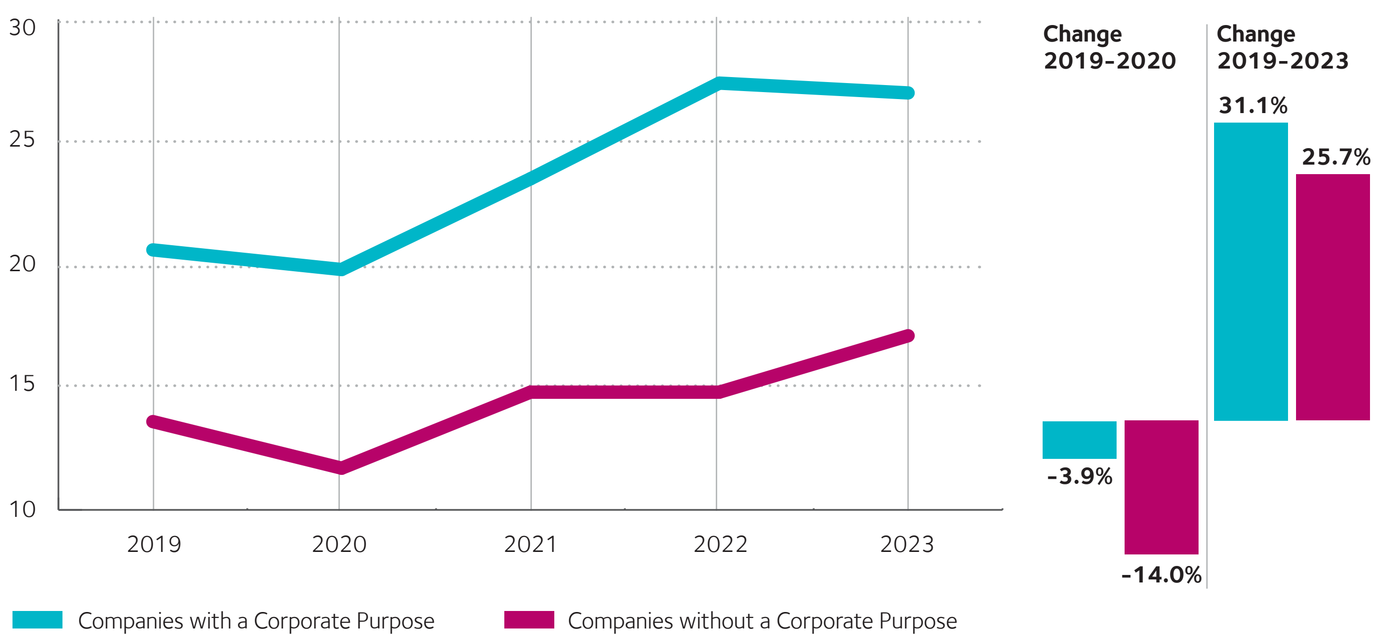
- 58% more revenue in 2023
- 31% revenue increase from 2019 to 2023, compared to 26% increase in companies without a corporate purpose (Figure 6)
- 63% higher returns on invested capital (ROIC) in 2023
- 12% ROIC growth from 2019 to 2023, compared to decline of 28% in companies without a corporate purpose

Companies are seeing returns from increased internal investments

Overall, companies are focused on enhancing financial stability, which provides long-term security to deliver on corporate purpose. From 2019 to 2023, S&P Global 1200 companies increased capital expenditures by 8% and R&D by 27%. Growth in R&D expenses was significantly driven by the Technology (+58%), Health Care (+48%), and Materials (+47%) sectors. Companies use additional growth strategies, such as share repurchases and acquisitions to drive financial value. While buybacks don't directly improve operations, they enhance capital structure, boost shareholder value, and increase capital efficiency. After a decline in 2022 due to high rates, share repurchases began increasing in 2024 as the Federal Reserve cut rates, a trend expected to continue in 2025.[22]

ROIC in the S&P Global 1200 declined by 1.2% from 2019 to 2023, partly due to moderate mergers and acquisitions (M&A) returns. Successful acquisitions improve net operating profit after tax, which is part of the ROIC calculation.[23] Global M&A activity increased by 12% in 2024 and is expected to increase significantly

FIGURE 6: Purpose-Driven Companies Generate Greater Nominal Revenue and Revenue Growth, Median Revenue, in US$ Billions



Source: CECP analysis of S&P Global 1200 companies, Bloomberg data.

in 2025, driven by global economic conditions and trade implications from increasing tariffs and trade wars. It remains to be seen if interest rates and employment remain stable.[24] Energy and Materials; Technology, Media, and Telecom (TMT); and Financial Services represented nearly 60% of acquisition activity in 2024.[25] **By increasing internal corporate investments and utilizing different strategies, companies can drive growth, efficiency, and competitiveness in an evolving economic landscape to make progress on corporate purpose goals.**

Fast-growing companies tend to be younger and need to invest more in environmental and social initiatives

Younger, faster-growing companies may need to prioritize integrating environmental and social policies to meet stakeholder expectations and remain competitive. Once companies invest in these policies and initiatives, they are well equipped to maintain steady growth over the long term. Overall, bottom-quartile companies lead in 26 environmental and social KPIs in our analysis, while top-quartile companies lead in only four. This may be because bottom-quartile companies are older and more established. The median incorporation year of bottom-quartile companies is 1977, compared to 1997 for top-quartile companies. While further analysis is needed to account for regional and industry considerations, this follows the typical growth phases for corporations.

CECP analysis compared environmental and social policies between the top and bottom quartiles of companies based on revenue growth from 2019 to 2023. Top-quartile companies are adopting environmental and social policies faster than the S&P Global 1200 median but still lag behind bottom-quartile companies. For example, 61% of bottom-quartile revenue growth companies incorporate a product lifecycle design approach (e.g., lifecycle analysis or other methodologies to reduce environmental impact) into their design process, whereas only 44% of top-quartile revenue growth companies use this approach. However, top-quartile companies adopted product lifecycle design 12% faster in 2023 than in 2019.

Higher CEO compensation is correlated to higher revenue growth, but varies by region

The fastest growing companies tend to have higher CEO compensation. In 2023, the median total CEO compensation for top-quartile companies by revenue growth was US$10.2 million, with an average growth rate of 103% from 2019, compared to US$4.5 million and a 23% growth rate for bottom-quartile companies.

Globally, CEO compensation varies significantly by region due to cultural norms, regulatory environments, and differences in performance-based incentives. Average total compensation for executives in the U.S. is two times more than that of European executives.[26] In the U.S., compensation often includes performance-based incentives (e.g., stock options or bonuses). In Europe, executive compensation is influenced by regulations promoting transparency and fairness. However, some companies are moving to raise CEO pay to compete with U.S. peers, leading to some investor opposition to the raises.[27] In Asia-Pacific, compensation is more equity-based, while in Latin America, it's focused on cash incentives and benefits.[28] **To support sustainable growth, companies should tie executive pay to performance and long-term value. Most investors also believe companies should include KPIs related to their corporate purpose in executive pay programs.**[29]

Risks and Opportunities

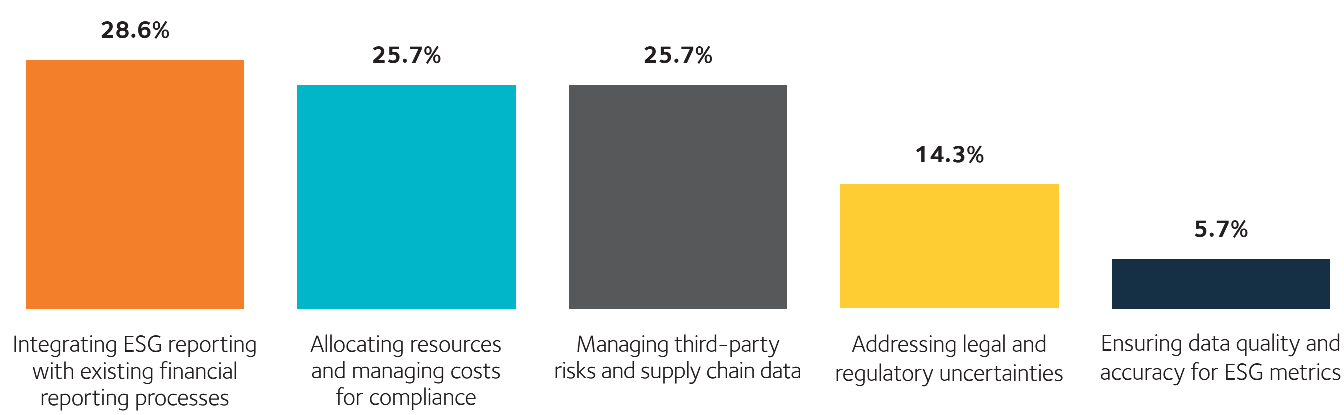
Effectively managing risks and seizing opportunities is essential for long-term value creation, requiring robust risk management, strategic planning, and agility. Companies that fail to address material risks may face reputational damage, regulatory scrutiny, and activist investors.

Companies will continue to increase transparency, risk management, and opportunities, driven by non-financial reporting regulations

Key stakeholders—investors, employees, customers, and the company's community—view non-financial reporting as essential for risk management, transparency, and long-term value creation. Since 2022, mandatory non-financial reporting has evolved significantly, with various regional, national, and local jurisdictions adopting new reporting regulations. In the absence of a comprehensive federal rule in the U.S., states like California and New York have introduced legislation requiring companies to disclose environmental data. California's Climate Corporate Data Accountability Act and the Climate-Related Financial Risk Act mandate Scope 1 and 2 emissions reporting in 2026 and Scope 3 in 2027 for companies operating in California with over US$1 billion in total annual revenue. New York's similar Climate Corporate Data Accountability Act would require companies operating in New York with over US$1 billion in total annual revenue to disclose their carbon footprint.[30]

However, many companies face challenges in complying with state-level and other regional regulations. Integrating environmental, social, and governance reporting into existing financial reporting processes; allocating resources and managing costs for compliance; and managing third-party risks and supply chain data are some of the top challenges (Figure 7). Companies are dedicating more resources to investing in new systems and processes to meet new reporting requirements.

FIGURE 7: What is the main challenge your company anticipates in implementing CSRD requirements?



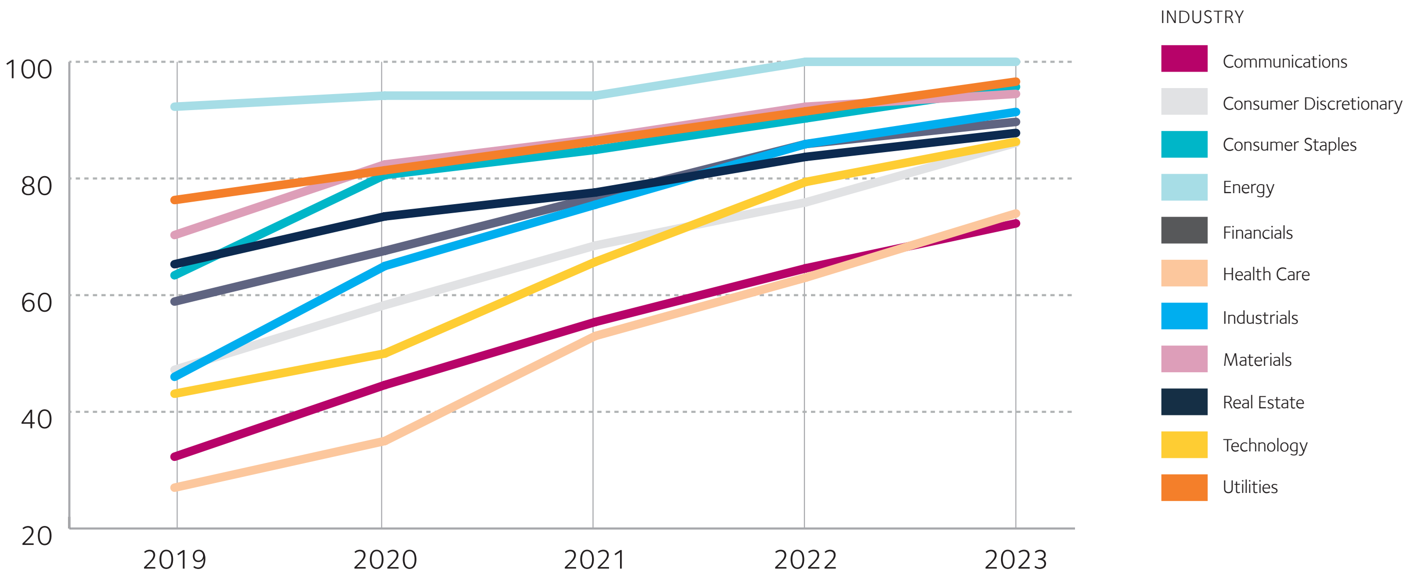
Source: CECP, *Global Impact at Scale: Challenges and Opportunities in Non-Financial Reporting.*

Addressing climate-related risks and opportunities increases competitive advantage

From 2019 to 2023, the number of companies reporting on climate risks increased from 53.9% to 88.5%, a 34.6-percentage point increase. Disclosures on climate-related business opportunities have followed a similar trajectory, increasing from 9.8% in 2019 to 41.4% in 2023.

CECP analysis shows varying degrees of transparency across industries (Figure 8), as some industries have greater exposure to climate risks and opportunities. Companies that continue to lean into assessing climate risks and opportunities will not only mitigate long-term risks but will gain a competitive advantage by understanding shifting consumer preferences, accessing new markets, and capitalizing on efficiency-related opportunities.[31]

FIGURE 8: Percentage of Companies Disclosing Climate Risks by Industry



Source: CECP analysis of S&P Global 1200 companies, Bloomberg data.

Stakeholder Engagement

Companies are embracing a multistakeholder engagement model to balance the interests of all stakeholders and drive long-term value creation.

A multistakeholder engagement model is crucial to maintaining a social license to operate

As stakeholder capitalism gained popularity in the late 2010s and early 2020s, companies have slowly included additional stakeholders beyond investors in their long-term planning. In a February 2025 CECP Pulse Survey, 34% of respondents cited suppliers as the primary stakeholder that leadership considers when thinking about long-term strategies, followed by customers, cited by 23% of respondents. When a brand has a strong purpose, consumers are four times more likely to purchase from the company and six times more likely to protect that company after a misstep or public criticism.[32]

The 2025 Edelman Trust Barometer shows that public sentiment on activism is shifting: 40% of global adults approve of hostile activism (e.g., attacking people online, intentionally spreading discrimination, committing acts of violence) to drive change.[33] In today's digital world, where companies face fast-moving boycotts or other forms of protest amplified by social media, negative publicity can quickly affect a company's brand, stock price, and reputation. Subsequently, many companies are increasing engagement with customers and communities, recognizing the power these stakeholders wield. **Nearly 40% of companies in the S&P Global 1200 have a community engagement policy,* up from 20% in 2019**, with Energy, Materials, Utilities, and Real Estate companies leading the way (Figure 9). These industries have hyper-local operations for extraction, manufacturing, pipelines, and facilities. These businesses succeed when their local communities trust them and are beneficiaries of their engagement strategies. Companies that fail to address concerns risk backlash, while those with strong stakeholder engagement are more likely to gain consumer and community support.

COMMUNITY INVESTMENTS SLOWLY RISE

According to CECP's *Giving in Numbers™: 2024 Edition,* total community investments have increased by 5% in a matched set of companies from 2019 to 2023, with the median total community investments at US$22.9 million in 2023.[34] CECP encourages companies to consider a range of actions for investing in their communities and stakeholders, including allocating at least 1% of pre-tax profits—CECP's established industry standard—toward addressing pressing community and social issues. To rank in the top quartile of companies, leaders should aim to exceed this standard by investing more than 2% of their pre-tax profits in nonprofit or nongovernmental organizations.

FIGURE 9: Percentage of Companies with a Community Engagement Policy by Industry

	2019	2020	2021	2022	2023	Δ
Communications	3.6%	3.6%	7.1%	10.7%	17.9%	14.3 pp
Consumer Discretionary	14.1%	17.2%	20.3%	31.3%	37.5%	23.4 pp
Consumer Staples	4.2%	6.9%	15.3%	22.2%	30.6%	26.4 pp
Energy	68.2%	70.5%	77.3%	77.3%	86.4%	18.2 pp
Financials	5.4%	6.5%	9.7%	15.1%	20.4%	15.1 pp
Health Care	6.4%	12.8%	14.9%	23.4%	27.7%	21.3 pp
Industrials	7.8%	9.1%	11.7%	20.8%	26.0%	18.2 pp
Materials	58.4%	62.9%	64.0%	65.2%	70.8%	12.4 pp
Real Estate	20.5%	28.2%	30.8%	38.5%	51.3%	30.8 pp
Technology	9.3%	13.0%	13.0%	13.0%	18.5%	9.2 pp
Utilities	24.0%	24.0%	32.0%	44.0%	64.0%	40.0 pp

Source: CECP analysis of S&P Global 1200 companies, Bloomberg data.

* A company is considered to have a community engagement policy if the company has implemented any initiatives or engagement strategies with local communities, such as community engagement plans, codes, or guidelines for alignment of the organizational interests with those of surrounding communities, or impact assessments to evaluate projects and mitigate potential adverse impacts.

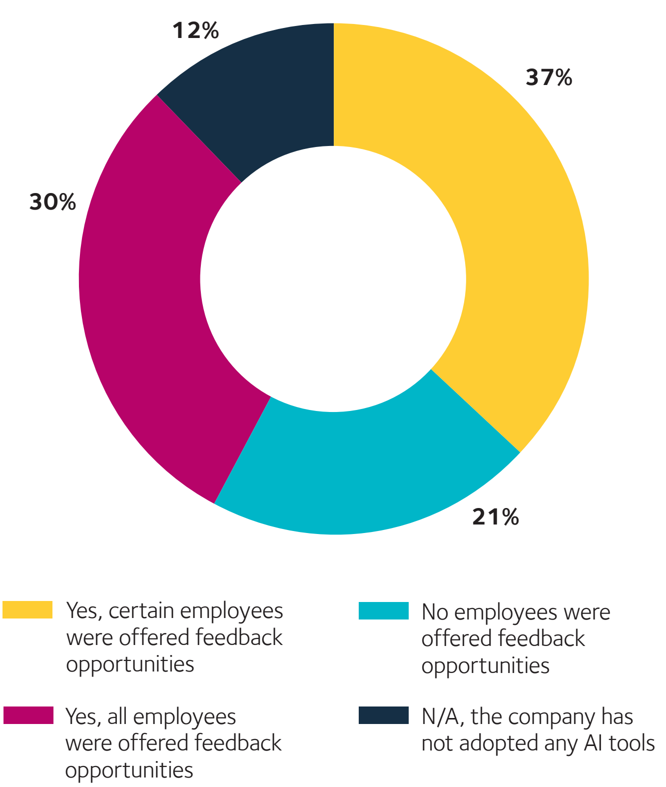
Human Capital Management

To address the ongoing talent shortage in 2025,[35] companies must prioritize building an engaged workforce that feels connected to the company's purpose, identifies with the company's voice, and enjoys a sense of belonging as well as clear career advancement opportunities.

Gender equality is greater in purpose-driven companies, leading to greater financial returns

Companies with a corporate purpose showed greater gender equality throughout all levels of the organization. They had higher percentages of women CEOs and women on boards, as well as in executive roles, middle management, and the overall workforce. Purpose-driven companies tend to be more transparent about gender equality policies and performance, such as: gender pay breakouts, diversity targets, and female leadership action plans. An inclusive workforce leads to higher financial performance, with studies showing a positive correlation between representation of women within an organization and its long-term financial performance. According to the International Labour Organization, two-thirds of companies that track gender diversity in management report up to 20% profit increases.[36] The effects of shifting diversity policies and programs in the U.S. on future leadership and financial growth opportunities are uncertain.

FIGURE 10: Inclusion of Employee Feedback in AI Adoption and Development



Source: CECP Pulse Survey, November 2024.

Case Study: INCORPORATING THE WORKER VOICE IN AI ADOPTION IN ACTION

During CECP's 2024 CEO Investor Forum, where companies shared how AI is transforming their long-term strategies, Amit Bajaj, President of Tata Consultancy Services North America, shared, "TCS has carved its place as a pioneer of emerging technologies like AI, which is disrupting industries globally—and we are set to create one of the largest AI-ready workforces in the world." TCS is prioritizing employee input and widespread training opportunities across all levels of the organization. By fostering a sense of ownership and investing in the development and upskilling of talent, employers will increase job satisfaction and career growth opportunities that boost employee morale and retention.

Integrating the "Worker Voice" in AI adoption builds trust

Companies leading in GenAI adoption are optimistic about building an inclusive, AI-ready workforce.[37] At the same time, many workers are concerned about how this will affect them, particularly how technology might replace entry-level positions, what this will mean for career progression, and if certain populations will experience disproportionate gains or losses as a result. Companies need to establish guardrails and involve employees in the development and implementation of processes to ensure effective adoption and avoid missteps.[38] A November 2024 CECP Pulse Survey found that 67% of companies offered employee feedback opportunities on AI adoption (Figure 10). Involving employees in these conversations helps build trust and ensures that AI tools are developed with employees' wellbeing in mind.

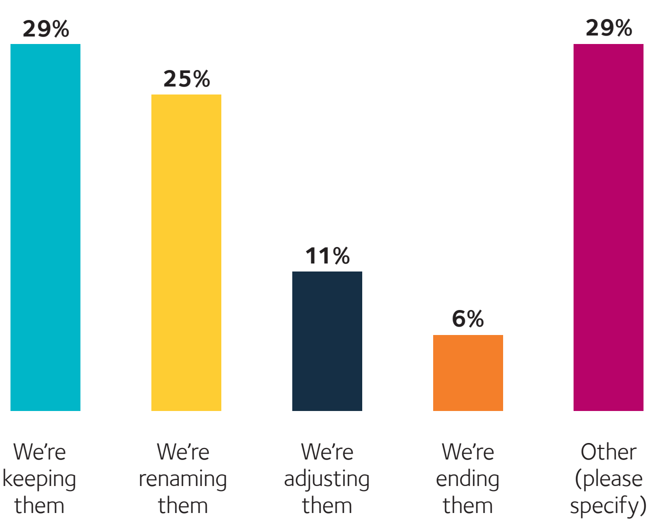
CECP's Responsible AI Community of Practice, in partnership with Provoc and the Ford Foundation, is centered on the importance of listening to employees. The Community of Practice is developing a tool to help companies identify ways to incorporate the worker voice in GenAI adoption.

Building a culture of belonging is more important than ever

People are increasingly fearful of discrimination and are losing trust in their employers to act ethically. The 2025 Edelman Trust Barometer shows 63% of people worry about experiencing prejudice, discrimination, or racism, across any aspect of society, up from 53% in 2024. The percentage of employees who trust their employer to do what is right dropped to 75% from 78% in 2024.[39] In the U.S., diversity and equity initiatives have become highly divisive, with many companies re-evaluating the legal and political risks of programs for underrepresented groups. In January 2025, the new Administration issued two executive orders ending federal DEI programs[40] and prohibiting federal contracts with organizations enforcing DEI frameworks.[41]

Yet, many companies continue to prioritize these efforts, recognizing their importance in innovation, financial performance, and market reach. Companies that prioritize DEI initiatives tend to go to market faster, have higher innovation, and see a positive impact on brand perception.[42] Focusing on belonging includes many different aspects, such as workplace safety, career development, workplace flexibility, and fair management. Building a culture of belonging provides employees with a sense of psychological safety regardless of ideological or political views. A February 2025 CECP Pulse Survey (Figure 11) found that 29% of respondents plan to keep their DEI programs, 36% are renaming or adjusting them, and 6% are ending them. An additional 29% of respondents selected "Other" and provided varied explanations, with many stating they are in a period of evaluation. While most companies are continuing their DEI efforts, many are changing how they communicate about them.

FIGURE 11: Corporate Reactions to Executive Orders



Source: CECP Pulse Survey, January 2025.

Pipeline development should be re-evaluated to meet future workforce needs

Demographic trends in the U.S. are shifting. All baby boomers, who comprise 20% of the population, will reach retirement age by 2030, reducing the number of people employed. As birthrates decline, immigration will drive population growth, leading to an older, more diverse, and slower-growing population.[43] **Companies may face talent shortages and need to reconsider how to structure workforce pipeline development.** The demographic makeup of college graduates is also changing, with more women than men earning degrees. However, men still dominate STEM fields, and white students still receive 56% of all STEM degrees.[44] Some companies are taking action to close the gender and minority gaps observed in the workforce. For example, Applied Materials Momentum Fund provides women majoring in engineering with financial support to cover unexpected expenses, thereby helping to ensure they complete their bachelor's or master's degrees.

This shift presents an opportunity for companies to restructure training programs to build talent pipelines that address future workforce needs. In 2023, 99% of S&P Global 1200 companies had a training policy. A November 2024 CECP Pulse Survey found that 78% of responding companies have programs to foster workforce pipelines, with 81% focusing on young adults. These programs are likely to be adjusted as public opinion of human capital topics in the U.S. evolves.

Transparency in human capital metrics lags

The KPI analysis for this report revealed that few companies in the S&P Global 1200 disclosed information on several key metrics sought by long-term-oriented stakeholders. For a metric to be included, a minimum of 50% of companies had to address the metric in externally facing materials. Of the 76 metrics originally included, 28 did not meet the threshold to be included. **Identifying the gaps between what information stakeholders want and what they receive will help companies define areas where greater transparency is needed.**

OPPORTUNITIES FOR IMPROVEMENT: PERCENTAGE OF S&P GLOBAL 1200 COMPANIES DISCLOSING:

- Percentage of minorities in workforce: 15%
- Percentage of disabled people in workforce: 15%
- Employee engagement survey: 22%
- Voluntary turnover percentage: 26%
- Diversity targets: 46%

Operational Ecosystem

Integrating corporate purpose into daily operations and strategic decisions positively impacts the company, society, and environment. A strong corporate purpose enables company leadership and employees to rally around common goals, inspires employee engagement, and increases alignment and efficiency.

Economists expect supply chain shifts due to geoeconomic fragmentation

Geopolitical tensions and protectionist policies have made the global economy more fragmented. The U.S. tariffs announced in April 2025 and potential subsequent trade wars are expected to raise costs for consumers and businesses.[45] Multinational corporations are expected to adapt by restructuring supply chains, regionalizing operations, focusing on risk management, and exiting high-risk markets.[46] Indeed, 81% of American companies plan to shorten supply chains in a move toward regionalization.[47] These shifts would present significant costs to a company's bottom line and potentially impact its long-term objectives. Shifting supply chains is a multi-year endeavor, and leaders will need to ensure transition plans do not have adverse environmental or social impacts in new manufacturing locations or in the communities from which they withdraw.

Companies headquartered in North America need to invest more in human rights due diligence and remediation initiatives

The CSDDD outlines forthcoming due diligence obligations for environmental and human rights impacts. Companies will need to have policies and risk management systems in place to identify these impacts. **While human rights due diligence and remediation have grown among S&P Global 1200 companies, some industries and regions have more such processes in place than others** (Figures 12 and 13). Companies headquartered in Europe and East Asia and Pacific are ahead of their North American counterparts due to regulations and stakeholder pressure. Even with the proposed changes under the Omnibus Package, most of the North American multinational corporations in the S&P Global 1200 (or within the value chains of companies in the S&P Global 1200) will be subject to CSDDD compliance. In 2023, only 1% of S&P Global 1200 companies disclosed supplier audits. These companies will need to develop systems and processes to detect, mitigate, and remediate human rights violations not only within their organizations but in their supply chains as well.

FIGURE 12: Percentage of Companies with Human Rights-Related Processes by Industry, 2023

	HUMAN RIGHTS DUE DILIGENCE PROCESS	HUMAN RIGHTS REMEDIATION PROCESS
Communications	56%	33%
Consumer Discretionary	53%	38%
Consumer Staples	77%	51%
Energy	68%	39%
Financials	50%	28%
Health Care	60%	37%
Industrials	63%	44%
Materials	74%	45%
Real Estate	33%	9%
Technology	61%	35%
Utilities	48%	31%

Source: CECP analysis of S&P Global 1200 companies, Bloomberg data.

FIGURE 13: Percentage of Companies with Human Rights-Related Processes by Region, 2023

COMPANY HEADQUARTERS	HUMAN RIGHTS DUE DILIGENCE PROCESS	HUMAN RIGHTS REMEDIATION PROCESS
East Asia & Pacific	70%	49%
Europe	73%	52%
Latin America & Caribbean	63%	33%
North America	44%	22%

Source: CECP analysis of S&P Global 1200 companies, Bloomberg data.

Climate Risk and Biodiversity

Companies recognize the need to integrate climate risk assessments into strategies to ensure long-term resilience and competitiveness.

Companies prioritize understanding their climate risks, but actions to adapt lag

Driven by more frequent and severe weather events, the percentage of companies implementing climate adaptation solutions rose from 7.6% in 2018 to over 40% in 2023. Emerging regulations such as the CSRD and California's Climate-Related Financial Risk Act require companies to conduct climate scenario analyses as part of their reporting obligations. Some countries (e.g., Brazil, Costa Rica, Turkey, and Australia) have made it mandatory to perform a scenario analysis in compliance with the International Sustainability Standards Board (ISSB) standards, which are aligned with the Taskforce on Climate-Related Financial Disclosures (TCFD). Climate scenario analyses have become common, with the number of S&P Global 1200 companies conducting scenario analyses from 26.5% in 2019 to over 73% in 2023. However, many companies still treat scenario analysis as a box to be checked rather than a strategic tool. Real impact comes from turning the derived insights into tangible solutions and competitive advantages.

Case Study: SERVICENOW INTEGRATES SCENARIO ANALYSIS RISKS AND OPPORTUNITIES ACROSS THE COMPANY

ServiceNow assigns "owners," leaders and managers of key business units, to specific risks and opportunities material to the company. Relying on expertise from the environmental sustainability team, they are responsible for developing strategies, mitigation plans, and the integration of assigned risks into financial planning.[48]

2025 is a critical benchmarking year for many companies that set emissions goals and only 35% are on track to meet their long-term targets[49]

In 2023, 97% of S&P Global 1200 companies had greenhouse gas (GHG) emissions targets and 81% had net-zero targets. Yet, only **54% of S&P Global 1200 companies have renewable electricity targets**,† with significant gaps between regions regarding net-zero targets and renewable electricity targets (Figure 14). These figures underscore the challenges of moving from broad emissions policies to actionable, high-impact climate strategies. While companies are willing to establish overarching sustainability goals, fewer are prepared to take on the operational and financial challenges associated with implementing science-based and renewable energy targets.

FIGURE 14: Regional Differences in Net-Zero and Renewable Electricity Targets, Percentage of Companies, 2023

COMPANY HEADQUARTERS	NET-ZERO EMISSIONS TARGET	RENEWABLE ELECTRICITY TARGET
East Asia & Pacific	89%	55%
Europe	93%	65%
Latin America & Caribbean	84%	33%
North America	69%	47%

Source: CECP analysis of S&P Global 1200 companies, Bloomberg data.

The Science Based Targets initiative (SBTi) is revising its methodology to make setting science-based targets more attainable for a wider range of companies and released the proposed changes to the standards in March 2025. While universal emissions reduction policies indicate awareness, the lack of renewable electricity targets suggests a reluctance to transition away from fossil fuels at the pace required to meet global goals. With shifting reporting regulations across the globe, companies will need to be able to measure, communicate, and mitigate their Scope 3 emissions and energy impacts depending on their reporting obligations. In a CECP Pulse Survey in May 2024, **just over 44% of respondents with net-zero commitments included Scope 3 emissions in their targets**, indicating a need for investments in Scope 3 measurement and reporting.

Energy transition faces barriers in 2025

The global energy transition is under pressure due to rising demand, driven by data centers and AI. By 2030, data centers will account for 8% of total energy consumption,[50] with AI consuming 20% of that demand.[51] As energy consumption patterns shift and pressure mounts to decarbonize the grid, nuclear power is playing a growing role in balancing reliability with sustainability, with 4.5 GW of nuclear energy added to the grid in 2024.[52] However, U.S. policy changes under the new Administration could significantly alter the energy transition.

† Targets set for renewable electricity use, including electricity generated from renewable energy sources, such as solar, wind, biomass, biogas, geothermal, and hydro.

A wave of executive orders has signaled a rollback of environmental regulations, including the U.S.'s withdrawal from the Paris Agreement, declaring a national energy emergency, and limiting use of the Endangered Species Act to challenge energy projects.

Climate finance is also shifting, with all major U.S. banks withdrawing from the Net Zero Banking Alliance,[53] leading to a 22% decline in the alliance's total assets under management (AUM), significantly reducing its influence in financing a green economy.[54] While banks are still expected to fund renewable energy projects, investment levels may decline, and financing will likely extend to a broader mix of energy sources, including oil and gas, to accommodate rising demand. This shift is already having tangible consequences, as nearly two-thirds of wind projects currently under development are expected to be abandoned due to policy uncertainty, raising concerns about the pace of decarbonization.[55]

Case Study: HOW EXELON IS POWERING THE FUTURE[56]

Exelon, the largest energy provider by customer count in the U.S., leverages cutting-edge innovation to modernize the grid and meet the evolving energy needs of the future.

- **Building a Smarter and Stronger Grid:** Exelon plans to invest $38 billion between 2025 and 2028 across their regulated utilities to upgrade the transmission and distribution system.
- **Powering AI Data Centers:** With more than 30 active data center projects across the company's footprint, including metropolitan Chicago, one of the nation's top areas for data center growth, Exelon is meeting the growing demand driven by AI.
- **Investing in a Clean Energy Future:** Exelon is on track to cut their operations-driven emissions in half by 2030 and achieve net-zero emissions from operations by 2050 all while working with local communities to achieve their clean energy and emissions reduction goals.

Companies headquartered in North America lag in biodiversity initiatives

Biodiversity policy adoption grew nearly 27 percentage points from 2019 to 2023, but adoption rates have slowed. **Between 2020 and 2021, biodiversity-related disclosures increased by 10.8 percentage points, but from 2022 to 2023 this growth slowed significantly, to a 3.7-percentage point increase. Biodiversity is less prioritized by companies headquartered in North America than in other regions** (Figure 15). The slowdown in adoption can be attributed to regulatory uncertainty, economic pressures, and the complexity of measuring biodiversity impacts. Unlike carbon accounting, biodiversity lacks standardized metrics, making it difficult to set clear targets. Initiatives like the Taskforce on Nature-related Financial Disclosures (TNFD) are helping, but many companies are still navigating how to align with the evolving standards.

FIGURE 15: Percentage of S&P Global 1200 Companies with Biodiversity Policies, by Region

	2019	2020	2021	2022	2023
East Asia & Pacific	66%	68%	77%	86%	90%
Europe	57%	62%	74%	85%	88%
Latin America & Caribbean	65%	70%	80%	80%	90%
North America	40%	44%	54%	62%	66%

Source: CECP analysis of S&P Global 1200 companies, Bloomberg data.

Still, as regulatory frameworks solidify and investor priorities evolve, biodiversity concerns are expected to gain momentum. In 2022, 36.5% of companies in the S&P Global 1200 conducted CDP Biodiversity Impact Assessments. The assessments focused primarily on upstream impacts and those from direct operations. **As reporting frameworks yield enhanced clarity and interoperability, we anticipate the number of companies conducting biodiversity impact assessments and the depth of the assessments to increase.**

Capitalizing on the Returns of Corporate Purpose

In this report, we explored how purpose-driven companies have significant advantages over their peers and outperform in multiple areas, demonstrating the tangible benefits of integrating corporate purpose into business strategy. These companies not only achieve higher financial performance but also excel in areas such as gender equality, stakeholder engagement, and long-term strategic positioning. In addition, purpose-driven companies show higher levels of transparency and engagement with stakeholders, in turn building trust and loyalty.

To capitalize on the returns of purpose, companies should focus on the following recommended areas:

1. Statement of Corporate Purpose:
Develop a clear corporate purpose that is endorsed by the board and is well understood throughout the organization. Integrate the company's corporate purpose into goals, strategies, and operations, ensuring all internal stakeholders are aligned and working toward that purpose.

2. Culture of Belonging:
Prioritize employee engagement and psychological safety to build an engaged workforce that stays. An effective corporate focus on belonging includes many different aspects, including workplace safety and flexibility, career development, and fair management.

3. Corporate Governance:
Ensure robust governance policies and incentives are in place for emerging material issues, such as AI ethics, and other areas where regulations will require deeper oversight, such as climate risk and stakeholder engagement.

4. Stakeholder Engagement:
Detail stakeholder engagement strategies by listing stakeholders, engagement methods, priority topics, and how stakeholder feedback is incorporated into strategy.

5. Innovation and R&D:
Tie corporate purpose to long-term goals and strategic initiatives for greater returns on R&D investments and better financial performance.

Tying corporate purpose to long-term goals and key value drivers provides clear direction, ensuring that companies remain focused on their core values while navigating decision making. Corporate purpose encourages sustainable growth by prioritizing practices that benefit the company and society in the long run, versus chasing short-term profits. Connecting purpose with long-term objectives helps manage risk, build resilience, and create competitive advantage. Corporate purpose also drives internal alignment across the organization through creating a common understanding of the company's priorities. By tracking and improving these metrics, companies can ensure they are making meaningful progress in their purpose-driven initiatives and creating long-term value for all stakeholders.

HOW CECP CAN HELP

More than 200 of the world's leading companies seek to improve their return on purpose through access to CECP's solutions in benchmarking and insights. With our companies, we share a goal of harnessing the power of purpose for the benefit of business, stakeholders, and society. CECP is helping companies develop personalized strategies to capitalize on the returns of purpose and create a competitive advantage for the long term. Reach out to insights@cecp.co to explore strategy development and benchmarking with support from our experts.

Appendix

About the Research

The CECP Integrated Disclosure Scorecard evaluates changes in corporate sector performance in relation to CECP's Integrated Long-Term Plan Framework. The scorecard measures how well companies in the S&P Global 1200 embrace principles of corporate purpose and long-term sustainable value creation. Using Bloomberg data, CECP conducted an analysis of companies' KPIs over a five-year period of 2019 to 2023. Data from 2024 was excluded due to limited availability. The scorecard indicates the change in aggregate values of these KPIs over the five-year period within a matched set of companies that disclosed data for all five years. Measuring the Return on Purpose uses a five-year period to account for a pre-COVID-19 baseline.

Companies included in the analysis consist of those in the S&P Global 1200 index. The S&P Global 1200 is a comprehensive index that captures approximately 70% of global market capitalization. It is composed of seven regional indices:

- S&P 500 (United States)
- S&P Europe 350 (Europe)
- S&P TOPIX 150 (Japan)
- S&P/TSX 60 (Canada)
- S&P/ASX All Australian 50 (Australia)
- S&P Asia 50 (China, Hong Kong, Singapore, South Korea, Taiwan)
- S&P Latin America 40 (Brazil, Chile, Colombia, Mexico, Peru)

Monetary figures are measured in nominal U.S. dollars. KPIs that moved in a positive direction over the period 2019-2023 are denoted in green. KPIs that moved in a negative direction are denoted in red. Movement is denoted by either the overall percentage change over the five-year period or by the number of percentage points (pp) a single metric moved up or down during the period. Year-over-year calculations used a five-year, matched set of companies that reported metrics for all five years.

Disclosure scores range from 0.1 for companies that disclose a minimum amount of ESG data to 100 for those that disclose every point collected by Bloomberg. A consistent list of topics, data fields, and field weights applies across sectors and regions.

When choosing which KPIs to include in the scorecard, CECP omitted some data points due to a low number of company responses. To be able to draw conclusions with a reasonable level of accuracy, we included only KPIs that had data for at least 50% of companies within each dataset.

CECP Integrated Disclosure Scorecard

DISCLOSURE	NUMBER OF REPORTING COMPANIES	2019	2020	2021	2022	2023	Δ
ESG Disclosure (Median)	580	48.4	50.6	52.3	53.3	53.4	10.4%
Environmental Disclosure (Median)	580	32.2	35.3	38.5	39.3	39.5	22.7%
Social Disclosure (Median)	580	28.0	30.1	31.7	32.7	33.3	19.1%
Governance Disclosure (Median)	580	85.0	85.6	87.5	87.5	88.6	4.3%

CORPORATE GOVERNANCE	NUMBER OF REPORTING COMPANIES	2019	2020	2021	2022	2023	Δ
Percentage of Women on Board (Average)	1126	26.2%	28.4%	30.1%	32.0%	33.8%	7.5 pp
Female Chairperson or Equivalent (Percentage)	1121	4.9%	5.6%	7.0%	8.8%	8.9%	4.0 pp
Female Chief Executive Officer or Equivalent (Percentage)	1124	4.2%	4.6%	5.6%	6.1%	6.4%	2.2 pp
Percentage of Female Executives (Average)	1112	15.9%	17.1%	19.2%	20.6%	22.0%	6.1 pp
CSR/Sustainability Committee Reporting to the Board (Percentage)	1135	41.7%	50.0%	59.1%	64.6%	67.8%	26.1 pp
ESG-Linked Compensation for Board (Percentage)	1129	0.7%	1.1%	1.7%	2.8%	2.2%	1.5 pp
Executive Compensation Linked to ESG (Percentage)	1137	27.5%	30.8%	38.3%	44.9%	52.7%	25.2 pp
Executive Compensation Linked to Climate (Percentage)	1137	9.9%	13.7%	19.7%	28.7%	33.6%	23.7 pp
Cybersecurity Risk Management (Percentage)	716	30.7%	39.4%	49.2%	59.5%	77.0%	46.2 pp
Data Security Risks Discussed (Percentage)	852	83.8%	87.7%	89.8%	93.3%	95.2%	11.4 pp

FINANCIAL & CAPITAL ALLOCATION	NUMBER OF REPORTING COMPANIES	2019	2020	2021	2022	2023	Δ
Revenue, Millions US$ (Median)	1172	9,110.2	8,889.5	10,186.6	10,821.2	11,470.2	25.9%
Return on Invested Capital (Median)	1154	7.6	6.2	7.8	7.6	7.5	-1.7%
Financial Leverage (Median)	1115	2.6	2.7	2.7	2.7	2.6	0.7%
Capital Expenditures, Millions US$ (Median)	1018	-434.6	-413.3	-470.3	-530.6	-552.5	27.1%
R&D Expense, Millions US$ (Median)	701	78.3	90.2	97	96.4	112.5	43.7%

RISKS & OPPORTUNITIES	NUMBER OF REPORTING COMPANIES	2019	2020	2021	2022	2023	Δ
Risks of Climate Change Discussed (Percentage)	1067	53.9%	64.9%	74.1%	82.7%	88.5%	**34.6 pp**

STAKEHOLDER ENGAGEMENT	NUMBER OF REPORTING COMPANIES	2019	2020	2021	2022	2023	Δ
Community Engagement Policy (Percentage)	632	20.3%	23.3%	26.7%	32.4%	39.6%	**19.3 pp**

HUMAN CAPITAL MANAGEMENT	NUMBER OF REPORTING COMPANIES	2019	2020	2021	2022	2023	Δ
Percentage of Women in Workforce (Average)	898	36.1%	36.3%	36.6%	36.9%	37.0%	**0.9 pp**
Gender Pay Gap Breakout (Percentage)	1082	43.5%	50.3%	53.9%	57.8%	67.3%	**23.8 pp**
Training Policy (Percentage)	1108	90.2%	95.1%	97.0%	98.0%	99.0%	**8.8 pp**
Company Discloses Employee Engagement Score (Percentage)	839	28.0%	35.6%	43.4%	53.6%	64.4%	**36.4 pp**

OPERATIONAL ECOSYSTEM	NUMBER OF REPORTING COMPANIES	2019	2020	2021	2022	2023	Δ
Product Lifecycle Design (Percentage)	732	31.6%	36.2%	40.2%	44.7%	48.8%	**17.2 pp**
Environmental Supply Chain Management (Percentage)	992	82.5%	86.7%	88.9%	89.9%	91.6%	**9.2 pp**
Human Rights Due Diligence Process (Percentage)	961	25.9%	32.4%	43.7%	50.6%	59.1%	**33.2 pp**
Human Rights Policy (Percentage)	1082	85.2%	90.2%	93.3%	94.7%	95.9%	**10.7 pp**
Human Rights Remediation Process (Percentage)	918	12.1%	16.0%	23.7%	30.5%	36.7%	**24.6 pp**
Social Supply Chain Management (Percentage)	1032	85.2%	89.2%	92.2%	93.5%	95.2%	**10.0 pp**
Supply Chain Modern Slavery Assessment (Percentage)	915	39.2%	49.0%	52.6%	54.6%	57.7%	**18.5 pp**

CLIMATE RISK	NUMBER OF REPORTING COMPANIES	2019	2020	2021	2022	2023	Δ
Climate Change Policy (Percentage)	1080	77.5%	84.1%	90.3%	93.5%	96.9%	**19.4 pp**
GHG Emissions Reduction Policy (Percentage)	988	82.9%	87.7%	91.7%	94.8%	97.2%	**14.3 pp**
Emissions Reduction Initiatives (Percentage)	1074	90.7%	94.1%	96.1%	97.1%	98.0%	**7.3 pp**
Company Claims Science-Based Emissions Targets (Percentage)	983	19.9%	33.1%	50.6%	64.9%	73.0%	**53.1 pp**
Net-Zero Emissions Target (Percentage)	1038	16.4%	38.3%	65.0%	75.6%	80.9%	**64.5 pp**
Renewable Electricity Target Policy (Percentage)	940	23.3%	32.4%	42.8%	47.4%	53.6%	**30.3 pp**
Climate Adaptation Solutions Implemented (Percentage)	851	7.6%	14.7%	24.2%	29.3%	40.2%	**32.5 pp**
Climate Change Opportunities Discussed (Percentage)	935	9.8%	15.5%	21.3%	28.4%	41.4%	**31.6 pp**
Climate Scenario Analysis (Percentage)	822	26.5%	41.7%	53.8%	65.5%	73.7%	**47.2 pp**

BIODIVERSITY	NUMBER OF REPORTING COMPANIES	2019	2020	2021	2022	2023	Δ
Biodiversity Policy (Percentage)	992	51.4%	54.9%	65.7%	74.5%	78.2%	**26.8 pp**

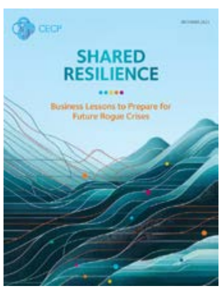
CECP Thought Leadership

Giving in Numbers™: 2024 Edition

Giving in Numbers is the unrivaled leader in benchmarking on corporate social investments, in partnership with companies. For over 23 years, CECP has created the largest and most historical dataset on trends in the industry, shared by more than 600 multi-billion-dollar companies and representing more than US$439 billion in corporate social investments in that time. *Giving in Numbers* is embraced by professionals across all sectors globally as a methodology for understanding how corporations invest in society, with topics ranging from cash and in-kind/product, employee volunteerism and giving, and impact measurement.

Global Impact at Scale: Challenges and Opportunities in Non-Financial Reporting

This brief highlights CSRD readiness, global ESG perceptions, and current, commonly used non-financial reporting frameworks and standards. Why is this important? Because it is finally elevating the importance of reliable environmental and social data to that of governance and financial data.



Shared Resilience: Business Lessons to Prepare for Future Rogue Crises

Shared Resilience delves into the responses to, results of, and revelations from the COVID-19 pandemic that can be applied to other crises we may face. This report is not intended to serve as a road map specific to pandemic preparedness as much as a road map to better resilience, agility, and engagement, which build trust and are the real pillars of crisis preparedness.

Developing Business Champions

Exclusively for CECP affiliates, *Developing Business Champions* is a toolkit for senior corporate responsibility leaders as they navigate this landscape of corporate caution, providing the tactical support to start immediately engaging three critical allies: your C-Suite, communications team, and middle managers.

ACKNOWLEDGEMENTS

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When referencing findings from this report, please list the source as:
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