2026 EDITION

Corporate Purpose: Driving Business Value

Building Resilience Through Purpose Integration

CECP

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 corporate 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 corporate purpose for the benefit of business, stakeholders, and society.

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A Note from CECP

Dear Colleagues,

Business leaders are operating in an environment defined by persistent uncertainty—regulatory shifts, geopolitical instability, rapid technological change, and rising expectations of corporate accountability. In this context, corporate purpose serves as a company's North Star in navigating these pressures. Today's external environment has also reshaped expectations for transparency. As disclosure requirements evolve, stakeholders are increasingly focused on how companies make decisions and manage trade-offs, not just what they report.

This edition of *Corporate Purpose: Driving Business Value* highlights a clear shift for purpose-driven companies. While corporate purpose is now widely adopted, the presence of a purpose statement is no longer a differentiator. What increasingly matters is whether purpose is embedded into the systems that govern decisions—governance, incentives, risk management, capital allocation, and day-to-day operations. Purpose delivers the most value when it informs how decisions are made, not just how companies communicate. Companies that embed purpose see greater returns.

Over the past five years, many organizations have moved from expressing purpose to operationalizing it through goals, policies, and oversight structures. This report examines an important question: do companies that have embedded purpose into decision-shaping systems have better business outcomes? Using a five-year analysis of S&P Global 1200 companies, we distinguish between companies that state their purpose, those that operationalize it, and those that have built purpose-driven systems. The difference is material, particularly in governance strength, risk readiness, workforce stability, and long-term resilience.

CECP developed this report to support corporate leaders responsible for driving long-term value through purpose-related programs. Purpose is inherently company-specific, but companies with purpose-driven systems share a common approach. They treat purpose not as a messaging exercise, but as strategic infrastructure. CECP is proud to partner with companies at every stage of their purpose journey by providing data-driven benchmarking, peer insight, and practical frameworks to help leaders move from statements to strategy to systems and sustain integration through volatility and change.

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Executive Summary

Corporate purpose is ubiquitous—integration is the differentiator.

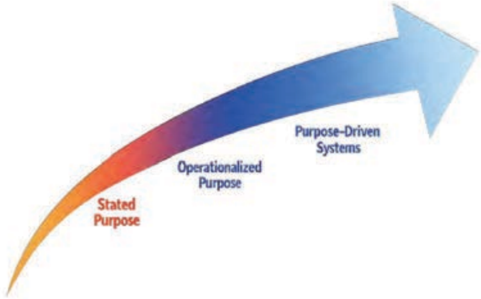
Corporate purpose is now mainstream: 92% of S&P Global 1200 companies have a corporate purpose statement (or similar, such as mission). Corporate purpose refers to a company's fundamental reason for existing beyond profit generation. The differentiator is no longer whether a company has a purpose, but how deeply that purpose is integrated into the systems that govern decisions.

This report examines the effects of purpose integration amid heightened political scrutiny, regulatory divergence, technological disruption, and workforce expectations, as well as why purpose integration functions as a risk and resilience system, not a narrative exercise. When embedded effectively, purpose operates as a north star, guiding how decisions are made, risks are managed, and long-term value is created. A purpose-driven company consistently integrates its purpose into leadership decisions, culture, stakeholder relationships, and long-term strategy so that purpose actively shapes how the business operates and competes over the long-term.[1] This research maps purpose integration along a continuum, showing where higher-integration companies have embedded resilience mechanisms and where lower-integration peers remain more exposed to risk.

Integration Stage	What It Signals
Stated Purpose	Policies and disclosures without decision reinforcement
Operationalized Purpose	Goals, selective incentives, board oversight
Purpose-Driven Systems	Purpose embedded in governance, ERM, incentives, and operations

CECP assessed companies using a Purpose Integration Index based on 11 observable management actions across governance, incentives, risk, climate, and human rights. Within every industry and region, companies span the full continuum, demonstrating that purpose integration is a leadership and governance choice. Purpose delivers the most value when it is embedded in the systems that shape decisions.

KEY FINDINGS



Companies in the Purpose-Driven Systems stage:

- Operate with stronger governance and risk oversight
- Show higher nominal revenue and greater organizational scale
- Exhibit lower voluntary turnover and higher engagement
- Maintain higher levels of community investment
- Are better positioned to manage emerging risks, including AI and supply-chain disruption

Compared to companies with lower integration, companies in the Purpose-Driven Systems stage have:

- **2x** higher nominal revenue
- Lower voluntary turnover—**6.3% vs 8.1%**
- **2.2x** more community investment

This report is for business leaders managing, executing, and designing corporate purpose-related programs. Leaders should use this report to communicate the critical role of corporate purpose in driving long-term value across all aspects of the business.

Pressure-Testing Corporate Purpose

Corporate purpose is a company's fundamental reason for being, serving as a north star to drive long-term value.

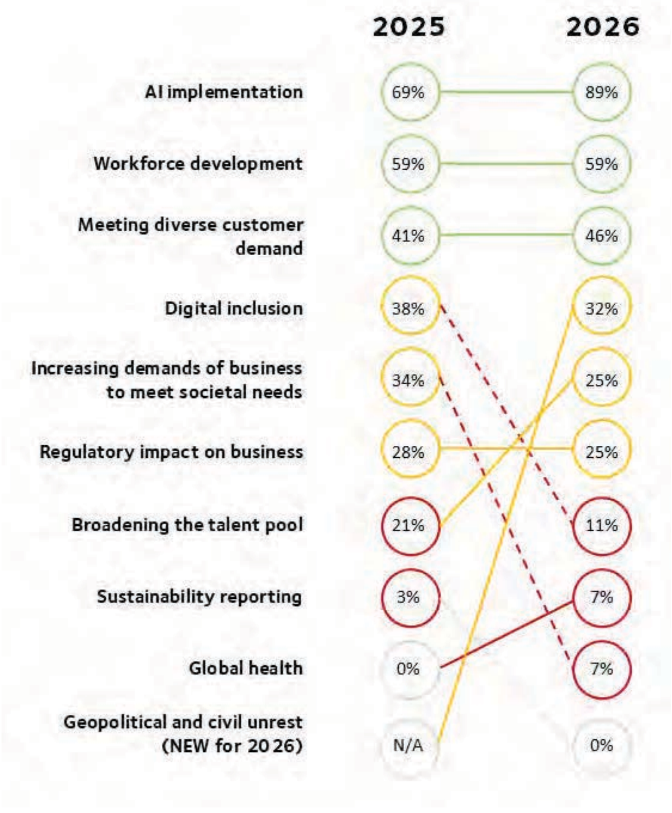
Using Purpose to Navigate Risk

Corporate leaders are navigating multifaceted pressures: political and regulatory scrutiny of environmental, social, and governance (ESG) and diversity, equity, and inclusion practices; rapid technological change; expanding enterprise risk; and shifting stakeholder expectations. In the U.S., partisan debate and state-level actions have heightened legal, reputational, and disclosure risk, while intensifying geopolitical uncertainty is reshaping supply chains, cost structures, and investment decisions. Stakeholders expect companies to treat these uncertainties as core strategy and governance issues.[2] Within this operating environment, CEOs are most focused on AI implementation, workforce development, meeting diverse customer demand, and geopolitical and civil unrest (Figure 1).

Despite significant shifts in the business landscape, most organizations are holding steady or doubling down on their purpose-led work (Figure 2). Leading companies continue to advance their purpose agendas because it reduces exposure to emerging risks while positioning them to capture long-term opportunities that require trust, resilience, and sustainable stakeholder support.

Figure 1: CEO top focus areas for 2026

From the following list of topics, please select the top three most relevant to your company:



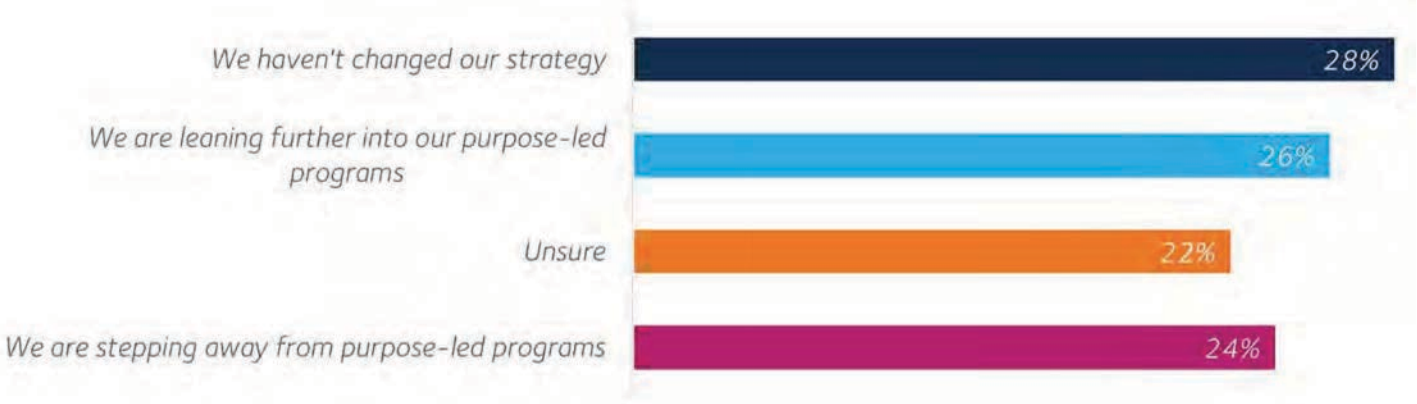
Source: CECP, Board of Boards live polling, February 2026

From Insights to Action:

As risks converge, companies are tested on whether purpose guides real decisions or remains rhetoric. To reduce downside risk and avoid reactive responses, leaders must move from issue-by-issue management to enterprise-wide action. Leaders should:

- Run one integrated enterprise risk agenda, managing workforce, technology, governance, and trust as linked risks.
- Embed responsible AI principles directly into governance processes, talent strategies, incentives, and accountability structures.
- Anchor decisions in long-term value creation to maintain consistency and credibility amid uncertainty.

Figure 2: Since January 2025, has your company switched its corporate purpose strategy?



Source: Chief Executives for Corporate Purpose, Pulse Survey, March 2026 Corporate Purpose Strategy: Change or Continuity field dates: March 3, 2026 – March 10, 2026 (n=526)

Transparency Expectations

In today's operating environment, transparency sits at the intersection of trust, governance, and long-term strategy. With formal reporting requirements changing, expectations for meaningful transparency are rising. **Stakeholders increasingly want insight into how companies make decisions, manage trade-offs, and act on issues that affect people, the planet, and communities.** Transparency is now a visible signal of whether corporate purpose is embedded in how a company operates.

Transparency is shifting from volume to credibility

The transparency landscape is simultaneously fragmenting and converging. At the U.S. federal level, the Securities and Exchange Commission (SEC) launched a comprehensive review of Regulation S-K* in January 2026 aimed at simplifying public company disclosures on non-financial reporting requirements. In parallel, as of March 2026[3], the SEC is preparing a proposal that would allow U.S. public companies to move from mandatory quarterly reporting to optional semiannual reporting, with the goal of reducing administrative burden and potentially expanding the number of public companies.[4] Investor stewardship is also being reshaped, a change driven at the federal level. An executive order mandating a review of the role and influence of proxy advisors in late-2025 has increased scrutiny of proxy voting.[5]

While federal requirements are narrowing, state-level mandates are expanding. California's SB 253 and SB 261 and New York's Climate Corporate Data Accountability Act are establishing state-level requirements for greenhouse gas emissions and climate-related financial risk reporting that will apply to thousands of public and private companies. Together, these developments highlight a growing divergence within the U.S. regulatory landscape, where federal agencies are focusing on simplification while state-level mandates expand in scope and reach.

Some asset managers are asserting greater control over voting decisions, with JPMorgan being the first major asset manager to replace external proxy advisors with an internal AI-driven platform.[6]

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*Regulation S-K establishes the SEC's core non-financial disclosure requirements companies must include in annual and quarterly filings, covering areas including business description, risk factors, governance, executive compensation, and management's discussion and analysis (MD&A).

Globally, the direction is more unified. The E.U.'s Corporate Sustainability Reporting Directive (CSRD) and global convergence around International Sustainability Standards Board (ISSB)-based standards (Figure 3) is accelerating a shift toward standardized sustainability disclosures. **In this complex reporting environment, companies need to credibly explain how decisions are made, risks are managed, and purpose is embedded in the ways the business operates.**

Society expects transparency on corporate impacts that affect daily life

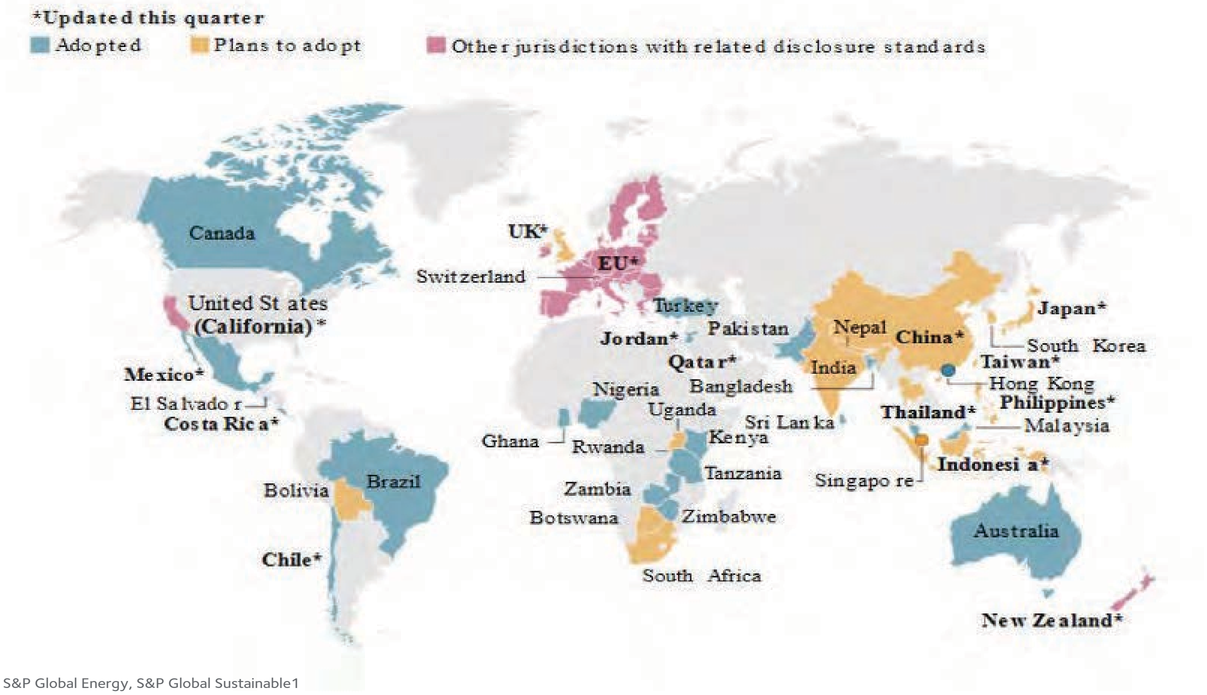
Public expectations of corporate transparency are rising, driven by heightened focus on issues that impact daily life and are part of the national conversation—how companies treat employees, manage environmental impacts, and communicate openly.

The highest expectations of companies are that they:[8]

- Operate sustainably and offer sustainable products.
- Pay fair wages.
- Provide good jobs and treat employees fairly.
- Be transparent about their operations.

Figure 3: Jurisdictions that have adopted or plan to adopt ISSB-based standards[7]

Which jurisdictions have adopted or plan to adopt ISSB-based standards?



Source: S&P Global Energy, S&P Global Sustainable1

These public expectations are shaping how companies disclose. Aligned with global reporting convergence for non-financial reporting and rising public scrutiny, **53% of companies are either maintaining or increasing their voluntary reporting on sustainability, belonging, or societal investment metrics.** By contrast, 38% are either only doing mandated reporting or reducing their voluntary reporting (Figure 4).

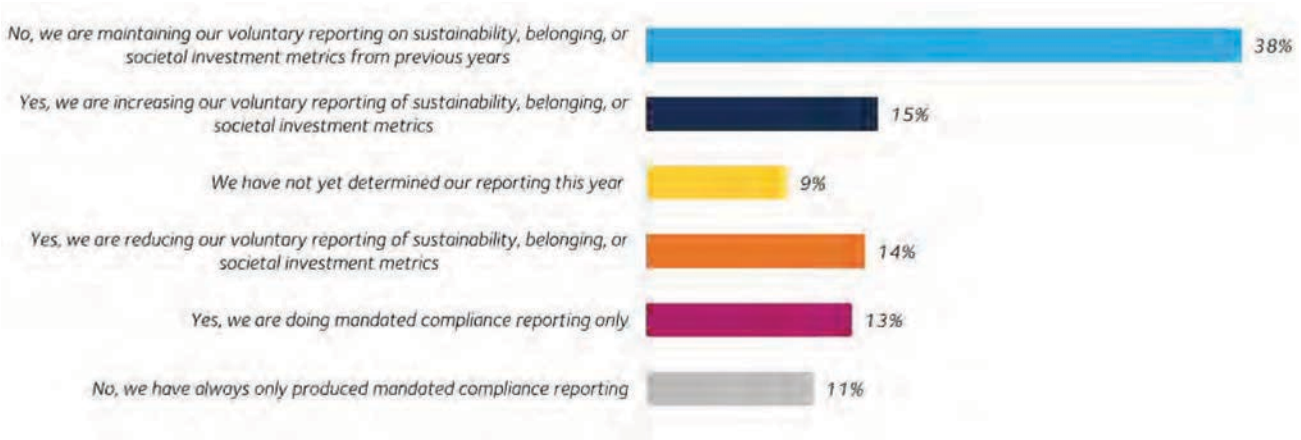
Trust is built at the intersection of performance and transparency. In an era of greenhushing and heightened anti-greenwashing scrutiny, the expectation is not perfection, but honest, decision-useful transparency that includes both progress and challenges.

From Insights to Action

As transparency expectations rise and disclosure requirements evolve, leaders need to recalibrate how they communicate. The imperative is to make transparency decision-useful, credible, and tied to how the company operates.

- Prioritize material clarity over disclosure volume.
- Be transparent about impacts that affect people's daily lives.
- Use transparency as a lever to build trust with key stakeholders.

Figure 4: Has your company changed what annual non-financial reporting will be released this year?



Source: Chief Executives for Corporate Purpose, Pulse Survey, January 2026. Non-Financial Reporting Strategy field dates: January 13, 2026 – January 20, 2026 (n=115)

The signal is not "report less," but "report better," with sharper focus on what is **material**, **governed**, and **tied to long-term strategy**.

RESOURCES AT A GLANCE

CECP's Integrated Long-Term Plan Framework equips companies to move beyond short-term reporting and communicate a clear, integrated long-term value creation strategy.

Most of the remaining sections of this report are blurred for public access. CECP-member companies have full access to the report as a benefit of being part of the CECP network. Contact us at info@cecp.co for more information.

Purpose Integration as Strategic Advantage

Purpose statements are everywhere; integration into governance and operations is the differentiator.

Simply having a purpose statement no longer sets a company apart: 92% of S&P 1200 companies have a purpose statement (Figure 5). Integrating corporate purpose into how companies are governed and operate is the new strategic advantage. Integration changes how trade-offs are made. In companies where purpose is highly integrated, governance, incentives, risk assessment, and capital allocation are all aligned to shape day-to-day decisions.

Managing your risk profile through purpose integration

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Figure 5: Purpose statement prevalence in the S&P Global 1200

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- **Financial ([illegible])**
- **Human capital ([illegible])**
- **Technological ([illegible])**

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Integration in Practice

Purpose has shifted from aspiration to execution over the past five years. Mission statements and policies are increasingly backed by governance, risk management, and incentive systems. The depth of integration, not the existence of a purpose statement, now differentiates resilience and long-term performance.

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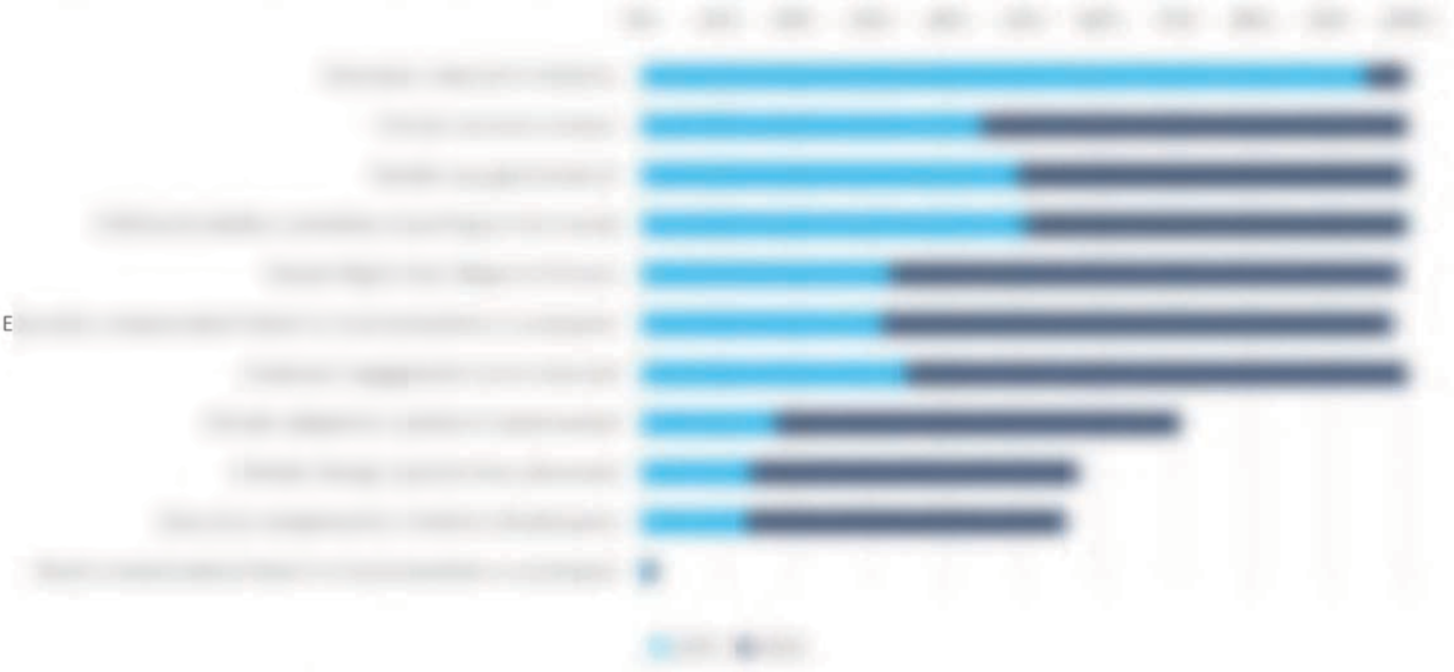

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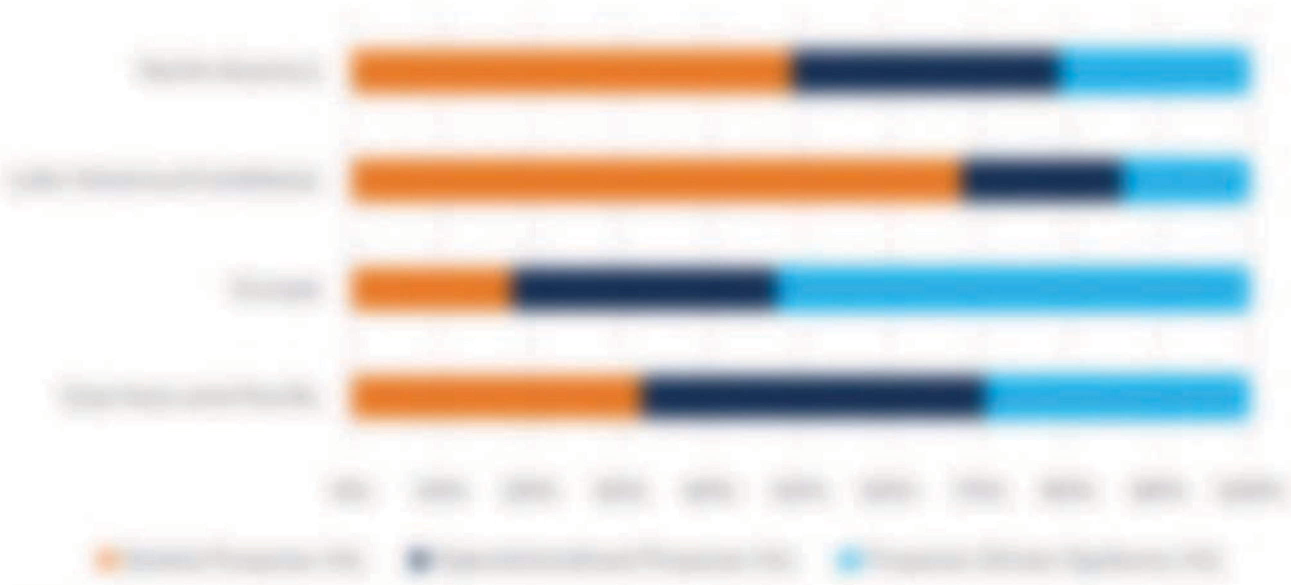
Figure 13: Purpose integration stage by region



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Building the Case for Purpose Integration

Purpose integration is increasingly treated as a management system, not a messaging strategy.

CECP analysis found that integration correlates with strong governance, lower workforce volatility, and more disciplined risk management—factors that protect long-term value rather than maximize short-term results.

Governance: Where Purpose Becomes Enforceable

Governance is an underpinning block of purpose integration. The depth to which a company utilizes governance mechanisms is a clear signal of whether their purpose is aspirational or operational. For companies in the Purpose-Driven Systems phase, purpose is enforceable because it is embedded into incentives, board oversight, and risk processes that shape real decisions.

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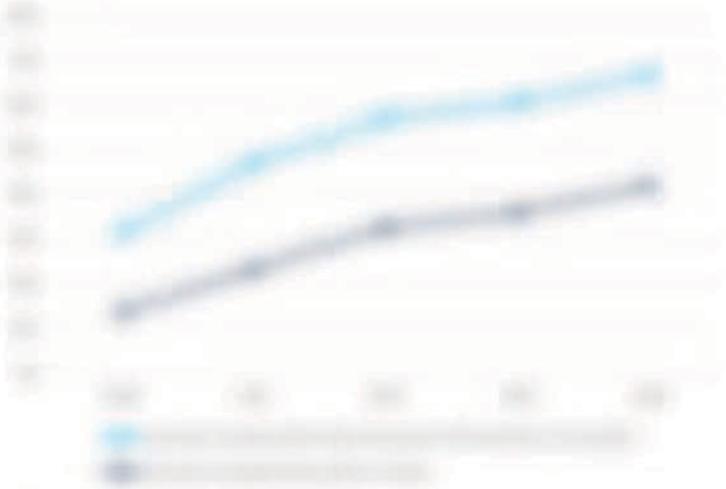

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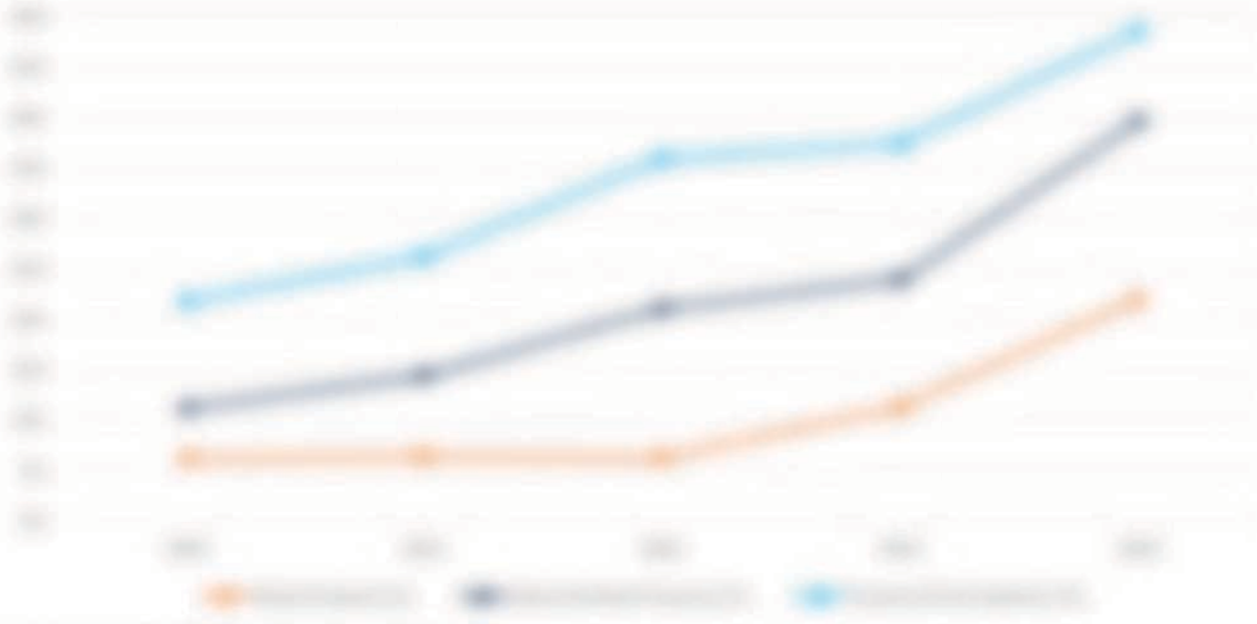

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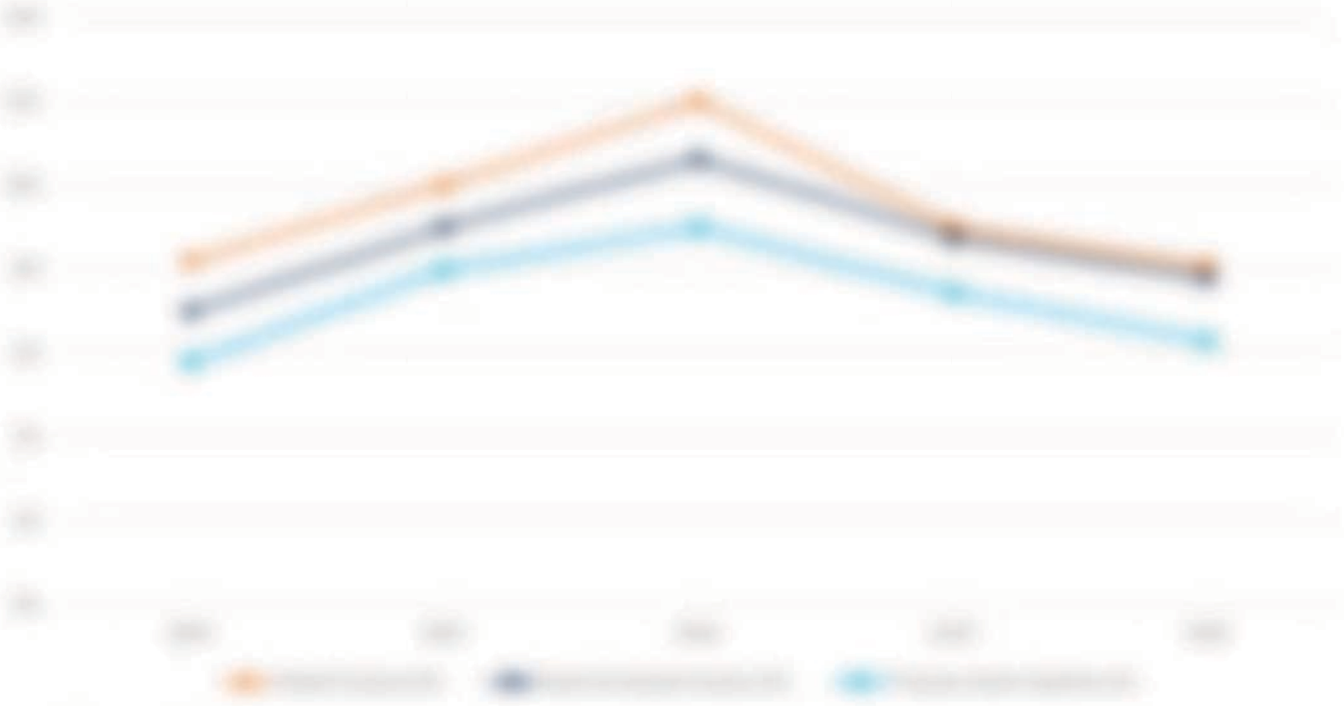

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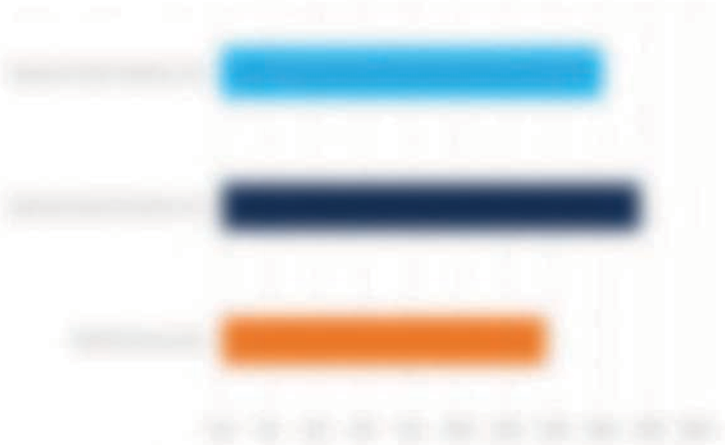

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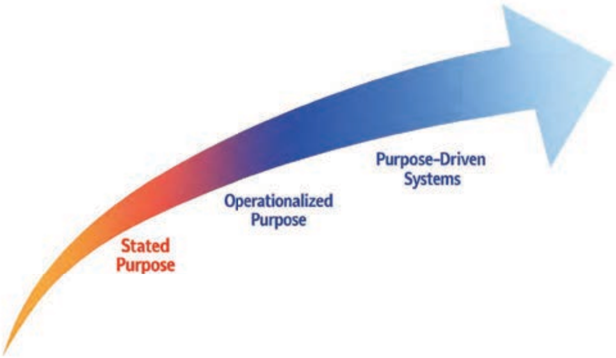
Advancing Along the *Purpose Integration Continuum*



Purpose integration is not a binary choice; it sits on a continuum and matures over time. **Companies progress when they translate purpose from what they say into how they make decisions, and ultimately into how they operate.** The "continuum" is the pathway from narrative alignment to decision discipline to systemic advantage.

Where a company falls on the continuum is not indicative of the strength or quality of their corporate purpose, rather it reflects how decision-shaping mechanisms have been integrated. Below is a tactical roadmap for what to prioritize at each level, focused on the decision-shaping mechanisms this report tracks: governance, incentives, risk management, capital allocation, and day-to-day operating choices.

1. **Upgrade purpose from "priorities" to "decision rules."** Clarify how purpose guides decisions (e.g., investments must show alignment to purpose-linked risks or opportunities and the company's long-term value).
2. **Connect purpose to enterprise risk management and scenario planning.** Ensure top enterprise risks explicitly map to purpose commitments (e.g., workforce stability mapped to talent risk, responsible technology mapped to AI risk, climate resilience mapped to supply continuity).
3. **Make incentives credible and consistent.** Move from selective or symbolic linkage to clear, measurable, auditable outcomes.
4. **Embed purpose into operating rhythms.** Purpose becomes real when it appears in recurring management routines, such as quarterly business reviews, talent reviews and succession planning, and procurement and supplier governance.

How companies in the Purpose-Driven Systems stage sustain advantage

Keeping systems high quality

Companies in the Purpose-Driven stage have embedded governance, risk mechanisms, and accountability. The challenge is keeping them effective through volatility, leadership change, political pressure, and shifting stakeholder expectations. Companies within this stage should focus on protecting their strategic advantage by continuously improving system quality, preventing drift from purpose, and using purpose to accelerate innovation.

1. **Treat purpose as strategic infrastructure.** Regularly test whether purpose mechanisms still drive real decisions: Do investment choices reflect purpose priorities? Do incentives drive the intended behavior? Are tradeoffs communicated clearly?
2. **Prevent box-checking. Integration can devolve into compliance behavior.** To sustain advantage, simplify dashboards to what leaders actually use and phase out metrics that don't change decisions.
3. **Use purpose to guide innovation and portfolio choices.** Purpose should become a growth quality filter to decide how to innovate responsibly, which products or services strengthen long-term value and resilience, and how the company makes capital allocation decisions.
4. **Communicate with credible, decision-useful transparency.** Companies in this stage differentiate by showing stakeholders how governance works, what tradeoffs were made, and where progress is faster – and why – rather than focusing solely on progress to date.

Turning insight into action

The forces testing corporate purpose today make clear that purpose delivers the most value when it is embedded into the systems that shape decisions. Our analysis shows that companies that move beyond statements to integrate purpose into governance, risk management, incentives, and operations are better positioned to reduce downside risk, build resilience, and allocate capital toward long-term value creation. CECP supports companies at every stage of this journey by providing data-driven benchmarking, peer learning, practical frameworks, and executive-level guidance to help leaders translate purpose into action. With tools such as the Purpose Integration Index, integrated Long-Term Plan framework, communities of practice, and targeted advisory support, CECP helps companies operationalize purpose in ways that endure through volatility, leadership change, and shifting stakeholder expectations.

Methodology

Our analysis measures how well companies in the S&P Global 1200 integrate purpose into their governance and operations. Using Bloomberg data, we conducted an analysis of KPIs over a five-year period of 2020 to 2024. Data from 2025 was not yet available at the time of analysis. We constructed a Purpose Integration Index based on 11 observable management actions. Companies needed to have disclosed at least 7 indicators to be classified into an integration stage. Each company received a score between 0 and 1 based on the share of these actions in place. Companies were then grouped into three stages of purpose integration – "Stated Purpose," "Operationalized Purpose," and "Purpose in Core Systems." These stages are used throughout the analysis.

CECP defines corporate purpose as a company's fundamental reason for existing beyond profit generation. Purpose is the broader impact a company hopes to have on the world as it builds long-term sustainable value.

The Purpose Integration Index is designed to measure operational integration, not the intent, articulation, or ambition of purpose statements. The 11 indicators were selected based on reporting availability and because they meet three criteria:

1. **Embedded decisions:** They reflect choices made by leadership that are embedded in management systems, not narrative disclosure.
2. **Cross-functional:** Together, they span governance, strategy, risk management, incentives and value chain oversight.
3. **Observable and comparable:** They are externally visible actions that can be measured consistently across companies.

Taken together, these indicators capture whether purpose influences who is accountable, how risk is managed and how value chains are governed – the core levers of long-term value creation and resilience.

People outcome metrics, such as turnover or engagement, were intentionally excluded from the index itself. While critical to performance, these metrics are outcomes of integration, not mechanisms of it. Workforce metrics are analyzed separately to assess how purpose integration shows up in people-related outcomes. Philanthropy and community investment were also excluded. While important expressions of corporate purpose, these activities do not consistently demonstrate whether purpose is embedded in core business decisions. The index focuses on management systems that govern capital allocation, risk, and accountability. The use of philanthropy and community investment are expressions/manifestations of corporate purpose.

In aggregate, the Purpose Integration Index measures how deeply purpose is operationalized through policies and mechanisms, distinguishing companies that express purpose from those that use it to guide decisions, manage risk and build resilient, long-term value.

Endnotes

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