Sustainable Companies Make More Money, But **Does Anyone Trust Them?**

3BL

100 BEST CORPORATE CITIZENS 2025

Executive Summary

Think sustainability hurts shareholder value? Think again.

New 3BL research creates an even stronger link between corporate sustainability leadership and stock price over time. Far from a money-suck, the companies that continue to improve transparency are more likely to generate above-market returns.

Annual return for companies recognized among the 100 Best Corporate Citizens was **2.2% higher than the S&P 500** from January 2022 to July 2025, according to a backtesting simulation conducted by 3BL.

Those that stayed the most consistent and placed on the ranking multiple times saw returns up to **14% higher than the S&P benchmark**.

At a time when the "business case" for sustainability is being called into question, half a decade after the revised Davos Manifesto emphasizing stakeholder capitalism got signoff from the world's most prominent executives, this is a compelling piece of evidence.

But does it tell the full story? Beyond the inherent limitations of financial samples, surveys show that even as companies increase their levels of sustainability ambition, many of their customers don't know about it — or worse, they don't trust what brands say anymore.

To better understand how sustainability relates to business success, 3BL analyzed the financial performance of the 100 Best companies in the context of a growing crisis of consumer trust few business leaders are talking about.

The 100 Best Corporate Citizens still beat the market

Last year, 3BL research revealed the 100 Best Corporate Citizens outperformed the S&P 500 — a strong indicator that this sustainability benchmark corresponds with financial success. But as U.S. markets grow more volatile and political attitudes shift, are the nation's largest companies still acting on and disclosing about sustainability? And if they do, is it helping or hurting them financially?

The 100 Best Corporate Citizens has ranked the largest publicly-traded companies in the United States based on sustainability disclosure and performance since 1999. The ranking methodology is modernized each year to keep pace with evolving stakeholder expectations and what is considered best-in-class across categories like climate change, employee relations, human rights and corporate governance.

The results reflect continuous improvement from U.S. companies, with average scores for the 100 Best increasing 2.5% in 2025. That means more companies are disclosing material information about things like energy use, carbon emissions, employee benefits and board makeup — improving transparency and raising the incentive for executives to bring those metrics in line with what stakeholders expect.

The first backtesting study of the 2024 ranking conducted by 3BL also revealed cumulative returns 4.2% higher than the S&P 500 from 2022 to 2024.

3BL expanded the backtest in 2025 to better understand how sustainability performance relates to market value.

To diversify the sample, we combined the 2024 and 2025 100 Best Corporate Citizens into a single mock portfolio weighted by market capitalization — resulting in a cumulative return of nearly 50% from January 2022 to July 2025, compared to under 40% for the S&P 500.

The portfolio also proved more resilient over the testing period, taking nine months to recover from its lowest point compared to 15 months for the S&P 500.

The diversified sample also highlighted something else: consistency. More than 70% of the 2025 100 Best Corporate Citizens were also recognized on the ranking in 2024. Building on the results, we aimed to further assess if the companies earning repeated recognition — reflecting best-in-class sustainability disclosure and performance over time — fared better financially.

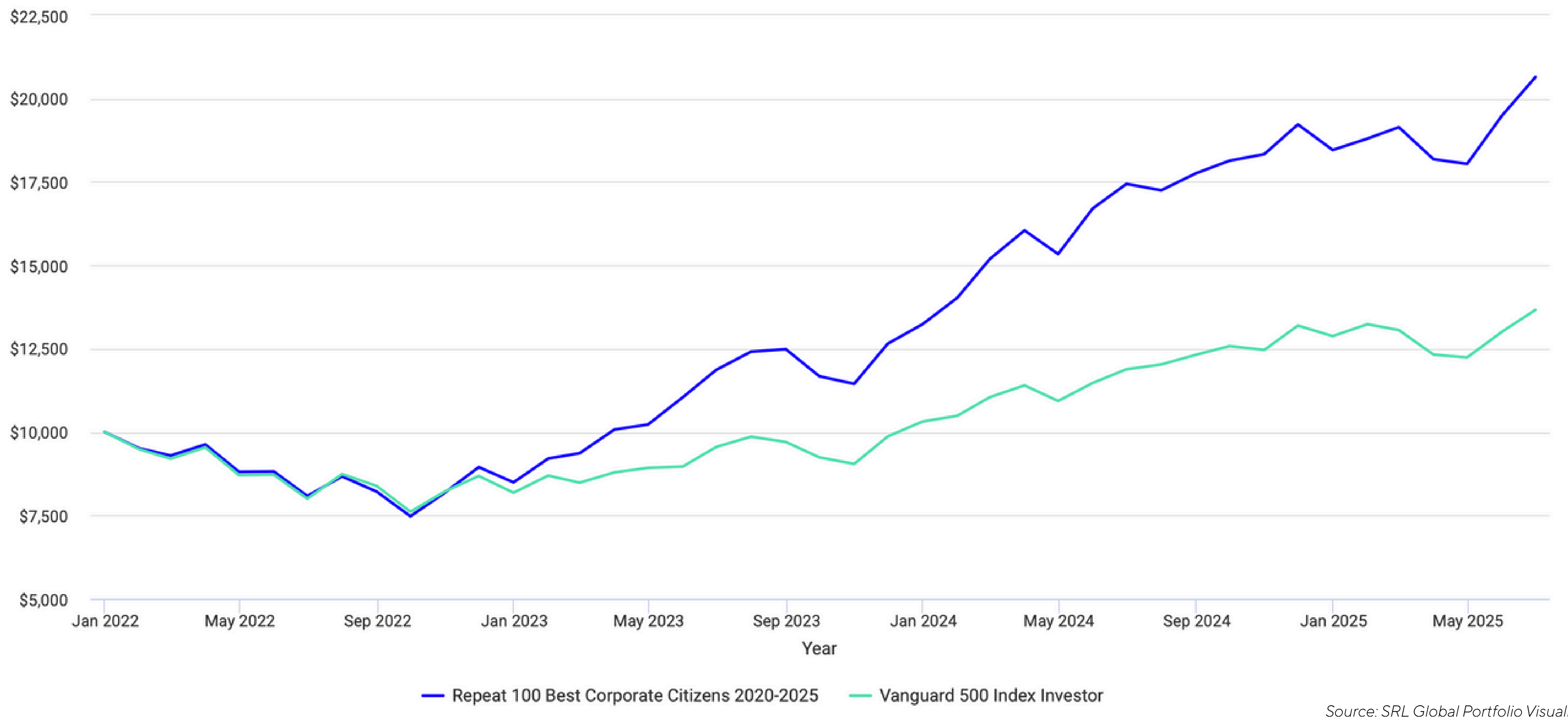
Source: SRL Global Portfolio Visualizer

Consistency is linked to even stronger returns, but does it tell the full story?

In a sample of companies recognized on the 100 Best Corporate Citizens at least twice since 2020, we observed even higher levels of financial overperformance.

The repeat honorees portfolio generated a cumulative return of more than 106% from 2022 to 2025, compared to around 37% for the S&P 500. The portfolio's annual return was nearly 14% higher than the S&P benchmark, and it recovered from its lowest point nine months faster.

On its face, this is a compelling piece of evidence that consistent leadership in sustainability performance and disclosure is a predictor of market value, but the model also comes with limitations — the clearest being the influence of the country's two largest companies: Microsoft and Nvidia. Nvidia's stock alone is up more than 1,400% since 2020, while Microsoft's rose nearly 150%.



Source: SRL Global Portfolio Visualizer

Cumulative Return

106%

2020-2025 Repeat 100 Best Corporate Citizens

40.5%

2020-2025 Outliers Removed

36.6%

S&P 500 Benchmark

**Cumulative return from January 1, 2022 to June 30, 2025*

One could argue this level of growth from a company recognized for sustainability excellence is a testament on its own that sustainability and financial considerations need not be in conflict. Microsoft is one of only eight companies to appear on the ranking every year since 2009, and though Nvidia has not been recognized since 2020-2022, it continues to rank in the top third of its industry.

Still, these outliers clearly influenced the performance of the sample, even when capping their weight. To get a clearer picture, we removed these market-cap monoliths and retested — showing more modest returns, but still enough to beat the market. Even with Nvidia and Microsoft removed, the repeat honorees portfolio generated a cumulative return of more than 40% from 2022 to 2025, compared to the S&P's 36.6%. It also recovered from its lowest point eight months faster.

While 3BL's research was limited to stock performance over the testing period, other studies also draw a clear line between recognition on sustainability rankings and financial outcomes. A widely cited 2021 paper, for example, analyzed companies recognized on the 100 Best Corporate Citizens from 2009 to 2018 using four accounting-based and market-based financial metrics. Given their findings, the researchers led by the Oslo School of Business in Norway concluded that sustainability performance as measured by the 100 Best is "quite [a] good predictor" of future financial success. Rating and ranking agencies like ISS-Corporate and MSCI have also done extensive research linking higher ESG scores with financial outcomes including more sales, higher profitability and reduced stock price volatility.

7

Sustainability can correlate with financial performance for a host of reasons, chief among them because global investors say they are actively seeking this information as a way to reduce risk in their portfolios.

But whether the corporate disclosures that reach investors and influence rankings like the 100 Best Corporate Citizens actually mean anything to consumers is an open question.

In 2024, 3BL partnered with the research technology company Glow to compare excellence in disclosure, as measured by the 100 Best Corporate Citizens, with brand sustainability perceptions, as measured by Glow's Social Responsibility Score.[1] The results were a clear sign that formal disclosure alone is not enough to reach consumers or shape public perception.

Over half of the 100 Best companies scored below the 2024 Social Responsibility Score average. In a survey of 10,000 U.S. consumers, at least 3 in 10 said they didn't know enough about a 100 Best company's sustainability programming to give it a score — a clear sign of missed messages, even for consistent leaders. But lack of awareness isn't the biggest problem.

[1] *Glow's Social Responsibility Score is a single metric that captures how socially and environmentally responsible (or irresponsible) consumers view companies. Consumers are only asked to rate companies they know and are able to answer "don't know" if they don't have a clear opinion of a company's social and environmental credentials.*

If a company leads and customers don't know about it, does it make a difference?

A quarter of U.S. consumers don’t trust business anymore.

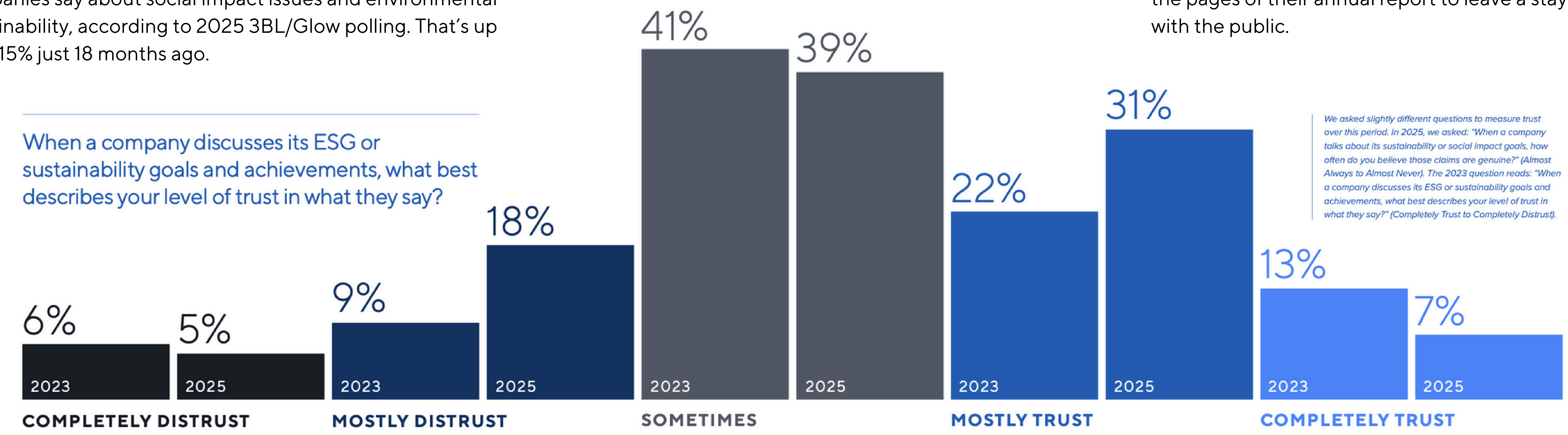
In the years following the coronavirus pandemic, business was the most trusted institution in the world, outpacing media, governments and NGOs. But trust rates are slipping across the major global indices in a stunning fall from grace surprisingly few business leaders are talking about.

Distrust in sustainability claims in particular may be a silent driver of slipping confidence in business. Nearly 1 in 4 U.S. adults now say they “rarely” or “almost never” believe what companies say about social impact issues and environmental sustainability, according to 2025 3BL/Glow polling. That’s up from 15% just 18 months ago.

A growing segment of consumers sees top companies as flip-flopping or failing to keep their word on sustainability, saying they perceive companies to **“only support causes when it’s profitable or trendy.”**

Considering nearly 70% say trust influences their purchasing decisions, this is a quiet indicator with a potentially massive impact.

The good news for companies with high ESG scores, as measured by rankings like the 100 Best Corporate Citizens, is that they’ve already done the hard part. They’ve set up systems to gather, organize and disclose data about their impact and their progress. The challenge now is to bring it off the pages of their annual report to leave a staying message with the public.



Source: “Say less, risk more: Sustainability silence is undermining trust,” published by 3BL in July 2025.

A strong sign at a crucial time, but it's up to business to seize the opportunity.

While the link between sustainability and financial performance is a topic of ongoing study, a growing body of research — coupled with 3BL's analysis of market performance amidst volatility — offers compelling evidence.

The companies that continue to improve their levels of sustainability disclosure and performance are more likely to grow, to sustain that growth, and to rebound from low points more quickly.

But even if sustainability disclosures influence asset managers or investors, they too often fail to reach or resonate with consumers. The companies that can do both — not only disclose, but truly communicate — will capture maximum upside on the market potential that clearly still exists around sustainability.

Methodology

This research includes backtesting of the 100 Best Corporate Citizens using SRL Global's Portfolio Visualizer. The analysis included three simulated portfolios: 1) the 2024 and 2025 100 Best Corporate Citizens ranking 2) companies that ranked on the 100 Best Corporate Citizens at least twice from 2020 to 2025 3) companies that ranked on the 100 Best Corporate Citizens at least twice from 2020 to 2025, with outliers Nvidia (NVDA) and Microsoft (MSFT) removed.

Each portfolio was weighted based on market capitalization as of September 2025 and normalized so no company could make up more than 15% of portfolio weight. The Vanguard S&P 500 Index Investor fund was used as a benchmark.

The sample excluded the following companies, which were publicly traded under their own tickers at the time they were ranked on the 100 Best Corporate Citizens, but not at the time of the study: Arconic Inc., Avangrid Inc., Berry Global Group Inc. and Nielsen Holdings Plc.

The 2024/2025 backtest study represents returns from January 1, 2022 to July 31, 2025, constrained by the available data for Globalfoundries Inc (November 2021) and Walgreens Boots Alliance Inc (July 2025). The 2020-2025 backtest represents returns from January 1, 2022 to June 30, 2025, constrained by the available data for Globalfoundries Inc (November 2021) and Hess Corporation (June 2025).

[1]This paper also references previous 3BL research: "Say less, risk more: Sustainability silence is undermining trust" (July 2025) and "The 100 Best Corporate Citizens Beat the S&P 500, But the Message Doesn't Always Reach Consumers" (September 2024).