

Madrid, 13 march 2025

## Specialisation in ESG initiatives, key to companies' financial impact

- ▶ The report 'The connection between purpose and profit: are ESG strategies worthwhile' analyses how purpose-driven companies design and structure their ESG strategies.
- ▶ The strategic design of ESG initiatives is key, as their value depends on how they are articulated, aligned and executed.
- ▶ The document is promoted by the IE-Elecnor Knowledge Hub on Ethical Business, in collaboration with EY Spain.

The diversification and increased specialisation of ESG initiatives has a direct impact on companies' finances, according to the report "**The Connection between Purpose and Profit: Are ESG Strategies Worthwhile?**", prepared by IE University and promoted by the **Elecnor Foundation** through the [IE-Elecnor Knowledge Hub on Ethical Business](#), in collaboration with EY Spain.

This is the case of diversified philanthropic donations covering multiple causes and SDGs, which are often more effective in improving reputation and financial performance than those concentrated in a single area. This paper by **Martina Pasquini, Professor of Strategy at IE University**, and supported by the IE-Elecnor Knowledge Hub on Ethical Business, analyses how purpose-driven companies design and structure their ESG strategies - environmental, social and governance - and the impact these strategies have on different financial and accounting indicators.

The study analyses the key role of governance within ESG strategies and shows that governance-oriented ESG strategies **contribute to sales growth and increase the company's intangible value**, strengthening its reputation as an employer and improving brand perception among customers and other stakeholders.

'In contrast to the simplistic view that any ESG initiative generates value,' say the study's authors, "Professor **Martina Pasquini's** research shows that strategic design is key", as not all strategies have the same effect and their ability to create value depends on how they are articulated, aligned and executed.

### ESG as a driver of value creation

The report dismantles the notion that all strategies generate value in the same way. Instead, it reveals that philanthropic ESG strategies, sustainable innovation initiatives, governance practices and social impact-oriented strategies have differentiated effects on key indicators such as EBIT, capital turnover and market value.

Sustainable innovation and social product development **attract conscious consumers and strengthen sales growth**, especially when focused on a limited number of SDGs, conveying a clear and authentic commitment.

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'The strategic design of ESG initiatives is key: diversification across SDGs amplifies impact, while specialisation in social objectives builds a strong identity. The real value lies in balancing impact, synergies and opportunity costs to transform purpose into profit,' says IE University professor and report author Martina Pasquini.

## **Commitment to ethics and a sustainable future**

The presentation of the report was attended by the President of EY Spain, **Federico Linares**; the CEO of Elecnor, **Rafael Martín de Bustamante**; and the Director of the IE-Elecnor Knowledge Hub on Ethical Business, **Enrique Aznar**, who highlighted how well-designed ESG strategies generate tangible value for companies, communities and society as a whole.

Rafael Martín de Bustamante said: 'All companies have a purpose; they arise to solve the needs of society. The governance of a company must be geared towards ensuring that every decision and every action is made with the common good in mind. Currently, there is a tendency in society to undervalue the values that make companies great, such as governance, effort, commitment and meritocracy. These values are weakening in society, and it is in private enterprise that they are most evident. In the 21st century, business, especially private business, is the largest generator of wealth in the world. Moreover, in developed societies, this wealth has very effective mechanisms to be shared and to improve society'.

Federico Linares, President of EY, asked, in relation to the profitability-sustainability dilemma, 'Why do citizens in general think that companies are only in the business of making money; why do they think that their only social contribution is to generate employment and pay taxes? In this sense, he affirmed that 'we have a lot of work to do to change public perception and at the same time orientate the purpose of companies committed to the creation of long-term value, with their customers, people, financial and social, generating an impact on the economic and social progress of the communities in which they operate. A company that places the creation of social value at the same strategic level as the creation of other value. A company that contributes to society the best it knows how to do. And this social impact must be achieved through public-private, strategic and non-transactional collaboration'.

Enrique Aznar, Associate Professor at IE University and Director of the IE-Elecnor Knowledge Hub on Ethical Business said: 'ESG strategies cannot be a simple declaration of intent; they must be integrated into an ethical culture and aligned with business strategy to transform purpose into a real driver of value. Only in this way will we achieve more resilient, competitive and sustainable businesses, capable of generating positive impact and long-term growth'.

The event addressed the application of ethics and classical philosophy in 21st century business, the crisis of confidence in the private sector and how companies can regain it through transparency and consistency in their actions. The state of ESG regulation has also been analysed, highlighting the need for clear incentives and standardised metrics. In addition, effective models of public-private collaboration were examined, as well as the ESG strategies that generate the most value and the tangible and intangible returns from their implementation.

With this initiative, the **IE-Elecnor Knowledge Hub on Ethical Business** reaffirms its commitment to research and fostering rigorous debate on the role of ethics, governance and ESG strategies in the future of business.

The report is available at this [link](#).

# Press release



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## About Elecnor Foundation

The Elecnor Foundation, part of the Elecnor Group, is a non-profit organisation dedicated to addressing social and environmental challenges. Its activities include ensuring affordable and sustainable access to energy and water, as well as promoting inclusive education in disadvantaged environments. In addition, it focuses on university and professional training in various branches of engineering, managing the talent of young people from Spain and abroad and promoting their employability. With projects in 15 countries, the Foundation seeks to generate a positive and lasting impact in the communities where it operates.

More information in [www.fundacionelecnor.com](http://www.fundacionelecnor.com)

## About IE Foundation

IE Foundation is committed to supporting talent and facilitating access to education. Among its founding purposes, it promotes research, the generation and dissemination of knowledge on key issues such as diversity, gender equality, entrepreneurship and social innovation, generating positive impact and innovative solutions to the challenges facing society. Through its impact projects within and outside the IE community, the Foundation continues to promote talent development and social transformation.

## About EY

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