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First-Ever CEO Investor Forum Bolsters Long-Term Discussion

Leading CEOs Present Long-Term Plans to Strategic Investors from World's Leading Asset Owners

March 1, 2017, New York, NY— Leading cross-sector CEOs and executives came together to publicly share first-ever long-term business plans to an audience of nearly **200 major investors representing more than \$20 trillion in assets under management** at the inaugural CECP **CEO Investor Forum** held February 27 in New York City.

The event was organized in conjunction with CECP's [12th Annual Board of Boards](#), which welcomed [60 CEOs](#) who are a part of [CECP: The CEO Force for Good](#)—a coalition of more than 200 corporations representing \$7 trillion in annual revenue.

The first convening of its kind, the CEO Investor Forum came in response to the growing consensus of CECP's CEOs and leaders from the global investment community that the current market focus on short-term performance can adversely affect their ability to generate sustained value.

In addition to presenting operational and financial outlooks ranging three to five years or more, these long-term plans incorporated material **environmental, social, and governance (ESG)** issues, introduced new **long-term performance metrics**, and highlighted the role of each company's **values or purpose** as the foundation for long-term prosperity.

Key takeaways from the sessions included:

- **Environmental and social factors** vary from industry to industry, but are indisputably **financially material**: employee and public safety is material for PG&E, the energy utility; data privacy is a material factor for technology companies such as IBM; and ensuring access to quality healthcare for all is a material factor for healthcare companies such as Humana.
- The concept of **transparency** for investors is evolving with event participants calling for **quarterly investor communications to become building blocks of longer-term plans and disclosure** rather than the central focus.
- **The over-emphasis on quarterly reporting** is widely considered to be a driving force **in the dearth of financially relevant factors** in the majority of quarterly-focused investor communications.

- Forum participants voiced their views on the fundamental importance of CEOs conveying their long-term performance outlook to describe how they serve key stakeholders including **customers, employees, and communities, as well as shareholders.**

"I'm delighted to see a positive shift towards long-term thinking, but we still have a way to go with **67% of CEOs reporting that they spend the balance of their time focused on short-term performance,**" said **Daryl Brewster, CEO, CECP.** "This first-time event is operationalizing the calls we have heard from [Bill McNabb](#), [Ron O'Hanley](#), and [Larry Fink](#) for long-term plans. It is consistent with the **Commonsense Corporate Governance Principles.** And, it helps focus more attention on long-term investing and sustainable business versus just short-term trading. But Monday was just a start."

Speakers and presenters during the Forum included:

- **Mitch Barns**, CEO, Nielsen
- **Bruce D. Broussard**, President & CEO, Humana Inc.
- **Michael Corbat**, CEO, Citi
- **Thomas DeRosa**, CEO & Director, Welltower Inc.
- **Anthony F. Earley, Jr.**, Chairman, CEO, & President, PG&E Corporation
- **Vincent Forlenza**, Chairman, President, & CEO, BD
- **Bill McNabb**, Chairman & CEO, Vanguard
- **Martin Schroeter**, CFO, IBM Corporation

The event also featured an address from **Robert Pozen**, Senior Lecturer, MIT; Former President, Fidelity Investments, on the need for boards of directors to take responsibility for long-term capital allocation, and the negative consequences of excessive share buybacks.

Dominic Barton, Global Managing Director, McKinsey & Company also shared research demonstrating that [long-term companies exhibit stronger financial performance over time](#) and that, on average, their market capitalization grew \$7 billion more than that of other firms between 2001 and 2014. Additionally, investors such as mutual funds, pension funds, and others whose focus is typically investing on behalf of clients with a long-term portfolio strategy [today own 73% of the top 1,000 companies](#) in the U.S., up 47% over the past 40 years.

"The day was a major landmark in Wall Street's shift away from an over-emphasis with the short-term financial results and towards a more resilient, inclusive, and sustainable financial system that rewards excellence in performance excellence over the long-term," said **Mark Tulay, Director, Strategic Investor Initiative (SII), CECP.** "SII is thrilled to be a catalyst in this sea change, to spark and operationalize the widespread disclosure of corporate long-term plans to astute investors. We look forward to the **next session in September 2017** and invite all CEOs to consider embracing the new normal of publicly presenting long-term plans for sustainable value creation to a growing group of long-term investors."

A **video** was launched at the CEO Investor Forum—[The New Normal](#)--highlighting the shift occurring in the company-investor relationship, catalyzed by CECP's SII.

The agenda and list of presenters and attendees [can be found here](#). **The CEO Investor Forum was also live-streamed; Please visit the participating company IR webpages to listen to the presentations or view them [here](#)** (registration required).

Corporations interested in reserving the few remaining investor presentations in the **next CEO Investor Forum September 19, 2017** in New York City should contact Mark Tulay, mtulay@cecp.co.

SII Advisory Board

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- Dennis Whalen, Leader, Board Leadership Center, **KPMG**
- Tim Youmans, Research Director, Strategic Investor Initiative, **CECP**

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*Note to Editors: CECP can coordinate interviews with **Daryl Brewster**, CEO, and **Mark Tulay**, Director, Strategic Investor Initiative, CECP are available for comment on the CEO Investor Forum. Please contact Jackie Albano, jalbano@cecp.co, [646-863-1926](tel:646-863-1926) to arrange interviews.*

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About CECP: The CEO Force for Good

CECP is a CEO led coalition that believes that a company's social strategy — how it engages with key stakeholders including employees, communities, investors, and customers — determines company success. Founded in 1999 by actor and philanthropist Paul Newman and other business leaders to create a better world through business, CECP has grown to a movement of more than 200 of the world's largest companies that represent \$7 trillion in revenues, \$18.6 billion in societal investment, 13 million employees, and \$15 trillion in assets under management. CECP helps companies transform their social strategy by

providing customized connections and networking, counsel and support, benchmarking and trends, and awareness building and recognition. For more information, visit <http://cecp.co>.