

# Executive Report

## CEO Investor Forum

HOSTED BY THE  
STRATEGIC INVESTOR  
INITIATIVE, CECP



## CEO INVESTOR FORUM INAUGURAL EVENT

FEBRUARY 27, 2017 | NEW YORK CITY



**CECP**  
THE CEO FORCE FOR GOOD  
STRATEGIC INVESTOR  
INITIATIVE

## ATTENDEES OF THE INAUGURAL CEO INVESTOR FORUM INCLUDED REPRESENTATIVES FROM:

**Bold lettering** indicates Strategic Investor Initiative Advisory Board member

*\*Indicates event sponsor*

Allianz Global Investors

Aperio Group

Arabesque Partners

B Lab

**BD**

**BlackRock**

**Bloomberg LP**

BNY Mellon

Boston Partners

**Breckinridge Capital Advisors**

Bridges Fund Management

Brown Brothers Harriman

BrownFlynn

Business & Human Rights Resource Centre

Caisse de Dépôt et Placement du Québec

CaLSTRS

CamberView Partners

Cambridge Associates LLC

Caravel Management LLC

CDP

Ceres

CFSI

Citi

ClearBridge Investments

**Coalition for Inclusive Capitalism**

Columbia University

**Cornerstone Capital Group**

CPA Canada

Deloitte

Domini Impact Investments LLC

Dynamo Academy

Edelman

Eileen Fisher

Elysian Advisers

eRevalue

EY

FCLT

Fidelity Investments

**Ford Foundation\***

G2 Investment Partners

GAMCO Asset Management

GISR

Gitterman Wealth Management

Global Reporting Initiative

Goldman Sachs

Gordon and Betty Moore Foundation

Granito Group

Great Lakes Advisors

Harvard Business School

Harvard Law School

Hermes EOS

**Heron Foundation\***

High Meadows Institute

Humana

IBM

ICR

ING Investment Management

Inherent Group

International Integrated Reporting Council

J.P. Morgan Chase & Co.

Jarislowsky Fraser Global Investment Management

Journal of Applied Corporate Finance

Kois Invest

**KPMG**

Mendham Capital Management

**Merck**

Merrill Lynch

Mitsubishi Corporation

Moody Lynn and Lieberson

Morgan Stanley

**Morrison Foerster**

MSCI, Inc.

**Nasdaq**

Nielsen

Nordea Investment Management

Nuveen Asset Management

NYU Stern Center for Sustainable Business

oekom research Inc

PepsiCo, Inc.

PG&E Company

Proxima Capital Management, LLC

Prudential Financial Inc.

**PwC**

Robert Wood Johnson Foundation

Rockefeller & Co.

Samba Financial Group

SASB

Segall Bryant & Hamill

SJF Ventures

**State Street**

Stone Point Capital

SunAmerica Asset Management

Sustainable Growth Advisers

Terra Alpha Investments

The Boston Consulting Group

The Climate Group

The Economist Group

The Investment Integration Project (TIIP)

The Rockefeller Foundation

The World Bank

Thomson Reuters

TIAA

United Nations Global Compact

United Nations PRI

United Nations Office of the Secretary-General

USAA

**Vanguard**

**Voya**

Wellington Management

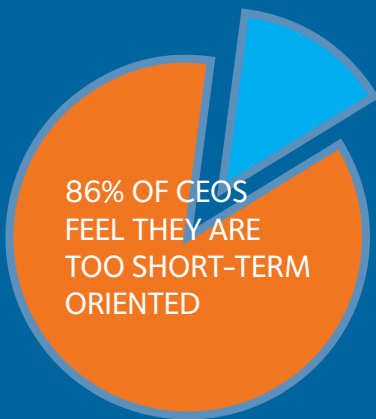
Welltower

World Business Council for Sustainable Development

World Economic Forum

LEADING CROSS-SECTOR CEOS AND EXECUTIVES came together to publicly share long-term business plans for sustainability and sustainable value creation to an audience of nearly 200 major investors representing more than \$20 trillion in assets under management at the inaugural CECP CEO Investor Forum.

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



Source: 2016 Board of Boards Live Polling

value over the long-term. SII believes this will become the new normal, supplementing backward-looking quarterly earnings performance guidance with forward-looking long-term strategies that identify a company's ability to manage systemic risks.

In addition to presenting operational and financial outlooks ranging three to five years or more, these long-term plans incorporated financially 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 and enhanced stakeholder relations.



*"[T]his unique group of collaborators will continue work to open new pathways for companies, investors and the many stakeholders involved to encourage and reward long-termism at a time when our planet desperately needs this leadership. The potential rewards and risks have never been higher."*

**TIM NIXON**, MANAGING EDITOR, THOMSON REUTERS SUSTAINABILITY



## Attendee Profile



**73**  
Global  
Companies



**\$27**  
Trillion in  
Assets Under  
Management



**83%**  
of Global  
ETF Market  
Share\*

\* Nasdaq, April 2016



**Asset  
Management  
Firms,  
Professional  
Services  
Organizations**

## Key Takeaways

- › Environmental and social factors vary from industry to industry, but are indisputably financially material: employee and public safety is material for energy utilities; data privacy is a material factor for technology companies; and ensuring access to quality healthcare for all is a material factor for healthcare companies.
- › The concept of transparency for investors is evolving quickly with event participants calling for quarterly investor communications to become building blocks of longer-term plans and disclosure rather than the central focus. Repositioning quarterly earnings performance guidance from the ‘finish line’ to the starting line is a key objective for SII.
- › The over-emphasis on quarterly reporting is widely considered to be a driving force in the dearth of financially relevant non-financial 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.

Slide presentations made during the CEO Investor Forum can be reviewed at [wsw.com/webcast/cecp/](http://wsw.com/webcast/cecp/) and footage of the sessions can be viewed at [cecp.me/CIF1Videos](http://cecp.me/CIF1Videos).



*“Most decisions I’ve made in my tenure—new capital, acquisitions, R&D—are 30, 40, 50-year decisions. The fruits of the decisions from 10 years ago are just coming through now. All of that is long-term thinking and this is where the value is created.”*

**ANDREW LIVERIS**, CHAIRMAN & CEO, THE DOW CHEMICAL COMPANY

*“IBM’s culture has always been around managing for the long-term.”*

**MARTIN SCHROETER**, CFO, IBM



*“Our long-term view is that we continuously focus on improving our members’ health, and if we can do that, it’s a great business model.”*

**BRUCE BROUSSARD**, CEO, HUMANA 2007



*"An initiative like this is a place where investors and corporations can really connect; they can have a dialogue that is meaningful and substantive, and there are not many forums that do that."*

**ERIKA KARP**, FOUNDER & CEO,  
CORNERSTONE CAPITAL INC.

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*"We have to be the best in the world at measurement because that is the core of our business. And if we're not exceptionally good at what forms the core of our business, we can't expect to be successful over the long run."*

**MITCH BARNES**, CEO, NIELSEN



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*"The speed of change that we're seeing is probably the fastest in a century, but it's creating enormous opportunities for companies that can figure out how to navigate that change. And I think PG&E is in a great position to do just that."*

**ANTHONY F. EARLEY JR.**,  
CHAIRMAN, PRESIDENT, & CEO,  
PG&E CORPORATION

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*"I'm proud to be part of CECP and sit side-by-side with CEOs from major companies to exchange ideas and share best practices about how we can focus on creating long-term shareholder value."*

**THOMAS DEROSA**, CEO & DIRECTOR,  
WELLTOWER

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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](mailto:mtulay@cecp.co).

#### INAUGURAL CEO INVESTOR FORUM SPEAKERS INCLUDED:

**Mitch Barnes**, 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

**Robert Pozen**, Senior Lecturer, MIT &  
Former President, Fidelity Investments

**Martin Schroeter**, CFO, IBM Corporation

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## ABOUT THE STRATEGIC INVESTOR INITIATIVE

The Strategic Investor Initiative is developing a new platform for leading companies to develop, convey, and deliver their long-term plans to long-term investors. SII will spark the movement of trillions of dollars of capital to companies demonstrating performance excellence over the long-term and will help build trust in capitalism as an engine of global prosperity.



*Pictured above, left to right: Mark Tulay, Director, SII; Gillian Tett, US Managing Editor, Financial Times and Michael Corbat, CEO, Citi*

## 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.

CECP thanks Bloomberg, LP, Ford Foundation, and Heron Foundation for their generous support of CECP's Strategic Investor Initiative ([www.cecp.co/SII](http://www.cecp.co/SII)).



CECP | 5 Hanover Square  
Suite 2102  
New York, NY 10004  
212-825-1000  
[cecp.co](http://cecp.co)

Daryl Brewster, CEO, CECP  
Mark Tulay, Director, Strategic Investor Initiative

**Bloomberg**



**HERON**