

Executive Report



CECP's 8th CEO Investor Forum

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CEO
Investor
Forum



Highlights from the 8th CEO Investor Forum

The CEO Investor Forum held its 8th event, the only platform in the capital markets ecosystem for CEOs to publicly share their long-term value creation strategies with long-term institutional investors and asset owners. Presentations can be viewed at cecp.co/CIF.

The 2020 CEO Investor Forum featured 5 CEO presentations to a standing room only audience of 200 institutional investors from firms with \$10 trillion in assets under management. Another 1,200 investors participated virtually via the live-stream.

- » **Stanley Bergman**, Chairman & CEO, **Henry Schein, Inc.**
- » **André Calantzopoulos**, CEO, **Philip Morris International**
- » **Kevin P. Clark**, President & CEO, **Aptiv PLC**
- » **Thomas J. DeRosa**, Chairman and CEO, **Welltower**
- » **Scott G. Stephenson**, Chairman, President & CEO, **Verisk Analytics**

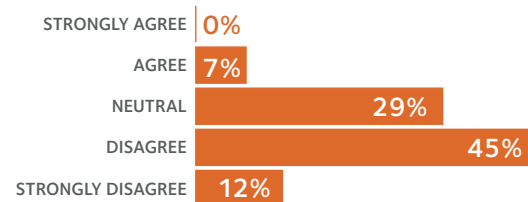
The audience also heard from panels and presentations with:

- » **David Abney**, Chairman & CEO, **UPS**
- » **Sonali Basak**, Wall Street Correspondent, **Bloomberg TV**
- » **Joaquin Duato**, Vice Chairman of the Executive Committee, **Johnson & Johnson**
- » **Rebecca Henderson**, Professor, **Harvard Business School**
- » **Deanna Mulligan**, President & CEO, **The Guardian Life Insurance Company of America**



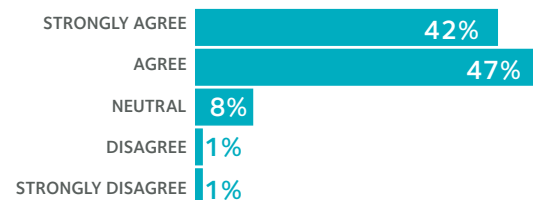
POLL QUESTIONS

Do you agree that companies are communicating long-term (3-5 years out) business plans that address the needs of customers, employees, suppliers, communities, and shareholders?



KEY FINDING: Only 7% of investors think companies are currently effectively communicating their long-term plans.

Will hearing companies' long-term plans influence your proxy voting and engagement strategies?



KEY FINDING: 89% of investors say a long-term plan will influence its proxy voting and engagement strategies.

Source: 8th CEO Investor Forum Live Polling

ATTENDEE PROFILE

10

PRESENTING CEOs AND
C-SUITE DISCUSSION
LEADERS

5

CEOs MAKING
LONG-TERM PLAN
PRESENTATIONS

~\$220

BILLION IN MARKET
CAPITALIZATION OF
PRESENTING COMPANIES

\$10

TRILLION IN ASSETS
UNDER MANAGEMENT



Key Investor Takeaways

Key themes from the Long-Term Plan presentations emerged, including:

- » **Stakeholder capitalism has taken center stage in a very short amount of time.** All eyes are on CEOs and their companies as they take intentional actions to operationalize what it means to put employees, customers, communities, investors, and suppliers at the core of business strategy and create long-term sustainable value for all.
- » **Boards of directors have a growing role in ESG issues.** Beyond fiduciary duties, directors with an eye on the long-term are driving conversations and policy changes about executive pay and incentives, diversity and inclusion, employee experience, corporate purpose, and sustainability.
- » **Companies are using near-term metrics to track long-term issues.** Leading companies are leveraging metrics traditionally used to track short-term performance to communicate their progress on long-term issues such as research and development, human capital, marketing, and climate change.
- » **For the first time, CEO signatories of the 2019 Business Roundtable Statement on the Purpose of a Corporation discussed their motivations for signing,** reactions it has generated among stakeholders, and how the CEOs are putting the tenets of the statement into action at their companies.
- » **Two CEOs updated their long-term plans from previous CEO Investor Forums** including Welltower's Tom DeRosa (2nd time) and Aptiv's Kevin Clark (3rd time).



CECP CEO Daryl Brewster opens the 2020 CEO Investor Forum.



STANLEY BERGMAN
Henry Schein, Inc.

"If you look at the megatrends impacting our industry, the big trend is digitalization. Our customers use more technology to deal with their day-to-day operations of their practice and to undertake the clinical parts of the practice, including for example in dentistry, the digitalization of prosthetics."

"Our investors are one of the five constituents that make up the Henry Schein mosaic of success and it is our fifth constituency, society, that is I believe the secret sauce that has been at the heart of consistent growth in earnings and at the heart of our growth in shareholder value."

"Our sustainability activity is under theegis of our board. Our board members have been committed to social responsibility really since the day they joined our board; we've always sought board members who are committed to social responsibility because we've found that this is the way in which we've been able to generate shareholder value."



ANDRÉ CALANTZOPOULOS,
Philip Morris International

"The new purpose of Philip Morris International is to deliver a smoke-free future, which is essentially a future without cigarettes."

"We had to build a different infrastructure. From an organizational perspective, we are dealing now with electronic products. We didn't have call centers. We didn't have reverse logistics. Now we have to develop new capacities around things like electronic recycling. It's a big change and we've managed to carry the organization along during that change."

"We have four very clear objectives. The first is to lead the way with youth prevention and unintended use. The second is to help switch 40 million away from tobacco cigarettes. Third is to help 100% of our farmers make a living so we can eliminate child labor. And the fourth is to be Scope 1 and 2 carbon neutral by 2025 with the intention of the entire value chain being carbon neutral by 2050. We are making very good progress on all of those objectives."



KEVIN P. CLARK
Aptiv PLC

"Aptiv provides sustainable solutions to environmental and other social problems while at the same time creating long-term value—for our customers, for our employees, and for our shareholders. We envision a world with zero traffic fatalities, cleaner air, and connected mobility."

"We believe that our long-term success as a business and our ability to increase value are directly tied to the successful execution of our strategy. And if you ask any of our employees why they joined Aptiv, the predominant response will be directly related to our strategy: to make the world safer, greener, and more connected."

"Our board of directors is actively engaged on strategy and assessment of our business. Throughout the year, our board meetings include deep dives into the business, addressing topics such as our product portfolio assessments, advanced technology investments, talent development, succession planning, sustainability, ethics, compliance, and other governance matters."



THOMAS J. DEROSA
Welltower

"Our Long-Term Plan enables Welltower, a \$52 billion New York Stock Exchange listed public company, to address massive challenges facing society, while at the same time driving sector leading financial performance that is creating value for our shareholders. We've demonstrated a commitment to environment, diversity and equality, and good governance that is much more than checking boxes and receiving awards. These initiatives are tangibly driving financial performance."

"Our investors have directly benefited from these initiatives through our issuance of a green bond in December of 2019. This innovative financing vehicle enabled Welltower to achieve its lowest coupon ever on a seven-year debt placement, as demand was seven times oversubscribed by large institutional investors with a commitment to the environment, many of whom are attending this event today."

"While Welltower is a company with true gender parity across our workforce, I am very proud of the fact that 50% of my senior leadership team is made up of women and people of color. While that has earned us many accolades, too, we take social responsibility beyond the walls of the business."



SCOTT G. STEPHENSON
Verisk Analytics

"Our purpose is to help our customers make better decisions that relate to managing risks, making investments, and making their operations work better. And the ultimate impact of what we do is touching tens of thousands of companies and millions of individuals around the globe."

"We intend to be the world's most effective and responsible data analytics company working on our customers most urgently felt issues."

"When you're focused on the human system, when you're focused on the capability of your employees, you are naturally thinking in terms of what can you do to help them develop and grow. It is no exaggeration to say that the growth of our people as individuals today is the growth of our company tomorrow. Those two things just go together."



Michael Rosen, CECP's CEO Investor Forum (left) and Stephen Brown, KMPG (right).



**CEO Investor Forum presentations
can be viewed at cecp.co/cif**



8th CEO Investor Forum Attendees

Portfolio managers, sector analysts, investment stewardship teams, sell side publishing analysts and other representatives from:

Aalborg University
Aging Media
AHC Group
AKO Capital
AllianceBernstein L.P.
ALN Consulting
ALSImpact
American Veterans Group, PBC
Ameriprise Financial, Inc.
Amgen Inc.
AMP Capital Investors
Apache Capital Management
Aptiv
Argus Investors' Counsel, Inc.
Artisan Partners Limited Partnership
Aspen Institute
B Lab
Balyasny Asset Management LP
Bank of America Corporation
Barclays
Baron Capital Management, Inc.
BD
Biopharma Sustainability Roundtable
Bloomberg L.P.*
BNY Mellon
Boston Consulting Group
BrainReserve
Brown Brothers Harriman & Company
Business Insider
Business Roundtable
CalSTRs
CamberView Partners
Canada Pension Plan Investment Board
CarMax
Catalent
Ceres
Citadel LLC

Coatue Capital, L.L.C.
Columbia Business School
ConantLeadership
Conscious Capitalism Inc.
Consumer Brands Association
Council of Institutional Investors
Cowen and Company
CSRHub
Datamaran
Delwar Capital
Deutsche Bank
DuPont Capital Management Corporation
DWS Group
Ecoshift
Ernst & Young International
Everest Effect
ExodusPoint Capital Management LP
FactSet Research Systems Inc.
Farr, Miller & Washington, LLC
FCLT Global
Financial Partners Capital Management, LLC
Financial Times
FiscalNote
Ford Foundation*
FSG, Inc.
FTSE Russell
Fundación Seres
Great Hill Enterprises
Great Lakes Advisors, LLC
Green Diamond Sustainable Performance
Gregoro LLC
Guardian Life Insurance Company of America
Harris Associates L.P.
Harvard Business School

Henry Schein, Inc.
Hermes Investment Management
Hestia Global
High Meadows Institute
Impower Capital
Interactive Brokers Group
ISOS Group
Johnson & Johnson
Jones Day
Journal of Applied Corporate Finance
JPMorgan Chase & Co.
JUST Capital
KPMG LLP*
Lazard Asset Management, L.L.C.
Liberty Mutual Insurance Company
Lord, Abnett & Co. LLC
Mastercard
Matarin Capital
Medtronic PLC
Mendham Capital Management
Morgan Stanley
National Investor Relations Institute
New York State Senate
New York University
Nielsen Holdings plc
NortonLifeLock Inc.
NYU – Stern School of Business
Oxford Saïd Business School
Palmetto Bay Capital Management
Paul Ellis Consulting
PGIM Investments LLC
Philip Morris International
Piper Jaffray Companies
Preventable Surprises
Prudential Financial, Inc.
Prudential Financial, Inc.
Quest Diagnostics Incorporated

Robert W. Baird & Co., Incorporated
Rockefeller & Co.
Royal Bank of Canada
Say Technologies
Select Equity Group, Inc.
Steadfast Capital
Stikeman Elliott LLP
Sunriver Capital Management LLC
Sustainability Accounting Standards Board
Sustainable Governance Partners
Sustainalytics
The B Team
The Estée Lauder Companies Inc.
The F. B. Heron Foundation*
The Goldman Sachs Group, Inc.
The Long-Term Stock Exchange
The NASDAQ Stock Market
The Nature Conservancy
The Roosevelt Investment Group, Inc.
The Vertical Group
UBS*
UMB Financial Corporation
United Nations Conference on Trade and Development
United Nations Global Compact
UPS
Verisk Analytics
Viacom Inc.
Voya Financial, Inc.
Walmart Inc.*
Weil, Gotshal & Manges LLP
Wells Fargo & Company
Welltower Inc.
Whitwell Partners
World Benchmarking Alliance
ZRG Partners, LLC
Zurich Insurance Group

Bold lettering indicates CEO Investor Forum Advisory Board member

*Indicates presenting sponsor



Looking Ahead

Stay tuned for information on the next CEO Investor Forum at cecp.co/events.

ABOUT THE CEO INVESTOR FORUM

The CEO Investor Forum is a global organization preparing corporate leaders for the next generation of stakeholders. At its core, the CEO Investor Forum provides support and guidance to CEOs and their teams on how to develop and communicate their long-term strategy to institutional investors and other key stakeholders. Through its proprietary Long-Term Plan Content Framework, advisory services and events, the Forum empowers CEOs to proactively set the context, own their narrative, and lead now and in the future.



(Left) Deanna Mulligan, Guardian Life Insurance Company, Joaquin Duato, Johnson & Johnson, and David Abney, UPS offer their perspective on long-termism and the recent Business Roundtable (BRT) statement on corporate purpose, signed by 181 CEOs. (Right) Attendees at the 8th CEO Investor Forum.



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Daryl Brewster, CEO, CECP
Michael Rosen, Head of Capital
Markets Engagement

The CEO Investor Forum thanks the event's presenting sponsors: KPMG, UBS, and Walmart. CECP also thanks Bloomberg LP, Ford Foundation, Heron Foundation, and Robert Wood Johnson Foundation for their generous support.

