



Strength in Solutions Webinar Series



Total Social Investment: Deep Dive into the Whole- Company-Approach

Thank you to our Summit Sponsors:

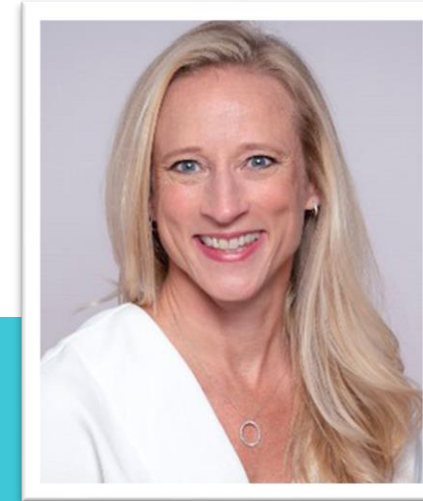


Total Social Investment: Deep Dive Into the Whole-Company-Approach



Carmen Perez

Senior Director, Data Insights
CECP
cperez@cecp.co



Kristina Kloberdanz

SVP, Chief Sustainability Officer
Mastercard
@KristinaKloberd

Thank you to our Summit Sponsors:



Enage: Focus, Chat, Polls, Q&A



Photo: CECF's Global Exchange Inaugural in-person convening, May 2018

<https://cecp.co/home/our-coalition/the-global-exchange/>

Agenda: Six Topics

Total Social Investment (\$) is a metric that sums up a company's resources used for "S" in ESG efforts.

Current metrics have gaps, we need something new to capture innovations in corporate social impact.

Mastercard
Case Example

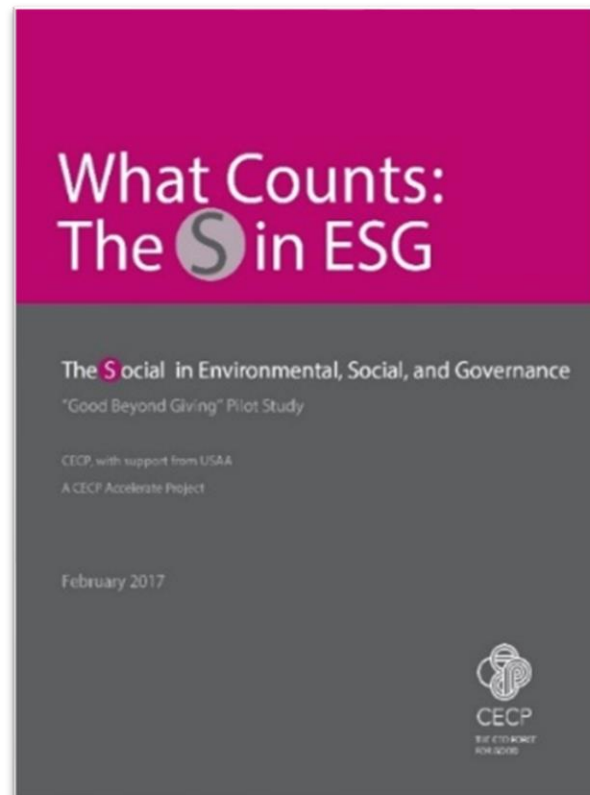
CECP has guidance to help decide which innovations to count and which to exclude.

Corporate Response to Covid-19 represented a spike in unique efforts, not all of which are counted

Calculating the value of Total Social Investment.

Call to action: express interest in joining leading group of early adopters.

BACKGROUND: 2016 Publication



Support from:



BACKGROUND: Building TSI

Measurement Group of Experts

- Eric Hespenheide, GRI Chair
- Mary Winkler, Urban Institute
- Ken Pucker, Berkshire Partners, BU Questrom School of Business
- Bridget Ferrari, Supply Chain Expert, Shire (Formerly Sustainability Lead, Enel and National Grid)
- Prof. Stephanie Bertels, Embedding Project and Beedie School of Business, Simon Fraser University
- Hideki Suzuki, Bloomberg ESG platform
- Dr. Steve Malinak, TruValue Labs Insight 360
- Elizabeth Lea Rutledge, BU Questrom School of Business (Facilitator)

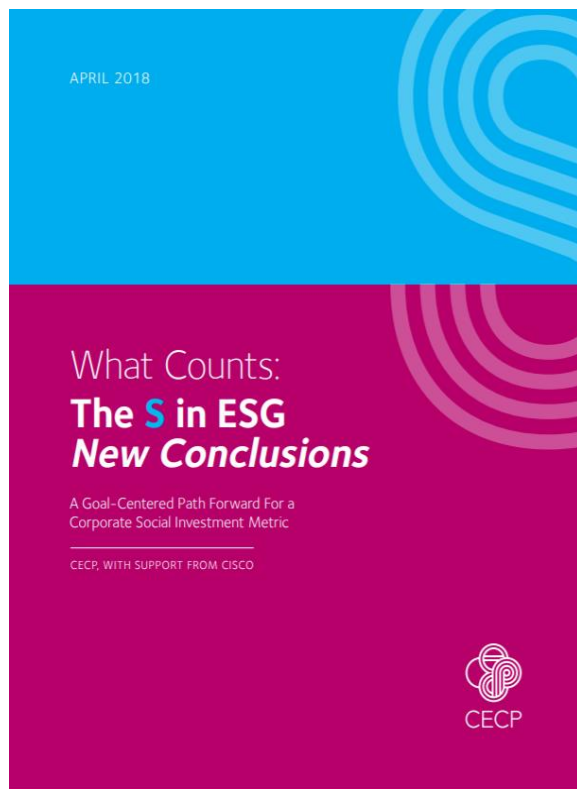


PILOT COMPANIES



SELECTED REFERENCES

BACKGROUND: 2018 Publication

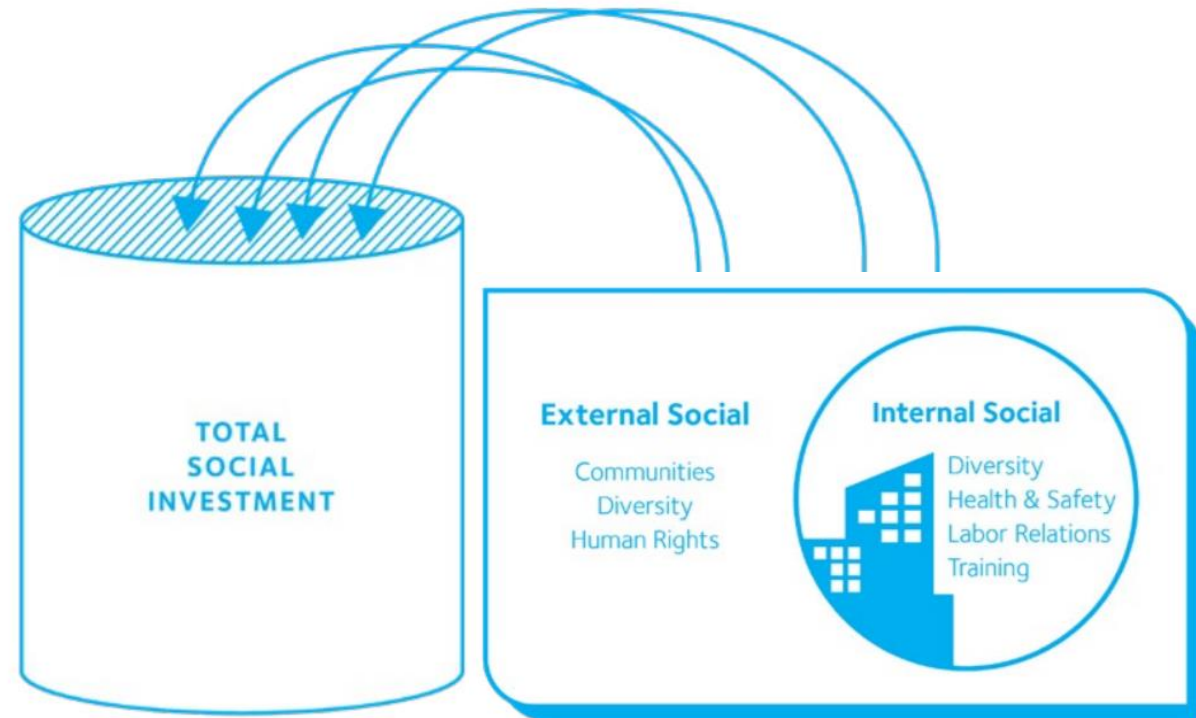


Support from:



Total Social Investment is...

Total Social Investment (\$) is a metric that sums up a company's resources used for "S" in ESG efforts.



REGENERON

Table-based approach to ESG data

Using
examples
to frame
reporting
Total
Social
Investment

SOCIAL¹

		2016	2017	2018	2019
Workforce	Total Employees	N/A	6,230	7,383	8,114
	Global Workforce by Gender				
	Female	N/A	47%	48%	49%
	Male	N/A	53%	52%	51%
	Global Workforce by Age ²				
	Under 30 Years Old	N/A	N/A	25%	25%
	30–50 Years Old	N/A	N/A	58%	58%
	Over 50 Years Old	N/A	N/A	17%	18%
	Diversity of U.S. Workforce ²				
	White	N/A	N/A	63%	64%
	Minority	N/A	N/A	28%	29%
	Not Disclosed	N/A	N/A	9%	8%
	Women in Leadership Positions (Director Level and Above)				
	Female	N/A	37%	37%	39%
	Male	N/A	63%	63%	61%
	Retention Rate	N/A	92%	93%	92%
	Voluntary Turnover Rate	N/A	N/A	N/A	7%
	Involuntary Turnover Rate	N/A	N/A	N/A	1%
	Employee Engagement Rate ³	N/A	86%	89%	89%

N/A = Not available

1. As of December 31 of the applicable year, unless noted otherwise

2. 2019 percentages sum to more than 100 percent due to rounding

3. Percentage of Regeneron employees who said Regeneron is a great place to work in our annual engagement survey

REGENERON

Table-based approach to ESG data

Using
examples
to frame
reporting
Total
Social
Investment

SOCIAL¹ (Continued)

		2016	2017	2018	2019
Occupational Health and Safety	Total Recordable Incident Rate (TRIR)	N/A	.92	0.98 ²	0.68
	Lost Time Injury Rate (LTIR)	N/A	.20	0.28	0.24
	Days Away, Restricted or Transferred (DART)	N/A	.26	0.38	0.34
	Fatalities	0	0	0	0
	TRIR by Accident Type (%)				
	Ergonomic Related	N/A	N/A	N/A	43%
	Abrasions/Sharps ³	N/A	N/A	N/A	17%
	Slip/Trip/Fall	N/A	N/A	N/A	15%
	Motor Vehicle	N/A	N/A	N/A	12%
	Struck By/Against	N/A	N/A	N/A	7%
	Possible Allergic Reaction	N/A	N/A	N/A	3%
	Other	N/A	N/A	N/A	3%
Community Involvement	Cash Contributions (USD, millions)	N/A	\$14.9	\$12.9	\$19.2
	In-kind Contributions (USD, millions) ⁴	N/A	N/A	\$57	\$266
	Employee Time Contributions (USD, millions)	N/A	N/A	\$1.2	\$1.5
	Employee Volunteer Rate	N/A	56%	61%	59%

N/A = Not available

1. As of December 31 of the applicable year, unless noted otherwise

2. The 2018 TRIR has been updated due to an incident that occurred in 2018 but was reported in 2019

3. This covers the OSHA categories of Needlestick Sharps and Abraded/punctured/scratched/laceration

4. Represents wholesale acquisitions cost

THE HERSHEY COMPANY

Table-based approach to ESG data


Using examples to frame reporting
Total
Social
Investment


↑↑ SHARED BUSINESS		2019	2018	2017
FINANCIAL PERFORMANCE	Number of countries in which our products are marketed	85	90	80
	Number of countries in which our products are manufactured	6	6	7
	Manufacturing facilities (wholly owned/joint ventures)	15/1	15/1	18/1
	Consolidated net sales (U.S. \$ million)	7,986	7,791	7,515
	Shareholder return	40.2%	-2.9%	12.37%
	Adjusted diluted earnings per share	5.78	5.36	4.69
	Income taxes paid (U.S. \$ million)	238.1	118.8	351.8
	Worldwide payroll (U.S. \$ million)	834	755	793.7
	One year net sales growth	2.5%	3.7%	1%
	Investment in R&D (000s)	37.1	38.5	45.9
	Number of brands	>80	>80	>80
RESPONSIBLE SOURCING	Certified and sustainable cocoa in all our chocolate products worldwide	90%	80%	75%
	Farmers supported directly through Cocoa For Good	51,009 (12% female)	50,518	54,000
	Palm oil purchases traceable to mills and plantations	99.8% (mill) 50.0% (plantation)	99.8% (mill) 34.0% (plantation)	99.3% (mill) 14.0% (plantation)
CHOICE AND TRANSPARENCY	Portion of portfolio with a live SmartLabel™ landing page with detailed product, ingredient and allergen information (excluding multi-product assortments and Krave Jerky)	90%	90%	100%
	Wholly owned manufacturing sites certified by the Global Food Safety Initiative	100%	100%	88% (15 of 17 sites)


THE HERSHEY COMPANY

Table-based approach to ESG data

Using
examples
to frame
reporting
Total
Social
Investment

 OUR REMARKABLE PEOPLE	2019	2018	2017
Number of employees worldwide (full-time/part-time)	16,258 (14,725/1,533)	16,422 (14,927/1,495)	16,910 (15,360/1,550)
Union representation (approximate)	34%	35%	32%
Number of women on Executive Committee	2 (22%)	3 (38%)	5 (50%)
Number of women on Board of Directors	5 (42%)	5 (45%)	5 (38%)
Number of racial minorities on Board of Directors	1 (8%)	0 (0%)	0 (0%)
Percentage of workforce, women	47.9%	48.7%	47.9%
Percentage of management, women	36.6%	36.2%	36.1%
Percentage of workforce, racial/ethnic minorities (U.S. only)	20.1%	19.6%	19.7%
Total Recordable Incident Rate (TRIR)	1.36	1.48	1.38
Days Away, Restricted, Transferred (DART)	1.02	1.11	0.99
Lost Workday Incident Rate (LWIR)	0.51	0.55	0.46
Total fatalities (work-related)	0	0	0

 CHILDREN AND YOUTH	2019	2018	2017
Number of children receiving <i>Vivi</i> on a daily basis	58,300	57,000	52,913
Children reached through The Heartwarming Project partnerships	6,710,696	6,086,000	n/a
Youth directly benefiting from HWP investments	775,386	697,522	n/a
Youth taking part in Heartwarming actions	12,440	4,116	n/a

 SHARED COMMUNITIES	2019	2018	2017
Cash donations (U.S. \$ million)	12.2	10.9	11.9
Product donations (U.S. \$ million)	8.3	9.7	8.5
Employee volunteer hours	135,805	133,600	130,737

Using
examples
to frame
reporting
Total
Social
Investment

PERFORMANCE DATA SUMMARY

Report Section	2019	2018	2017	2016	2015
Our Business and Financial Results					
Net revenue (dollars in billions)	\$72.0	\$70.8	\$62.8	\$59.4	\$55.4
Net income (dollars in billions)	\$21.0	\$21.1	\$9.6	\$10.3	\$11.4
Provision for taxes (dollars in billions)	\$3.0	\$2.3	\$10.8	\$2.6	\$2.8
Research and development spending (dollars in billions)	\$13.4	\$13.5	\$13.0	\$12.7	\$12.1
Capital investments (dollars in billions)	\$16.2	\$15.2	\$11.8	\$9.6	\$7.3
Employees at year end (in thousands)	110.8	107.4	102.7	106.0	107.3
Safety – recordable rate ¹ /days away case rate ^{1,2}	0.68/0.13	0.69/0.11	0.68/0.12	0.49/0.07	0.54/0.10
Environmental Sustainability					
Greenhouse gas emissions (million metric tonnes of CO ₂ equivalent) ³	2.79	2.58	2.46	1.62	2.00
Renewable energy purchased (% of global electricity use)	71%	71%	73%	80%	65%
Energy use (billion kWh – includes electricity, gas, and diesel)	9.6	8.3	7.3	6.5	6.4
Total water withdrawn (billions of gallons) ⁴	12.6	12.0	11.1	9.4	9.0
Hazardous waste generated (thousand tons)/% to landfill	124.7/1%	95.2/4%	78.8/3%	63.6/0.7%	61.6/2%
Non-hazardous waste generated (thousand tons)/% recycled	262/93%	129/90%	108/85%	81/82%	81/82%
Supply Chain Responsibility					
On-site supplier audits (third-party and Intel-led audits) ²	207	221	170	157	113
Diversity and Inclusion					
Percentage of women in our global workforce	28%	27%	27%	26%	25%
Percentage of women on our Board (%) ⁵	20%	20%	17%	18%	18%
Social Impact					
Employee and retiree volunteer hours (in millions)/volunteerism rate	1.2/39%	1.5/64%	1.2/36%	1.2/38%	1.3/41%
Worldwide charitable giving (dollars in millions) ⁶	\$75.1	\$84.2	\$89.6	\$122.7	\$90.3

¹ Rate based on 100 employees working full time for one year; data is as of March 2020.

² Previous years' figures are updated to reflect the most current information. 2018 water withdrawn has been updated due to a misclassification at one site, resulting in an overstatement by 0.8 billion gallons. The corrected value reflects a significant reduction in our originally reported 2018 water withdrawn amount.

³ Including Scope 1 and Scope 2 Market Based Method.

⁴ We define water withdrawals, or water usage, as total gallons of incoming fresh (potable) water used.

⁵ Note that if all of the director nominees are elected at our 2020 Annual Stockholder Meeting, this will increase to 33%.

⁶ Includes total giving (cash and in-kind) from Intel Corporation and the Intel Foundation.

Simulated Example: Total Social Investment in ESG data table

Acme Co. uses a data table in their Sustainability Report, with the following lines on social impact

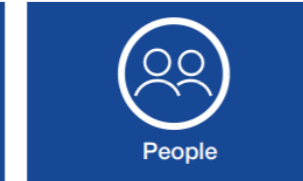
Social Metrics

Whole
company
approach

	2020	2019	2018
% Volunteer Participation	37%	36%	35%
% Women in management	45%	41%	40%
Total Social Investment (\$)	\$809,150,000	\$890,450,000	\$545,000,000
Community Investments	4%	6%	7%
Social Value	8%	4%	3%
Human Rights	7%	5%	9%
Diversity, Equity, Inclusion	10%	9%	4%
Training	40%	42%	45%
Labor relations	20%	25%	19%
Health & Safety	11%	9%	13%

WEF's *Toward Common Metrics and Consistent Reporting of Sustainable Value Creation*

- > Four Categories, 22 Core Metrics
- > Consultation draft, January 2020



Employment and wealth generation

Core

- # jobs created
- Net econ contribution
- Net investment

Expanded

- Avg. wage
- Significant indirect econ impacts

Innovation of Better Products & Services

Core

- R&D Spend ratio

Expanded

- Vitality Index
- Net Promoter Score
- Social value generated (%)

Community & Social Vitality

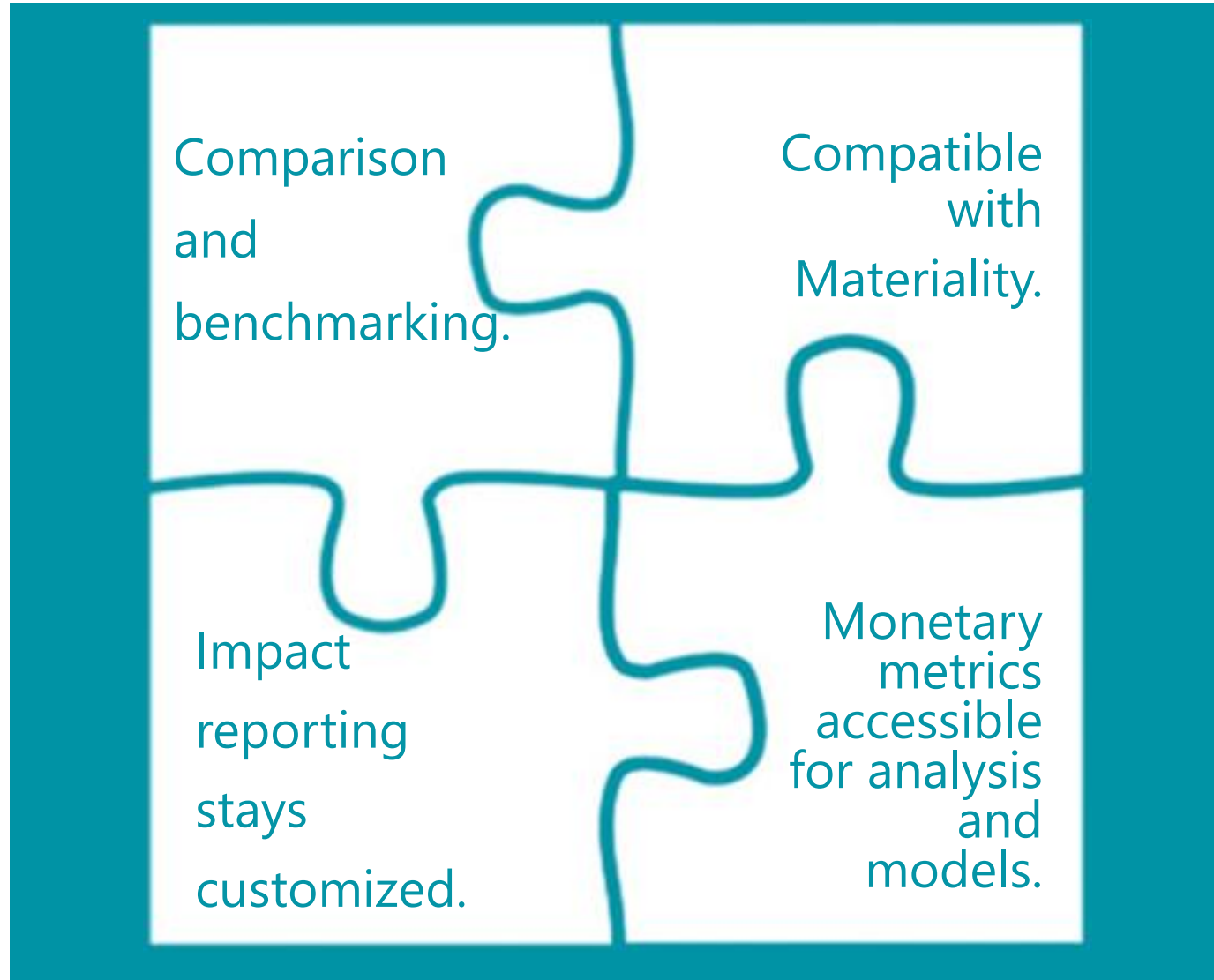
Core

- Community investment (%)
- Tax reporting (country)

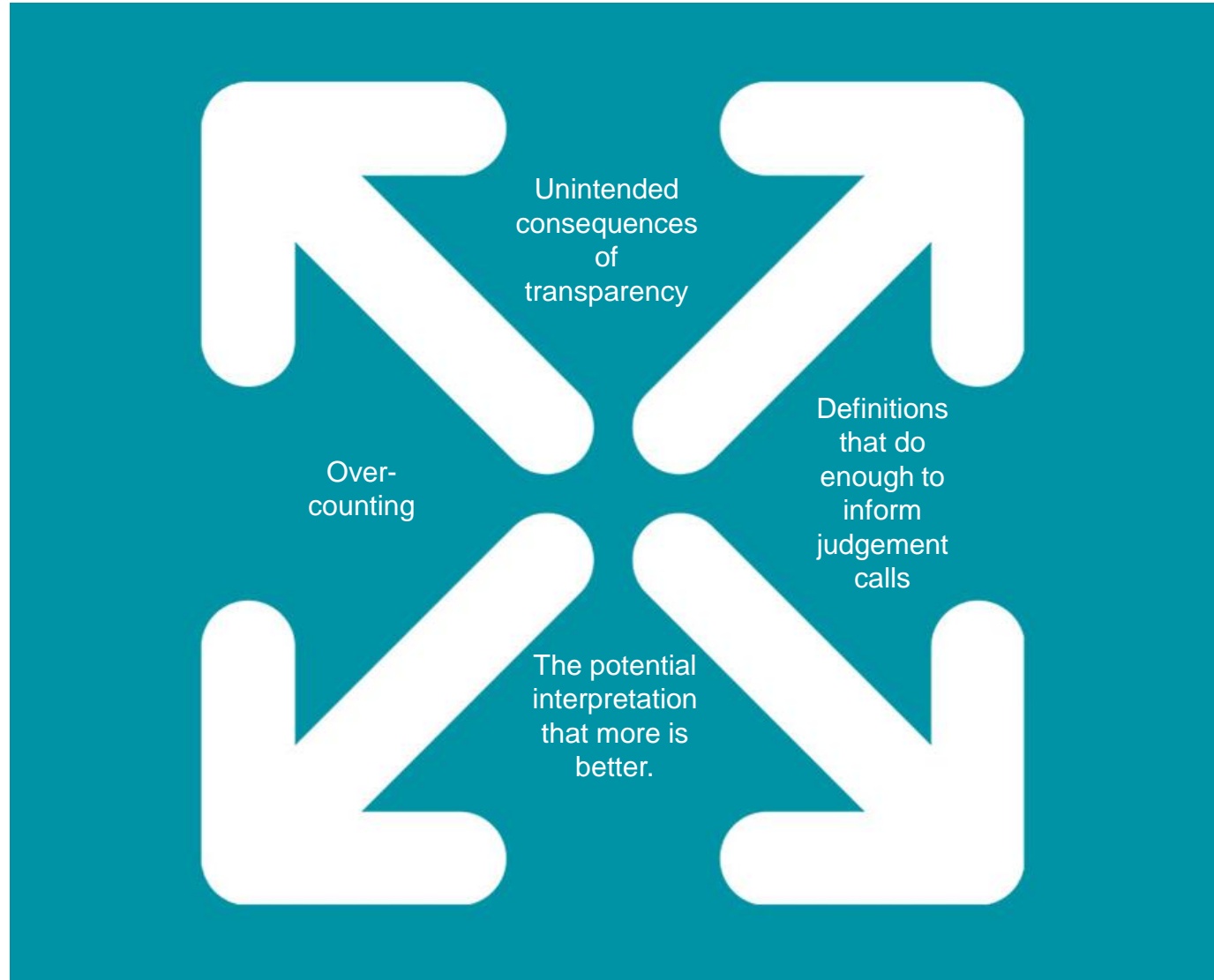
Expanded

- Infrastructure investments and services supported
- **Total Social Investment (\$)**

Total Social Investment Solves Many “S” Metrics Issues Raised by Companies

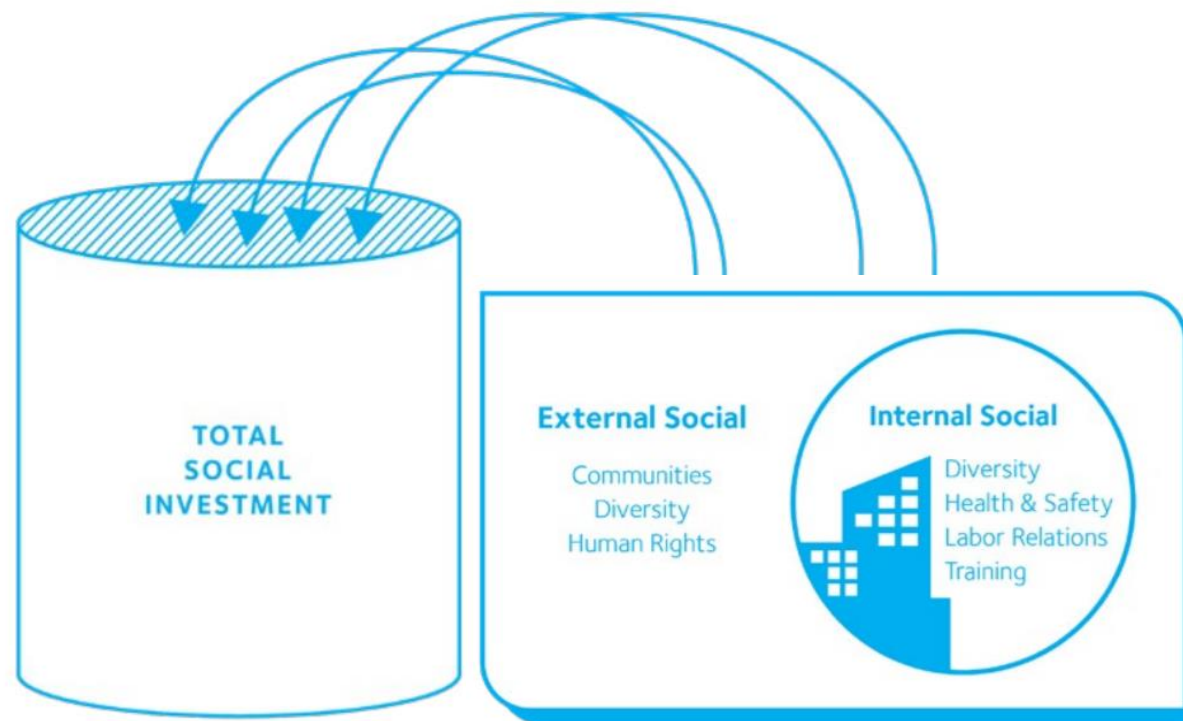


Total Social Investment Also Requires Judicious Attention to Some Potential Issues



Total Social Investment includes...

Total Social Investment (\$) is a metric that sums up a company's resources used for "S" in ESG efforts.



Known Areas + Gap Areas

Closer Look: Social Value

Acme Co. uses a data table in their Sustainability Report, with the following lines on social impact

Social Metrics

	2020	2019	2018
% Volunteer Participation	37%	36%	35%
% Women in management	45%	41%	40%
Total Social Investment (\$)	\$809,150,000	\$890,450,000	\$545,000,000
Community Investments	4%	6%	7%
Social Value	8%	4%	3%
Human Rights	7%	5%	9%
Diversity, Equity, Inclusion	10%	9%	4%
Training	40%	42%	45%
Labor relations	20%	25%	19%
Health & Safety	11%	9%	13%

Closer Look: Social Value

Community Investments

Defined by CECP Valuation Guidance

- Corporate Cash
- Foundation Cash
- In-Kind & Pro Bono (at FMV)

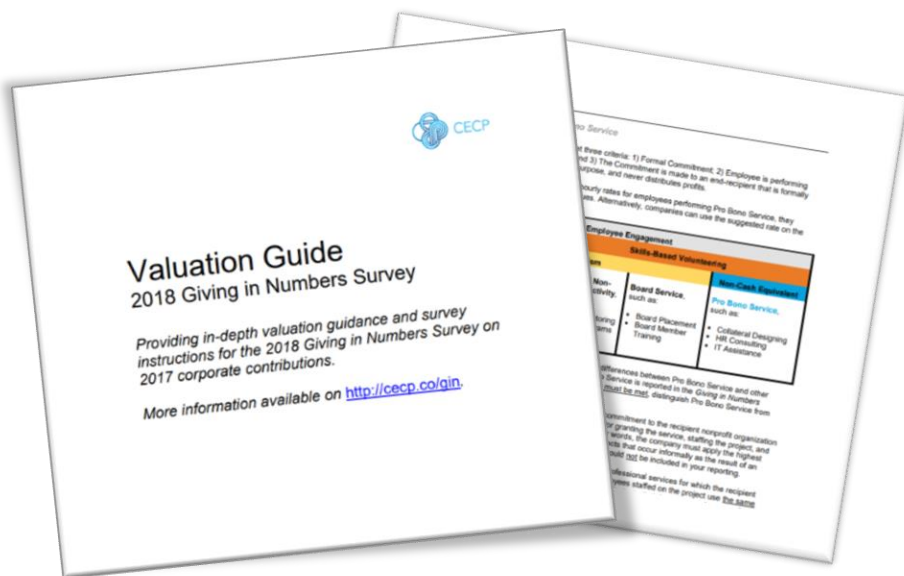
Social Value

Working Definitions in What Counts: S in ESG, New Conclusion to address gaps in current reporting

- Broader Partnerships
- Shared Strategies

Closer Look: Social Value

Broader Partnerships



1 Growing in terms of what is contributed

Adjustments to “fair market value” valuation

2 Growing in terms of partners

Partnership and initiative parameters

3 Growing in terms of financial transaction type

Address balance sheet concern

Closer Look: Social Value

Shared Strategies: Decision Tree

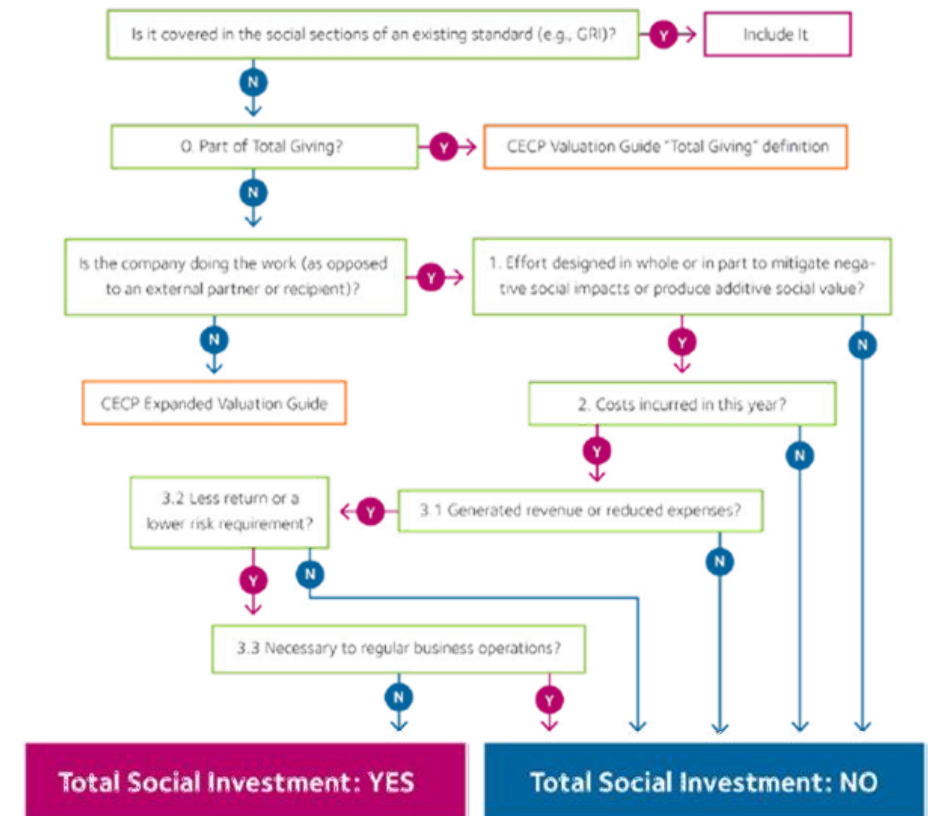
Baseline Assumptions Behind a Total Social Investment Effort

Companies' Stakeholders
Defined

Critical Issues
Identified

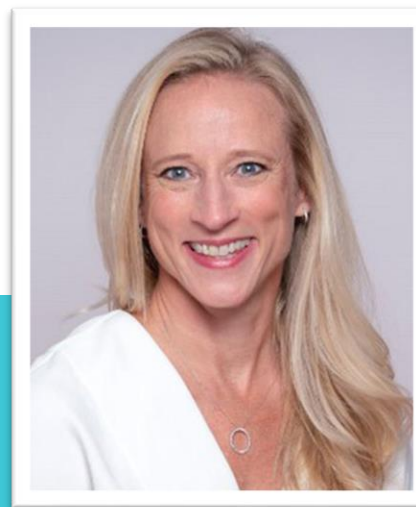
Long-Term Business
Strategies Set

Internally a company would count an effort as a social investment.
Would the industry include the effort in Total Social?



CASE EXAMPLE: MASTERCARD

Total Social Investment: Deep Dive Into the Whole-Company-Approach



Kristina Kloberdanz
SVP, Chief Sustainability Officer
Mastercard
@KristinaKloberd

Thank you to our Summit Sponsors:



Mastercard Example

Social Metrics

% Volunteer Participation
% Women in management
Total Social Investment (\$)
Community Investments
Social Value
Human Rights
Diversity, Equity, Inclusion
Training
Labor relations
Health & Safety

Community Investments

Mastercard Impact Fund i.e. grants towards Data Science for Social Impact, employee-match donations and more

Disaster relief

Employee volunteerism

Business unit charitable donations

Social Value

Cause marketing i.e. priceless causes donations, 100 million meals and more

Mastercard products and solutions i.e. Community Pass, Kionect and more

Master Your Card, a financial literacy program

Data philanthropy





one billion

We have reached our original **500MM** financial inclusion target.

New goal: include another **500MM individuals** and **50MM micro merchants** by 2025, with a focus on reaching **25MM women**

Priceless Planet

Mobilizing our network of partners to unite in climate change action

Our Ambition

- **Unite** – engage financial institutions, merchants, cities and partners to empower our 3B cardholders to take action in fighting climate change
- **Impact** - tree planting is an effective carbon removal method, and is quantifiable and relatable for consumers and businesses

The Approach

Build partnerships to scale tree planting programs, with help from each region

- **Issuers** – e.g. promote spend at public transport by planting a tree for (x) trips taken
- **Digital players** - e.g. donate a portion of every ecommerce transaction during a specific time period
- **Merchants** – e.g. plant a tree for (x) amount of cardholder spend in store
- **Corporates** – e.g. contribute commercial card rebates to fund tree planting projects

AP Priceless Planet Coalition Champion:
Rich Wormald

first objective:
**plant 100
million trees
in 5 years**

Why Trees?

- Planting trees is one of the most effective and cost-efficient methods of carbon removal from the atmosphere
- Sustainable forestation projects help reduce the occurrence of climate-related disasters, such as fires and flooding
- Trees help clean the air we breathe, filter water we drink, and provide habitat for wildlife

ADDITIONAL DETAILS ON DECIDING WHETHER OR NOT TO COUNT AN EFFORT

Closer Look: Social Value

Shared Strategies: Decision Tree

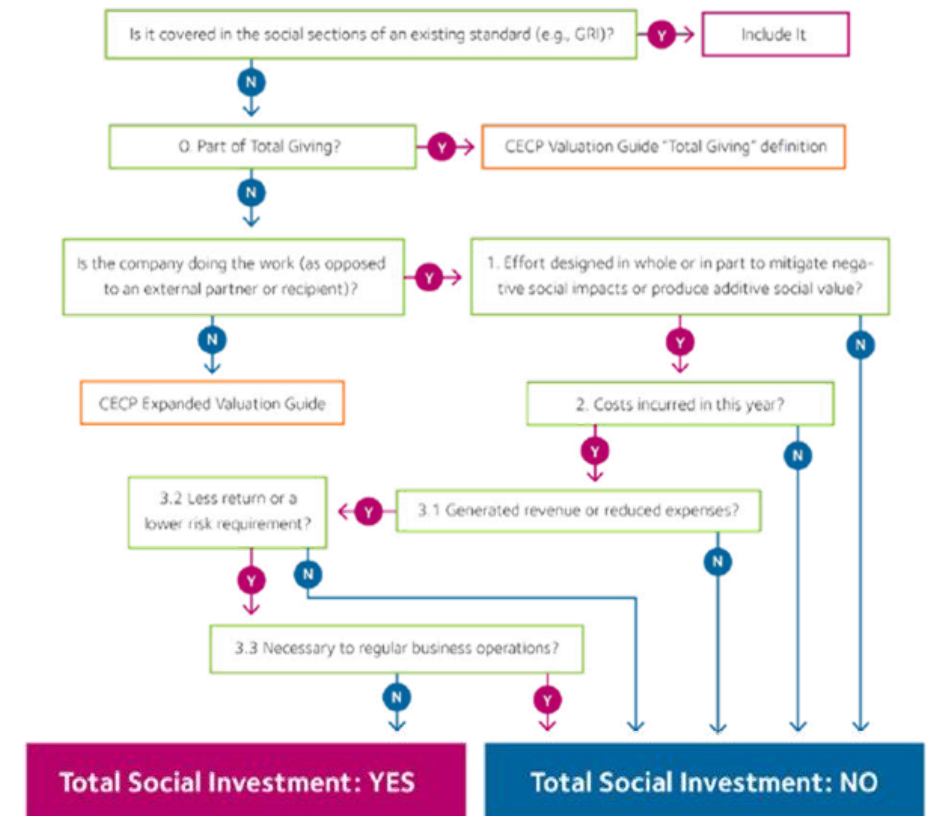
Baseline Assumptions Behind a Total Social Investment Effort

Companies' Stakeholders
Defined

Critical Issues
Identified

Long-Term Business
Strategies Set

Internally a company would count an effort as a social investment.
Would the industry include the effort in Total Social?



DECISION TREE: CURRENT & EXPANDED

MORE DETAILED GUIDANCE SUPPLEMENTS THE VISUAL DECISION TREE

1) Was the effort designed in part or in whole to mitigate a negative social impact of the company or increase the social value produced by the company for a relevant community stakeholder?

- ‘**Community stakeholder**’ is defined by GRI: Stakeholder: any entity or individual that can reasonably be expected to be significantly affected by the reporting organization’s activities, products and services, or whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives. Local community: persons or groups of persons living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organization’s operations.
- Employees and customers are acceptable stakeholders as well
- Social issue areas are referenced in the Global Guide Criterion #2, sourced from the International Classification of Non-profit Organizations (ICNPO): Education and Research, Culture and Recreation, Health, Social Services, Development and Housing, Law and Advocacy, Philanthropic Intermediaries and Volunteerism Promotion, and International

Details to support judgement calls around intent and design.

- Can the company articulate the specific social value produced? This does not imply the company must have proof or data.
- “In part” should be interpreted as an **explicit, material,** intention to produce social value. It should **not be social value produced incidentally.**

DECISION TREE: CURRENT & EXPANDED

MORE DETAILED GUIDANCE SUPPLEMENTS THE VISUAL DECISION TREE

2) Did the effort incur costs for the company in the reporting year.

- Establishing the existence of costs ensures the effort could have a value to include in Total Social Investment
- *Setting a goal or joining an alliance (membership) are likely to fail this criterion, but the efforts conducted to achieve the goal or work for the alliance are likely to pass.*

3.1) Did the effort generate any revenue or reduce any expense?

- **‘Generating revenues’** means that this effort generates or is reasonably expected to generate cash inflows, or is an essential part of a cash-generating activity. For example, *veteran hiring* is expected to generate cash inflows in the future; *Product safety training for contractors, supplier policy* are an essential part of cash-generating activities
- If the effort *does not* generate revenues or reduce any expenses, **include the investment under total social investment.**
- If the effort generates revenues or reduces any expenses, then proceed.

Details to support judgement calls around costs, revenue, reducing expenses.

- **Costs can include calculation of staff time**
- Costs and reduction of expenses should be determined based on internal assessments of a significant-enough reduction in financial reporting.
 - For example, 1 staff member spending 2 hours of time would be insignificant.
- Revenue of even \$1 should proceed.

DECISION TREE: CURRENT & EXPANDED

MORE DETAILED GUIDANCE SUPPLEMENTS THE VISUAL DECISION TREE

3.2) How is the revenue generated or expenses saved different because of the social value?

- If returns and risks are comparable, then proceed.
- If the effort requires less returns or profit margin (than the other business projects with similar risks) or bears higher risks (than the other business projects with similar returns) when making investment decisions, **include the investment under total social investment.**

Examples:

- If the cost of goods increased \$1.00 per item, what other business project has a similar increase? If that business project intended to bring in 5% growth in new customers, the social value project might receive a green light even with expectation of 3% growth.

Details to support judgement calls on revenue and expense in relation to social value

- Return to the social value articulated in Criterion 1 as a reference point for comparison
- Comparing risks and returns could require collaboration:
 - Use of **information from other departments** in your company. The example does not have to be an exact numeric match, OR
 - If a comparative example is unavailable, review this criterion via committee of **minimum three internal executives**

DECISION TREE: CURRENT & EXPANDED

MORE DETAILED GUIDANCE SUPPLEMENTS THE VISUAL DECISION TREE

3.3) Can the production of social value distinguish the effort as different than efforts necessary to sustain regular business?

- **‘Necessary to sustain’** refers to activities necessary to keep the business running as usual. Consider the likelihood that the company could choose not to do this effort, or if the company would still make the investment if community stakeholders had not been considered. For example, *privacy agreement, information security system, compliance, company culture development, regular new hiring, and regular internships* will fail this criterion because they are necessary to sustain the regular business operation.
- **‘Regular business’** refers to the core products and services that a company provides to produce revenue. Generally, CECP recommends that while an effort may have counted at inception, after it has been active for three to five years, it is thereafter regular business.
 - If the effort is neither part of NOR necessary to sustain the regular business, **then include the investment under total social investment**..
 - If the effort is necessary to sustain regular business, don’t include it.

Details to support judgement calls around regular business.

- Reference to community stakeholders can be interpreted that pursuit of profit was not primary.
- Mandates and regulation would not count.
- **Time horizon is important.** An activity is most likely to count when new because that marks a change from past practices.

Covid Response: Spike in Shared Strategies

CVS: 1) waive charges for medication home delivery
2) Waive co-pays for telemedicine visits for the next 90 days
3) Dedicate parking lot for coronavirus testing

Dow: convert manufacturing to produce hand sanitizer. Dow doesn't sell this but had much of required raw materials. Designated locations at full production would produce 880,000 8 oz. bottles

Medtronic: Publicly shared design specifications for PB560 ventilator, 100,000 registrations for the information.

Walmart: Special cash bonus, \$365M in April 2020. Second special cash bonus, \$390M in May 2020

Covid Response: Spike in Shared Strategies

CVS: 1) 3.2 “Less return” is the revenue they could have earned for delivery fees.

Proposal: count delivery cost (\$) OR 20% of revenue lost.

Dow: if donated, passes at 3.1. If sold at market price, passes at 3.3.

Proposal: if donated, count fair market value. If sold, count staff time to launch the change.

Medtronic: passes at #2

Proposal: project ventilators produced and sold by competitors, count 20% of Medtronic’s cost to produce.

Walmart: Judgement call on #1. If yes, passes at 3.1.

Proposal: Analyze hazard pay proposals to determine if bonus was above or below standard. If above, count the difference.

Covid Response: Spike in Shared Strategies

Allstate: Shelter-in-Place Payback – 15% based on monthly insurance costs

DTE Energy: 51,000 tablets and internet access provided to students (collaborative efforts with multiple partners and Detroit Public School Community District)

3M: Shifted to maximum production capacity of N95 masks, did not raise price, and conducted efforts to monitor pricing of suppliers

Regeneron: Industrial Operations and Product Supply (IOPS) team is assisting New York State by making and donating viral transport media (VTM), a critical component of COVID-19 testing kits that has been in short supply: 500,000 total VTM kits to New York State, an approximately \$1 million in-kind contribution

Covid Response: Spike in Shared Strategies

Allstate: Judgment call on #1. If yes, passes.

Proposal: Analyze reduced expenses in comparison to pay-out. Reduce pay-out by amount kept + count staff time to execute.

DTE Energy: Broader partnerships (not shared strategies), report separately from product donations.

3M: Passes at 3.2.

Proposal: Analyze previous price fluctuation for 3M health-related, high demand product. Calculate forgone revenue. Count 20%.

Regeneron: passes at 3.1. Already valued cost of materials and staff at \$1 million in-kind contribution

CALCULATING THE AMOUNT TO REPORT

About Half of Companies are Reporting Unique Efforts

85%

of companies have unique
COVID-19 response efforts

54%

of companies are counting
them

***Top (3) Responses on What They
are Counting:***

1. Fair Market Value (what a customer would pay) of a donated good/service
2. Value of Re-deployed Staff Time
3. Cost of Materials

Results reflect data pulled on May 5, 2020. CECP is sharing these as companies are making decisions on COVID response in real-time. The results are drawn from a representative sample of our affiliated companies. *When referencing this finding, please list the source as: Chief Executives for Corporate Purpose, Pulse Survey, April 2020. Topic: COVID-19 Response Community Partnership Changes, field dates: April 21, 2020 – May 5, 2020.*

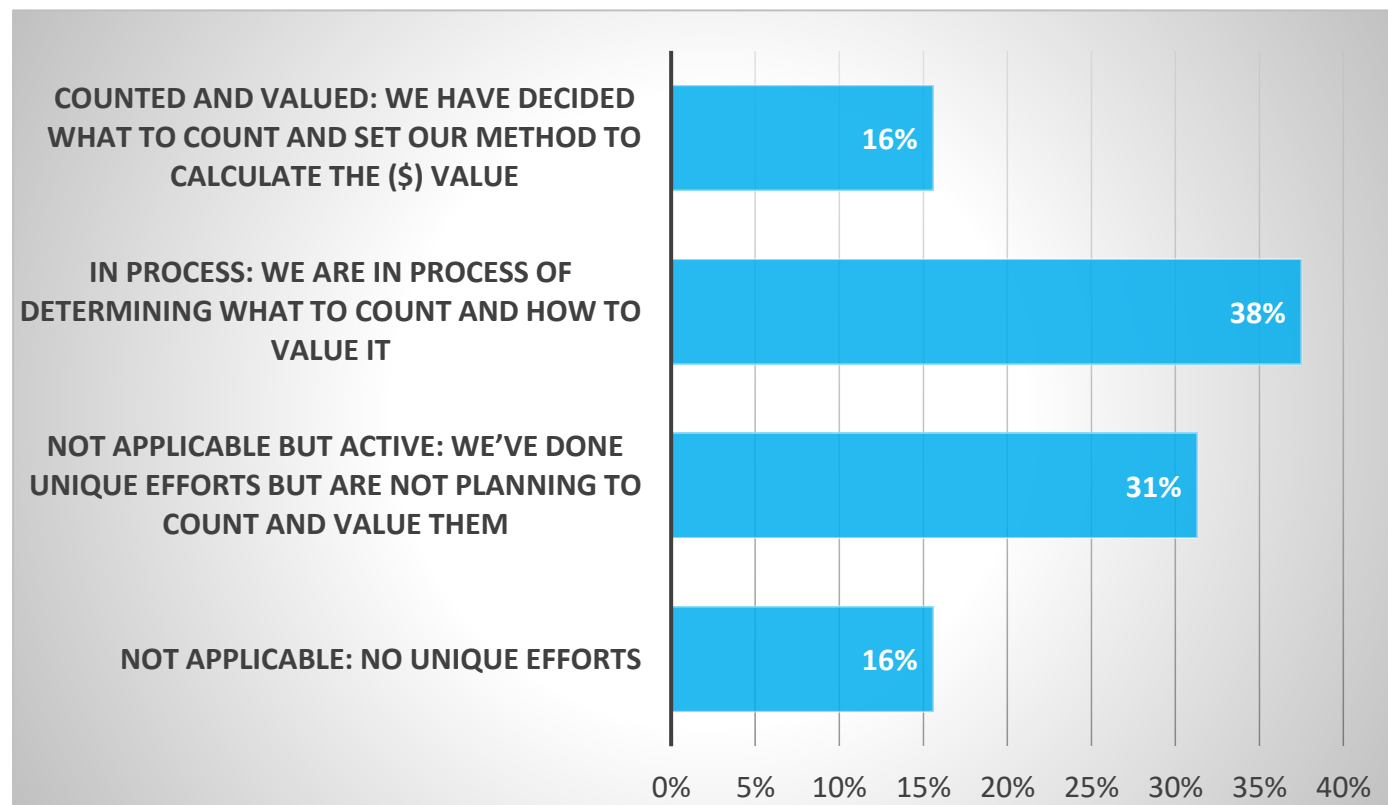
Status of Current Reporting

Topic: Unique COVID-19 Response Efforts

CECP's Pulse Question focused on understanding how companies are counting their unique COVID-19 response efforts.

More than 30 respondents participated in the Pulse question below, the results are as follows:

Question 1: Companies are taking “out of the box” (unique) COVID-19 actions for which there isn’t widely shared reporting standard. Has or will your company count and value your unique efforts? (For example, if a company re-assigned R&D staff to produce a COVID-19 test, they might use salary data for the team assigned to the project to calculate a \$1,000,000 investment).



Results reflect data pulled on May 5, 2020. CECP is sharing these as companies are making decisions on COVID response in real-time. The results are drawn from a representative sample of our affiliated companies. When referencing this finding, please list the source as: Chief Executives for Corporate Purpose, Pulse Survey, April 2020. Topic: COVID-19 Response Community Partnership Changes, field dates: April 21, 2020 – May 5, 2020.

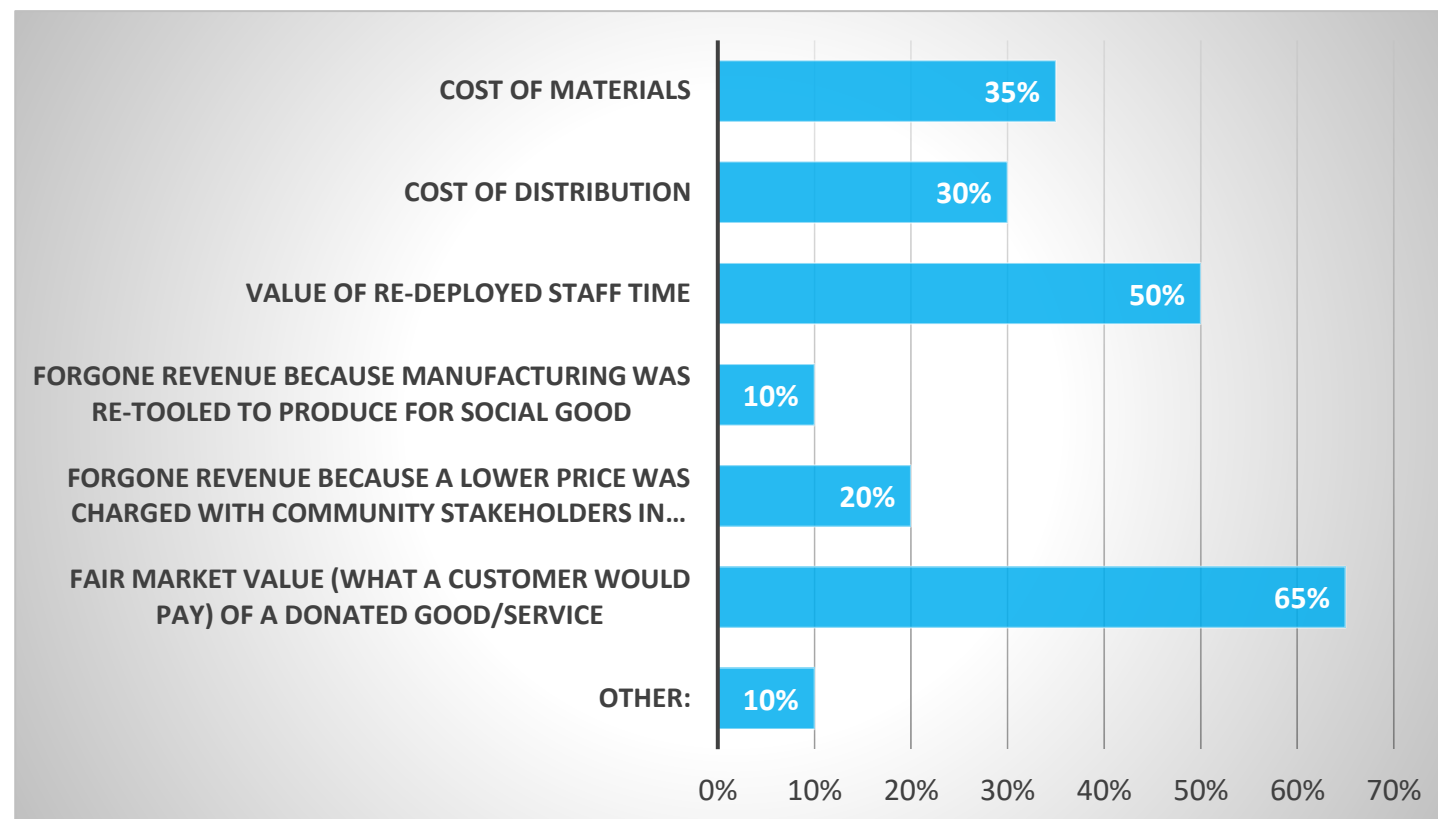
Preferences on How to Calculate

Topic: Unique COVID-19 Response Efforts

CECP's Pulse Question focused on understanding how companies are counting their unique COVID-19 response efforts.

More than 30 respondents participated in the Pulse question below, the results are as follows:

Question 2: Next up is **what** to count. Read the list below. Each one could be one component to adding up the value (\$) of a company's unique effort. Check all that you would include in a standard method of adding up the value of companies' unique efforts.



Results reflect data pulled on May 5, 2020. CECP is sharing these as companies are making decisions on COVID response in real-time. The results are drawn from a representative sample of our affiliated companies. When referencing this finding, please list the source as: Chief Executives for Corporate Purpose, Pulse Survey, April 2020. Topic: COVID-19 Response Community Partnership Changes, field dates: April 21, 2020 – May 5, 2020.



Calculation Details In Development

Cost

- Staff time
 - Actual hourly rates
 - Salary chart in CECP Valuation Guidance (from Taproot)
- Materials
- Distribution

A cost calculation must include at least one of the above but is not required to include all.

Examples: Regeneron, Dow

Value

- FMV of something donated
- 20% of forgone revenue of the company (requires data to conduct projection)
- If non-competitive act, 20% of revenue produced by competitors

CECP's Valuation Guide includes descriptions of Fair Market Value (FMV) which focus on capturing the cost that customer would pay for the product at market.

Examples: Medtronic, 3M

Discounted analysis

- Value of expense/cost is known
- Conduct comparison analysis
- Discount as appropriate to be conservative

This method draws upon internal corporate information to conduct the analysis.

Examples: Walmart, Allstate



Future Development: Implementation insights

2023/
2025

Year by which companies
expect TSI could appear
in ESG databases

Investor
Relations

Most likely internal partner to apply
and report on TSI

Industry
Details

Whether companies
anticipate they will require
industry-specific details

Future Development: Next Steps

- > Incorporate insights from polling results of today's webinar
- > Respond to individual company requests on how to count their work
- > Ongoing discussions with WEF
- > Finalize additional guidance and calculation details
- > Share the above with CECF-affiliated companies

Email
cperez@cecp.co
with subject line
“Interested in TSI” if
you want to be
included in a group
conversation of
early adopters.

Thank you!

Carmen Perez

Senior Director, Data Insights

CECP

cperez@cecp.co