

CECP

Chief Executives for Corporate Purpose

INVESTING IN SOCIETY 2019 EDITION

A comprehensive look of the current state of corporate purpose in 2019

January 21st, 2020

CECP Research



Investing in Society is the must-read source for trends on the corporate sector's shift to be increasingly purpose-driven. Developed from CECP's premier research on, thought leadership for, and strategic engagements with more than 200 of the world's largest companies, this digital release brings to light the **state of corporate purpose** in an evidence-based way and assesses corporate purpose-driven actions under the categories of **Priorities, Performance, People, Planet** and **Policies**. Bolstered by CECP's insights on the actions that the world's leading companies take on environmental, social, and governance (ESG) issues, identifying and effectively meeting stakeholder needs, and building a better world through business, corporate leaders turn to Investing in Society as the authoritative source on what is happening in corporate purpose.

PURPOSE

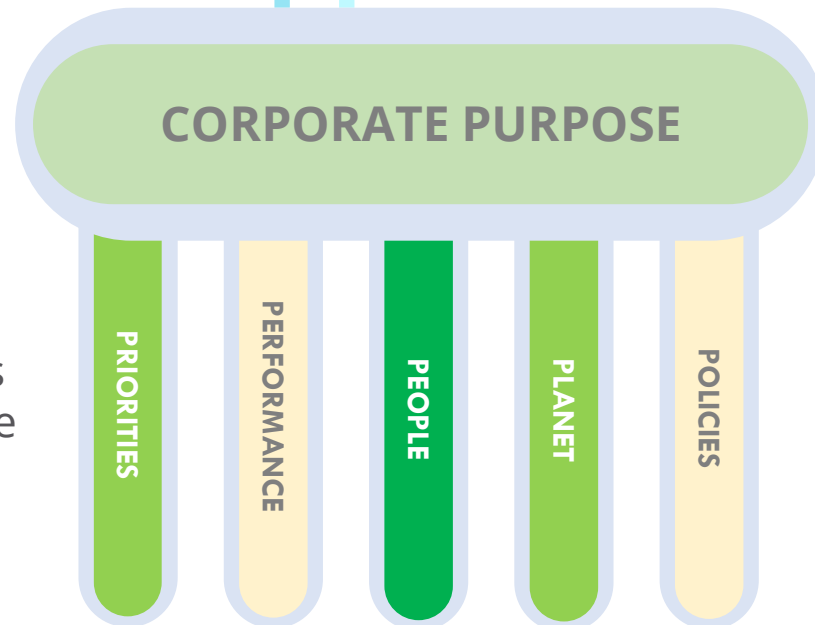
*“Leading companies are laser-focused on **corporate purpose**. They explore what their purpose is and how it translates to their people and community, and bring that purpose to life through intentional practices and strategies.”*

Daryl Brewster, CEO, CECF

INVESTING IN SOCIETY 2019

CURRENT STATE OF CORPORATE PURPOSE

As a data-driven organization, CECF considers the state of Corporate Purpose as a scorecard might, rating each area from bright green to shades of yellow to red as reflected in this visual. The convergence of these areas demonstrates that action on Corporate Purpose is growing among companies and stakeholders, and is in a better position than it was many years ago.



PRIORITIES: MORE STAKEHOLDERS

A stakeholder seachange in 2019 has redefined corporate purpose. Business strategy is being reshaped to address the needs of more stakeholders, including employees, communities, customers, governments, and investors.

Show Stakeholder Seachange

76% of Companies
Have Changed Their
Purpose Statement in the
Last 5 Years

Respond to the Seachange Through Corporate Strategy

Adopt "**high performance**" work practices"

Strategy: specific & time-bound **Purpose:**
durably relevant

Purpose providing **sense of meaning** to
employees

Measure Purpose

Measure the Business Value of
Community Investments through
metrics of:

Employees (47%)

Brand/Customers (33%)

Source: *Giving in Numbers*: 2019 Edition, 2018 Data

Drive Better Business Results Through Multi-stakeholder Corporate Purpose

67% of Americans

feel purpose-driven companies care
about them and their families more
than traditional brands do



Source: Cone/Porter Novelli Purpose Study

PERFORMANCE: LONG-TERM PLANNING

Better financial performance over the last three years corresponded to an increase in long-term corporate planning; however, consensus still eludes how companies demonstrate corporate purpose and governance in financial Long-Term Plans in 2019.



- Capital markets react to long-Term Plans
- Analysts focus on short-term plans

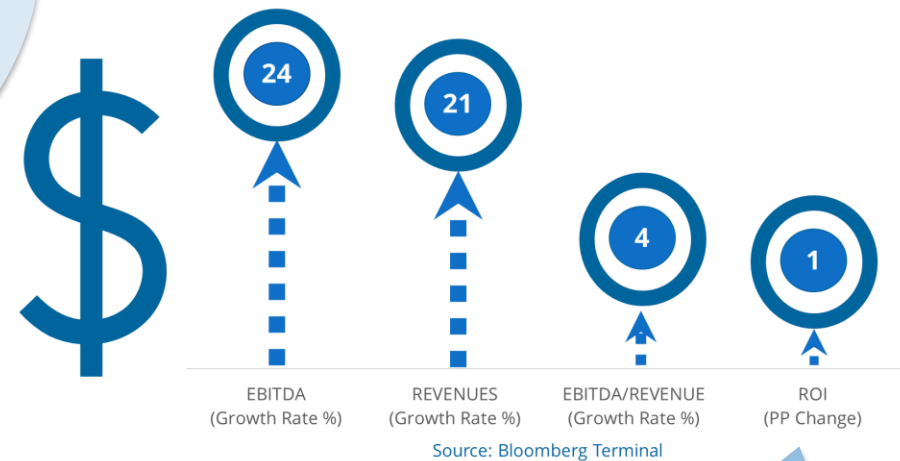


- Present long-term plans to IR



- Consensus on long-term metrics is elusive

CHANGE BETWEEN FY2018 AND FY2016



Long-Term Plan Content Framework

Sets Out 9 Themes and 22 Line Items for an Effective Presentation

PEOPLE: SIGNS OF BETTER INCLUSIVITY

The advancement of corporate purpose led to greater inclusivity for employees in 2019, a new brand differentiator among consumers, and an increased focus on corporate social investments.

accenture

%

The brand has a great culture—it does what it says it will do and delivers on its promises

66

The company is transparent—with where it sources its materials, how it treats employees fairly, etc.

66

Source: To Affinity and Beyond, Accenture, 2018

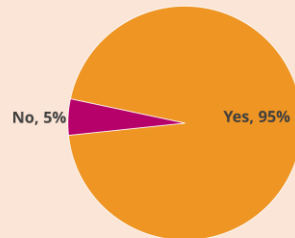
Consumers Demand Purpose

TOTAL GIVING INCREASED BY (2018 vs 2016)

Source: Giving in Numbers 2019

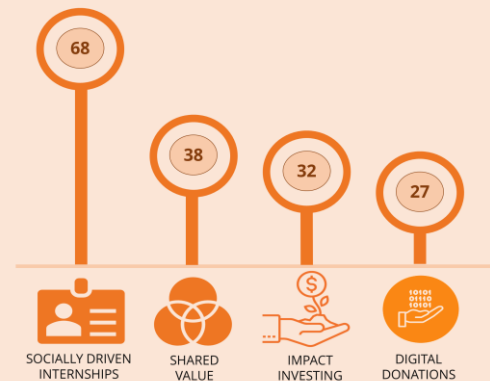
110%

Does Your Company Consider Diversity and Inclusion Within Its Corporate Societal Engagement (CSE)? N=58



Source: Diversity & Inclusion in Corporate Social Engagement, CECF, Walmart Foundation, 2018

PERCENTAGE OF COMPANIES CONDUCTING EACH TYPE OF TOTAL SOCIAL INVESTMENT ACTIVITY, 2018



Source: Giving in Numbers: 2019 data, N=183

Integration of Inclusivity

Expanded Social Investments

PLANET: MIXED PERFORMANCE, HOLISTIC MEASUREMENT

Performance on environmental metrics was mixed in recent years; early adopting companies have begun to explore holistic impact measurement.



+26.5%

Increase in Median Water Use (in Millions of Cubic Meters)



-17.7%

Decrease in Median Recycled Waste thousands of Metric T

[illegible]

-13.3%

Reduction in Median Greenhouse Gas Emissions (in Millions of Metric Tons)



+5.6 Percentage Points
Increase in the Percentage of
Companies Offering Water Policy

POLICIES: SLOW BUT PROGRESS

Increasing internal and external accountability in the last few years has led to slow but improving governance.

Gender Diversity
on Boards

Policies

CSR/Sustainability
Committees

Accountability

Tax Reform

FY 2016 FY 2018



Median % of
Women on Boards

FY 2018



100%

of Companies Have a
Business Ethics Policy

FY 2016



27%

FY 2018



34%

% of Companies with a
CSR/Sustainability Committee



Wealth Tax



Implementation
of Antitrust Laws

PURPOSE IN ACTION: COMPANY VIGNETTES



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Social Responsibility

Our approach to social responsibility ties directly to our purpose: Helping people on their path to better health.



2019 Annual Report

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[Associates](#)

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LETTER to shareholders

Sam Walton showed us the way. He gave us a clear **purpose** and four **timeless values**. At Walmart, we save people money and help them live better — and we do it by serving others, striving for excellence, respecting everyone and acting with integrity.



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Bank of America

What guides us

Our purpose is to help make financial lives better, through the power of every connection.



At 3M, we use science to improve lives and help solve the world's toughest challenges. We remain focused on executing our plans, and continuing to deliver exceptional value for our customers and premium returns for our shareholders.

 Committed to significantly improving the lives of as many people as possible.



CECP: THE CEO FORCE FOR GOOD THANK YOU!

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<http://cecp.co/iis/>

Participate in Giving in Numbers 2020:

- The **unrivaled leader** in corporate in benchmarking on corporate social investments

Check our latest research:



Contact us!

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EXTRA SLIDES



INVESTING IN SOCIETY



BACKGROUND/FACTS

IIS BACKGROUND/FACTS

- IIS started in 2018 following the need to have a holistic corporate sector's annual report
- IIS summarizes the current state of corporate purpose around the world
- The biggest developments and annual trends in the corporate social investment field are showcased IIS
- This all-digital and interactive report covers the five focus areas (Five "P's")
- The report makes use of CECP's rich repository of research (Giving in Numbers, Accelerate Communities, Strategic Investor Initiative, Pulse Surveys, etc.), as well as secondary research – [Link to IIS](#)