

## Purposeful Leadership for Sustainable Value Creation: CEO Brief

Understanding the trends within purposeful leadership is vital for CEOs and executive teams to create sustainable value over the long-term.

### CORPORATE PURPOSE

Purpose sits at the intersection of what the world needs and what the company does best; it is the unique value the company creates for its many stakeholders.

- 75% of CEOs believe further integrating their company's values into their incentives and practices (39%) and public reporting on goals toward sustainable business (36%) are the most effective moves they can make. (Source: [CECP Board of Boards 2020 live poll](#))
- 76% of companies have changed their corporate purpose statement in the last 5 years. (Source: [CECP Pulse Survey, Oct. 2019](#))
- 92% of respondents say it is important that their employer's CEO speak out on issues that matter to society. (Source: [Edelman Trust Barometer 2020](#))

### STAKEHOLDER CAPITALISM

Quickly becoming the new normal, this entails delivering value to stakeholders such as employees, shareholders, customers, communities, and suppliers for the future success of companies and society.

- 56% of respondents say *shareholder* capitalism does more harm than good. (Source: [Edelman Trust Barometer 2020](#))
- 73% of respondents say a company can take actions that both increase profits and improve conditions in communities where it operates (Source: [Edelman Trust Barometer 2020](#))
- 87% of respondents say stakeholders, not shareholders, are most important to long-term company success. (Source: [Edelman Trust Barometer 2020](#))
- 73% of consumers say they would change their consumption habits to reduce their impact on the environment (Source: Nielsen's "[The Evolution of Sustainability Mindset](#)", 2018)

### ENVIRONMENTAL, SOCIAL, AND GOVERNANCE METRICS ARE VITAL

- A new study reveals greenhouse gas emissions, labor practices, and business ethics are [likely to be material](#) to any business in any industry.
- Standards such as [SASB](#) have developed robust metrics in each vertical. Investors, employees, customers, and others look for impact in these areas.
- The "[S](#)" metrics, including community and employees, are the least understood, but just as vital.

### COLLABORATIVE ACTION

Companies know they alone cannot solve societal issues that will likely affect their business. They partner with those who complement their work and deepen impact.

- To combat the COVID-19 outbreak in the US, [companies and the White House](#) pooled resources to quickly create new systems to support government and hospitals.

## EMPLOYEES

Employees are the most critical stakeholder for business performance, Business success in the modern economy hinges on reskilling the workforce for jobs of the future, equal pay for equal work, and equitable and inclusive workplaces for diverse workers.

- 83% of respondents worry they'll lose their jobs as the digital economy advances (Source: [Edelman Trust Barometer](#) 2020)
- 45% of CEOs say treating employees well is the top action that builds trust in a company (Source: [CECP Board of Boards](#) 2020 live poll)

## LINKS TO EXTERNAL RESOURCES

- McKinsey Global Institute has curated, "[Ten Questions Business Leaders Must Answer Today](#)",
- [Edelman Trust Barometer](#) 2020
- [Dynamic Materiality: Measuring What Matters](#) by Thomas Kuh, Andre Shepley, Greg Bala, and Michael Flowers
- Nielsen's "[The Evolution of Sustainability Mindset](#)", 2018