

Board of Boards ^{11TH ANNUAL}

Executive Report

Competing for the Long Run



FEBRUARY 29, 2016 | NEW YORK CITY

SAVE THE DATE
12th Annual Board of Boards
February 27, 2017



CECP

THE CEO FORCE
FOR GOOD

Board of Boards

11TH ANNUAL

"We have so much power and possibility in this room, so what do we as individuals do differently, where do we show up, what assignments do we take, and how do we use our time?"

EILEEN FISHER, FOUNDER AND CHAIRWOMAN, EILEEN FISHER, INC.



Fifty CEOs from the world's largest companies convened at CECP's 11th annual Board of Boards on February 29, 2016 to discuss the theme "Competing for the Long Run" and how leading companies are addressing societal challenges through business. A *Forbes*-named top three "power player" event for CEOs, the Board of Boards is a closed-door, CEO-to-CEO forum on the imperative for thinking long-term about business and societal strategies.

CEO ATTENDEE PROFILE

- Nearly \$400 billion in revenue
- 1.4 million employees
- \$575 million in societal investment

Competing for the Long Run

CEO ATTENDEES REPORTED FROM THE DISCUSSION:

- **86% of CEOs** believe that the way CEOs spend their time is **overly or somewhat short-term-oriented**, versus focused on the long term.
- In terms of the **greatest benefit to expanding societal investment** at a company, CEOs reported (top 3):
 - 1) Strengthen our **human capital** (63%, versus 55% in 2015)
 - 2) Enhance/protect **brand and reputation** (21%)
 - 3) Foster **innovation** in our products and services (10%)
- For CEOs, the **main takeaways** from the event include:
 - 1) The business benefits of an **employee-focused workplace** are manifold; one great, engaged employee is equal to three good, somewhat engaged employees.
 - 2) If the tension between **management's desire to focus on the long term** and the **shareholders' focus on short-term** stock price lessens, **the potential for investments accrued in impact-oriented companies is great**.
 - 3) Business must **measure the impact of a higher visible purpose** on the brand, which will reinforce the importance of purpose.

NEWS FROM CECP

Strategic Investor Initiative:

- From 2012 to 2014, environmental, social, and governance (ESG) or strategic investing grew more than 76%, to \$6.6 trillion.
- To capitalize on this momentum, CECP was pleased to announce the Strategic Investor Initiative, which will connect the world's leading companies and strategic investors to address a wider range of stakeholders for the long term.
- Visit <http://cecp.co/SII> for more information.

State of the Industry:

When comparing financial and ESG performance between 2013 and 2014 in companies affiliated with CECP ("CECP companies") and other large companies in the Fortune 500 not affiliated with ("non-CECP companies"), CECP finds:

- **Aggregated Revenue:** CECP companies had **stronger (9.3%) growth** than non-CECP companies (3.7%).
- **Greenhouse Gas Emissions:** CECP companies **decreased (0.96 million metric tons)**; non-CECP companies increased (1.46 million metric tons).
- **Employee Turnover:** CECP companies had a **lower rate (11.7%)** than non-CECP companies (16%).

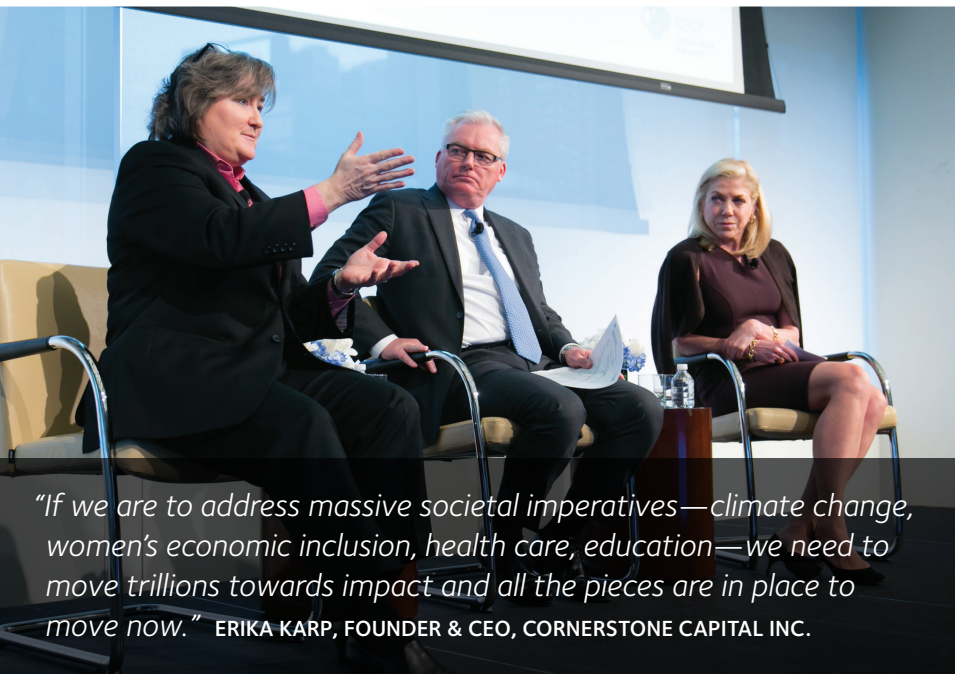


"Corporations play a fundamental role in transforming the economy of the country, recognizing people for their ability to contribute and produce results. We have to make the paths to upward mobility present."

**RONALD A. WILLIAMS, FORMER
CHAIRMAN & CEO, AETNA INC.**

"The changing relationship between consumers and food demands corporate transparency in ingredients, social outlook, behavior, and how materials are sourced."

**J.P. BILBREY, CHAIRMAN, PRESIDENT
& CEO, THE HERSHEY COMPANY**



"If we are to address massive societal imperatives—climate change, women's economic inclusion, health care, education—we need to move trillions towards impact and all the pieces are in place to move now." **ERIKA KARP, FOUNDER & CEO, CORNERSTONE CAPITAL INC.**



"Funding programs is extremely important, but the power of our people often has an even greater impact. Our philosophy is to 'play to our strengths', which means connecting our experience and logistics network to our NGO partners."

DAVID ABNEY, CHAIRMAN & CEO, UPS

CEO Force for Good honorees recognized at the event, and who led the discussions, included:

**David Abney, Chairman & CEO, UPS:
STRONG START FORCE FOR GOOD**

**J.P. Bilbrey, Chairman, President
& CEO, The Hershey Company:
COLLABORATION FORCE FOR GOOD**

**Eileen Fisher, Founder and
Chairwoman, EILEEN FISHER, Inc.:
PACESETTER FORCE FOR GOOD**

**Dr. H. Fisk Johnson,
Chairman & CEO, SC Johnson:
FOUNDERS FORCE FOR GOOD**

**Kip Tindell, Co-Founder,
Chairman & CEO, The Container Store:
PACESETTER FORCE FOR GOOD**

**Ronald A. Williams,
Former Chairman & CEO, Aetna Inc.:
LAWRENCE A. WIEN LEGACY
FORCE FOR GOOD**

**Additional conversation
leaders included:**

Mitch Barns, CEO, Nielsen

**Mark T. Bertolini,
Chairman & CEO, Aetna Inc.**

**Richard Edelman,
President & CEO, Edelman**

**Lynn Forester de Rothschild,
CEO, E.L. Rothschild**

**Erika Karp, Founder & CEO,
Cornerstone Capital Inc.**

**Joseph Keefe, President & CEO,
Pax World Management LLC**

**Dr. Candace Kendle, Former Chairman &
CEO, Kendle International Inc.**

**Raj Sisodia, FW Olin Distinguished
Professor of Global Business & Co-Founder
& Co-Chairman, Conscious Capitalism Inc.**

ABOUT CECP: THE CEO FORCE FOR GOOD

CECP is a coalition of CEOs united in the belief that societal improvement is an essential measure of business performance. Founded in 1999, CECP has grown to a movement of more than 150 CEOs of the world's largest companies across all industries. Revenues of engaged companies sum to \$7 trillion annually. A nonprofit organization, CECP offers participating companies one-on-one consultation, networking events, exclusive data, media support, and case studies on corporate engagement.

Competing for the Long Run

BOARD OF BOARDS ATTENDEES

Robert Wolf, 32 Advisors
Mark T. Bertolini, Aetna Inc.
Ronald A. Williams, Aetna Inc.
Joe Gold, Barclays Americas
Michael P. Gregoire, CA Technologies
Denise Morrison, Campbell Soup Company
Daryl Brewster, CECP
Jide Zeitlin, Coach, Inc.
Daniel J. Sullivan, Collette
Douglas R. Conant, ConantLeadership
Kip Tindell, The Container Store
Bill Goodwyn, Discovery Education
Richard Edelman, Edelman
Eileen Fisher, EILEEN FISHER, Inc.
Peter L. Malkin, Empire State Realty Trust
Deanna M. Mulligan, The Guardian Life Insurance Company of America

J.P. Bilbrey, The Hershey Company
Brian Lee, The Honest Company, Inc.
Bruce D. Broussard, Humana Inc.
Michael I. Roth, Interpublic Group
Candace Kendle, Kendle International Inc.
John B. Veihmeyer, KPMG LLP
Lynne Doughtie, KPMG LLP
Michael McLaughlin, Macquarie Group
Robert H. Forrester, Newman's Own
Mitch Barns, Nielsen
Karim Khoja, Roshan Telecom Development Company of Afghanistan Corp.
Dr. H. Fisk Johnson, SC Johnson
Eric A. Spiegel, Siemens
Stuart Thorn, Southwire Company
Thomas Mangas, Starwood Hotels & Resorts Worldwide, Inc.
Kees Kruythoff, Unilever

David Abney, UPS
Stuart Parker, USAA
Thomas J. DeRosa, Welltower Inc.

SPECIAL GUESTS

Evelyn de Rothschild, E.L. Rothschild
Lynn Forester de Rothschild, E.L. Rothschild
Robert Harrison, Clinton Global Initiative
Erika Karp, Cornerstone Capital Inc.
Joseph Keefe, Pax World Management LLC
Maria Serena Porcari, Intek Group S.p.A.
Thomas Ridge, Ridge Global
Raj Sisodia, Conscious Capitalism Inc.
Jonathan Spector, The Conference Board
David K. Young, Oxford Analytica Ltd.



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The 2016 Board of Boards was made possible with support from **Newman's Own Foundation** and **PwC US**. CECP would also like to thank **Golin** for media support of the event and the **Empire State Building** for lighting in CECP blue on February 29th.

Additional Board of Boards takeaways can be found at cecp.co/BoB.

Data Sources: Live CEO polling at 2016 Board of Boards: Competing for the Long Run, The Forum for Sustainable and Responsible Investment, *Giving in Numbers: 2015 Edition*, and Bloomberg Terminal.