

Executive Report

CEO Investor Forum

HOSTED BY THE
STRATEGIC INVESTOR
INITIATIVE, CECIP



CEO INVESTOR FORUM 2.0

SEPTEMBER 19, 2017 | NEW YORK CITY



ATTENDEES OF THE CEO INVESTOR FORUM 2.0 INCLUDED REPRESENTATIVES FROM:

Bold lettering indicates *Strategic Investor Initiative Advisory Board member*

**Indicates event sponsor*

Ameriprise Financial

Aperio Group

Arabesque Asset Management

ArcelorMittal

Ariel Investments

Aspen Institute Business & Society Program

AstraZeneca

Bank of America

BD

BeneStream

BlackRock

Bloomberg LP*

BNY Mellon

Breckinridge Capital Advisors

Brown Brothers Harriman

BrownFlynn

CalSTRS

Calvert

CDP North America

CFA Institute

CFA Society New York

ClearBridge Investments

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Concinnity Advisors, LP

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CPA Canada

Cramer Rosenthal McGlynn

Credit Suisse

Deloitte Touche Tohmatsu Limited

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Dimensional Fund Advisors

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Hermes Fund Managers Limited

High Meadows Institute

ICF

Inherent Group

Institute of Mutual Information

Journal of Applied Corporate Finance

JUST Capital

Lazard Asset Management

Leaders Arena

Leaders Magazine

Li Family Office

Markston International LLC

McGovern Foundation

MFS Investment Management

MIT Sloan Management Review

MSCI

Neuberger Berman

New York Life

New York Life Investment Management

New York State Common Retirement Fund

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Nordea Investment Management North America, Inc

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Reuters Breakingviews

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Sard Verbinen

Silver Leaf Partners

South Pole Group

Starboard Value LP

State Street

State Street Global Exchange

Sustainability Accounting Standards Board

Sustainable Brands

Swedish International Development Cooperation Agency (Sida)

Telos Governance Advisers

Terra Alpha Investments

The Boston Consulting Group

The Coalition for Inclusive Capitalism

The Economist

The Hershey Company

The Investment Integration Project

The New York Times

The Wall Street Journal

Thomson Reuters

TIIP – The Investment Integration Project

Trade and Development Bank

UBS Asset Management

USAA

Vanguard

Vector Capital Associates

Verdantix

Walmart

WBCSD

Wellington Management

Wells Fargo Asset Management

World Bank

World Business Council for Sustainable Development

Yahoo Finance

Yale College

Repeating the success of its inaugural event, CECF's Strategic Investor Initiative (SII) held its second CEO Investor Forum where leading cross-sector CEOs shared their long-term business plans for sustainable value creation.

Speakers at the CEO Investor Forum 2.0 included:

Mark Bertolini, *Chairman & CEO, Aetna*

Kevin Clark, *President & CEO, Delphi*

Johan Dannelind, *President & CEO, Telia Company*

Mike Gregoire, *CEO, CA Technologies*

Mark Grier, *Vice Chairman and Member of the Board, Prudential Financial, Inc.*

Raj Gupta, *Board Chair, Delphi & Former CEO, Rohm and Haas Company*

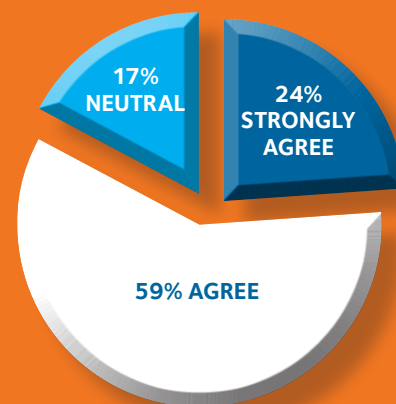
Rodney Martin, Jr., *Chairman & CEO, Voya Financial*

Tom Wilson, *Chairman & CEO, The Allstate Corporation*

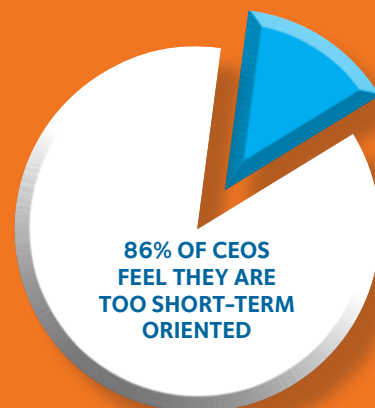
The CEOs presented their strategies to an audience of 200 major institutional investors that represent more than \$25 trillion in assets under management. These presentations shared several common features:

1. Operational and financial outlooks, 3–5+ years
2. Financial and material environmental, social, and governance risks
3. Incorporation of significant stakeholder groups such as investors, communities, employees, and customers
4. Long-term performance metrics and governance systems

"INVESTORS WILL MOVE MONEY WHEN THEY HEAR A COMPANY'S LONG-TERM PLAN"



Source: CEO Investor Forum Post-Event Survey



Source: 2016 Board of Boards Live Polling

Attendee Profile



8
Presenting
Companies



\$25+
Trillion in
Assets Under
Management



\$19.5 Billion
ETF Global
Market
Share



Asset Management
Firms, Professional
Services
Organizations,
Credit Rating
Agencies

Key Takeaways

- › **Demonstrate that there is a long-term strategy.** Companies that are oriented toward long-term value creation that better manages material sustainability issues have been shown to outperform competitors. Investor-facing presentations are an opportunity to share a long-term value-creation story (about the past) and a long-term value-creation plan (about the future).
- › **Companies must anticipate and capitalize on megatrends.** A CEO's long-term plan provides an opportunity to outline how a company responds to business-critical trends.
- › **Long-term plans help explain ESG issues "through the eyes of management."** A long-term plan provides business leaders with an opportunity to identify its financially material sustainability issues and demonstrate how it manages these business-critical issues.



"We're a long-term company that's dropped into a short-term world. We live with quarterly reporting, and we live with trying to draw from what we disclose quarterly and annually the long-term issues that are important--the things that really build value. We're challenged to try to keep those things on the front burner."

MARK GRIER, VICE CHAIRMAN AND MEMBER OF THE BOARD, PRUDENTIAL FINANCIAL, INC.



"We believe that over the long term, our successes as a business and our ability to increase shareholder value are strongly linked to the impact that we have on our customers, on our communities, on our employees, and our planet. And disciplined sustainable growth is core to our strategy."

KEVIN CLARK, PRESIDENT & CEO, DELPHI



- › **Business act in a corporate ecosystem that includes more than just investors.** A corporation's business model has many dependencies and affects a large universe of stakeholders through its activities.
- › **Long-termism is about retention – of employees and investors.** A long-term plan provides an opportunity for a CEO to set out an inspiring vision of an organization's future, garnering the loyalty of employees and more long-term oriented investors.

- › **There's an opportunity to foster leadership in a corporate-shareholder communication.** Communicating about the long term doesn't require reducing the frequency of periodic corporate-investor communication; it requires a reorientation to address a longer-term perspective, which a growing cohort of corporations is implementing.

CEO Investor Forum presentations can be reviewed at cecp.co/SII.



"We're doing more than you might expect a financial services company to do. We recognize the well-being of employees and the continuing success of the company depends on the long-term viability of society."

RODNEY MARTIN, JR., CHAIRMAN & CEO, VOYA FINANCIAL



Looking Ahead



"I'd rather fail on the progress than fail on the ambition. We have to put out a bold ambition."

JOHAN DENZELIND,
PRESIDENT & CEO,
TELIA COMPANY

The third CEO Investor Forum will be held on February 26, 2018 in New York City. This will be followed by the fourth CEO Investor Forum on April 19, 2018 in San Francisco. Corporations interested in reserving the few remaining investor presentations in the next CEO Investor Forums should contact Mark Tulay, mtulay@cecp.co.

"Eighty-seven percent of Americans believe business should do more than just make money. They also need to be a force for good by using their capabilities to improve communities. This is more about expertise than money; it's about fully integrating doing good into your business model."

TOM WILSON, CHAIRMAN & CEO,
THE ALLSTATE CORPORATION



"Personalized health is understanding what health is doing to get in the way of the life you want to lead. And the only way we're going to make it work is when our interests are aligned with the consumer, investing in their journey and eliminating barriers. They win and we win because they're healthier; they're living the life they want to lead."

MARK BERTOLINI, CHAIRMAN & CEO, AETNA INC.



"When you're in our industry, when you get too locked into any particular idea, technology, hiring process, or demographic outlook, you will be one of those companies that is no longer around. If you want to be built to last, you had better build yourself to change."

MIKE GREGOIRE, CEO, CA TECHNOLOGIES



"We also set goals that we don't really know how we're going to achieve. They're taking us to new places, new commitments that we've not made before. We feel very strongly about our ability to make an impact on the world and to show that there can be a societal benefit and a business benefit at the same time. It's going to require the creativity and innovation of 3M employees to do something new and different."

JEAN BENNINGTON SWEENEY,
VICE PRESIDENT OF CSR AND
CHIEF SUSTAINABILITY OFFICER, 3M



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ABOUT THE STRATEGIC INVESTOR INITIATIVE

The Strategic Investor Initiative is developing a new platform for leading companies to develop, convey, and deliver their long-term plans to long-term investors. SII will spark the movement of trillions of dollars of capital to companies demonstrating performance excellence over the long-term and will help build trust in capitalism as an engine of global prosperity.



Pictured above: CIF 2.0 participants

ABOUT CECIP: THE CEO FORCE FOR GOOD

CECP is a CEO led coalition that believes that a company's social strategy — how it engages with key stakeholders including employees, communities, investors, and customers — determines company success. Founded in 1999 by actor and philanthropist Paul Newman and other business leaders to create a better world through business, CECP has grown to a movement of more than 200 of the world's largest companies that represent \$7 trillion in revenues, \$18.6 billion in societal investment, 13 million employees, and \$15 trillion in assets under management. CECP helps companies transform their social strategy by providing customized connections and networking, counsel and support, benchmarking and trends, and awareness building and recognition.



CECP | 5 Hanover Square
Suite 2102
New York, NY 10004
212-825-1000
cecp.co

Daryl Brewster, CEO, CECP
Mark Tulay, Director, Strategic Investor Initiative

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