



**CECP**  
THE CEO FORCE FOR GOOD  
STRATEGIC INVESTOR  
INITIATIVE

## CEO Investor Forum: Investor Letter to Presenting Companies

**From:** The CECP SII Advisory Board Investor Subcommittee

**Subject:** Guidance on Future CEO-Investor Forum Long-Term Plan Presentations

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Companies that are listed on public stock exchanges face a constant, daily demand from investors for information. In recent years, however, many large institutional investors have expressed a desire to gain a different perspective: the long-term view.

CECP is a CEO-led organization that works with over 200 of the world's leading companies to advance business as a Force for Good in society. CECP has taken the lead to establish CEO Investor Forums to help operationalize the call for long-term value creation. We have held two Forums to date—with 14 leading CEOs/companies (\$1 trillion market cap) sharing long-term plans with investors representing over \$25 trillion in assets under management.

We have plans for many more Forums, and today, we write

in our capacity as the Investor Subcommittee of CECP's new Strategic Investor Initiative (SII) Advisory Board, which represents over \$15 trillion in assets under management, to provide guidance to companies presenting at future CECP-sponsored CEO Investor Forums.

The Forums provide a platform for discussing long-term value creation, sharing and discussing material information that extends beyond quarterly earnings calls, and helping to deepen and enrich investor understanding of companies' plans

for managing growth, strategy, and risk.

We encourage CEOs to use the Forums as an opportunity to talk to "patient capital" about their companies' long-term plans. Such opportunities are often under-represented in the quarterly-driven system of corporate-shareholder communications, which can be of limited use in shaping a long-term investment, engagement, and voting outlook.

## Talking to long-term investors

CECP institutions have segments of assets under management with a long-term investment outlook that are generally between three and seven years—or longer. Here are some general themes that CEOs might address when talking to large, long-term investors:

Growth	Strategy	Risk
<p>We suggest CEO presentations be spent talking about plans for future growth, with goals, metrics or milestones mapping to future years with a minimum five-year trajectory. Companies should articulate their view of the future market place, their industry’s operating environment, how future trends may affect their company’s operations and how their growth plans address these related opportunities.</p>	<p>The CEO should consider including overarching commentary on the role of the board in formulating the long-term strategy and its processes for monitoring management in delivery of the plan. This is intended as a focused narrative about future performance, not past performance.</p>	<p>A long-term plan provides a corporation with an opportunity to communicate its view of key financially material risks, including long-range mega-trends (such as climate-related risks) and the relevant frameworks used to identify environmental, social and governance (ESG) factors. The majority of this discussion should ideally focus on the strategy and resources allocated to address future risks.</p>

## Questions to frame the conversation

As long-term investors, there are issues of enduring interest to us as we seek a deeper understanding of our investee companies and inform our voting and engagement activities. Below we set out key suggested questions to consider when presenting publicly-disclosed, investor-facing long-term plans.

1. What are the key risk factors and mega trends (such as climate change) your business faces over the next three to seven years and how have these influenced corporate strategy?
2. How do you identify your financially material business issues and which frameworks do you use for reporting on these issues? How do these figure into your future strategy and capital allocation plans?
3. How do you describe your corporate purpose and how do you help your employees share your vision for the company’s role in society? How does this shape your long-term strategy? How does your future strategy act upon this purpose?
4. How do you manage your future human capital requirements over the long-term and how do you communicate your future human capital management to your investors?
5. What is the corporation’s framework/strategies for interacting with its shareholders and key stakeholders?
6. How will the composition of your board (today and in the future) help guide the company to its long-term strategic goals?
7. What is the role of the board in setting corporate strategy, setting incentives for and overseeing management? How does the corporation ensure a well-functioning and diverse board accountable to its key stakeholders?

Over time, we expect that the delivery of long-term plans will become a mainstream feature of the schedule of corporate communications with shareholders. CECP's CEO-Investor Forums are a key tool in refocusing our capital markets towards this new normal emphasis on long-term value creation. We look forward to upcoming CEO long-term plan presentations at future Forums.

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**Sincerely,**

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Chairman, Vanguard  
SII Co-Chair

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Head of ESG Investing  
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