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<<Daryl Brewster, CEO, CECP>>

Good morning and welcome to CECP's 5th, let's see if we get that right, let's go back one, 5th CEO Investor Forum. And this is really an opportunity for leading CEOs to share their long-term plans with investors. This isn't the quarterly call. This is the long-term strategic plans with investors and also an opportunity for those interested to really listen, learn, engage, ask about this whole movement toward ever more sustainable business. It's really what we're here about.

And what's great to see is the amount of interest that continues to grow in this effort. This is our 5th session. We have more plans for down the road, but since the beginning of this year and I think you may have read much of this. You'll remember the letters back in January from Vanguard and BlackRock and State Street, right. And they call for companies to share their long-term plans, which what we're doing were operationalizing those letters. Share your long-term plans, talk about the purpose of your organization, right, and talk about what is the benefit, the contribution you're making to society.

Because we think in this world of sustainable value that is not only good for the individual business, it's good for business as a whole and it's also good for the world as a whole all important factors as we move forward. We also during that time published and put together CEOs investor letter. It's in your books, your pamphlets. And it was the first time we were able to get multiple investors together to talk about what are the questions they want answered, right.

We have a number of those and our CEOs will answer and that's for most of those there stuff, others you can ask them as they go, but it gave us a bit of a framework. And having been the CEO of a publicly traded company, I can assure you these questions are similar, but kind of quite a bit different from the type of questions you get on the typical quarterly call. These are investor questions, not trader questions, which is where we spend so much of our communication time.

We also had CECP's 3rd CEO Investor Forum with the likes of Unilever and UPS, Medtronic, Merck, J&J CEOs sharing their long-term plans and then continue to start to see really pick up a press coverage with FTE covering some of these other areas, the journal and others as well. In this spring, we heard from Jamie Dimon and Warren Buffett saying get rid of those quarterly guidance. Most companies have, but still a lot of that which is out there. CECP also held its 4th CEO Investor Forum in San Francisco and saw some major commitments from companies in the area of sustainable finance and community investment, right.

In this summer, we also heard during that time from investors, who talked about this short-termism may really become the challenge long-term for capitalism as a whole. If we continue to go too far that way that could really represent a challenge as we move forward. And then in the summer, we heard from both sides of the political spectrum in the U.S. And we'll think it gets further apart than Senator Warren from Massachusetts and President Trump, but both kind of weighed in on this topic with suggestions on governance and disclosure timeframes, all right.

And, of course, today we are here hosting our 5th CEO Investor Forum. And of course we'll also talk about whether Goldman Sachs comments is short-termism already did, right, is they're already going away. I think it's still there, but I think this is an opportunity for us to perhaps engage more actively in some of those topics. We're also delighted that published in the Harvard Business Review Brian today – yesterday is an article that talks about why companies should share their long-term plans not only because your major investors are asking for it, but the benefits you'll see and we're going to see some research and we're going to share today that I think you'll find pretty interesting about the value of companies I'm sure in those long-term plans. And this is really what CECP has been about in this effort. This is an effort that started with our CEOs at our Annual CEO Event a few years ago, all right.

We put together governance, which was based on CECPs CEO Board of Directors. We've got Bill McNabb from Vanguard, you will hear from later today as Co-Chair along with Alex Gorsky from J&J. They are our Co-Chairs. We have put together a truly world-class advisory board, all right. You can see some of those logos up there. You're going to here from many of the members of that group as we go through today. And particularly I'd like to point out that some of our new groups from Wellington, Goldman Sachs and Visa, our recent group who has joined from that. And we're delighted to have that because really is providing us great counsel and CEO leadership, but council of people, who are really making things happen on the ground of that.

That advisory board is really very clearly made up and comprised of investors, major investors, major companies and the professional service firms' intermediaries, who bring it together. This is a group of people, who will make money in this area, which we think is critical as we move forward. We'll talk about some of our partners with other organizations here in a bit as well.

And of course driving this all spearheading it all is the SII team led by Mark Tulay who I'll be introducing in a couple of minutes. So, that's kind of been our governance effort. As we kind of get going what we agreed on is there is a few key things. First, is this need to be a real world effort. This was less about the philosophical comments, this is important stuff. Let's get people doing this.

And our view, our vision is that every listed company, a vision that comes from Bill McNabb at Vanguard. Every listed company should be sharing their long-term plan. On a regular basis and annually you either update it, you confirm it or you revise it. But everybody should have – that should be part of what you expect as an investor, frankly as

a stakeholder. What are companies really committing to and talking to for the long-term. So that’s it there.

The second piece that we talked about is we really want to do this in an above the fray fashion. There's not a right or wrong. We're really convening things to advance it, so much good work is going on in this space but we need to kind of drive that forward to really be above the fray.

And the third area is continuous improvement. This is not perfect. It's not the design by the way neither are quarterly calls if you think about it. This is an idea to really get this up and rolling. And so we can continue to grow and learn as we go through this process. These are the companies who've already presented or soon will. So, over 30 companies $3 trillion of market cap. So, big companies that are kind of sharing their plans and you know going out there and sharing these flying in from the UK this morning, and leaving tonight to share plans.

I mean companies are taking this very seriously as we move forward. We'll have in this room today as we fill up and knowing its UN Week and the traffic we still see the crowd coming in, come on in. Well about 25 trillion of assets under management in the room, we also have an online audience based on previous that would be a couple of thousand people from around the globe. We've already had a few register in from Spain and others that are here today.

A lot of the questions we'll talk about this investor letter that we've talked about. We’ll cover all the points but feel free to ask any of those questions as the CEOs present and then what we've done as part of that continuous improvement is we like to publish the learnings. So we get better and better at this both from an individual company standpoint but also business as a whole.

And as I mentioned yesterday we just talked about why CEOs should share their long-term plans. These are some of the work that we have and a lot of that is available outside if you want to pick up some of those reports. So, those are kind of the areas of where we are in this. We also have really made this an approach to really learn as we go forward.

In your pamphlets you have a green sheet. We do ask you to take that out and please complete that. This is a ongoing process, continuous improvement, give us feedback, so we can get better and better at this. After each of the events we talked with our company's investors so we can really learn more providing feedback to the companies for the investors but also to us so that we can make us better and better.

So, please get those done for those who will be staying for drinks you do not get to drink until you fill those out and give them in. All right, so let's kind of move that along. So that's really important and valuable for us here and out of that learnings as we've talked with companies, as we've talked with investors, as we've talked with leaders in this space we've identified five areas that are really important for our Phase 3 moving forward.

Now we hear these and we continue to build on these and continue this improvement. First is improving the framework. The submit questions help each CEO is going to take a different approach on these things that's great. That's what we really want. But how do we really continue to improve the framework of what gets communicated.

That's going be different for different companies. So, number one good work that's happening on there. Second and a big challenge, is we're going to have to align metrics for the long-term. It took a long time to get generally accepted accounting principles for looking backward in financial data. And even that changes every year with revenue recognition as we know.

We're going to have to do the same for long-term if we are going to make progress. It's going to take time. Lot of great efforts are going on. Good stuff, good ways that people are thinking about it but we've got to kind of continue to work to align it and take the best of these as we move forward funding those long-term metrics and also the leading indicators, too often today we really just look at lagging indicators. We need to be looking forward here as well.

Third area is certainly getting companies investors, the investor response has far exceeded expectations 20 plus trillion dollars of assets in the room. People listening online has been outstanding, our companies – they are the biggest issue for companies. I got a board meeting that day. Tough schedules that CEOs have, having been in those roles. So, we need to find that a key area for us here is to find a delivery mechanism for long-term plans.

These are the pioneer CEOs who are leading the way. We have more CEO Investor Forums coming up. We're already – CEO Mark Schneider from Nestle has already confirmed for February 25 already packed with CEOs for that day. We may have to go to a second track, which Mark loves. We're eventually maybe kind of fold this into the company existing disclosures, the company cadence to really make this part of what happens on a regular basis.

And then the marquee events like this will be ones that feature new CEOs and their plans and programs. And ultimately we do have platform to collect these. Were all together and people can do the work and analysis companies, investors and the like, so big areas there in delivery mechanisms.

And finally, we really need to partner up, continue to partner up and to scale up to really drive it such that every listed company shares their plans. Just a look at the group here who work in the organizational areas, some are doing basic research like FCLT, others in metrics. And increasingly we're working with groups with focused audiences that they're working with.

So it will be National Association of Corporate Directors boards. In October Bill McNabb and I will be at an event there, in November with NIRI, which is Investor Relations groups, I think, Tony will head our featured speaker from BD. In that area

that's going to be talking with IR leads. We found they are the gateway, or the gatekeeper to most companies, more so than General Counsel in instances, so different areas that we're really trying to engage as we move forward.

Again to make this better, feedback survey and now I have the pleasure of introducing the guy who is really making it happen, the spearhead of this effort. He’s not too late, he's not too little, he is Mark Tulay.

<<Mark Tulay, Managing Director, Strategic Investor Initiative>>

Can you hear me okay? Is the mic okay? Good. Well I'm sorry I had to at the slide. The other slides are much better than that. But I'm going to say a few words. It's always fun going after Daryl, with his low energy. It's very hard to follow him.

So I'm going to tell a little bit of a story. Then I'm going to talk to you about the program for today. Maybe I'll throw in a bad joke or two. But if anyone doesn’t like my jokes, you can have a full refund, I promise you that. Of course this is a free event.

So the story I want to tell starts in 1779. And it's only – I'm only going to speak the next four minutes here. Ben Franklin wrote a letter to a friend where he recounts an event from his childhood who taught him a lesson that he will never forget. It's the story of The Whistle, if you've heard this. He wrote to his friend when I was a child, seven years old my friends on a holiday filled my pockets with copper, which is probably a lot of money back then. I went directly to a shop that sold toys for children. And being charmed with the sound of the whistle that I met in the hands of another boy, I voluntarily offered to give him all my money for that whistle. I really – he really wanted that whistle.

I then came home whistling all over the house, blowing at my family. I'm adlibbing here a little bit you should tell. My brothers, and sisters and cousins, understanding the bad bargain I had made, told me I've given four times as much for the whistle as it's worth. Put me in mind with good things I might have bought with the other money that I didn't spend, and laughed at me with so much folly that I cried with vexation and reflection gave me more sugaring than the whistle gave me pleasure. So he took it very seriously.

So he said later on, as I grew up, came into the world and observed the actions of men, I thought I met with many, very many that paid too much for their whistle. And he said something that really resonates today. He said, in short, I conceive that the great part of the miseries of mankind are brought about them by the false estimates they’ve made on the value of things, the false estimates of the value of things. Isn't that why we're here today?

So the same could be said today with excessive short termism that has led to capital markets placing incorrect estimates, I believe, on the value of things. And as a result we often end up paying more for the whistle than we should. And we’re otherwise astute investors. Often as a result of short-term myopia fail to accurately integrate financially,

material, environmental, social and governance factors. And they end up paying too much for the whistle.

This excessive short termism is particularly in queue in the U.S. And that's where CECP's Strategic Investor Initiative comes into play. And that's what Daryl talked about. We want to operationalize this, this is not a think tank, this is an action lab where we're trying to drive transformational change.

So today you'll hear from many luminary speakers. The CEO of GSK and NRG will share the long-term plans for sustainable value creation along with IBM. Bill McNabb from Vanguard and Richard Elman will share their market insights. You'll also hear from Erika Karp from Cornerstone and Morgan Williams from Bloomberg on the future ESG information. So that's a big topic. Then Moody's has a terrific panel lined up on some new products and some new ways that they're integrating ESG analysis into their credit ratings.

And then you'll hear from Ipsos will talk to you about the stormy waters of blurred lines between politics and business so that one is going to be an interesting session. And then lastly, you'll hear about the vital role of intrapreneurs, which I've never heard of until recently. But they're working inside of companies to drive values and there's Maggie here who will tell you in a minute.

So raise your hand if this is the – if you've attended every single CEO Investor Forum. Raise your hand, if you've attended more than one. And raise your hand, if this is the first time attending a CEO Investor Forum. So this is a great mix about half and half. So it's very good.

So I'm also pleased to welcome our sponsor, KPMG is Stephen. Stephen Brown here, every time he shows up one minute after I do the introduction. Stephen, so they're sponsoring it today.

And lastly, I'm going to introduce – we want this to be interactive. We have over 10,000 people individuals and investors who've watched this online. And so they'll be able to answer their questions using the application Slido. So I'm going to put you to work here. And before I end up, take out your phones, go to and it's on your tabletop, go to www.slido.com, is it .co or com? Com, its right there and type in #CECP, you don't have to download it app. This is where we're going to be using for questions in addition to taking live app audience questions.

Where's the first question? So what is your view of the balance of how CEOs currently spend their time? You should be able to see that on your phone. Start getting little results. Really amazed at the fluctuation here, except for overly long-term, so this is a proof point for why we're here today. You can see that we're somewhat short-term – overly short-term is a lower percentage than we had last time. So maybe we're making some progress and that keeps changing. So I'll stop mesmerizing over the screen right now and introduce the first speaker.