

# Executive Report



## CHIEF EXECUTIVES DRIVING CORPORATE PURPOSE

FEBRUARY 25, 2019 | NEW YORK CITY

SAVE THE DATE  
15th Annual Board of Boards  
February 24, 2020 | New York City



CECP  
20 YEARS



#### FEATURED SPEAKERS:

**Mark Bertolini**, Former Chairman & CEO, Aetna

**Doug Conant**, Founder & CEO, ConantLeadership; Former CEO, Campbell Soup Company; Former Chairman, Avon Products; Chairman, CECF

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

**Rajesh Gopinathan**, CEO & Managing Director, Tata Consultancy Services

**Alex Gorsky**, Chairman & CEO, Johnson & Johnson

**Alan G. Hassenfeld**, Chairman, Executive Committee, Hasbro, Inc.

**Fran Horowitz**, CEO, Abercrombie & Fitch Co.

**Barbara Humpton**, CEO, Siemens USA

**Omar Ishrak**, Chairman & CEO, Medtronic

**Dinesh C. Paliwal**, President & CEO, HARMAN

**Dan Schulman**, President & CEO, PayPal

**Edward W. Stack**, Chairman & CEO, DICK'S Sporting Goods

**George D. Yancopoulos, M.D., Ph.D.**, Founding Scientist, President, & Chief Scientific Officer, Regeneron

#### ADDITIONAL CEO PARTICIPANTS INCLUDED:

**Travis Barnes**, MD Global Debt Capital Markets, Barclays

**Dante Capitano**, CEO, RHR International LLP

**David Cohen**, Senior Executive Vice President & Chief Diversity Officer, Comcast NBCUniversal

**Alan B. Colberg**, President & CEO, Assurant, Inc.

**Steven Collis**, Chairman, President, & CEO, AmerisourceBergen Corporation

**Thomas J. DeRosa**, CEO & Director, Welltower Inc.

**Lynne Doughtie**, Chairman & CEO, US, KPMG LLP

**John Eydenberg**, Chairman, Deutsche Bank Americas Foundation & Vice Chairman, Corporate & Investment Bank Americas, Deutsche Bank

**Vincent A. Forlenza**, Chairman, President, & CEO, BD

**Robert H. Forrester**, President & CEO, Newman's Own

**Sam Gandhi**, Managing Partner, Sidley Austin LLP

**Michael Gianoni**, CEO, Blackbaud, Inc.

**Bill Goodwyn**, CEO, Discovery Education, Discovery Communications

**Mark B. Grier**, Vice Chairman, Prudential Financial, Inc.

**Raj Gupta**, Chairman, Aptiv

**Mauricio Gutiérrez**, President & CEO, NRG Energy, Inc.

**Robin Hayes**, CEO, JetBlue Airways

**Tim Hockey**, President & CEO, TD Ameritrade Holding Corporation

**Ralph Izzo**, Chairman of the Board, President, & CEO, Public Service Enterprise Group Incorporated

**Surya Kant**, President TCS North America, UK & Europe, Tata Consultancy Services

**David Kenny**, CEO, Nielsen Holdings plc

**Shelly Lazarus**, Chairman Emeritus, Ogilvy & Mather

**Peter L. Malkin**, Chairman Emeritus, Empire State Realty Trust

**Rodney O. Martin**, Chairman & CEO, Voya Financial, Inc.

**Robert E. Moritz**, Global Chairman, PricewaterhouseCoopers LLP

**Andi Owen**, President & CEO, Herman Miller, Inc.

**Stuart Parker**, CEO, USAA

**Michael I. Roth**, Chairman & CEO, Interpublic Group

**Jason Stevens**, President & CEO, Mitsubishi International Corporation

**Daniel J. Sullivan**, President & CEO, Collette

**Peter Van Camp**, Executive Chairman, Equinix, Inc.

**Mark Weinberger**, Global Chairman & CEO, Ernst & Young International

#### SPECIAL GUESTS:

**Joshua Bolten**, President & CEO, Business Roundtable

**Peter Gleason**, CEO, National Association of Corporate Directors

*Pictured above left to right: Barbara Humpton, Siemens USA; Lynn Doughtie, KPMG; Sam Gandhi, Sidley Austin LLP; Board of Board participants; Doug Conant, ConantLeadership; Andi Owen, Herman Miller, Inc.*

# CHIEF EXECUTIVES DRIVING CORPORATE PURPOSE

Fifty CEOs from the world's largest companies convened at CECP's 14th annual Board of Boards on February 25, 2019 to discuss the theme *Chief Executives Driving Corporate Purpose* and to examine critical success factors in building business for the long term. The 2019 Board of Boards marked the 20th anniversary of CECP's founding by **Paul Newman, John C. Whitehead, Paul Volcker, Peter Malkin**, and other business leaders. CECP also announced its new name, **Chief Executives for Corporate Purpose**, redefining the CECP acronym to reflect its future-forward approach. Following the Board of Boards, CECP's Strategic Investor Initiative (SII) hosted the sixth CEO Investor Forum. The CEOs of **AmerisourceBergen, Aptiv, Equinix, JetBlue Airways, and Nestlé S.A.** presented their companies' long-term plans to institutional investors.

CECP released its new **Fortune® 500 Scorecard Analysis**, which showed how the private sector seeks to improve performance across an increasing number of environmental, social, and governance (ESG) indicators, including:



› **Higher Company Financial Value**—such as EBITDA, EV/EBITDA, revenue, and return on invested capital.



› **Caring for the Environment**—such as by measured decreases in greenhouse gas emissions, more companies offering water/waste-reduction policies, and an increased number of companies offering products addressing climate change.



› **Investing in Society**—such as increases in total giving, and total giving as a percentage of pre-tax profit, also less employee turnover. Still, there remains room to increase the overall participation of women in the workforce.



› **Adding to Governance Policies in Place**—such as companies establishing ethical guidelines/compliance policies, a higher percentage of companies implementing social supply chain risk management initiatives, increases in corporate responsibility/sustainability governance committees, a greater percentage of companies linking ESG goals to board compensation, and more companies increasing the participation of women on their Board of Directors.

## CEO ATTENDEE PROFILE



**14 Million**  
Employees



**\$6.6 Trillion**  
in Revenue



**\$21.2 Billion**  
in Social Investment



**\$15 Trillion**  
in Assets Under Management



*"When I first joined A&F, I embarked on a journey to put the customer at the center of everything we do—and that is not just an expression. By listening to your customer, including your internal customers, our associates, you really uncover a lot about the communities you touch and better understand how you can meet their needs."*

**Fran Horowitz**, Abercrombie & Fitch Co.

## KEY TAKEAWAYS

Participants engaged in table dialogues and heard from conversation leaders on findings from the Edelman Trust Barometer, how purpose and principles drive success, defining and creating a legacy, building a culture at the core of the business, using tech for good in the workplace and marketplace, and speaking out publicly. Leading CEOs are taking the following actions:

### 1. Cultivate and sustain a dynamic/fulfilled workforce:

- › Build employee trust by being accountable, responsible, and present.
- › Invest in employees' skills so they are up-to-date on mega trends and the company's trajectory.
- › See diversity as part of the company's DNA, not a program.

### 2. Listen to voices from key stakeholders, including employees, communities, consumers, and investors:

- › Seek out opinions from voices all around, including opinions that don't match their own.
- › Understand what their companies', countries', and world's most precious resources are, and stand up for them.

### 3. Take the long view:

- › Take part in the long-term "self-serving" work of ensuring a talented next generation who will be tasked with developing solutions for the future; this work cannot be done on a quarterly basis.

### 4. Act on the company's values, but plan for the blow back—and the support.

- › The public expects CEOs and their brands to take a stand on social issues—new territory for many companies that they will need to prepare and plan for now.
- › No single company can solve these massive social challenges alone; find collaborators, build coalitions, join a movement.

*"Culture is created by many actions, which will cascade down into the organization. It is not created by simply delivering financial results. Culture is realized when we hear people say this is where they want to work, where they want to stay until they retire, where they want their children to work, and where they take care of their community."*

**Dinesh C. Paliwal**, HARMAN





*"I'm a firm believer that our nation's most precious natural resource is our kids. We knew there would be a lot of blow back when we made our decision to take assault-style rifles and high-capacity ammunition off the shelves and there was. But what we weren't ready for was the outpouring of support for what we did."*

**Edward W. Stack**, DICK'S Sporting Goods

*"I think we live in a time where, as leaders of businesses, we have a moral obligation to stand up for the values that our companies believe in and are based on. We should be making values-based decisions. We should make decisions that are not red or blue issues, but red, white, and blue issues that are American values."*

**Dan Schulman**, PayPal



*"Our whole core purpose is to use science to improve people's health and to make a difference. The whole purpose of the company is to do good. We don't pay attention to our quarterly numbers. You cannot truly manage, I believe, any business that way, but you certainly can't manage science on a quarterly basis. Science doesn't work like that. Business doesn't work like that."*

**George Yancopoulos**,  
Regeneron Pharmaceuticals

## LIVE POLLING RESULTS OF ATTENDING CEOs

- › **Seventy-four percent** of CEOs feel **well-equipped or equipped** to **"meet expectations** in the current business and sociopolitical environment."
- › When asked which action most effectively builds trust in a company, **42% of CEOs** responded **"ethical business practices"** and **38% "treat employees well."**
- › **Ninety-three percent** of CEOs agree or strongly agree that **"the purpose of business is to produce profitable solutions to problems of people and planet."**
- › CEOs identified their **top three business challenges** as:
  1. Prepare for the future of work;
  2. Employee diversity and inclusion, and;
  3. Mitigating short-termism.
- › **Sixty-seven percent** of CEOs reported that the **most effective bold move** they can make toward sustainable business leadership over the long term is to **speak publicly, in their own voices, on what their companies are doing and why.**

*"In today's world, advanced technologies are rapidly shaping the future of business, community, and society. Skills are the bedrock of transformation into a Business 4.0 World, and at TCS it is our fundamental ethos to bring everyone along on this new digital journey. We are committed to creating greater access, equity, and inclusion by re-skilling and up-skilling our own workforce, preparing youth for 21st century careers, and empowering women, minorities, and under-served groups."*

**Rajesh Gopinathan**,  
Tata Consultancy Service



# Board of Boards

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## ABOUT CECP

*Chief Executives for Corporate Purpose (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 \$6.6 trillion in revenues, \$21.2 billion in societal investment, 14 million employees, and \$15 trillion in assets under management. CECP helps companies transform their social strategies by providing customized connections and networking, counsel and support, benchmarking and trends, and awareness building and recognition. For more information, visit <http://cecp.co>.*

## CEO FORCE FOR GOOD HONOREES



*Pictured clockwise from upper left: Fran Horowitz, Abercrombie & Fitch Co.; Rajesh Gopinathan, Tata Consultancy Services; Alan G. Hassenfeld, Hasbro, Inc.; Michele G. Buck, The Hershey Company; Edward W. Stack, DICK'S Sporting Goods*



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