

# Executive Report

## CEO Investor Forum

HOSTED BY THE  
STRATEGIC INVESTOR  
INITIATIVE, CECIP



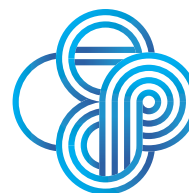
## CEO Investor Forum 7.0

MAY 8, 2019 | CHICAGO, IL

**SAVE THE DATE: CEO Investor Forum**

February 24, 2020 | NYC

Contact [SII@cecp.co](mailto:SII@cecp.co) for more information.



**CECIP**  
STRATEGIC INVESTOR  
INITIATIVE



# CEO Investor Forum 7.0 Overview

On May 8, 2019, Chicago-based investors joined the movement for long termism as CECP's Strategic Investor Initiative (SII) held its seventh CEO Investor Forum in the Windy City.

CECP's CEO Investor Forums are the premier platform for CEOs to share their long-term business plans for sustainable value creation with institutional investors. CEO Investor Forum presentations can be viewed at [cecp.co/SII](http://cecp.co/SII).

The audience of investors that represented \$14.3 trillion in assets under management heard the long-term plans from the CEOs of two of America's largest energy companies:

- » **Nicholas K. Akins**  
Chairman, President, & CEO, AEP
- » **Ralph Izzo**  
Chairman, President, & CEO, PSEG

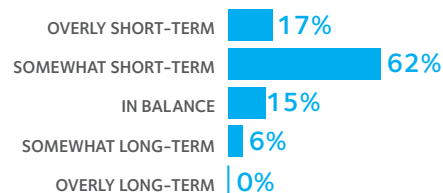
Each presentation addressed five key elements that are important to institutional investors, according to a recent SII white paper, *Emerging Practices in Long-Term Plan Presentations*:

- 1. ADDITIVE TO EXISTING DISCLOSURES:** A long-term plan should add information to the public domain or provide additional context for existing disclosures.
- 2. MORE THAN MARKETING—CONTEXTUALIZED DISCLOSURES:** A strategic plan narrative is not a recitation of good news stories. Initiatives should be contextualized to help investors assess their significance.
- 3. FOCUSED ON MATERIALITY:** A long-term plan should disclose information that is material to the operating performance and financial prospects of the business.
- 4. INTEGRATED DISCUSSION OF MATERIAL ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) ISSUES:** ESG topics are widely acknowledged as core to business success over the long term and should be part of an integrated discussion—not a silo or presented as a list of “awards.”
- 5. FORWARD-LOOKING INFORMATION:** A long-term plan is an opportunity for a company to talk meaningfully about the future across a broad range of value-relevant topics, accompanied by goals, metrics, and milestones.

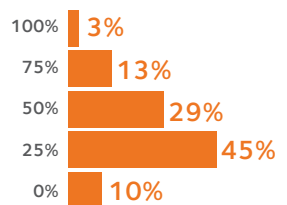


## POLL QUESTIONS

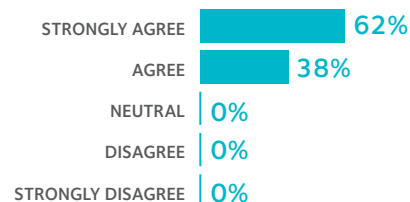
What is your view on the balance of how CEOs currently allocate their time?



Approximately what proportion of the companies you currently hold are successfully communicating their long-term strategies?



Will hearing companies' long-term plans influence your proxy voting and engagement strategies?







# Key Investor Takeaways



CECP CEO Daryl Brewster opens CEO Investor Forum

## Additional conversation leaders at CEO Investor Forum 7.0 included:

- » **Bill McNabb**  
Former Chairman & CEO, Vanguard and  
Co-Chair, CECP's Strategic Investor Initiative
- » **Ilene S. Gordon**  
Retired Chairman, President, & CEO, Ingredion
- » **Jon Hale**  
Global Head of Sustainability Research,  
Morningstar, Inc.
- » **Daniel P. Nielsen**  
Managing Director and Senior Portfolio  
Specialist, Great Lakes Advisors
- » **Donna F. Zarcone**  
President & CEO, The Economic Club of  
Chicago

As both **Nicholas K. Akins**, Chairman, President, & CEO, **AEP** and **Ralph Izzo**, Chairman, President, & CEO, **PSEG** noted, few industries have changed like the utility industry. With megatrends of declining technology costs and the increasing interest in electric vehicles, utility companies should now be considered energy companies. This is a shift from creating energy and distributing it to homes and business to a model that looks at the bidirectional flow of energy—and, more importantly, of data. Successfully managing this shift is essential and both companies are well-positioned to succeed in this new energy marketplace, according to Akins and Izzo.

## PRESENTER

### **Nicholas K. Akins, Chairman, President, & CEO, AEP**

"The long-term view is important; I can get through any quarterly call if there's a long-term vision. If you have a long-term vision, you can get a 'hall pass' on a rough quarter."

"There's a chasm in economic development and access for people in rural versus urban areas. Utility companies are able to adopt the technologies and create almost universal adoption of them, so all people have access to low-carbon technologies."

"There's nothing better than to have a line-of-sight for investors to the board to the employees to the customers—where they understand what the long-term vision of AEP is. That way there are no surprises to anyone along the way."





"To me, the truly strategic issues revolve around marrying the long term and the short term. It's not an 'either/or'; it's an 'and.' If you want to create long-term value, stakeholders need to focus on more than just the next quarter's results."

– Bill McNabb, Former Chairman & CEO, Vanguard and Co-Chair, CECP's Strategic Investor Initiative

"As a CEO, everything I did was to build value for the long term; for example, investing in research and development. I preferred to meet with investors who had the long term perspective, versus the short-term investors."

– Ilene S. Gordon, Retired Chairman, President, & CEO, Ingredion



"Companies that are not addressing their sustainability challenges face increased risks and missed opportunities. Those that act in purposeful ways can retain and grow their customer base, reduce risk, operate more efficiently, and draw from a larger pool of talented workers. Asset managers today increasingly understand these dynamics and account for them in their investment process."

– Jon Hale, Global Head of Sustainability Research, Morningstar, Inc.



## PRESENTER

**Ralph Izzo, Chairman, President, & CEO, PSEG**

"Resiliency is a critical aspect of our infrastructure investments in New Jersey, both in terms of our 100-year-old gas pipe system and our electric grid. If you think people are upset today because they can't charge their cell phone, wait until tomorrow when they can't use their car because a storm has come through and they are out of power."



CEO Investor Forum presentations can be viewed at [cecp.co/SII](https://cecp.co/SII)



# CEO Investor Forum 7.0 Attendees

ATTENDEES OF THE CEO INVESTOR FORUM 7.0 INCLUDED REPRESENTATIVES FROM:

7

PRESENTING CEOS AND  
C-SUITE DISCUSSION  
LEADERS

2

CEOS MAKING  
LONG-TERM PLAN  
PRESENTATIONS

~\$70

BILLION IN MARKET  
CAPITALIZATION OF  
PRESENTING COMPANIES

AUDIENCE  
REPRESENTING

\$14.3  
TRILLION IN ASSETS  
UNDER MANAGEMENT

AHC Group

American Electric Power Company, Inc.

ArcelorMittal

Arthur J. Gallagher & Co.

Assurant, Inc.

Bank of America - US Trust

BrownFlynn

CamberView Partners

CDP Group

Climate Resilience Consulting

Deloitte US

Deutsche Bank

DiMeo Schneider & Associates, LLC

Discovery Education

Duchossois Capital Management

The Economic Club of Chicago

Edelman

Ernst & Young International

Federated Investors, Inc.

Financial Accounting Institute (FAI)

Finn Partners

Great Lakes Advisors, LLC

Hanesbrands Inc.

Heidrick & Struggles International, Inc.

**Hermes Investment Management**

IBM Corporation

Illinois State Treasurer

Ingredion Incorporated

JPMorgan Chase & Co.

**\*KPMG LLP**

Legal & General Investment  
Management Americas

Macy's, Inc.

Moody's Corporation

Morningstar, Inc.

**Neuberger Berman**

Northern Trust Corporation

One Family Merchant Services

Peoples Gas

Public Service Enterprise Group  
Incorporated

RHR International LLP

Sustainability Accounting Standards Board

**Vanguard**

W2O Group

The Wall Street Journal

WEC Energy Group

The World Bank

YWCA Metropolitan Chicago

Bold lettering indicates Strategic Investor Initiative Advisory Board member

\*Indicates event sponsor



## Looking Ahead

SII will hold its next CEO Investor Forum on  
Monday, February 24, 2020 in New York.

To register, contact [SII@cecp.co](mailto:SII@cecp.co).

Corporations interested in reserving presentations at  
CEO Investor Forums should contact Sarah Bostwick  
at [sbostwick@cecp.co](mailto:sbostwick@cecp.co).



# CEO Investor Forum

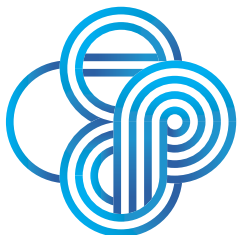
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## ABOUT THE STRATEGIC INVESTOR INITIATIVE

The Strategic Investor Initiative is a coalition of thought leaders committed to the long-term movement. Collectively, SII is developing a new platform for leading companies to create, convey, and deliver long-term plans to long-term investors. SII's vision is to spark the movement of trillions of dollars of capital to companies demonstrating performance excellence over the long term. SII provides tools and resources designed to introduce and support market behaviors that ultimately deliver sustained long-term value for all stakeholders.



Attendees at CEO Investor Forum 7.0



# CECP

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Daryl Brewster, CEO, CECP

Nandika Madgavkar, Senior Director,  
Strategic Investor Initiative

Mark Tulay, Senior Director,  
Strategic Investor Initiative

## About Chief Executives for Corporate Purpose (CECP)

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 \$11.3 trillion in revenues, \$23.8 billion in societal investment, 17.4 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 thanks Bloomberg LP, Ford Foundation, Heron Foundation, and Robert Wood Johnson Foundation for their generous support of CECP's Strategic Investor Initiative. The team would also like to thank the lead sponsor for the seventh CEO Investor Forum, KPMG, for providing the venue for the event. ([www.cecp.co/SII](http://www.cecp.co/SII))

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