

2020-2021

Board of Boards Series: Part 1 Executive Report

November 5, 2020

FEATURED SPEAKER: Brian Moynihan, Chairman & CEO, *Bank of America*

KEY TAKEAWAYS:

- Solving the issues identified by the Sustainable Development Goals, the world's balanced scorecard that will cost \$6TN, will only come by aligning capital, embracing stakeholder capitalism, and underscoring the importance of ESG (environment, social, and governance).
- ESG is high on the agenda for leading businesses, regardless of what happens with the Administration. Companies are making changes that are not required by regulations.
- The International Business Council metrics are company led as an answer to advocates—including investors, employees, and customers—and to provide a framework to measure progress on stakeholder capitalism. The IBC report calls out CECP's own Total Social Investment as one of the key metrics.
- Within ESG, the major issues companies need to be focused on include environment, diversity, social justice, skills/jobs, and contributions to society.
- ESG is here; it identifies the companies that are good enough to stay with. Investors have the ability to exclude companies that are not focused on ESG.
- This is not ESG investing, or green or social bonds; this is the regular, standard way a large equity capital holder does its business. Investors will judge all companies by this.
- Addressing ESG metrics will help companies prepare for what's ahead in 2021 and help it face unprecedented challenges.

"The need for the accountability of businesses is higher than ever; society will look to them to lead on the transition to the 4th industrial revolution, re-skilling, economic mobility, and the evolution of the social contract with employees. This rests on us."

Brian Moynihan, Chairman & CEO, *Bank of America*

"ESG and sustainability are higher on the agenda for US companies than ever before. The International Business Council metrics are an important moment when the Big 4 accounting firms and others came together behind the importance of ESG and the common metrics needed to track progress on stakeholder capitalism."

Carmine Di Sibio, CEO, *EY*

A key effort of the World Economic Forum before the end of 2020 is for CEOs to sign a commitment letter sent from Brian Moynihan and Klaus Schwab to all companies in the International Business Council. For more information, please email ESGMetrics@weforum.org.

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