# A BETTER WORLD THROUGH BUSINESS

CHIEF EXECUTIVES FOR CORPORATE PURPOSE

CECP

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# INTRODUCTION

Over the past 20 years, the world of business—and the role that business plays in the world—has been changing at an ever-increasing rate. More rapidly, more frequently, and perhaps more urgently than ever before, companies face requests, demands, and expectations to do more than just make money for their shareholders. Their stakeholders—which include everyone from shareholders to employees to the people who live in the communities where they work—expect them to do better.

Today's business leaders are increasingly stepping up to the challenge. Whether they're making high-profile commitments to fund life-changing innovations around the world, or committing to improve the lives of their workforce, CEOs are embracing the power they have to serve as a force for good.

To fully achieve the impact of that power, companies need help. They need support and guidance in developing and sustaining their work. And that's where Chief Executives for Corporate Purpose (CECP) comes in. For the past 20 years, CECP has served as a hub for companies seeking to make a difference in the world.

In the 20 years since Paul Newman and a handful of like-minded CEOs founded CECP under the name Committee to Encourage Corporate Philanthropy, the organization has helped companies across industries understand what it means to embrace a corporate purpose, and how it is uniquely suited to leverage their expertise and resources to create the biggest impact. Through its landmark research, benchmarking services, and reports, to its high-profile meetings, CECP brings together corporate leaders at the highest levels to share insights, offer encouragement, and create change.

While upholding its original "CECP," today, the organization's full name is Chief Executives for Corporate Purpose. The development of the name reflects the changing role of business in society: companies now recognize that doing good in the world requires a more focused effort than haphazardly donating money to pet causes. Today's CEOs know that finding their corporate purpose will help them develop a strategic approach to impact that will benefit their businesses, their workforce, their communities, and the world.

"The power of CECP is that its core values align with our core values," says Stuart Parker, former CEO of USAA, a company whose involvement with CECP resulted in a living-wage commitment that changed the lives of nearly 1,000 of its employees.

CECP is taking its 20th anniversary as an opportunity to look back on its journey, chart its successes and evolution, and—most importantly—review what the history of corporate responsibility can tell it about its present and future. The book starts with the never-before-published story of CECP's genesis—how Paul Newman was inspired to create a network of corporate leaders driven to do good in the world. Subsequent chapters explore some of the different challenges CECP and its affiliated companies have addressed in the past 20 years: how do you create—and advance—a strategic approach to corporate purpose? How do you measure success? How do you manage for the long term? How do you want to lead others? And how does your company achieve excellence?

The answers to these questions, which some of the world's leading companies have tackled with CECP over the past two decades, reveal the direction in which all companies must progress to sustain this movement of business as a force for good.

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CHAPTER ONE

# THE CHALLENGE:

## HOW TO ENCOURAGE CORPORATE SOCIAL INVESTMENT?

## THE NEVER-BEFORE-PUBLISHED HISTORY OF CECP

In 1997, Paul Newman was concerned. Fifteen years earlier, he'd started his own food company, Newman's Own, Inc., giving all its profits to charitable organizations. He'd won awards for his work as an actor, a race car driver, and as a philanthropist, particularly for his work founding The Hole in the Wall Gang Camp for kids coping with cancer and other serious illnesses. Yet the path he'd pioneered with Newman's Own to utilize corporate resources in service of societal good seemed little more than a footpath, not the speedway he'd envisioned.

Seeking a way to accelerate his impact, Newman called Peter Malkin, now Chairman Emeritus of Empire State Realty Trust, whose father-in-law, Lawrence A. Wien, had used shareholder activism to increase annual giving by global companies by $100 million. But after Wien suspended his efforts, Newman told Malkin, "Corporate philanthropy is down. Corporations must step up. They have to do more." The two discussed what might be done, mulling over various options.

They acknowledged that times were changing; multiple forces were at work to change the powerful local community focus of business. Whereas once executives lived, worked, raised families, and participated in the communities in which their companies were grounded, that bedrock of American business was shifting. There were acquisitions of local firms by larger, often distant companies, which led to a "Why bother?" attitude among remote managers with a single-minded focus on quarterly earnings. The prevailing philosophy at the end of the 20th century was "the business of business is business."

Newman and Malkin recalled an earlier era when companies enabled social good, a time when a CEO led the company to invest in communities based on personal passions, supporting the local hospital, art museum, or ballet. Yet, giving was reactive and not likely connected to business strategy. In an era dedicated to short-term earnings, how could they inspire and encourage a new commitment to philanthropy?

## ENCOURAGING CORPORATE PHILANTHROPY

The concept that Bob Forrester, former President and CEO of Newman's Own Foundation, proposed—and Malkin and Newman championed—involved assembling a blue-ribbon panel of CEOs who would call for serious acknowledgment of the important role that corporations play in society, far beyond their ability to make money for shareholders.

With that in mind, Forrester wrote the original prospectus to create the Committee to Encourage Corporate Philanthropy. Affiliation in the group would require a corporation's commitment to contribute at least two percent of domestic profit to social progress. Newman lent his name to bring together a select group of business leaders.

By January 1998, the three were ready to bring the idea to a larger audience. Over a luncheon at The Links Club in New York City, Newman and Malkin met with David Rockefeller, then Chairman of Chase Manhattan Bank; Paul Volcker, former Chairman of the Federal Reserve Bank; and John Whitehead, then Co-chairman of Goldman Sachs; and enlisted each of them to serve as an honorary co-chair of the committee. Malkin and Newman then invited them and several additional corporate chairmen to a luncheon at The Links Club to launch the organization.

The concept received a positive response: these leaders were all worried about the corporate sector's aimlessness with respect to long-term value creation, and its lack of support for the critical relationship between community and corporations. Despite the shared concern and enthusiasm, the group faced a number of obstacles. Some expressed concerns over the word "philanthropy." Others felt the two percent threshold was too high a bar. And some expected resistance to being told by outsiders how to spend their earnings.

Even so, the general sense that something needed to be done overcame their hesitation. The early supporters of the committee took shape: Rockefeller, Volcker, Whitehead, Malkin, and Newman were joined by CEOs Paul Allaire, Xerox Corporation; John Bryan, Sara Lee Corporation; Floyd Hall, KMart; Irvine Hockaday, Hallmark Cards, Inc.; Ralph Larson, Johnson & Johnson; Charles Lee, GTE; Thomas Murphy, Capital Cities/ABC; Henry Schacht, Lucent Corporation; Walter V. Shipley, Chase Manhattan; Steve Stamas, Exxon; and ultimately, Ken Derr, Chevron, who agreed to serve as chair.

Early financing came from Newman, Malkin, and Ben Cohen of Ben & Jerry's, who'd been recruited by Newman. By 1999 they knew they needed external funding and Malkin proposed the Ford Foundation, led at the time by Susan Berresford, as a potential source. Other early supporters were Atlantic Philanthropies, W.K. Kellogg Foundation, MacArthur Foundation, Andrew Mellon Foundation, Charles Stewart Mott Foundation, Rockefeller Brothers, The Park Foundation, Pew Charitable Trusts, and The Whitehead Foundation.

## BACK TO THE FUTURE

Today, CECP is well established as a CEO-led coalition that believes a company's social strategy—how it engages with key stakeholders including employees, communities, investors, and customers—determines company success. CECP has grown to a movement of more than 200 of the world's largest companies, representing $6.6 trillion in revenues, $21.2 billion in social investment, 14 million employees, 23 million hours of employee engagement, 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. Its precepts, insights, and encouragement are renowned and respected.

CECP's successes are built on a long history of corporate philanthropy that predates Newman's concerns. While philanthropy may have once been the prerogative of entrepreneurs seeking to burnish last names such as Carnegie, Rockefeller, and Ford, the notion of a corporation's responsibility to society had already begun to gain traction. Leaders with the names of Procter, Gamble, Johnson, and Lever understood the relationship of employee and community wellbeing to corporate longevity.

"In my experience, there have always been companies that are deeply committed to being good corporate citizens and, in that sense, there are no new ideas out there," says current CECP Chair Doug Conant, the former CEO of Campbell Soup Company, former Chair of Avon Products, and CEO and founder of ConantLeadership. "I remember my grandparents sharing stories with me going back as far as the Great Depression where the federal government and many companies partnered to serve society well. That having been said, beyond the shadow of a doubt, the energy manifested today for socially responsible, purpose-led companies has never been higher."

Indeed, many of CECP's current companies can trace their committments to positive social impact to their 19th- and 20th-century founders. What these companies knew early on is that social purpose was embedded in the genesis and reason for being of the company itself. They are inextricably linked. These were purpose-led companies before the term had been coined.

The Guardian Life Insurance Company of America, for example, founded in 1860, had social responsibility as its fundamental purpose from the start: providing life insurance to immigrants who could not get it otherwise. The company still maintains its founding values, according to Guardian CEO and CECP board member Deanna

Mulligan. "Our founding was for the social good, making standards around integrity, trust, and respect for our employees and customers alike. Those principles are essential to our value."

Tata Consultancy Services (TCS), a global leader in IT services, digital, and business solutions, may be an even more remarkable example. The Tata Group was formed in 1868, explains Balaji Ganapathy, Global Head of Social Responsibility, Tata Consultancy Services. "The founder, Jamsetji Tata, decided to create an enterprise that had the community as not just as another stakeholder, but as the very purpose of existence of the company. Even today, the Tata Group's mission is to improve the quality of life and uplift people wherever we live and work. And the interesting way Tata made it possible for future generations of people working in the TCS and other Tata Group companies to follow that tradition is by setting up a holding ownership structure where Tata Sons, the majority main holding company shareholder of this hundred-billion-dollar enterprise, is in turn 66 percent owned by two philanthropic trusts."

Paul Polman, former CEO of Unilever, can clearly trace its historic commitment to philanthropy. "Lord Lever started his company in the 19th century. It is a company built to last, not built to sell. He was born in Victorian Britain. At that time, one out of two babies didn't make it past the first year because of issues of hygiene. He simply invented a bar soap, the first one was called Sunlight and the second one he called Lifebuoy. It made hygiene commonplace. He built housing for his workers before he had the factory running because people have to live somewhere first. He went into Parliament. He introduced pensions. He believed in something very simple, which was called shared prosperity."

Similarly, the San Antonio-based insurance and finance company USAA can point to its nearly 100-year history of service. "USAA was founded in 1922 by 25 U.S. Army officers who came together to insure each other after being unable to obtain affordable auto insurance," says former USAA CEO Stuart Parker. "I love their commitment to serve one another because today it continues to drive a mission to facilitate the financial security of military families." USAA's philanthropic investments reinforce the company's values and focus on promoting military family resilience.

Gap Inc. is a newer company, but its positive social impact commitment was similarly foundational. "Doris and Don Fisher, who ran our company as equal partners with both contributing equal amounts of capital to open the first Gap store, really understood the importance of community and giving back," explains Gail Gershon, Senior Director at Gap Inc. "This was unusual in 1969, the year that the company was founded, but the Fishers were visionary and went on to create Gap Foundation in 1977 when it was still a small company of about 30 stores. Don Fisher once said, 'Let's do more than sell clothes.' Having a positive impact in the communities in which we live and do business is key to our identity as a company, and has been from the start."

Gap and many other companies that joined CECP shared a remarkable steadfastness in pursuit of business as a "force for good."

At the turn of the 21st century, CECP thoughtfully determined the right organizational structure, staffing, and impact model. CECP moved away from its original two percent giving criteria, but held firm to the CEO affiliation criteria and a dedication to measurement in service of seeking continuous improvement.

## EARLY GROWTH OF CECP

CECP was off to a quick start, setting up office space on 45th Street in a Chase building, with Charlie Moore as its first Executive Director. Moore served CECP for 14 years, growing the coalition and instituting many critical programs. Perhaps Moore's most important achievement, in addition to fundraising, was recruiting successive CEOs to join the committee, starting with Ken Derr then CEO of Chevron. One early member, Alan Hassenfeld, Chairman of the Executive Committee at Hasbro, acknowledges Moore's work was all for a great cause. "I was already a true believer in the social role of business," says Hassenfeld. "Hasbro had identified what it called the 'philanthropic triple threat': financial donation, giving in kind, and employee volunteerism. That concept has gone on to become foundational to most companies, but, in the beginning, I like to think Hasbro played a significant role in developing and articulating this corporate strategy for social impact, side-by-side with CECP."

Another early member, Sandy Weill then CEO of CitiGroup, recommended three important principles to ensure CECP's continued growth. First was to charge an affiliation fee with a suite of services provided to companies, rather than to continually depend on charitable funding. Second was to focus on measurement—and so was born the *Adding it Up* report, an early version of CECP's *Giving in Numbers* report, which is today the unrivaled leader in benchmarking on corporate social investments, in partnership with companies. Third was to convene CEOs annually in what is now called the Board of Boards.

The reason for the measurement report, according to Moore, was that he and Weill envisioned CEOs would be intrigued with how they compared with peers in their companies' progress. What they found was an unanticipated benefit. "What they really wanted to know," recalls Moore, "was what their competitors were doing, how they stack up within their industry."

The next chairman of CECP was Terry McGraw, then Chairman and CEO of McGraw-Hill. Under McGraw's tenure, CECP developed what is today the annual CECP Summit, first held in 2003, designed as a way to train and report on the *Giving in Numbers* survey results. The event focused on the needs of the teams within the companies managing the day-to-day interaction with employees and communities. Partnerships and research, with McKinsey, Goldman Sachs, Taproot, and Accenture, flourished in this time period.

Courtney Murphy, former Director, CECP, notes, "It was around this time that CECP's Essential Services began to take shape. Affiliated companies came to expect that a call or email to CECP would yield layers of seasoned advice and counsel, the CECP Summit and Board of Boards would provide access to enlightened conversations and insights, *Giving in Numbers* would fast-track strategies based on data from the field, and the peer network would become a lifeline for an emerging practice."

CECP began to add staff to support this guidance to companies, going from a small but mighty team of 3 in the very early days, to 8 in its teenage years, to 25 today.

## 21ST-CENTURY CORPORATE SOCIAL IMPACT

The arrival of current CECP Chairman Doug Conant was a boon for CECP. A *New York Times* best-selling author and CEO of a global corporation brought his *modus operandi* of being "tough minded on standards, tender hearted with people" to CECP and its companies.

The evolution of the organization's name reflects the evolution of the movement. From Newman's long and steadfast support for philanthropic endeavors came the Committee to Encourage Corporate Philanthropy. Over time, as corporate leaders with the remit of societal investment became commonplace, the organization recognized the importance of harnessing its momentum to continue to create ever bigger real-world impacts. In 2019, the name Chief Executives for Corporate Purpose was born, reflecting the evolution of the movement to something that highlights the leadership and vision of the company, and continues to advance the field.

Conant made a mark by recruiting Daryl Brewster, former President of Nabisco and turn-around CEO of Krispy Kreme, to pick up the mantle when Moore stepped down as Executive Director in 2014. Brewster's tenure has been revolutionary. He brought with him a commitment to illustrate the long-term value created by corporate social investment, drawing on his private equity expertise. Brewster also infused into CECP a love of annual and quarterly goals, key performance indicators, and impact measurement, diffusing the notion that nonprofits are not run with the same rigor as the corporate world.

"In the early days of CECP, there was still this sense of pure philanthropy as an active principle," Brewster explains. "The idea was to make money in one area and to give money in another." But over time, that approach has shifted significantly as companies realize—through their own actions and by learning from their peers—how significant their role as a force for good can be. Brewster adds, "The firms that are pioneering in purpose-led business are the ones that don't think in terms of philanthropy or even social responsibility now. They view their social engagement as an essential pillar of business."

To support these burgeoning purpose-led businesses, CECP's Essential Services continues to take shape: with its online portal, MyCECP, offering a Knowledge Center and Data Center for self-serve support; Fast-Track Consulting and Insights, a system to answer company questions in short order; Communications Audits to assess effectiveness of external and internal corporate outreach efforts; monthly roundtables and webinars focused on issues areas, sectors, or geographies; and Opt-In Opportunities for companies to pick and choose the deep-dive services that would meet them where they are on their journeys; as well as a redoubling of the tried and true events, benchmarking, and counsel from CECP experts on which this peer group has come to rely.

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CHAPTER TWO

# THE CHALLENGE:

## HOW DO COMPANIES MOVE FROM SPARE CHANGE TO REAL CHANGE?

What started with Paul Newman and friends emerged thoughtfully over the years, evolving business from its sole focus on shareholder returns to doing right by shareholders as well as everyone impacted by a company's operations. Along the way, many companies have come on board.

"When I consider the good that business can do, especially when seen through the prism of CECP, I am optimistic," says Richard Edelman, President and CEO of Edelman public relations. "We can be the change we want to see in the world. CECP illustrates that compellingly."

But creating systemic change is much harder than philanthropic giving. When the corporate world as a whole was tarred with the same brush as bad actor companies that made headlines, it became all the more important for companies to extend their good deeds beyond making charitable donations. Companies' wholesale shift from feel-good philanthropy to strategic social investment that aligns with their values and purpose is a trait of leading businesses in today's world.

## A SHIFT TO STRATEGIC GIVING

In CECP's early years, companies were beginning to understand the importance of, and take first steps toward, an evolution in corporate giving. Gail Gershon, Senior Director of the Gap Foundation at Gap Inc. recalls that, back in the 1990s, the company had a list of issue areas that were eligible for funding, but it was very broad, which made it hard to assess the impact of the funds that were invested. By 2006, it recognized the need to be more strategic and so embarked on a planning process that included exploring how Gap Inc.'s historic commitment to social engagement could better connect to Gap Inc.'s unique expertise, non-cash assets, and business activities.

"Our strategy was built with two pillars: first, to create virtuous cycles; and second, to think beyond cash," stated Gershon. "Today, the virtuous cycle approach of designing a strategy that leads to benefits


*Figure 1*

for the community and for the business is more frequently referred to as shared value.[1] Gap recognized it could make a deeper impact and create sustainable change, and to do that, needed to establish goals that leveraged core competencies, articulate and measure the value it was trying to deliver, and then evaluate results."

As a global company with 135,000 employees, more than 3,000 company-owned stores, and a dozen distribution centers, Gap Inc. brought a great deal of operational expertise and other assets to the table. The company decided to focus on two signature programs: This Way Ahead,[2] a first jobs program for teens and young adults that helps them get on the path to economic self-sufficiency; and PACE[3] (Personal Advancement & Career Enhancement), aimed at creating and expanding opportunities for women.

The evolution of corporate philanthropy was clear to Nielsen, a global measurement and data analytics company, as well. "Nielsen began its work with tons and tons of random acts of kindness," says Crystal Barnes, former Senior Vice President of Global Responsibility and Sustainability at Nielsen, now with Viacom. "Nielsen did the conventional volunteer day of service, but by about 2010 it began to see the value of aligning its work with nonprofits and causes aligned to its business and based on its core competencies. That's how it arrived at the focus areas of Hunger and Nutrition, Diversity and Inclusion, and Education and Technology. Why? Because Nielsen is a data and insights company. Its clients are in these sectors and it knows a great deal about them. Nielsen imagined what might happen if it could share its knowledge with nonprofits to help them maximize and reach their goals more effectively and efficiently. It knew it would never be a huge check-writing organization, but it had something even more valuable: knowledge, insight, and employees who wanted to put that to work."

"In this era, CECP's mission was to lead the business community in raising the level and quality of corporate philanthropy," states Alison Vultaggio, Associate Director, Corporate Leadership at CECP. "But the term 'philanthropy' was starting to show signs of wear, and cross-sector leaders were taking big steps to understand its compatibility with business results."

In 2008 CECP released *Business's Social Contract: Capturing the Corporate Philanthropy Opportunity*,[4] based on research and analysis by McKinsey & Company. The report signaled the shift, or awakening, to new realities, even before the impact of the 2008 downturn was truly understood. The report noted, "[p]hilanthropic pursuits are becoming an important way for most corporations to communicate with stakeholders, gauge their interests, and satisfy their elevated expectations." The report closed with the thought, "[t]he result is that these companies achieve both social and business goals with their philanthropic programs—thus helping to shape a new sustainable social contract. These philanthropists treat the social contract and corporate philanthropy's role in meeting it as an integral part of their business, and as an opportunity rather than an obligation." Vultaggio notes, "CECP's counsel at this time was heavily rooted in sharing the data and the case studies to prove that this shift was happening and that companies could benefit greatly by leading in the effort."

## POST-2008 SUSTAINABLE VALUE CREATION EMERGES

Some executives believe the momentum really began to accelerate, perhaps counterintuitively, during and after the financial meltdown in 2008. Mastercard's Chief Sustainability Officer Kristina Kloberdanz notes that during CECP's early years, corporations focused on corporate social responsibility or CSR: giving back to communities in which they live and work.

"But, then came the market crash," she explains. "Companies started dropping the "S" and looked at corporate responsibility. There was a big push on regulations, compliance, transparency, and disclosure. The question before us was, 'What would a prudent company look like?' This was a stake-in-the-ground moment and the private sector was being held accountable."

During the downturn, companies faced increased scrutiny about their impact on society. To help mitigate this, CECP began counseling companies on strategies to overcome the traditional strategic and operational divisions between advancing the performance of the enterprise and promoting the success of citizens and communities, both domestically and internationally; in other words, how to retain the focus on the "S".

According to CECP's *Business at its Best: Driving Sustainable Value Creation*,[5] released in 2011 in partnership with Accenture, "[t]he… financial crisis has damaged trust among consumers and increased regulatory concerns. Younger generations in particular are asking tougher questions about a company's relationship with the community and its effects on the world." The report outlined the five imperatives for CEOs to move their business strategy toward Sustainable Value Creation, CECP's term for the mutual benefit to society and business (see Figure 2).


*Figure 2*

Source: *Business at Its Best: Driving Sustainable Value Creation*. Accenture/CECP, 2011.

In 2016, Larry Fink,[6] CEO of BlackRock, sent a letter to CEOs saying, "We are asking that every CEO lay out for shareholders each year a strategic framework for long-term value creation." That marked a game-changing moment. Then, Bill McNabb,[7] former Chairman of Vanguard, reiterated the point. It started to be a drumbeat, a consistent call, not just from Larry Fink, but the world.

Kim Fortunato, Director of Community Affairs and President of the Campbell Soup Foundation, Campbell Soup Company, agrees. "The Larry Fink letter was the shot heard 'round the world. If corporate America doesn't have a societal lens as a business, that will affect BlackRock's investment strategies. That's a pretty clear message."

Doug Conant adds that, at that point, the issue for well-run business became clear: "If you're not involved with all stakeholders and the social implications of all the communities you serve, you are at risk."

## STAKEHOLDER RETURNS IN ACTION: SOCIAL IMPACT DRIVEN BY BUSINESS FOCUS

Mastercard's Kloberdanz saw additional momentum building with the emergence of environmental, social, and governance-based investing (ESG) and also credits Mark Kramer and Michael Porter's approach to Shared Value. "The world started dipping their toes in the water around the idea that a company could benefit at the same time it was doing good," she says. "That's how Mastercard looks at it at. Its work cannot rely on philanthropy or ESG investment alone—both of which are critically important. It will require commercially sustainable social impact."

Mastercard, whose initial public offering (IPO) was fairly recent, was able to build in a concern for social impact. Ten years ago, its board of directors asked itself, "How can we be a force for good?". The answer was to devote 10 percent of the IPO to create the Mastercard Foundation. The success of the company has resulted in a foundation that is valued at more than $20 billion. This commitment to ensuring positive social impact was also illustrated more recently when, in 2017, the company used the Trump administration tax cut to establish the Mastercard Impact Fund, committing $500 million for inclusive growth through the next several years.

"The Fund began by outlining its strategic social initiatives as financial inclusion and inclusive growth," says Kloberdanz. "It committed along with the World Bank to moving 500 million people who are unbanked into the formal economy by 2020. Now on the cusp of that goal, Mastercard recognized it's just the start. Financial inclusion is important, but the ultimate goal has to be inclusive growth—the long-term impact of its efforts."

Mastercard has determined its most powerful social impact will happen where its business's core competencies lie—impact must be strategically aligned and authentic to that business. At its heart, Mastercard is a technology company working in the payment industry. Its definition of its contribution is three-fold: philanthropy, which is defined as doing well by directly helping others—in other words, writing checks; doing well and doing good, which is how it runs the business; and doing well by doing good, where it envisions the most social impact.

The IBM Foundation has followed a similar approach. "It's fair to say that IBM has developed a more strategic approach to its initiatives over the years," explains Guillermo Miranda, Vice President and Global Head, Corporate Social Responsibility of IBM. "Once upon a time, it was enough to focus on environmental footprint or sustainability, or cash grants to local charities. But we began to ask ourselves, 'What kind of expertise do we have that's unique, and how can it be applied to large, complex social and economic problems?' IBM recognized that its humanitarian efforts had to run parallel to its business. So, these days, you're seeing us apply AI [artificial intelligence] expertise, blockchain, or cloud computing because we believe that they are game changers." The IBM Foundation now too has a strategic focus that mirrors its portfolio: education, health, and disaster preparedness. Throughout, IBM has worked to develop a collective impact approach that involves working with local government and nonprofits, as well as with other public/private sector firms.

Scores of other companies have embraced this collective impact orientation, and each has learned: it takes patience, including patient capital; and it takes building long-term relationships and becoming much more engaged as the donor.

Jamie Dimon, Chairman and CEO of JPMorgan Chase, a global leader in financial services, notes, "Businesses should look at their own expertise and resources and assess how they can be used to make a deep and lasting impact—producing real results. For

JPMorgan Chase, that means focusing on ways the firm can help create economic opportunity for more people, especially those who have been left behind. JPMorgan Chase is matching its expertise—its data, employees, business experience, and financial resources—with the needs of the communities it serves. That has allowed us to focus on four areas where we have deep experience and where challenges are most significant: jobs and skills training; neighborhood revitalization; minority-owned small business growth; and the financial health of consumers."

## EMPLOYEES AS A CORNERSTONE OF THE POSITIVE IMPACT

Most companies now recognize the importance of getting employees on board with sustainable value creation—whether it's applying their skills to volunteering opportunities or a sweat-equity approach to community improvement.

For GE, which for more than 125 years has invented the future of industry, the employee initiative is called Developing Health, partnering with 160 health centers in 42 GE cities. "GE worked with teams of local employees and engaged with local nonprofits, which we funded through grants and brought pro-bono skills," explains David Barash, Executive Director, Global Health Portfolio and Chief Medical Officer of the GE Foundation. "Building on GE Foundation work in Africa, Developing Health in the U.S. worked to ensure access to the first point of primary care for underserved or underrepresented populations. We worked with partners, including dozens of Federally Qualified Health Centers where 28 million Americans get their primary care. Getting involved with the project has been universally motivating and exciting to GE's volunteer cadre throughout the country."

Enthusiastic employee engagement is the goal everywhere, but few have achieved the appeal of IBM's Service Corps. "From the beginning, IBM Service Corps became a powerful way to attract and retain top talent," says Miranda. "And it is a living laboratory for cultivating technical proficiency, leadership development, resourcefulness, and cultural fluency. Employees come back with better managing skills. But there are many other benefits that quickly became apparent. In its early years, especially as IBM was expanding into Africa, Service Corps raised the company's profile considerably. It cultivated trust and name recognition in regions that weren't familiar with IBM. Service Corps was, and still is, able to help a lot of host organizations that were hungry for expertise on how to apply business processes and technology to be more effective."

Today, more than 4,000 of IBM's high-performing employees have participated. Employees must apply for admission to the program, and statistically speaking, it is harder to get into the Service Corps than into Harvard. They have to be ready to say "yes" if they're selected and sent to, for example, Tanzania to work on a project for six months. It's been such a success that FedEx, JPMorgan Chase, Citi, Johnson & Johnson, and a host of other CECP companies follow this model.

## DEEP INTEGRATION INTO THE BUSINESS

A major advance in the 20-year journey CECP has been a part of is the idea that social investment by a company is core business strategy, not a side project, and a priority from the CEO to the front lines. GE notes the power of its social investment initiatives as its business model for transitions. "We see it in the disposition of companies, as they are sold," explains Kathleen Mayglothling, Program Manager of the GE Foundation. "It used to be when GE sold a company, the acquiring company would say, 'we'll take it from here,' but now foundation executives are being brought into these meetings because it is obviously well-known that these programs mean a great deal to the employees. They simply don't want to lose that engagement."

There is obvious power in having each business make decisions about its specific priorities for social impact. What's their niche? For UPS, the focus is three-fold, supported at every step by employee volunteers, as well as company initiatives: diversity and inclusion; the environment; and community safety.

Eduardo Martinez, President of the UPS Foundation and UPS Chief Diversity and Inclusion Officer, explains the rationale: "As a global company that serves more than 220 countries and territories every business day, UPS's workforce of more than 480,000 has a huge impact on businesses and communities around the world. We apply the expertise we have developed to addressing global challenges and collaborate with preeminent NGO partners and public-private partnerships to create effective and sustainable solutions that meet the diverse needs of each situation. Support through UPS and the UPS Foundation is powered by the efforts of UPS's people, who demonstrate time and again that service to others is deeply rooted in the company's culture.

"Under community safety, UPS has two major programs that embody its work: humanitarian relief and resilience, and road safety. When something happens anywhere in the world, whether a fire in California or an earthquake in Indonesia, supply chains are broken. Supply chains are what UPS does for a living. We have established a huge body of work that just doesn't mobilize during a disaster but is also an ongoing day-in and day-out program to build capacity around preparedness, around resiliency in communities.

"On the road safety side, vehicles are the number one killer of young people, not only here in the United States but also everywhere in the world. UPS has built programs that teach young novice drivers how to use UPS driving safety techniques, because that's what UPS has been doing since cars were invented."

The topics corporations choose for focus are broad and far-reaching, but the specifics of each initiative must be able to morph and move as the world, industry, and business evolves.

As IBM's business model transitions, it is keenly aware that while there are huge benefits on the horizon, there are also concerns. IBM has created trust principles around AI, with an underlying precept that data belongs to its creator: IBM will not share a customer's data with anyone or any entity. Algorithms and formulas behind its AI need to be transparent and explainable, and the company will strive to root out bias that can be built into AI systems.

Miranda says, "As a grown-up in the room, we have an obligation to think carefully about the consequences of technology. Companies have all sorts of good impulses and can be naive or blind about what their innovation may unleash. They must be cognizant of all sorts of unintended consequences. More thoughtful organizations will try to avoid those pitfalls from the get-go. It is also important to take a clear stand on controversial issues like AI biases and lack of diversity in the tech sector."

"Keeping JPMorgan Chase a healthy and vibrant company is the best thing it can do for its shareholders, customers, employees, and communities," says Jamie Dimon. "As the primary engine of economic growth, the private sector has an important role to play in making sure the benefits are widely shared. The future of business and the health of communities are inextricably linked. JPMorgan Chase does not view financial success with profits in a single quarter or even in a single year. Diligent management teams invest in a long-term way that will make the company financially successful over time. Companies need to invest continually for better products and services so they can serve their customers in the future."

Dimon notes that growth is essential to the company's future, and that growth brings additional benefits to new communities.

"When JPMorgan Chase comes to town, it comes not just with its consumer branches but also with mortgages, investments, credit cards, private banking, small and midsized business banking, government business, and corporate responsibility initiatives to support its communities." Expanding brings with it inevitable risk, but Dimon stresses that risk, coupled with a long-term corporate strategy—and one rooted in positive impact—can bring great benefit.

"JPMorgan Chase tries to make decisions around risk in an intelligent, analytical, and thoughtful way. We look at the best-and worst-case scenarios before we take risks. In our risk committee meetings, we have lawyers, compliance, risk management, bankers, and technologists—people with decades of experience who challenge each other and ensure that they have thought about every possible angle. And since we know we will be wrong sometimes, we almost always look at the worst possible case—so that we can navigate any situation. This is not risk taking on the order of taking a guess—it is intelligent, thoughtful, analytical decision making. This fortitude has allowed JPMorgan Chase to be a port in the storm for our clients and customers in the past and will help us to serve them in good and bad times for years to come."

## STAKEHOLDER VALUES: SOLUTIONS ALONG THE VALUE CHAIN

Dow, Gap, UPS, and scores of other CECP companies understand the importance of looking first for business know-how to create social impact. There's a logic to it: bring your core competency to bear. In some cases, this approach brings business to the business, as when the Montgomery Food Bank in Texas came to Dow, a materials and science company, with a concern that hundreds of thousands of pounds of "ugly" produce were being tossed. Dow's packaging business worked with customers to develop a way to keep food out of the landfill and get it to the people who needed it.

"It's okay to make money and solve social issues," explains Rob Vallentine, former President and Executive Director, the Dow Company Foundation, and Director Global Citizenship, Dow. "Dow works with its customers to create solutions. We shared our STEM Ambassador program, where Dow volunteers leverage their expertise to help mentor classrooms, with our customer Cooper Standard. It created a program called Science, Technology, Engineering, and Math (STEM) Accelerators, leveraging Dow materials, which it translated into Mandarin to use in China. Working with clients on social issues is a trend you're going to be seeing more and more of."

Gap's focus on its PACE program, too, has resulted in deepening partnerships with its suppliers.

"Gap doesn't own factories," Gershon explains. "The factories it uses to produce its clothing and other goods primarily have women working on the factory floor. Men are in supervisory and managerial roles. Gap started PACE to help women in those factories. The way the program was designed and the curriculum that was created by the International Center for Research on Women really focuses on skills like advocating for yourself, developing communication- and problem-solving skills, and time and stress management.

"So it's different than a lot of other programs for women; it's not a specific skill set as it is essentially giving them what they need to be able to maximize other skills. The education Gap has invested in offers an ROI of about 250 percent due to productivity increases. It reduces turnover. It reduces absenteeism."

Essentially these women are being paid by the hour to go to these classes. Gap needed to prove to its suppliers that investing in this training was worth their while. Once the metrics proved the power of the proposition, the program expanded rapidly across the company's entire supply chain. It became so popular that they added two additional components: one for women in the community who are not already working in factories and a program for girls.

UPS has found it best not to try to be all things to all audiences. "We believe that strategic philanthropy today must include the resources of a company and the expertise of its people to have that multiplier effect," says Martinez. "Through the four focus areas of the UPS Foundation, it leverages this approach in its investments around the world."

## DEMANDING HIGHER VALUES

The quest for meaningful change is not a simple mission, but in the eyes of CECP affiliates, it is an essential one.

"I believe that the work that USAA does with its corporation, its membership, the veteran community, and the unified force of corporate civic engagement could be a stabilizing and turn-around factor for civic engagement and health," says Harriet Dominique, Senior Vice President, Corporate Responsibility and Community Affairs, USAA. "I know that feels or sounds lofty, but I talk about that with my peers on a regular basis, whether it's in the building or within my CECP network. We believe corporate good can help stabilize declining civic health."

That is one of the tenets of the founding of CECP. Paul Newman believed corporations could be the driving force for societal good. That there's more than just a shareholder bottom line. It's how one makes society better. Corporations, CEOs, senior leadership, and the corporate space are essential components of what builds social good for the nation and the world. What Paul Newman believed all those years ago was a foreshadowing of what business would need to be in the future.

## FROM VOLUNTEERISM TO ADVOCACY: COMPANIES ENCOURAGING PERSONAL PASSIONS

A strategic approach to deploying business's core competencies to support social objectives doesn't mean corporate volunteers should not be empowered and encouraged to make a difference in ways that are important to them personally. In terms of Campbell's community engagement, employee volunteerism is based in a long-term engagement in Camden, New Jersey, and the hometown communities where Campbell has operations.

"Lots of companies do a day of giving; we do a week of giving," explains Fortunato. "Campbell Soup Company's giving is called Giving That Matters to reflect that employee volunteering has evolved from a 'spare change/spare time' event-based orientation to ongoing, year-round commitment that provides a meaningful experience for its employees with their community partners. Campbell is seeing this really drive meaning and purpose in its employees' workdays."

Employees' ability to gain personal meaning from volunteer roles within the community, while also working to advance a personal and professional belief, is profoundly important for any company, says Vallentine.

"We find that many times companies are advocating very strongly for social issues," he explains. "As an example, Dow is engaged in a great deal of community legislation. We fight for legislation for equality for LGBT [lesbian, gay, bisexual, and transgender] people, against legislation that we believe encodes discrimination. We were also involved in all the discussions in Texas and Louisiana with all the bathroom bills. We found it was important that we also made sure we were telling our communities why we were doing what we were doing, or otherwise sometimes we got ahead of our community and we needed to make sure that they understood our motivations and why we attach such importance to these issues.

"So it's not just about doing diversity and inclusion programs inside the company, it's about also doing them out in the community. For example, as a personal volunteer, I go out and I do a presentation called, "My Son Is Gay, Now What?". And I'm out speaking to churches, myself personally, because I want to be able to share the experiences that I've had of being in smaller town in Michigan. There is a huge need to go out and talk about LGBT topics in our communities around us. So that's where I've come forward personally volunteering, tied to a social issue, and have been doing some public speaking on that. That's an example of where we might have done that inside, but we're finding that it's important outside. That's where volunteer employees working in the community can help make a genuine difference."

Once a company has found its power to make a difference, the next challenge is in sustaining that difference.

03

CHAPTER THREE

# THE CHALLENGE:

## HOW DO COMPANIES ADVANCE AND SUSTAIN THEIR PROGRESS?

As CECP well knows, the course a company travels on its path to positive impact is always full of detours, roadblocks, and other unexpected challenges. As CECP grew in expertise and stature, it faced the next hurdle of growth: how to help companies sustain—and even expand—their efforts to create positive change.

"About 10 years into the work of CECP, the conversation here was shifting to a discussion of a company's social impact," explains Daryl Brewster, CEO of CECP since 2014. "In part, this helped us to do away with the *noblesse oblige* baggage that comes with the word 'philanthropy.' There had been this sense that corporate giving was about rich people giving to rich people's enjoyments, like museums, symphonies, operas, and ballets. Companies saw their work in a vastly more robust frame."

Through CECP's *Giving in Numbers*, the unrivaled leader in benchmarking in corporate social investments, in partnership with companies, as well as influential models, reports, case studies, and learning from the successes of CECP companies, CECP created its Pillars of Excellence model, which synthesizes the essential elements of developing purpose, leadership, measurement, and strategy to achieve excellence (see Figure 3). Through it all, CECP's network of companies has served as the sounding board, the test cases, and the exemplars of excellence, learning from each other and helping each other succeed.

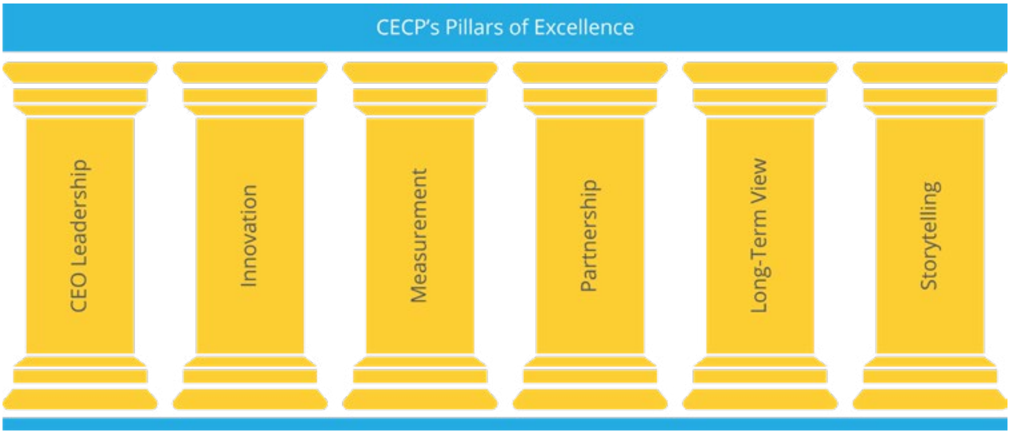


*Figure 3*

"CECP is an incredible pooling together and convening of all the world's largest corporations focused on societal impact," says Mastercard's Kristina Kloberdanz. "By working with CECP, companies get the information they need to make a difference. *Giving in Numbers*, benchmarking against others, learning from others so as not to reinvent the wheel: thanks to CECP, in this space, everyone is one step ahead and competition goes out the window. There isn't anywhere else out there that has these companies, these leaders, and this type of information."

And CECP, as convener and ally, has used those learnings to help an ever-growing number of companies advance on their own journeys to achieve excellence and positive impact.

## TRUSTED ALLY

CECP has deep roots in the business world, which strengthens its relationship with its companies. They speak the same language and yet CECP can bring a fresh perspective to a company's approach.

According to IBM's Guillermo Miranda, "It's not always easy to be aware of what others are doing, so we are incredibly grateful to CECP for keeping us current on strategies that like-minded organizations are executing and that we may learn from. We're always self-evaluating our programs and overall approach to social good, and it's comforting to know that CECP gives us a lot of insights into trends we should be aware of. Intelligence from CECP helps IBM be a more effective agent of social good."

CECP also shares the values that drive companies' approaches.

CECP and UPS both feel the private sector needs to be involved in the community. "We work together to advocate and activate more private sector engagement in the community," says UPS Foundation's Eduardo Martinez. "I may introduce a colleague to CECP, encourage them to come in, experience the programming first-hand, and explore the resources."

The data that CECP have to offer affiliated companies can help them make the most of their work—particularly when it comes to engaging their employees in a mission to create positive impact.

"CECP provides validation that allows practitioners to identify important community needs that are germane to their business and also important to employees, customers, and stakeholders," says Martinez.

"CECP has helped companies think about their corporate giving as an investment," says CECP Chair Doug Conant. "That's the operational word: investment. Not as a 'cost' but as an investment—an investment in the communities they serve that can provide near-term and long-term benefits. When you frame it that way, the paradigm shifts, and it becomes much more important. It's not 'giving back'; it's investing forward. It's leveraging the companies' skills, assets, and capabilities to help strengthen the stakeholder communities they serve. And CECP never defines 'stakeholder communities' for its companies. Companies are the stewards of their resources and it's up to them to deploy those resources smartly. We think they do a darn good job."

## INSPIRING ACTION

"As USAA has become a large company, the responsibility has grown larger, too. Just a few years ago we really started an effort to evaluate and look at our approach to corporate philanthropy," says USAA's Stuart Parker.

USAA began by searching for industry benchmarks and getting feedback from its employees and its members.

"That's where the professionals stepped in to help USAA understand what great companies are doing," explains Parker. "CECP helped

USAA understand what is possible, and how we can enhance the way we serve our members. Investing time in CECP is really just a natural progression of who USAA is as a company. Now we are at a completely different altitude of our commitment to serving our communities and our members."

Participating in CECP shaped how Parker, and USAA as a whole, approached giving. In 2014, when USAA became affiliated with CECP, the company was investing around 0.4 percent in pre-tax income to communities, but just 10 percent of those dollars were focused on military causes that are core to USAA's purpose.

As the company's leadership set a goal of giving one percent of its pre-tax income—boosting its investing to roughly $40 million per year—Parker knew he needed to engage his board of directors, executives, members, and employees, whose feedback helped drive the decision to raise the percentage of contributions to military causes. The company developed a signature cause, Military Family Resiliency, to help families weather the challenges of military life. USAA also realized that, in addition to putting its money behind the cause, it needed to deeply involve its employees in the effort. More than simply encouraging volunteerism, USAA began offering paid-time-off to volunteer.

"What has worked out beautifully for us," explains Parker, "is that many of these employees now are doing their volunteerism as team-building activities. They work on causes they believe in, whether it's the food bank or the veteran's homeless shelter. With just that little nudge, you start eliminating all the excuses and people begin realizing we can make a difference in both the community and in our own lives.

"There are high levels of endorphins released when you give and donate your time; there is a sense of fulfillment," Parker continues. "While you are giving, you are giving back to yourself as well. The more you do, you become a better person and better employee.

"Offering paid-time-off for volunteerism and helping USAA sustain its commitment to its communities was fostered through working with CECP," Parker says. "CECP helped tell the story. Daryl Brewster came to San Antonio and made a very compelling presentation to our board. He helped us frame our Military Family Resiliency initiative in a powerful way. When we presented to our stakeholders, the board, the executives, the employees, and our members, they gave it a standing ovation. We are all aligned and engaged. That is why CECP has been successful over the last few decades. That's why it's going to succeed going forward."

## A TRUSTED PARTNER

CECP's expertise in identifying industry-specific and broader general truths and emerging trends has enabled it to help its companies get deep insight into a fundamental truth: failure is a great teacher.

"If you're not learning from your failures, then you're missing the greatest learning," Campbell's Kim Fortunato says. "We share our failures because that's where our greatest learning has happened. That's where we've course-corrected, where we've pivoted, where we've gone deeper on something we didn't even think about. One of the great powers of CECP is providing a forum to talk with our peers about what we've learned and how not to reinvent a wheel that doesn't roll," she says.

"The power of the corporate sector to drive change is enormous and CECP helps us ensure we're leveraging that power," according to Fortunato. "We have to be at the table, but it's not always simple to get there. We need the tools, tactics, and guidance and so do our nonprofit and public sector partners. CECP is an amazing resource to help us identify how best to engage and stay engaged."

A commitment to continuous improvement means that companies seek to learn from their experiences, good and bad.

"Look, companies are not going to have the Midas touch for all of their initiatives," says Miranda. "But if they haven't failed at least a few times, they may not be doing it right. We try to make grantmaking and partnerships both a science and an art. We've had spectacular successes, like the P-TECH education model, but we've also offered things that just weren't sustainable or didn't take off. For example, we had a matchmaking service between small vendors and the supply chains of large corporations. It was a great idea, and had some success, but it was only as good as the participation of its users. With a resource and convener like CECP, companies can share information with the community, and everyone learns from the experience."

When companies deeply engage in CECP, it can help guide them to a greater understanding of what it takes to achieve excellence and sustain it over the long term.

"We execute and manage these efforts just like we do with our business—regularly checking in on results, combining business and philanthropic resources to ensure investments are sustainable, using data to measure impact, sending employees to help nonprofits and cities improve systems and build better tools, and be willing to change our approach if something is not working as effectively as we hoped," explains JPMorgan Chase's Jamie Dimon.

"This is also how we approach the investments JPMorgan Chase is making in cities like Detroit, Chicago, the Washington, D.C. region, and Greater Paris with our AdvancingCities initiative. We will look to invest in communities where business, civic, and nonprofit leaders are working together to solve the world's biggest economic problems.

"The role of businesses in society is more important than ever," Dimon continues. "In cities around the world, residents are not benefiting from economic growth. Look at Chicago, for example. Some neighborhoods have significantly struggled with gun violence, poverty, and racial inequity. These challenges are symptoms of a serious problem affecting Chicago and many other cities: a lack of economic opportunity. And they're problems that have been building for a long time.

"The private sector has to step up and work with government and community leaders to offer sustainable solutions. They must use the best of their businesses—financial and human capital, data, and partnerships—to help more people share in the country's economic prosperity. In real terms, this means helping business owners get access to the capital they need to thrive, create more well-paying jobs and pathways to great careers, and build more affordable housing.

"In Detroit, where JPMorgan made a $150 million commitment, we are tracking our results and sharing them with the mayor and community leaders, and taking best practices, like our Entrepreneurs of Color Fund, to more cities like Chicago, South Bronx, San Francisco, and the D.C. region, where they can make a difference. Based on our past experiences, we also know what is working and what isn't and we regularly seek input from civic and nonprofit partners to ensure we're aligned with Detroit's broader plan to help all residents benefit from Detroit's comeback.

"In short, we treat our community investments just as we do our business investments. We cannot do one without the other. Both must work if JPMorgan Chase and the communities we serve are going to succeed and everyone is going to have the opportunity to benefit from economic growth."

Companies like JPMorgan Chase have found their North Star, their guiding purpose—and, through CECP, they can serve as inspiration to help other companies do the same.

04

CHAPTER FOUR

# THE CHALLENGE:

## HOW CAN COMPANIES FIND AND PURSUE THEIR PURPOSE?

The connection between a company's business strategy and its conscious effort to make a positive difference in society enables it to tap its core skills, resources, and expertise for the greater good. This connection also allows the company to address issues of tremendous relevance and salience to its future, as well as the future of society. The Business Roundtable's 2019 statement that the purpose of business is to meet the needs of all stakeholders draws on the thesis espoused by CECP throughout its 20 years.

"If you think of a scale from zero to five, there are some companies at zero and I would submit these are the ones that won't make it. They'll be acquired or wrestle and struggle," explains Daryl Brewster, CEO of CECP. "Then there are the ones working their way through the stages, moving forward as their social investment programs earn respect and credibility from their stakeholders while making an impact. Finally, there are the fives, companies like Unilever, with its Sustainable Living Plan that they've kept for 10 years as its essential business strategy, uniting all aspects of the company, its products, and their impact. Other fives, like Dow, IBM, and others—they may still have a philanthropic arm, but they've integrated the idea of social investment into their platform; it's mission critical in an everyday way."

While there is plenty of evidence to support the benefits of a strong corporate purpose, helping companies reach this understanding takes work. CECP has developed a series of models over the years, as well as its signature Essential Services in benchmarking, networking, communications, and overall strategy support to help nearly every type of firm find its path to social impact.

Working with McKinsey in 2010 on *Shaping the Future: Solving Social Problems through Business Strategy*,[1] CECP developed its Issue Ripeness Tool (see Figure 4), which helps companies scope external perceptions of the severity of an issue now and into the future, coupled with the likelihood of backlash, both from consumers and employees.

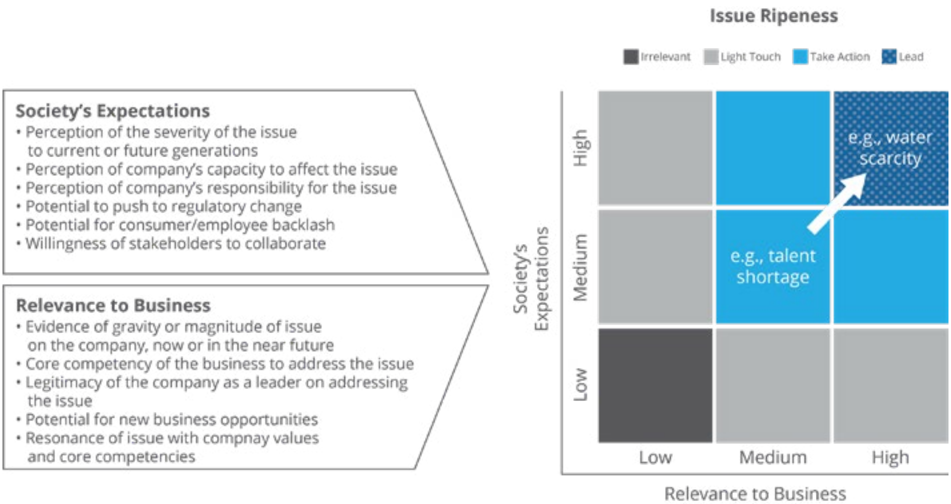


*Figure 4*

Source: CECP, McKinsey, 2010. *Shaping the Future: Solving Social Problems through Business Strategy*

The *Simplifying Strategy: A Practical Toolkit for Corporate Societal Engagement*[2] report, developed by FSG in collaboration with CECP, illustrates the upside and the downside of various social engagement strategies, plotted along the continuum from the early "confetti approach" of small grants and geographically based philanthropy to highly focused impact, described as "ecosystem change."

Also outlined in *Simplifying Strategy*, the Issue Monitor model (see Figure 5) helps a firm determine the most significant issue—for the company and its external audiences—upon which to focus. Consider the Intent Matrix (see Figure 6). Through this simple process, the company identifies and isolates the all-important how and why of each project and program, even down to the grant-awarding level.

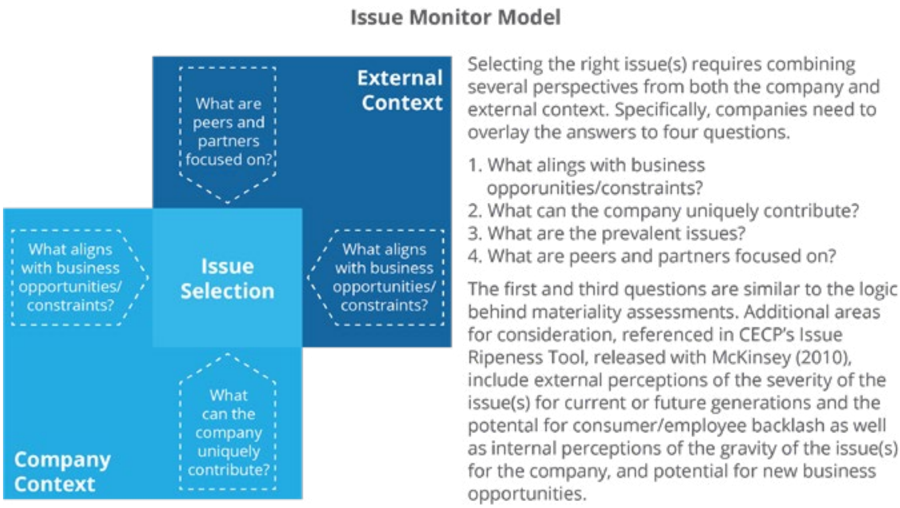


*Figure 5*

Source: *Simplifying Strategy: A Practical toolkit for corporate societal engagement*. FSG, CECP, 2015

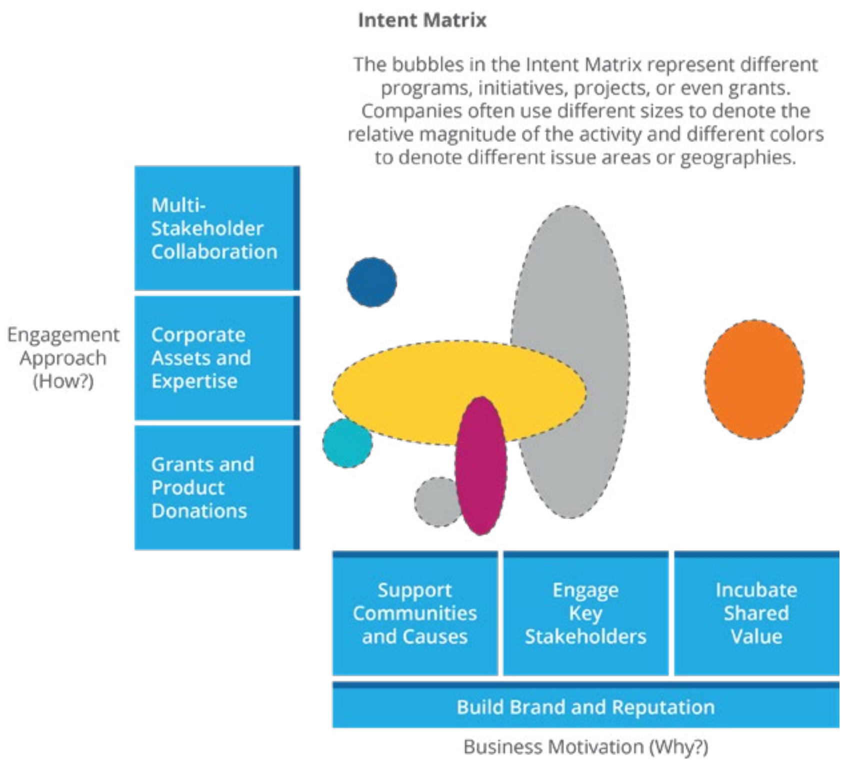


*Figure 6*

Source: *Simplifying Strategy: A Practical toolkit for corporate societal engagement*. FSG, CECP, 2015.

Today, CECP's proprietary tools such as the Guide to Social Scorecards,[3] Employee Communications Benchmarking Tool, and the Long-Term Plan Template[4] share the common purpose of helping companies find the right issues and engage in the most productive ways.

"There is no 'one size fits all' approach, but there is a great deal of experience and wisdom on offer, through one-on-one coaching to small-group focus to big meetings and themes writ large," states Kari Niedfeldt-Thomas, Managing Director of CECP. "The end product of all the assessments, analysis, strategic considerations, and tactical thinking comes to fruition in the world of business goals aligned with social ideals."

David Barash of the GE Foundation shared GE's journey. "CECP worked to connect us to other corporations or their foundations working in similar areas," Barash says. "We moved our company's headquarters from Connecticut to Boston in 2016 and made a philanthropic commitment to invest in community programming in Boston and throughout the state of Massachusetts. We came to Boston with a set of ideas on where we'd make our investments and wanted to ensure our investment was addressing an issue critical to the community. So, we launched a six-month listening tour where we met with stakeholders in the healthcare space across Boston and Massachusetts. We learned the emerging issue in healthcare was the opioid crisis. As we looked at how the GE Foundation's investments could combat the opioid crisis, we relied on CECP to help make necessary connections for us. We became one of the first private-sector employers to really delve into this serious problem. We were able to collaborate with CECP in a meaningful way, ensuring that our journey and learnings were brought to the rest of CECP's companies and to many other CECP collaborators."

## PURPOSE: HIGH ON THE AGENDA

"Companies are increasingly asking how to become more socially responsible organizations," states Jackie Albano, Director, External Affairs, at CECP. "CECP identified and championed this realization, working to ensure companies had the resources, tools, and insights needed to make social responsibility goals essential elements of mission, vision, and go-to-market strategies."

Over the course of CECP's 20-year history, the guiding philosophy of this work evolved from philanthropy to purpose, with the notion of a purpose-driven company taking root. In recognition of this evolution, CECP also evolved its initialism to "Chief Executives for Corporate Purpose."

When a company realizes the power of embracing a purpose-driven mission, social investment moves onto the corporate agenda, a crucial first step. Discussions take place at the highest levels in terms of both business and social goals. It marks the transit of a company's impact from a culture of episodic giving—donations to support scattered causes, for instance—to a purpose-built vision searching for social investment areas relevant to its skill sets, good for the enterprise, and good for those with whom it interacts.

"CECP has worked to elevate the role of those stewarding social investment, reflecting the mission-critical importance of this work," stated Courtney Murphy, former Director, Strategic Partnerships at CECP. "Instead of hiring a corporate affairs leader with expertise in the process of philanthropy, today's companies seek a corporate leader or chief officer in purpose, sustainability, responsibility, or citizenship, which requires a different skill set and a cross-functional appreciation of business processes and procedures." Such an officer may be charged with wearing several hats, including leading the company's foundation, serving as vice president of corporate affairs and, increasingly taking on the responsibility of chief diversity, equity, and inclusion officer, developing communication skills and understanding of the array of communities with which a company works. CECP research suggests that 10 to 20 percent of CECP-affiliated executives carry such multifunctional titles now, compared to precisely zero five years ago.

"We see this with leading companies now," Brewster points out. "The firms that are pioneering in purpose-led business are the ones that don't think in terms of philanthropy or even social responsibility now. They view their social investment as an essential facet of business." To that end, they need seasoned, savvy business executives to chisel and shape this facet—an experience that CECP itself drew from in recruiting Daryl Brewster as CEO. Brewster, a business leader, came to CECP in recognition of the power of purpose, and how helping other companies achieve their purpose would have a far greater impact than leading a single company.

"In 2013, CECP's *Giving in Numbers* survey reported the companies were investing about $14 billion back into society," Brewster recalls. "We took that number up to $25 billion—an extra $10 billion a year going back into society, representing not just dollars but also a vast array of social investments including volunteering and in-kind donations." As tremendous as this contribution is already, Brewster is quick to point out that "it's just a fraction of the impact companies could have."

## PURPOSE RESONATES THROUGH CORPORATE AND SOCIAL CULTURE

"The business and cultural compact is forged at the intersection of business competency and social need," states Niedfeldt-Thomas. "That impact manifests through a business purpose's capacity to excite employees and other crucial stakeholders." It creates an inspirational rallying cry around which each can align, not solely employees and not solely investors, but absolutely including them, as well as potential new hires, business partners from suppliers to retailers, local civic organizations, and government entities.

The purpose-driven enterprise is going about the business of branding its mission in highly emotional and meaningful terms that are at once obvious and authentic. Such a genuine, motivating call also brings with it a timeframe. It is not to be achieved by next quarter, but typically on a foreseeable time horizon, such as the United Nation's mission to eradicate world hunger by 2030, as part of its game-changing Sustainable Development Goals. It must also be sustainable. There is no point in ending world hunger one year, if it returns the next.

The roots of corporate purpose can often be found in a company's earliest reason for being, but modern-day relevance will not be found if today's stewards simply work to keep a corporate mission alive in perpetuity.

"It can be seen as a back-to-the-future take on business strategy," explains Brewster. "Adam Smith talked about role of the business leader as really working to meet the unmet needs of society. So, purpose-driven organizations began by developing products or services to address the unmet needs of society, ultimately for a profit so it could sustain the effort. Sometimes, business gets it out of order, saying let's start with making the profit and then we'll figure out how to meet those needs. But when business gets it in the right order, success and impact are intrinsically linked to meeting authentic needs in authentic ways."

One way of assessing the potential for a company to make an impact is to look at its culture: is the company's culture really imbued with its purpose, and is purpose woven into its structures, systems, and processes? And, Brewster says, "The test is when things are bad, do you still live up to that?"

"Jim Casey founded the UPS Foundation in 1951 under the same purpose-driven approach as the company, which is if our communities are doing well, the company will do well," says UPS's Eduardo Martinez. "That's what we call 'shared value' today. I feel the private sector needs to be involved. That's where CECP has been an important partner for us, because in essence, UPS is a connector. We facilitate commerce, and connect countries and people with ideas. We connect businesses. We create prosperity. We feel that we share that in common with CECP, bringing people together, connecting organizations, really leading the charge for corporations, for the private sector to do more in their communities around the world."

## VALUES UNDERGIRD PURPOSE AND GENERATE VALUE CREATION

Underneath purpose there must be values, otherwise business and society can achieve a goal without regard for the toll of that success. Shared values guide the enterprise through calm and choppy waters, and also attract like-minded individuals, employees, and investors. S.C. Johnson's "This We Believe"[5] statement of principles and Johnson & Johnson's credo[6] are powerful examples of the benefit of a clearly articulated statement of the shared tenets of business behaviors.

"Purpose is defined by values," explains Brewster. "Purpose is an inspirational higher calling. This is not just about making Oreos; it's about putting a smile on somebody's face. It's not just about putting two-by-fours together; it's building a home. When companies frame their purpose, it is both inspirational and aspirational. Because it's going to drive them to higher-level performance. It's going to move them up Maslow's hierarchy of needs."

Framing a purpose requires a company to ensure it considers all significant stakeholders. It may create a ranking of stakeholders, but it necessarily defines who the company is serving, who its customers are, how it will treat employees, and how it will deal with vendors and communities—everyone that it touches.

The positive social impact of a business will be limited as long as there's a prevailing view that the number one and only purpose for companies is to be profit-driven for the short term. "Profits are good," says Brewster. "We need those to stay in business. But if that is all the company cares about, if the only stakeholder who matters is the shareholder, the timeframe will necessarily be short-term and, thus, there will be long-term difficulty."

If values-based business purpose is the key to long-term, sustainable value creation through an engaged and motivated workforce, then how can companies strike the right tone? The difference between a legitimate and appropriate profit motive and a more egregious, single-minded profit focus is a shared and higher purpose. "The core concept is a values-based and defining corporate purpose," Brewster says. "We start to think of it as the business culture's DNA."

Rebecca Henderson, the John and Natty McArthur University Professor at Harvard University, defines[7] corporate purpose as a "moral commitment to a pro-social goal beyond profit maximization." Purpose sits at the intersection of what the world needs and what the company does best. It is the unique value the company creates for its many stakeholders.

Understanding and activating that purpose makes a big difference. Raj Sisodia, author of *Firms of Endearment: How World-Class Companies Profit from Passion and Purpose*,[8] found that purpose-driven organizations outperform the S&P by 14 times. An EY survey found that[9] "companies with a strong sense of purpose are able to transform and innovate better" and have more success implementing major initiatives.

"CECP's role is to point out what's good so we can encourage more of it," Brewster says. "Do more. Do better—as businesses and as individuals within those entities. That makes for better outcomes, a better world."

## PURPOSE AT THE INDIVIDUAL LEVEL

The same approach is as true for people as it is for businesses. People who are more purpose-driven end up being better performers. They are driven by this higher calling, and as a result they bring their best selves to work, rather than just showing up to get things done. When people think more broadly about their roles and responsibilities, they are more engaged and often more fulfilled in the workplace. The benefits become obvious, palpable. It's true of knowledge and service workers and it's true on the shop floor. Purpose drives performance and permanence. The best people stay with it.

A recent report, *Making Work More Meaningful*,[10] co-authored by CECP, PwC, and Imperative puts it this way: "More than ever, people want to know they're more valuable than machines and are seeking out uniquely human elements of their work experience." The report finds that the value of human engagement comes from the individual, and individuals are asking: is what I'm doing with my life important to the company and the world or not?

To illustrate this point, Brewster recounts a moment from his tenure as president of Nabisco. After yet another year of cost-cutting mandates, his packaging and manufacturing guru was at wits' end. There simply was no way to scrape another ounce of savings from the Oreo sleeve. Talking together, they reframed the challenge as an environmental hurdle. The packaging guru went home, talked with his young son about the impact of packaging and, returned the next day with renewed purpose and excitement—and five innovative ways to reduce the brand's environmental footprint. Cost-cutting was dull; reducing environmental impact was an exciting and legacy-enhancing purpose.

## EMPLOYEE ENGAGEMENT

If social impact relies on meeting community needs and drawing from business core competencies, harnessing the passions of employees should be called out as the glue between the two. Those who volunteer unite community and company in a unique ways, whether to build houses or paint classrooms, to help a minority-owned startup figure out its budget and balance sheet, or to come together as a team to make a difference and build camaraderie.

"We rely on a digital tool to track employee volunteering and engagement," explains Crystal Barnes, formerly of Nielsen, now with Viacom. "It helps match one of us to the need we are best equipped to fill. But it's not enough. Because Nielsen is so far flung and operating in so many different countries, we realized that we need to have training modules for leaders and managers, as well as volunteers for projects such as Nielsen Cares and Nielsen Green, our environmental work. It's not an easy lift. The needs and the culture in Russia are different from those in the U.S., and the volunteer needs here are different from the needs in France and South Africa. We had to really work to train the leaders in each market to be supportive and helpful to the people, working to find them the right matches. It becomes a part of their executive development."

This concept of investing in society strikes a chord, reverberating throughout the company's mission, its communities' needs, and its employees' values. There is no single successful approach. Indeed, Dow has developed a type of employee segmentation model to help volunteers find their sweet spot, to help them learn, as Rob Vallentine puts it, "What are you passionate about?"

"I've come to think of three types of contributor—if we can help them match their style to the need, everyone wins," he explains.

"Drawing from the work of Imperative,[11] we know there's an individual contributor, an organizational contributor, and the societal contributor. The individual is well-suited for Big Brothers or Big Sisters, that one-on-one contact at the ground level. The organizational contributor likes to lead, wanting to get involved in committees or boards. I'm an example of the societal contributor, willing to go out and speak on behalf of a cause or bigger movement, in my case LGBT rights."

"The era of hosting a single 'volunteer day' is ending, although those types of efforts are often where a company puts its volunteer toe in the impact waters," states Jinny Jeong, Manager at CECP. "As engagement deepens and results cascade through the organization, a company gains permission to go deeper and broader into the community." Relatively quickly, a company begins to understand its employees bring tremendous skill sets to the tasks at hand.

At Nielsen, "we started thinking about skill-based and pro bono volunteering as a natural outcropping of our DNA," says Barnes. She notes, however, that it took some time before business leaders realized that skills-based volunteering allowed associates to do something great for society while building business-enhancing skills at the same time. "There's a mutual connection there you shouldn't be ashamed of; rather, you need to lean into it to ensure the associate gains the 360-degree benefit," she adds.

Today, Barnes proudly notes that Nielsen has cultivated a spirit of service, reflected in the 25,000 employees in more than 50 countries who make community-impact contributions each year—while also building employees' business skills.

"If you're a manager with an associate whose analytic skills you want to build, working with a nonprofit is a powerful and really quite non-traditional way to get that associate the training that benefits them and the nonprofit," Barnes explains.

## THE RULE OF AUTHENTICITY

Brewster cautions against companies wordsmithing their way to meaning and purpose. There's a requirement on the part of business to match its rhetoric to its behaviors and its era—offering as an example of the wrong approach a hypothetical power company which might frame itself as "lighting the world," despite its large carbon footprint and its reliance on coal-fired power.

Business purpose relevance is tethered to transparency and sustainability, which in turn is yoked to cultural and personal significance. It is simply not tenable to claim past ignorance for present business behaviors. And business cannot rely on artificially inflated language to mask its shortcomings for long-term, sustainable growth and impact. The straightforward calculus: net positives must exceed gross negatives.

Winning businesses, particularly in a low-unemployment economy, will increasingly come to rely on the authenticity of their purpose to attract the best employees, as well as longer-term capital, customers, and suppliers. And these businesses will be less likely to run afoul of the rules of society and find themselves regulated by those rules.

USAA makes the authenticity case clearly. "We are aligned with our core values of honesty, integrity, loyalty, and service, which have a direct connection to our corporate social responsibility and our investments and commitments to the community," says USAA's Harriet Dominique. "The USAA mission, which is to facilitate the financial security of its military membership, is displayed everywhere. One of the prerequisites for new hires is that you are encouraged to learn and understand our mission. When consultants are here, they are just blown away with how connected we—whether it is the CEO or an entry-level employee—are to the mission, knowing this is the sole reason that we exist as a company."

## TRIP WIRES REMAIN: SYSTEMIC OR ENDEMIC

Several CECP companies from the financial industry point to the challenges of the Great Recession as a time of increasing regulation that may well have been necessary. Certainly, the recession had the benefit of focusing senior executives on the relationships and responsibilities of the institution to communities and its customers. To the extent business discovers, embraces, and authentically delivers on a higher purpose within the greater culture, new avenues of relevance and respect open. Alternatively, if certain previously intractable problems remain or are exacerbated, society will seek to rein in egregious business practices.

While the composition of corporate boards of directors may change only as a result of political and popular demands, other issues are best addressed by better business practices. "Who better than business to solve for the social problems facing their employees, which are, after all, the issues facing their customers too?" asks CECP Chair Doug Conant. These are pressing concerns and span both negative influences such as racism, sexual harassment, gender inequality, opioid use disorder, and college debt, as well as positive opportunity areas, such as continuing career education and retraining, access to affordable healthcare, and parental leave.

A company's powerful purpose must be grounded in equally powerful values. What are those 21st-century precepts that will power purpose? Diversity—in ethnicity, in gender, and in every other way—is increasingly seen as mission-critical in leading companies, often because those internal voices represent important external constituencies.

CECP brought together companies in 2018 and 2019 to tackle the pervasive challenges in achieving diversity, equity, and inclusion. Its research, peer work, and experts' insights resulted in two reports: *Diversity & Inclusion in Corporate Social Engagement*[12] with the Walmart

Foundation and *Systemic Investments in Equity, Talent, and Tech*.[13] Conclusions from this work underscored the importance of infusing opportunity throughout everyone's experiences—not as a one off or a side program, but as a central tenet.

Business can drive inclusion, but it is harder to offset other social deficits on a company-by-company basis. Some issues demand cooperation and shared resources. As IBM's work on P-TECH, a high school program that prepares students for college and STEM careers, in tandem with the education initiatives of other corporations makes clear the ability to learn and be trained for the emerging technology-driven market is of equal import. Veterans have emerged as an important, if once-overlooked, aspect of the workforce, in part thanks to programs developed by USAA, Moody's, Comcast, Goldman Sachs, CarMax, AT&T, and other corporations serving current and former servicemembers.

"We think about the role of business having a positive impact on topics as a matrix," says Brewster. "You can either have a horizontal impact—something you do really well that could benefit any cause area. Or with a vertical impact, the company goes deep into one or two significant initiatives where there is real alignment."

Salesforce has its 1-1-1 program, a good example of the horizontal approach. Rather than one specific cause, its work takes its core competency of customer relationship management (CRM) and applies that expertise to help every nonprofit improve their CRM. Another example is CECP itself. The organization's broad knowledge and understanding of corporate purpose and social investment is available and applicable across all industries and causes.

Vertically developed impact is primarily one cause- or issue-related. An example of vertical impact is the Robert Wood Johnson Foundation's culture of health. The foundation focuses unilaterally on health care and how it cuts across all boundaries. In either approach, the point is to leverage remarkable skills for the most good. Other vertical-impact leaders are UPS with its work to prevent and mitigate weather-related diseases, and USAA's veteran-focused initiatives.

When horizontally or vertically aligned companies and organizations unite on a cause, it can lead to societal change. CECP has led several deeper-dive horizontal approaches, including an ongoing effort with several companies working together to understand how to best address the equity, talent, and tech crisis. This approach requires not just CECP's power as a convener and companies' commitment to purpose, but also corporate willingness to take a stand, to acknowledge a wrong, to help right it, and to take action.

# 05

CHAPTER FIVE

# THE CHALLENGE:

## HOW CAN CEOS AND COMPANIES TAKE A STAND?

In the 21st century, CEOs have repositioned the corporation as a force for good. Whether it's because of a perceived leadership vacuum on issues of importance to them and their businesses, a reflection of the increased power of business to shape the national discourse, or the rise of corporate purpose, today's headlines regularly spotlight a company, or a group of companies, speaking out on issues of global, national, and local importance, from climate change to gun control to LGBTQ rights. When something happens, people quickly think, "What will companies do to respond? How will the companies use their power to do something to help?"

But the untold side of this story is that it is always hard to take a stand. Without an iron core of corporate purpose, not to mention the support of stakeholders across and outside of the company, a CEO or company taking a vocal public stand is taking a risk. And while that will always be hard, a key role that CECP plays is in helping companies determine how and when to take a stand and align with like-minded peers while doing so.

"One likes to cross the street in a crowd," says Michael Roth, CEO of Interpublic Group, to explain the appeal of CECP's CEO coalition. "As more companies feel comfortable that the big companies that take positions on purpose and social good are being recognized for it, then other CEOs are empowered to go to their boards. It's not that boards are fighting it, but there is an extra push that comes with being able to say, 'By the way, Alex Gorsky from Johnson & Johnson is part of this, or Doug McMillon from Walmart.' It adds credibility and proof points that this is a real issue on which it is necessary for companies to take a stand."

Doug Conant, CECP Chair, gets Roth's point. "I think of CECP more as the crossing guards. We know the traffic, we know the green, yellow, and red signals. Pay attention to us and we'll get you where you need to go. Safely."

Conant knows from experience. "I discovered CECP when I was CEO of Campbell Soup Company. It was heartening to realize there was this cadre of leaders who were saying, 'We can do better. We can get total shareowner returns up, but we've got to do it in a way that's more socially sensitive.' This was exactly the group for which I had been searching: a community of leaders who had walked a mile in my shoes. They were some of the best and the brightest of the Fortune 500 and they were saying, 'We can do more.' And I found that notion incredibly appealing."

CECP's signature gathering, the Board of Boards meeting, is where Conant had his realization, and it's been the source of countless similar realizations over the last two decades. The annual gathering brings together more than 50 CEOs in a closed-door setting for a half day to share their challenges, offer successes, gather with their peers, and be a little vulnerable together with the few other people in the world who understand their jobs. It's both unique and uniquely effective in helping companies find their purpose and take a stand in support of that purpose.

Dan Schulman, President and CEO of PayPal, said at the 2019 Board of Boards: "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."

Indeed, at that same Board of Boards, 67 percent of attending CEOs reported through live polling 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. Ninety-three percent of the same CEOs agreed or strongly agreed that "the purpose of business is to produce profitable solutions to problems of people and planet."

## A MEETING WITH PURPOSE

CEO leadership is central to CECP's work. From the inception of the organization, having the chief executives' active buy-in, support, and engagement have been mission critical. This forecasts a company's ability to successfully develop community engagement programs. That's why, from the very beginning, CECP has insisted that chief executives be vital members and has used the Board of Boards programming to encourage candid and forthright discussions and debates on tough topics with business and community implications.

"The annual Board of Boards meeting truly is CEOs sitting in a room talking about programs, how they implemented them, and how to navigate shareholders' or employees' reactions," Roth recalls. "It's just a great forum to see how we can work together for social good. CEOs share their perspectives of how they mobilize their employees and the company's resources, whether it is cash or product or volunteerism. This CEO orientation and the Board of Boards meetings remain perhaps the most powerful aspects of CECP."

For two decades, the Board of Boards has offered a remarkably safe and candid atmosphere in which CEOs have been able to literally roll up their sleeves. But it is also a forum in which chief executives can take a stand—and encourage their peers to join them. For instance, at one Board of Boards, Unilever CEO Paul Polman urged companies to shift from explaining why corporate purpose makes sense, to challenge peer companies who aren't taking corporate purpose seriously. "Why don't we ask them to explain why they have the courage to destroy the ability to live on this planet for future generations?" Polman asked. "Why don't we ask them why they treat people in their value chains in a way that they wouldn't want themselves, or their children, to be treated."

In short, he asks, "Why don't we ask these people to hold themselves up to that level of moral authority? No law or rule or regulation will ever deal with this if we don't lift up the leadership of people that run these great companies."

How do their words and role model behaviors begin to change business culture? Stuart Parker of USAA speaks to his experience.

## A THOUSAND FAMILIES BENEFIT FROM ONE CEO'S TAKE-AWAY

"It was in 2016," recalls Parker, "when our head of Corporate Responsibility encouraged me to go to the Board of Boards meeting in New York. A panel of CEOs was talking about hard decisions they made in the best interest of society. And one moment really hit me: there was a conversation about minimum wage."

"I'm a capitalist. People should get paid for the value they bring. But Mark Bertolini, then CEO of Aetna, was talking about a living wage and how companies should at least look at that. For his company, it was $16 an hour. After the meeting, I asked my HR leader about our minimum wage. She said, 'We don't have one, but we do pay at or above competitive wages.'"

Following his curiosity, Parker asked how many employees were paid less than $16 an hour. "It turned out that 500 of our full-time employees were paid less than $16 an hour. That CECP panel inspired me to go to my direct reports and ask for their support. Analysis showed us that when you increase the minimum wage of 500 people, you then have to increase the pay of the people who are right above them, because you get some compression. I then listened to what other CEOs are doing in terms of parental leave and other benefits. It's not just that it improves the lives of employees, but it filters through our society, as well.

"Having a forum where we can listen to other leaders, hear what they're doing, and share it makes a huge difference. There are 1,000 families out there that have benefitted from just one discussion in one forum. Who knows what other leaders in that audience did? I am not the only one, and that is beautiful."

## THE LONELINESS OF LEADERSHIP

Senior leaders at CECP companies understand the value of strong CEO networks that underscore the importance of the company's socially focused work. "As today's businesses harness the abundance of digital technologies and transform from product/process-centric to purpose-centric, CEOs are pioneering this change within the organization," explains Balaji Ganapathy, Tata Consultancy Services. "The Board of Boards is a trusted forum with tremendous value to CEOs as they embark on a road less traveled. They're not competing, but sharing, reflecting, learning, and growing together. That power of collaboration was evident as our CEO shared the role of technology in creating a fairer, diverse, and more inclusive society."

"The Board of Boards is a place where CEOs can come together and really have that peer-to-peer energy that essentially advances the mission of CECP," says Eduardo Martinez of UPS. "Our CEO led a discussion at that event around diversity and inclusion, and how being a diverse and inclusive company goes well beyond what it used to mean. It is a business imperative for companies to have people from all walks of life to be at the table helping the company advance its goals. There was real unison among CEOs around that notion. That, to me, was a significant moment: CECP provided a forum for that kind of discussion."

## CECP SUPPORTING CEOS TAKING A STAND

It's through this convening role that CECP has been able to help companies take a stand—whether individually or as a united group—and that can move the needle around the world.

"CECP, particularly through the Board of Boards, is a force for good," says Rob Vallentine, formerly with Dow. "When these CEOs come together, they can decide to make a difference and work on key issues that affect us all. The implementation won't be the same, because there are differences between Houston and Philadelphia and Shanghai and Thailand. But there are general issues such as education, hunger, and healthcare that affect everyone. Each of us can do our part, but we need a forum like this one to share the learning and the successes and the stumbles as well."

"To change the world, you need three things," advises Conant. "More than an intention to change direction, you also need time, talent, and resources. The best implementation comes from a collaboration among three crucial elements of society: for-profit, civic, and nonprofit. And who else but business can help move the world forward at the scale of business? It can't be done without us."

At a time of increasing erosion of trust in the conventional pillars of society—media, government, military, and religion—business can play an even more significant role. Richard Edelman of Edelman points out that, according to the 2019 *Edelman Trust Barometer*,[1] the most trusted institution in America is "my employer." While business in general is a more trusted institution than government or religion, this can be a double-edged sword. When people look up to companies, they expect things from them. If companies disappoint, there can be a backlash.

"Consumers say, 'I'm not going to buy your product unless you take a stand,' and employees are pushing their CEOs to be a voice of conscience," explains Edelman, a CECP board member. "In this atmosphere, CEOs have to realize doing nothing is more of a risk than something. You might alienate some key stakeholders, but you'll light up others and make them more passionate about your company."

Conant agrees: "Not standing for something is the risk. If business can't stand for something purposeful and positive, then it stands for nothing."

"We're not shy about expressing our point of view on complex or controversial issues, even if our perspective differs from what's a popular or perceived priority", says IBM's Guillermo Miranda. "We need to look beyond what's trendy at the moment and think about those initiatives that will make a long-term difference."

Although no CEO wants to get called out as the only one taking a stand—or ending up on the wrong side of public opinion—Miranda sees the business world getting the hang of it, responding more quickly and forcefully to issues as they arise. But, he stresses, "It's encouraging to see more and more companies paying more than just lip service to a given issue. A mission statement that everyone memorizes, or a Tweet, alone is just not going to get the job done. To be taken seriously as a force for positive change, agents of social good need to practice what they preach."

## MONEY AND MOUTH ALIGNED

"First, a company has to reflect on what it wants to stand for and then it has to declare itself," says Conant. "Second, the company has to do what it says it's going to do. Actions speak louder than words. So, whatever it declares, it has to bring it to life. Third, the company has to make people recognize that action's importance to the business. Finally, realize the company can always do better. We can do better at leading our companies to a more enlightened way, to make us all a little better tomorrow than we are today. Who else can do this? Business must lead the way."

CECP's Daryl Brewster notes a fundamental incongruence in CEO advocacy: "Few of today's CEOs earned their jobs because they were socially responsible and spoke out on hot topics," he says. But stakeholders increasingly want to know where companies and CEOs stand on critical social issues. Because it seems as if speaking out is becoming a 21st century requirement for leaders of major companies, he outlines three foundational questions that CEOs must be able to answer forthrightly, thoughtfully, and rapidly when something relevant to their firms hits the headlines:

1. What are the company's purpose and values?
2. What issues matter to the company and its stakeholders?
3. What happens when a social issue affects the company and its stakeholders?

Consider the immediacy of Merck CEO Ken Frazier's response after the deadly violence at the Charlottesville, Virginia, white supremacist rally and counter-protest. Speaking out against the despicable actions in Charlottesville not only filled a vacuum of national leadership, but was true to the company's purpose and values. "The most important role of a leader is to safeguard the heritage and values of the company," Frazier explained.[2]

But CEOs can't be expected to respond to every crisis, trauma, or outrage. Knowing which issues are mission-critical to their businesses makes the decisions obvious. For instance, multiple CECP-affiliated companies were among the 162 tech companies that signed the amicus brief[3] opposed to President Trump's executive order restricting refugees and travelers from several majority-Muslim countries. They stated the order "hinders the ability of American companies to attract talented employees, increases costs imposed on business, makes it more difficult for American firms to compete."

Take, for example, CEO Action on Diversity & Inclusion,[4] a CEO-driven business commitment to advance diversity and inclusion within the workplace. Created to acknowledge that, "addressing diversity and inclusion is not a competitive issue, but a societal issue", the initiative counts more than 700 CEOs of the world's leading companies and business organizations that have shared specific commitments to advance diversity and inclusion in the workplace. PwC conceived of, launched, and leads the initiative, but asks for no recognition of its role, seeing the power first and foremost in the collective action.

Legal briefs and coalitions are not the only way to take a position, of course. How best to take an action on an issue the CEO believes is important to stakeholders? CECP acknowledges that a soft entry into the debate may be a comfortable first step—such as issuing a statement on the corporate website and sending it to employees by company email. Knowing a company's purpose and values will make it easier to determine a clear, correct action to demonstrate the company's commitment to being on the right side of history.

CEOs do not make decisions in isolation to speak out or act. They know the values of their companies and their stakeholders, and can use them as springboards for action. They have networks of peers to provide strength in numbers, to not act alone, and to show a united front. They have the mandate from their stakeholders to have an opinion, take a position, and to call out injustice.

06

CHAPTER SIX

# THE CHALLENGE:

## HOW DO COMPANIES KNOW THEY ARE MAKING A DIFFERENCE?

If the past 20 years of CECP and the development of corporate social investment have been a side-by-side evolution, a significant portion of that evolution has focused on how to measure impact—positive and negative. Since 2001, CECP has surveyed companies on the scope and scale of their giving, which soon led to efforts to develop a global corporate giving standard, encompassing a complete measurement framework, effective management tools, and a unique and collaborative network. By benchmarking against themselves and others, companies could find their place among a spectrum within their sectors and the aggregate of the total business investment.

The *Giving in Numbers* survey, which grew from 20 respondents in 2001 to now more than 300 companies participating each year, is part of CECP's *Giving in Numbers*[1] system. It is the unrivaled leader in benchmarking corporate social investments, in partnership with companies, and offers deep insight into trends and impacts among the private sector's Total Giving—CECP's measure of corporate social investment.

The *Giving in Numbers* survey and report protocol analyzes cash and non-cash social investment, such as pro bono, skills-based volunteering, in-kind and product donations, matching gifts and employee support, as well as how companies leverage donations from suppliers.

CECP's *Measuring the Value of Corporate Philanthropy: Social Impacts, Business Benefits, and Investor Returns*[2] report delves into how best to facilitate three important and continuous conversations about measurement: between grant recipients and the head of Corporate Social Responsibility (CSR); the CEO and the head of CSR; and the CEO and the investor community.

Additionally, CECP has developed mechanisms to help ensure social metrics are incorporated in Key Performance

Indicators (KPIs) within the company and aligned with those three all-important conversations identified in *Measuring the Value*.

CECP advanced its measurement gravitas with successive reports capturing the movement of tracking impact through *What Counts: The S in ESG*[3] and *What Counts: The S in ESG, New Conclusions*,[4] capturing socially driven activities at companies that are not yet collectively tracked, and through *Investing with Purpose*,[5] the first effort to quantify the corporate impact investing market. On the global front, *The Global Guide to What Counts: A Defining Moment for Corporate Giving*[6] provided a framework to overcome the obstacle of inconsistent global standards and reporting.

The 2019 *Giving in Numbers* survey took a giant leap. The Survey now asks companies to look throughout the entire company, rather than just in terms of traditional philanthropy, to capture what CECP defines as Total Social Investment (TSI).[7] To support this work, CECP is working one-on-one with companies to develop Social Scorecards[8] (see Figure 7). The concept behind the scorecards first emerged in 2010 when *Measuring the Value* was published: rather than chase an elusive metric to measure their work in society, companies could instead rely on their existing strength in measuring other business practices. What are the KPIs? How can a company connect business impact and the work it is doing in society? Laddering up to business impact enables sustainability. If business results are tracked, the more likely it is the program will go on.

# A Guide to Social Scorecards

The 10 **essential measures** to internally sum up the value of creating a *better world through business*

CECP

**SOCIAL VALUE & BUSINESS VALUE** / **SOCIAL SPEND** =

**Companies can track their result year over year to assess and compare progress.**

| SOCIAL SPEND | 2015 | 2014 | BENCHMARK | LONG-TERM GOAL |
|---|---|---|---|---|
| 1 Total Giving | | | | CECP has collected Total Giving data for 15 years. CECP is piloting data collection on "Good Beyond Giving" this year. The example sub-point (e.g.,1.a) received top practitioner votes. They can be customized based on the company and CEO's priorities. |
| 1.a. BreakdownTotal Giving: Cash and Non-Cash | | | | |
| 2 Total "Good Beyond Giving" | | | | |
| 2.a Employee Giving: Participation Rate | | | | |
| 2.b. Employee Volunteering: Participation Rate | | | | |
| **TOTAL SOCIAL SPEND** | | | | |

| SOCIAL VALUE | 2015 | 2014 | BENCHMARK | LONG-TERM GOAL |
|---|---|---|---|---|
| **Quantitative** | | | | Most departments' primary goals are social results although they remain more difficult to summarize and quantify. Forcing a "Total" line in this section would be contrary to best practice. That said, there are cases where social results can reasonably estimate a dollar value. Example benchmarks could be the people reached by a marketing effort (internal) or government data (external). |
| 3 Exemplary signature program's success metric | | | | |
| 4 Social value metric from partner organizations | | | | |
| **Qualitative** | | | | |
| 5 Department's contribution to company's broader purpose | | | | |
| 6 Compelling Story of Impact from Total Giving | | | | |
| 7 Compelling Story of Impact from Employee Donations & Volunteering | | | | |

| BUSINESS VALUE | 2015 | 2014 | BENCHMARK | AND EXPLANATION |
|---|---|---|---|---|
| 8 Employee Engagement Effect | | | | Business results have higher likelihood of being assessed in monetary terms. The three sections are ordered by feasibility of measurement. Two common examples are shown for each. Measuring business value requires collaboration with Human Resources, Marketing and Communications, and others who may hold ownership and responsibility for the measurement of the value. |
| $ saved on retention | | | | |
| $ value of increased employee engagement score | | | | |
| 9 Brand Reputation Effect | | | | |
| $ value of increased views or impressions | | | | |
| $ value, internal measure of brand value | | | | |
| 10 Increased Revenue and/or Reduced Expense | | | | |
| $ sales driven by new market access | | | | |
| $ saved in mitigated risks | | | | |
| **TOTAL BUSINESS VALUE** | | | | |

CECP's Social Scorecard is an ambitious framework. Leading companies, we've found, can already fill out their versions of the lines on this Scorecard. For most companies, there is work to do. CECP's next step is to develop supporting tools. Practitioners in CECP's network can use these tools to catalyze their internal measurement and evaluation process.

The Social Scorecard supports the CSR Head and CEO conversation (Ch. 2) in CECP's **Measuring the Value** (2010).

**CECP: The CEO Force for Good cecp.co 212-825-1581 info@cecp.co**

*Figure 7*

*Giving in Numbers* report author Andre Solórzano, Senior Manager at CECP, shares his views on the findings from the data collection. "Over the past decade, the responses to the Giving in Numbers Survey have changed significantly as companies' focus areas have shifted. In 2014, for instance, companies were climbing out of the recession and increased their total contributions by 64 percent between 2010 and 2013. In the 2016 report, STEM education saw the biggest jump in the percentage of companies stating it as their top priority focus area between 2013 and 2015—a 6 percent increase. In the 2017 report, data revealed that Culture and Arts grew the most among program areas in terms of cash giving."

Outside of direct use by companies, *Giving in Numbers* holds a consistent presence when one needs to benchmark companies on their investments in society, from regular citations in top-tier business publications such as *Financial Times, Wall Street Journal,* and *New York Times*, to numerous reports, such as *Giving USA*. Reporters often call CECP to say they have a hunch that a trend is forming, relying on CECP to confirm with data and case examples.

USAA's Harriet Dominique says that her company's involvement with CECP has shaped USAA's worldview. "I joined the CSR team in late 2013," she recalls. "In 2014 we had the great opportunity to develop what strategic corporate philanthropy could be for USAA. Early on we were introduced to CECP. When we assessed the *Giving in Numbers* report, the CECP Summit that connects us to key leaders in this space, and the direct time CECP leadership provided to us, we saw CECP's fingerprints all over our approach to giving. It helped us frame our work as a corporate investment. Because of guidance from CECP, we have more than doubled our philanthropic giving over a span of five years to 1 percent of pre-tax income, and we now prioritize 60 percent of that investment to support our nation's military community. And our CEO has implemented other ideas based on the direct engagement he's had with fellow CEOs through CECP, such as parental leave for our employees and paid volunteer days."

The concept of learning from experience is baked into CECP thinking. "We want to help our companies understand the importance of measuring to manage in our field," explains Carmen Perez, Senior Director, Data Insights, at CECP. "Otherwise how do you know if the program had the intended result? What are the business and social metrics that best represent the strategy? Answering these questions with data is the way companies will be able to continuously improve."

As companies evolve in their understanding of the power of purpose, they work with CECP to collect, compare, evaluate, and share. First, companies work across business units to gather the data that matter. Second, they benchmark their data against other companies based on characteristics important to their work, to see how they stack up. Third, they dig deep into the numbers to find the story and answer their questions. Is the program working? Are we reaching the people we seek to reach? And last, they share the data with stakeholders, including those who make decisions, to be held accountable and to encourage sustainability of the programs. After all, what gets measured, matters.

"Companies that do this well, that do it in a great way, appear to be outperforming expectations," says CECP's Daryl Brewster. "Not only individual aspects of the company, but also a company as a whole is outperforming its peers. That's the kind of insight we work hard to provide at CECP. Information and insight to help our CEOs and affiliated companies be the best performers they can be, making the point that their business goals are inextricably linked to their roles and responsibility in society."

The accolades for CECP's benchmarking abound:

"Giving in Numbers *provides such high-quality trends; not only do I use it throughout the year, but also I make it required reading for the 3Mgives team! The insights help us understand where we stand and when we find we can do more, we lever the benchmarking data to make a stronger case for internal change."*

MICHAEL STROIK, DIRECTOR, 3M GIVES, 3M

*"If we need benchmarking on social investment, we turn to CECP and* Giving in Numbers. *Whether it's a quick question or a deep dive, the team can deliver just what we need."*

STEVE WOODHEAD, MANAGER, GLOBAL SOCIAL INVESTMENT, CHEVRON

*"Once we joined CECP, we started to use the custom benchmarking of* Giving in Numbers *data and it was a key support to advance the strategy we were building for growth. We used the benchmarking as a foundational element of our strategy and to gain buy-in from our leadership allowing us to grow our programs and make a bigger impact."*

LESLIE PARPART, DIRECTOR, COMMUNITY RELATIONS, CARMAX

"Giving in Numbers *is the only program I am aware of that is completely objective and based on comparable data."*

DIANE BROWN, COMMUNICATIONS COORDINATOR, NRG ENERGY

*"As I am the finance manager at the Humana Foundation,* Giving in Numbers *is my go-to benchmark and data set that I share with the board and whomever we are presenting to."*

GREGG CARTER, FINANCE MANAGER, HUMANA FOUNDATION

*"There's not another forum that provides these valuable industry-sector specific conversations and benchmarks."*

PATTY RIDDLEBARGER, DIRECTOR, CSR, ENTERGY

## THE FUTURE OF EXCELLENCE

As always, CECP continues to advance the tools and ideas necessary for companies to achieve true excellence. Total Social Investment (TSI) is a new metric to reflect the internal costs of a project, not simply the grants or financial investment devoted to it. It is a measurement of people, resources, training, safety, and professional development costs associated with a community or social impact programs (see Figure 8).

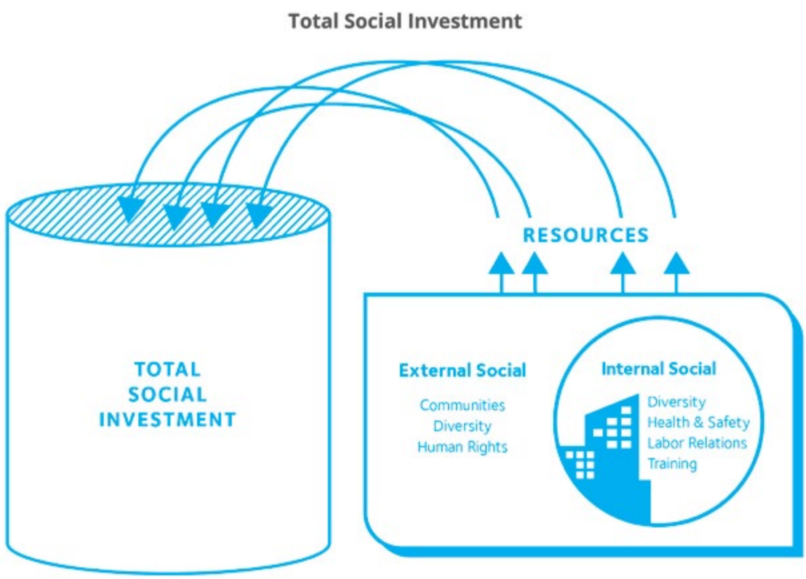


*Figure 8*

Source: *What Counts: The S In ESG, New Conclusions*. CECP, 2018.

"Think about an endeavor, perhaps a clean water, human rights, or diversity and inclusion initiative," Perez advises. "For example, a food and beverage company decides to stand for better nutrition and therefore wants to use its typical R&D process to develop and offer a nutritional supplement because they have the expertise to impact under-nourished children. Or a healthcare company decides to make a diagnostic test available in rural areas where a particular health issue has previously gone unchecked, but the tool is not profitable. There are cost centers involved in social value creation throughout the entire company. Sometimes it requires a company to take a lesser margin or work at breakeven longer than its usual business model mandates to achieve a longer-term, social benefit. This should all be counted as investing in society."

## FROM OUTPUTS TO OUTCOMES AND ON TO IMPACT

"We look at the good things businesses are doing and the impact they are having, and at CECP we have a way to capture and share that," says Brewster. "We also have a responsibility to encourage companies to do more. Our data collection catalogues all the areas where companies are making significant differences and having a positive impact, individually and as a whole. At CECP, we have a responsibility to share those data, as well as to identify the social and financial impact that companies can have."

To continue to demonstrate the wide arc of the story of how companies are making an impact, CECP introduced an annual report, *Investing in Society*,[9] on the state of the field of corporate social investment, focusing on progress around the five "Ps": priorities, performance, people, planet, and policies. Tracking CEO advocacy, employee empowerment, disaster relief, diversity, and more through this annual report adds a layer of accountability and a nudge to always do more.

Presenting these positive impacts are critical to sustaining these efforts over the long term.

# 07

CHAPTER SEVEN

# THE CHALLENGE:

## HOW DO COMPANIES BALANCE THEIR LONG-TERM AND SHORT-TERM STRATEGIES?

In 2013, CECP reached a crossroads: it had grown to include 150 CEOs, but it was increasingly clear that more action from more companies was urgently needed. And CECP was searching for a new CEO of its own, one who could guide the organization into the next era of impact and advance the work of founding Executive Director Charlie Moore.

"The conversation I had that most convinced me to join CECP was talking with John Whitehead, the legendary former CEO of Goldman Sachs and one of the founders of CECP," explains CECP's Daryl Brewster. "He told me how pleased he was with CECP's progress, but that in order to achieve our overall mission—for business to truly be a force for good in society—it would require engaging the capital markets with the right metrics."

Just as Paul Newman often spoke of the power of poetry—the story, the narrative—to change the world, Brewster heard from Whitehead and others that the power of numbers would play an equally important role in engaging business. In fact, without those numbers, it seemed that CECP could never gain traction among companies that were laser-focused on quarterly earnings.

The situation was even more pronounced in companies not already connected to CECP. Although CECP had seen that great companies invest in society over time, the sense was the capital markets and many businesses were focused almost entirely on the short term.

Through its nearly 15 years of work at the time, CECP realized that it had the numbers *and* the stories to show that managing a business for the long term could drive sustainable value and superior results over time. The challenge that CECP took on under Brewster was how to balance the increasing focus on short-term results with the need for long-term planning that incorporated significant stakeholders and addressed material risk.

In 2014, a Board of Boards panel featured Anne Stausbol, then CEO of CalPERS—America's biggest pension fund—with Dominic Barton, then Worldwide Managing Director of McKinsey, and

Duncan Niederauer, then CEO of the New York Stock Exchange. During the panel, Stausbol declared that CalPERS owned shares of nearly every company in the room and that each of them was too short-term-focused.

The resulting dialogue—wherein investors blamed CEOs for encouraging short-term behaviors, CEOs blamed investors for only rewarding short-term performance, and so on—made it clear that a new approach was necessary. In fact, 86 percent of CEOs surveyed in the room that day agreed.

Over the course of the next year, CECP began to formalize a strategy for companies to share a new type of business plan. This effort quickly took shape as its CEO Investor Forum (previously known as Strategic Investor Initiative or SII), a coalition of companies and investors designed to encourage and empower companies to share their long-term business plans, communicating their forward-looking goals and commitments. With initial funding from the Ford Foundation and the Heron Foundation, CEO Investor Forum created a platform for companies to share their long-term plans to help rebalance capital markets toward the long term.

## HOW THE LONG-TERM PLAN APPROACH WORKS

To build the business case for sustainable value creation, CEO Investor Forum conducted a nation-wide listening tour, during which the team met with CEOs, investors, leaders of nonprofits, professional services firms, and other groups, all of whom are concerned about the role of business in society. CEO Investor Forum learned, in a nutshell, that although investors and companies are coming from very different places—"companies are from Mars, investors are from Venus," says Brewster—there is space for a better dialogue around long-termism and companies' role in solving the world's biggest problems.

To shape that dialogue, CECP convened an advisory board co-chaired by Alex Gorsky, CEO of Johnson & Johnson, and Bill McNabb, former Chairman of Vanguard. The Advisory Board,[1] which currently includes 34 members, represents leading investors such as BlackRock, Vanguard, and State Street; companies like Walmart, BD, and Merck; and professional service firms like KPMG and PwC.

The tangible result of all the listening and research ramped up the work of CEO Investor Forum in its proprietary Long-Term Plan[2] framework, which gives companies an opportunity to share their future-focused plans with long-term investors—the ones that represent the bulk of holdings but are the focus of just a small portion of corporate communications. Leveraging its CEO coalition and its convening power, CEO Investor Forum, with the backing of CECP, hosted its first CEO Investor Forum event in 2017, with CEOs presenting their Long-Term Plans to an audience of 200 institutional investors, representing 30 trillion dollars in assets under management. Never had investors representing that much capital come to listen to companies like IBM, Nestlé, and Unilever share their future-focused plans in a public forum.

> *"For too long, companies have sacrificed long-term value creation to generate short-term results, which erodes the sustainability strategic investors seek. It's through the groundbreaking efforts of the CEO Investor Forum that companies and investors can change how businesses plan and act. CECP, with the 200 global CEOs in their coalition, is the right organization to lead this transformation."*
>
> BILL MCNABB, FORMER CHAIRMAN, VANGUARD; CEO INVESTOR FORUM ADVISORY BOARD CO-CHAIR

Perhaps the biggest initial hurdle companies faced in committing to a Long-Term Plan was understanding the "why". To develop those reasons, CEO Investor Forum had to first understand the push and pull CEOs face in the current, short-term-focused approach. Research into that, which resulted in the *Method of Production of Long-Term Plans*,[3] revealed that those challenges included frustration with the earnings call; a need to extend existing initiatives, responding to investor demand; and a desire to identify as a corporate leader.

During the listening tour, CEO Investor Forum's audiences regularly emphasized that cultivating a long-term vision reinforces a company's leadership position. And presenting a coherent narrative underlying a Long-Term Plan can help communicate to investors, stakeholders, and activists how a company is prepared for and engaged in today's ecosystem of expanded mandatory and optional-but-expected disclosures.

"We decided that we were aiming to be a little different—in addition to publishing the research which makes the business case, we decided to provide companies with a real-world platform," explains Brewster. "We're asking CEOs to stand in front of an audience—in front of the whole world—and share their Long-Term Plans. That includes their corporate purpose, their values, their financial expectations, their material ESG risks, and also their significant stakeholders and how they intend to work with them."

### Eight Reasons Why Companies Should Start Sharing Their Long-Term Plans with Investors

In 2018, CEO Investor Forum published an in-depth exploration of the state of communicating Long-Term Plans: *Reorienting Capital Markets Towards the Long Term*.[4] Outlined in the paper are the eight reasons companies should consider developing and sharing their Long-Term Plan:

1. To demonstrate that there is an effective long-term strategy
2. To show that the company can anticipate and capitalize on mega-trends
3. To help investors understand environmental-, social-, and governance-based (ESG) investing issues "through the eyes of management"
4. To enable the C-Suite to reflect on the corporate ecosystem, including a consideration of its stakeholders
5. To help inspire—and retain—both employees and investors over the long term
6. To foster leadership in long-term focused disclosure
7. To cultivate a long-term investor base
8. To create a favorable context for the company to execute short-term actions in the effort to achieve long-term objectives

These reasons clarify and prepare company leaders to start on the path to true long-term planning and industry leadership.

Building the business case and presenting the proof of concept to forward-thinking CEOs is one thing; convincing companies to be the first in the spotlight is another endeavor entirely. “Even among our affiliated companies, most had never publicly presented a Long-Term Plan before,” Brewster says. “So CECP and CEO Investor Forum still had to do the work to convince them to present.”

## INSIDE THE CEO INVESTOR FORUM EVENTS

In February 2017, the CEOs of Nielsen, Humana, Welltower, BD, and IBM presented their first Long-Term Plans to the world. These companies were trailblazers by all accounts. Once a set of companies had provided proof of concept, other CEOs understood the value. Today, leaders from more than 30 companies have presented their Long-Term Plans at one of CEO Investor Forum’s eight events. Some, like auto parts company Aptiv, have presented more than once—building on the results of their first presentation to sharpen and advance their planning.

“By presenting Voya’s long-term strategy to investors at the CEO Investor Forum event, I was able to share a comprehensive story that included our ESG results, which are increasingly important to all stakeholder groups and speak to the character of our brand,” says Rod Martin, Chairman and CEO of Voya Financial, who presented at the second Forum in September 2017. “I believe that this bigger picture of who we are—how we’re building our culture, serving the unique needs of people with disabilities, and fostering an ethical, and inclusive, workplace—is a significant differentiator for Voya.”

CECP continues to refine how companies can share their Long-Term Plans, designing a system where CEOs can share in the way and with the audience that makes the most sense to their companies. But what remains constant is the platform for CEOs to develop Long-Term Plans, built through real-time guidance from CECP, drawing on the insights of its Advisory Board as outlined in CEO Investor Forum's Investor Letter,[5] answering seven questions:

1. What are the key risk factors and megatrends (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?

4. How do you manage your future human capital requirements over the long term?

5. What is the corporation's framework 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, incentives, and overseeing management? How does the corporation ensure a well-functioning and diverse board accountable to its key stakeholders?

As companies answer these questions, they will start to uncover the most important building blocks of a good Long-Term Plan. The plans offer a richer take on a company's purpose, values, and approach. And, importantly, these presentations are not just speeches or marketing efforts by the CEO: they are voluntary, public, and Regulation Fair Disclosure (Reg-FD)-compliant, and companies are accountable for what they say.

In guiding presenting companies, CEO Investor Forum counsels them to explore the themes of risk, growth, and strategy, keeping in mind that CEO Investor Forum event audiences are focused on different approaches than their usual quarterly earnings-call participants, summarized in *Reorienting Capital Markets for the Long Term*:[6]

- A different time horizon: they are looking three to seven years out, not the current quarter or current year
- A different audience: one that is more patient, seeking out permanent capital.
- Different metrics: they're looking for goals, metrics, and milestones, as well as a detailed and thoughtful long-term strategy and the role of the board in achieving those goals and metrics.
- A different focus: they want to know about a company's governance, the role and composition of the board as it relates to long-term strategy, their focus of and strategy around long-term megatrends, and discussion of their material ESG factors.

Companies that engage deeply with the long-term planning process have noted that they've seen multiple benefits from presenting at a CEO Investor Forum event.

"The CEO Investor Forum event converged our Investor Relations and Corporate Sustainability messaging into a single narrative around creating shared value for all our stakeholders," says Peter Van Camp, the Executive Chairman and former CEO of Equinix, who presented during the February 2019 Forum. "Additionally, it reinforced our ongoing dialog with the investment community about Equinix's long-term plans. Last, but not the least, it provided an excuse to talk about our culture, which is the magic that drives our success."

## EVOLUTION OF THE LONG-TERM PLAN METHODOLOGY: 9 THEMES, 22 ISSUES

To further guide development of those plans, CEO Investor Forum and KKS Advisors/Harvard Business School have crafted a list of 9 overarching themes and 22 issues underlying those themes that companies should include to create the most effective plan possible.

The themes and issues (see Figure 9) span a company's operations, from its assessment of how market trends and broader megatrends may affect its future successes, to how its human capital is managed, to how it is governed, and to how it positions itself competitively and cooperatively in the market.

### Long-Term Plans Are Value Relevant

Throughout the development of the CEO Investor Forum, the question CECP heard most often was, "do investors care if we develop and share a Long-Term Plan?" Although there is plenty of solid evidence that companies that invest in the long term succeed, CECP also felt that answering the question of how markets respond to Long-Term Plans in the short term would also help convince investors and companies alike to commit to develop one.

CEO Investor Forum partnered with KKS Advisors/Harvard Business School to study the 21 plans presented at its CEO Investment Forums, scored them against nearly two dozen metrics of content and quality, and then tracked how the markets responded during the three to five days following the presentations. As described in *The Economic Significance of Long-Term Plans*,[5] CEO Investor Forum found that companies delivering Long-Term Plans saw abnormal stock price returns of 1.83 percent and trading volumes increase by an average of 7.6 percent. "Importantly, we found that companies whose presentations offered detailed, forward-looking metrics on their plans were rated higher than plans that disclosed backward looking data or were limited to boilerplate language," reflects Brian Tomlinson, Research Director at CEO Investor Forum.

The findings help underscore one of the biggest business benefits of the CEO Investor Forum. "For CEOs who want to attract investors versus merely traders, CECP now has a proven platform to tell their long-term story," Brewster says.


*Figure 9*

Source: *The Economic Significance of Long-Term Plans*. KKS Advisors, CECP, 2018.

CECP views this framework as dynamic and evolving—as more companies communicate their long-term thinking and more investors request information on topics they consider material, this framework will evolve to reflect the issues in which investors are most interested. And companies that work to be a force for good, to plan for the long term, and to steward their business with an eye for creating sustainable value far beyond the next quarterly report, are well-poised to continue to thrive.

## LOOKING AHEAD

In the summer of 2019, the global business community took an important leap forward: The Business Roundtable, in its latest update to its Principles of Corporate Governance, declared that the purpose of a corporation is not solely to serve its shareholders, but rather to create value in ways that benefit all of its stakeholders—its employees, its suppliers, its customers, and its communities, as well as its shareholders.

CECP sees this new set of principles as the next step in advancing business as a force for good, and a validation of the work that it and others have been doing for the past 20 years. Through long-term planning, CECP is operationalizing the growing momentum behind meeting broader stakeholder needs and the increasing embrace of the fact that business is significantly well positioned to solve the world's problems.

"Everyone wins when socially responsible activities are aligned with a company's long-term interests," says Nandika Madgavkar, Senior Director, CEO Investor Forum at CECP. "If you look at your social strategy like you're giving it away, then you haven't thought through how it's going to benefit the company's bottom line. Those aren't investments, those are throwaways. But if it's tied to your corporate purpose and your long-term business strategy, then you are creating sustainable value to benefit all stakeholders."

Just as CECP believes that leading companies can be a force for good, it believes all companies can share a long-term, sustainable business plan that is inclusive of the issues and themes that investors need to know about, provides context for all stakeholders, and clearly expresses their purpose and how they benefit society.

The biggest remaining question is simply, "How do companies want to lead?"

# 08

CHAPTER EIGHT

# THE CHALLENGE:

## HOW DO COMPANIES WANT TO LEAD?

If Paul Newman were alive today, what might he think?

Surely, he would be impressed by what CECP has been able to accomplish. Perhaps a bit proud of what he and his colleagues had begun. He would also quite likely still be demanding, "they can do more." Perhaps he might remain a bit worried, a bit troubled, a bit frustrated by the protracted, stubborn, even recalcitrant issues plaguing society, as well as irritated by new, emerging issues that were unimaginable 20 years ago. Perhaps he might be impatient at the time it has taken to convince a generation of leaders of the obvious importance of connecting business goals to social purpose, much like listening to Greta Thunberg[1] address the U.S. Congress in 2019, a year into her social protest about climate change.

The story of CECP's first two decades makes clear it is a group on a mission to fulfill the highest hopes of its founders and its current affiliated CEOs. Much has been accomplished. Much is being proven. Much is yet to be done. The future beckons. But it is crystal clear that the era of siloed thinking is over: the time has come for strategic, integrated, long-term action.

There are a number of reasons for this shift. In a 24/7, always-on, increasingly global culture, there simply is nowhere to hide bad deeds or cut corners. Today's workforce seeks purposeful lives, and careers are a vibrant part of the desire to make an impact beyond the workplace. And society increasingly expects business-style, action-oriented efforts to solve thorny social issues that persist despite the best efforts of the public and nonprofit sectors.

The rising financial impact and influence of women and other under-represented groups also plays a key role. Listening to the voices that previously lacked a platform brings a diversity of perspectives to bear on issues that need to be seen from multiple sides.

People care about the world and its future and expect companies to actively address the important issues that impact everyone. As companies increasingly realize they must prioritize their focus on developing a well-educated, diverse workforce able to compete in technology-driven careers, a commonsense takeaway is that they must beam searchlight attention on education, equity, inclusion, and diversity, now. And CECP sees as such in the steady placement of education and diversity as the top issue areas for corporate investments as shown by its *Giving in Numbers* surveys.

But perhaps most persuasive is the overarching fact, well-demonstrated over the past 20 years, that being a genuine force for good is genuinely good for business.

As the original founders of today's leading responsible companies knew, and incorporated into their companies' purpose, a reliance on the short-term does not make a solid foundation for a long-term legacy. Not for a product. Not for a company. Not for a community. Not for a society.

This fact, increasingly on the minds of business leaders across industries, is a prime driver of the genuine shift in business as usual over the past two decades. It comes to each company in a different way, sparked by a different catalyst and gaining momentum from different core competencies and underlying motivations. For CECP, there is the overt acknowledgment that different affiliated companies are at different points of their journeys. CECP's goal, then, is to encourage, enable, and empower. CECP's mission is to ask, and to help companies answer, "How do you want to lead?"

## SUPPORTING ONE CAUSE VERSUS MANY

In CECP's earliest days, Paul Newman hungered for one shared mission and, to his mind, it was water. Why couldn't business leaders unite, bring their money, expertise, and insight to bear on solving one of humanity's most pressing issues: access to safe, clean drinking water for humans, their livestock, and crops? The answer, he heard over and over, was that although executives cared about the issue, it made more sense for them to focus on other issues given their resources and expertise. And so began CECP's work, honed through the years, to help companies focus on areas where they can make a difference. Some companies dive vertically into core areas—Newman's Own with its emphasis on nutrition, for instance. Others are better suited to play a wide-ranging horizontal role, such as Salesforce, PwC, and CECP itself.

"We've seen some very successful companies decide to be agnostic about the issues on which their employees engage," says CECP's Daryl Brewster. "Their real focus is the employee. They'll support whatever the employee wants to do, within reason. They don't make any judgment about where their areas of interest are. Whereas some companies tend to be organized around specific topics that link and connect to what the business is about. This type recognizes the diversity of their employees can be a huge factor in fulfilling the company's purpose. We recognize there's not a single size that fits all."

## THE GENUINE SEARCH FOR IMPACT

"A consensus seems to be emerging from CECP and its affiliated companies that there is urgent need for collaboration. I think it is extremely important to facilitate more coordinated action and in particular engage the private sector in helping to resolve the most urgent humanitarian need. Because no one sector, no one country, no one company can go at it alone," says UPS's Eduardo Martinez.

A genuine force for good that coalesces around tough social problems could figure out what progress begins to look like when it starts on its path to impact, and a network of companies would have both the expertise and the financial resources to solve a challenge together.

USAA's Harriet Dominique points out that while there is not yet one single cause, such as Newman's hoped-for access to clean water, that will unite the cause-related missions of the Fortune 500, she suggests a new imperative emerges from the strengths of CECP's track record to date: "We can no longer focus as companies working with our own employees and communities in isolation from other public and private sector efforts. If we're really in this to make a serious difference, we can't be competing for top billing and branding. We must join hand-in-hand, collaborate, and share our knowledge with one another."

She points to national efforts like the War on Poverty launched in 1964. "Millions and perhaps billions have been invested in local communities to solve this problem over the years," she says. "And yet, what change has actually been driven through our society? We should really get into targeted, impact analysis and envision solving it as a business challenge that requires resolution. How many years have we been investing in the same things? So how do we join together to solve the most pressing societal issues in which we have shared interest? The issues we should engage in are the ones we can impact, ones where we can eradicate or significantly remedy the issue. If we're unified, we can accomplish more. No single entity can do it alone."

## FORGING THE NEW BUSINESS NARRATIVE

Brewster agrees. "Yes, business brings focus, discipline, and an understanding of the power of metrics and benchmarking. We're discovering and uncovering how to illustrate and manage toward progress. We're bringing companies together that share the same focus and are willing to share individual expertise on issues such as diversity and inclusion; opioids; equity, talent, and tech; employee communications; purpose; and measurement. We are committed to bringing the resources to bear on pressing topics, such as education, infrastructure, and disaster relief, among many other issues."

But perhaps the most important area is the new narrative emerging on the role of business in society. "To accomplish what we need to do together, we need the permission of the many," Brewster says. "We're not elected. We're not appointed. We need to be seen by society as a strong, stable ledge on which we can climb higher together as a society."

At the highest level, corporate purpose—in its daily operations as well as in its efforts to create positive change in society—can be thought of as the covenant under which business operates in a society. CECP is deeply involved in a project, Imperative 21, to describe that covenant, codify it, and articulate the new business narrative for the century.

CECP's most important work in the near future will be to create a shared understanding that the imperative of the 21st century is to lead a new economy that recognizes the purpose of business is to serve its many stakeholders. By changing the ways leaders discuss their purpose-led visions, they alter the landscape of business itself, as well as the way key audiences understand their goals and strategies. The Business Roundtable's newly stated mission to broaden its stakeholders beyond investors to "all" was a giant leap forward for some companies that had never been a part of CECP's "CEO Force for Good" coalition.

"We live in a world today where the vast majority of people live paycheck to paycheck, if they receive a paycheck," Brewster says. "In the U.S. and certainly abroad there are only a few institutions that have the resources, the talents, the money to really make an impact. Unfortunately, although government certainly has the scale to do it, it has limited ability to effect meaningful, positive progress. Nonprofits often have powerful goals and aspirations, but have stretched resources. In many ways business is the one that is in position, the one with the resources, to be able to think beyond the paycheck or grant, to plant seeds for future, long-term growth."

It is this outsized role that business must play in society, but this requires an agreement on the part of the culture, including the business culture, that this is the legitimate province of business. To CECP, the advent of Larry Fink's letter, the stated values of other investors such as Vanguard and State Street, and pension and insurance funds, portend progress. The enormous capital represented by such funds is actually the foundation from which emerges home purchases, educational and career aspirations, retirement dreams, and, in some cases, generational wealth transfer. These funds are inherently long-term and there have not always been the seats at the table from which they could express their role in humanity's pursuit of happiness. These are people who are investing for the future, not just trading for the current moment.

While the movement is still in early stages, there is genuine progress; from this new narrative will come the shared ability to impact the social contract that CECP and its member companies seek. If forging a new, cohesive, and shared narrative is Job 1, then Job 2 is extending the time horizon. CEOs who recognize the power of solving social issues will lead companies that thrive. Job 3 is measuring the impact of these efforts. Are we making progress against opioid misuse? Are children becoming better educated? Are diseases being conquered? Do we have a sustainable, nurturing environment?

## WHAT DOES GENUINE SOCIAL IMPACT LOOK LIKE?

Studies[2] clearly document that companies that run sustainably perform better over the long term. There are equivalent credible studies[3] that illustrate how companies that better address the needs of the consumer, employee, community, and planet than their competitors also outperform the market. In fact, as Brewster points out, "They actually outperform the 'in search of excellence' companies."

While the data are coming into sharper focus on the business benefits[4] of working for strategically aligned social purpose, those proof points are about business performance as business, not as social engineer. Here, an extended time horizon is equally imperative to measure true impact on substance use disorder, education, disease, and environmental sustainability.

"How do you measure these things along the way?" asks Brewster. "Those are hard metrics to come by, so you've got to believe to some degree as we go on. But I do see efforts in all of those areas that are different than I've seen over the last 5 or 10 years. Vital social issues are on the agenda. They're being discussed and talked about in ways they hadn't been prior."

It comes down to a fundamental belief that companies that run their business for the long haul will make more decisions for the good of the world than bad. And that shifting to a long-term approach is good for businesses of all kinds.

"If the market doesn't want to be overly regulated, then the market must step up," says Brewster. "That's our view. There are others who can work on regulations. That's one way to get higher standards. We're going to need leaders to help us get there in many different ways."

Today, CECP advises companies that they must live up to their promises and commitments and not claim something *might* become true in the future, because that claim will come back to haunt them. Information moves quickly throughout the world. Whereas once a company's greatest vulnerability might have been a media exposé of their shabby practices, now that exposé is as likely to come from a disgruntled employee. When staff or a line worker believes a company has fallen short of its promises, that disappointment and anger can ricochet throughout the internet and around the world at the speed of light.

Brewster offers a fictitious example of a company coming to CECP sharing a new ad it wanted to run during the Super Bowl. The spot focused on the power of its leadership with women. Upon discussing the ad, it emerged that the company currently had no female board members and none in its executive leadership—although it had plans to hire some "soon." CECP would advise that, until their claims were true, the ad should not make the claim and should not be run.

"As companies begin to see and believe the power of right actions, they may be tempted," Brewster says. "But CECP is clear: take action first, do the right things, and then communicate them. We often find that companies that don't have their act together are the ones that want to tell their story too soon. And others, that have been doing really good things don't want to let anybody know."

CECP encourages companies to balance the needs and interests of their significant stakeholders—of whom investors are just one. Brewster adds: "We've seen extreme cases of companies that serve their shareholders well, but take their prices through the roof. Or companies that cut corners to meet regulations, determine they would figure it out later, but get caught. There are penalties that must be paid for such action. And you do have to strike an appropriate balance."

## LEADERS AND STANDARDS

The future belongs to those that use purpose to create competitive advantage. That requires both leaders and standards. When the leader's focus is on standards, principles emerge that are knowable and shareable by all constituencies, helping to answer the questions, Do I want to work here? Do I want to sell this company's products in my store? Do I want to create advertising for this brand? Do I want to invest money in this company's future? Do I want this company to build its new distribution headquarters in my town? Do I want to buy this companies' products or services?

Today, there is a consensus emerging as to the definition of a good company, one that does the right things for the right reasons, one that considers all of its constituencies. These better-behaving companies grow faster *and* more sustainably.

"CECP's goal is to help these leaders continue to lead, and we raise the minimum standard," Brewster says. "How do you treat your employees? Your customers? How do you engage with your communities? How do you contribute, net or negative, to the planet?"

The well-run global company has more in common with the United Nations than it does with any single nation. Consumers and customers look beyond price and branding all the way to impact. What does this product, this company, have to do with the way the world is turning right now? What are their employment policies, their track record on issues that matter to me?

Once a company has embarked on the path of social purpose, there's no going back. "The business purpose of USAA is indelibly linked to its social impact initiatives: military family well-being," Dominique says. The two elements of its positioning move in lockstep and have become recognized as responsible, wise, and caring. "If you think that USAA is such a great organization," she adds, "do we need to engage in philanthropic causes? Isn't the foundation of responsible business sufficient? Without hesitation, the answer is that, in today's world, you have to do more than and more with the product and service. The product and service better be good and good for society as well. The way you engage must be good. But that extra is no longer extra, it's now table stakes."

## FUTURE METRICS AREN'T SIMPLE MATH

The future of CECP specifically is about planting the seeds of a looming, booming harvest. One significant crop is the Global Exchange, through which it works with collegial organizations around the globe, sharing insights and developing best practices with this network's country partners. As an initially U.S.-centric organization, CECP had to evolve a global footprint to extend its impact around the world, a milestone necessitated by the speed of the geographic spread of affiliated companies. The world has become smaller for multinational companies, and companies have had to be engaged in both local communities domestically and in many international locations.

As UPS's Eduardo Martinez points out, "There's been equivalent growth of understanding that a company has to play a role, whether one is in Hanoi or Atlanta. We see as significant a virtue involvement in our society here in the United States as we do in the other countries where we operate. It's important to note that we have found a powerful reason to participate in local communities even in places where we don't operate. We don't just activate where we have employees and customers. We believe no community is too remote to help, therefore, we collaborate with our NGO and nonprofit partners to help beyond our footprint, because from our perspective generosity knows no bounds."

Today, there's a transition under way. A sea change, really. Companies and CEOs alike are taking action in focused, strategic ways to create meaningful change. But there is always more that needs to be done.

"We must do the real work of encouraging, mentoring, and showcasing companies to want to do more," Brewster says. "We need to ensure purpose-led companies lead a race to the top. We have human nature on our side. Leaders are genuinely engaged by the question of what the world is going to look like in a few years. What's the world going to look like for your children? For your children's children? CEOs know if the change isn't made by us, it won't get made."

In Brewster's estimation, the corporate leaders who have the resources, who have the talent, who have the skill to take on the responsibility, who develop the capability to look out a little bit further, those are the leaders the future demands—the ones who will become good stewards of a better world.

APPENDIX

# CECP MILESTONES

## 1998

### EARLY 1998

Paul Newman approached Peter Malkin to talk through concerns about data that show that corporate contributions have not kept pace with increased corporate profits. Malkin and Bob Forrester recruited David Rockefeller, Paul Volcker, and John C. Whitehead to join them and Newman in creating a new committee to increase corporate philanthropy.

### JUNE

Business leaders met to form a new enterprise: the Committee to Encourage Corporate Philanthropy. The initial directors (the original four, plus Paul Newman) were designated, as they anticipated ultimately 40 to 50 members on the Committee.

## 1999

- Vice Chairs agreed to serve as the result of personal visits by Newman, Whitehead, and Malkin: Paul Allaire, Xerox; John Bryan, Sara Lee Corporation; Irvine Hockaday, Hallmark; Ralph Larsen, Johnson & Johnson; Thomas Murphy, Capital Cities/ABC; Charles Lee, GTE; Henry Schacht, Lucent Corporation; Walter V. Shipley, Chase Manhattan; Steve Stamas, Exxon; Ken Derr, Chevron; and Floyd Hall, Kmart.
- Paul Newman serves as initial Chair, to be joined by a CEO, or recently retired CEO, of a major corporation.
- Initial funding from Newman; Malkin; Forrester; Ben Cohen, Ben & Jerrys; Ford Foundation; Atlantic Philanthropies; W.K. Kellogg Foundation; MacArthur Foundation; Andrew Mellon Foundation; Pew

Charitable Trusts; Charles Stewart Mott Foundation; Rockefeller Brothers; The Park Foundation; and The Whitehead Foundation.

- Official CECP launch and press conference was held at Chase Manhattan Corporation, followed by a luncheon. Key attendees include: Michael R. Bloomberg, Bloomberg News, LP; Earl G. Graves, Sr., Black Enterprise; Peter L. Malkin, Wien & Malkin, LLP; Eugene R. McGrath, Consolidated Edison, Inc.; Thomas S. Murphy, Capital Cities/ABC, Inc.; Paul Newman, Newman's Own; Michael I. Roth, The MONY Group, Inc.; Walter V. Shipley, The Chase Manhattan Corporation; John C. Whitehead, Goldman, Sachs & Co.

## 2000

- 1st Annual CEO Meeting hosted by Chase Manhattan Corporation.
- 1st Excellence in Corporate Philanthropy Award was given to Merck at an event with the U.S. Chamber of Commerce in Washington, D.C.

## 2001

- CECP began its signature measurement initiative with 17 leading U.S. companies providing data in the first year.
- 64 companies were in the CECP coalition.

## 2003

1st Annual Corporate Contributions Summit for senior giving officers, held at Chase Manhattan Plaza, to train companies how to use CECP's unique measurement tool, then called the Corporate Giving Standard (CGS).

## 2006

- 1st Annual Board of Boards CEO Conference: "Corporate Philanthropy" at McGraw-Hill, moderated by *Fortune*'s David Kirkpatrick, featuring catalysts Shelly Lazarus, Ogilvy; Bob Nardelli, Home Depot; and Ken Lewis, Bank of America.

## 2008

- Release of report *Business's Social Contract: Capturing the Corporate Philanthropy Opportunity* based on research and analysis conducted by McKinsey & Co.
- 179 companies were in the CECP coalition.

## 2010

- *Measuring the Value of Corporate Philanthropy: Social impact, business benefits, and investor returns* published, by Terence Lim, a Managing Director at Goldman Sachs who dedicated a year-long fellowship to the project.
- *Shaping the Future: Solving Social Problems through Business Strategy* published, based on research by McKinsey & Co.

## 2013

- #GivingTuesday launched, with CECP as founding partner.
- *Giving Around the Globe* report launched.

## 2014

- Charlie Moore retired after 14 years with CECP.
- Daryl Brewster joined CECP as CEO.
- 221 companies were in the CECP coalition.

## 2015

- Company Spotlight newsletter launched.
- *Giving in Numbers* infographic launched.
- *Simplifying Strategy: A practical toolkit for corporate societal engagement* published by FSG in collaboration with CECP.
- CECP Communications Audit launched.

## 2016

- CEO Investor Forum launched.
- Global Exchange launched.
- *Investing with Purpose* published, supported by Prudential.

## 2017

- CEO Investor Forum Event 1.0, February in NYC:
  - Long-Term Plan Presentations: Mitch Barns, CEO, Nielsen; Bruce D. Broussard, President and CEO, Humana Inc.; Michael Corbat, CEO, Citi; Thomas DeRosa, CEO and Director, Welltower Inc.; Anthony F. Earley, Jr., Chairman, CEO, and President, PG&E Corporation; Vincent Forlenza, Chairman, President and CEO, BD; Bill McNabb, Chairman and CEO, Vanguard; Martin Schroeter, CFO, IBM Corporation.
  - Additional speakers: Robert Pozen, Senior Lecturer, MIT and Former President, Fidelity Investments.
- Supported by Bloomberg, LP, Ford Foundation, and Heron Foundation.
- *Advancing Strategy* authored by FSG in collaboration with CECP.
- *What Counts: The S in ESG* launched.
- CEO Investor Forum partnership with Robert Wood Johnson's Culture of Health.

## 2018

- CEO Investor Forum Investor Letter released.
- CECP research:
  - *Investing in Society*
  - *Diversity & Inclusion through Corporate Social Engagement*, with support from Wal-Mart
  - *Making work more meaningful: Building a fulfilling*

*employee experience*, in collaboration with Imperative and PwC

- *Systemic Investments in Equity, Talent, and Tech: Findings from a CECP Accelerate Community*
- *What Counts: The S in ESG: New Conclusions: A Goal-Centered Path Forward for a Corporate Social Investment Metric*, with support from CISCO
- *The Economic Significance of Long-Term Plans* with KKS
- *Emerging Practice in Long-Term Plans*
- *Reorienting Capital Markets Toward the Long-Term*

- 226 companies are in the CECP coalition.

## 2019

- 20th Anniversary.
- Rebrand to Chief Executives for Corporate Purpose.
- *Method of Production of Long-Term Plans* released.

Note: Titles were current at the time of the event

## TIMELINE OF CECP AWARD WINNERS

As CECP celebrates its 20th anniversary, it looks back at its award winners* over that time period—companies that embody the Force for Good movement.

### 2000

First Annual Excellence Award
Merck

### 2001

Excellence Awards
IBM and Timberland

### 2002

No awards presented

### 2003

Excellence Awards
Target and Whole Foods

### 2004

Excellence Awards
Pfizer
Hasbro
The Children's Health Fund, nominated by GlaxoSmithKline

### 2005

Excellence Awards
GE
Novartis
Arch Chemicals
Jumpstart, in partnership with Pearson and Starbucks

### 2006

Excellence Awards
Cisco Systems
Grand Circle Corporation
KaBOOM!, nominated by The Home Depot

### 2007

Excellence Awards
GlaxoSmithKline
salesforce.com
National Academy Foundation, nominated by Citigroup and Pearson

### 2008

Excellence Awards
PNC Financial Services Group, Inc.
Moody's; Community Voicemail, nominated by Cisco Systems

### 2009

Excellence Awards
Western Union
Liquidnet
Boys & Girls Clubs of America, nominated by Charles Schwab Foundation

### 2010

Excellence Awards
Intel Corporation
General Mills, Inc.
The Boston Beer Company
Partners in Health

## 2011

Excellence Awards
Goldman Sachs
Bristol-Myers Squibb Company
DonorsChoose.org, nominated by Crate & Barrel

## 2012

Excellence Awards
Kraft
Xylem
Good 360, in partnership with The Home Depot

## 2013

Excellence Awards
IBM
The Mosaic Company
Partners in School Innovation, in partnership with The Applied Materials Foundation

## 2014

Excellence Awards
Cargill
PG&E Corporation
Direct Relief, in collaboration with FedEx

First Annual Charles H. Moore Award for Leadership in Corporate Community Engagement (Charlie Award)
Eileen Howard Boone, Senior Vice President of Corporate Social Responsibility and Philanthropy, CVS Caremark; President, CVS Caremark Charitable Trust

## 2015

First Annual CEO Force for Good Awards
Kenneth C. Frazier, Merck
Bill George, Medtronic, Inc. (Lawrence A. Wien Legacy)
Hamdi Ulukaya, Chobani, LLC
Thomas J. Wilson, Allstate Insurance Company

Excellence Awards
PepsiCo
PricewaterhouseCoopers LLP
PYXERA Global, in collaboration with The John Deere Foundation

Charlie Award
Vivian R. Pickard, President, General Motors Foundation; Director, Corporate Relations, General Motors Company

## 2016

CEO Force for Good Awards
Ronald A. Williams, Aetna Inc. (Lawrence A. Wien Legacy)
Eileen Fisher, EILEEN FISHER, Inc.
Kip Tindell, The Container Store
J.P. Bilbrey, The Hershey Company
Dr. H. Fisk Johnson, SC Johnson
David Abney, UPS

Charlie Award
Lance Chrisman, Executive Director, Anthem Foundation

### 2017

CEO Force for Good Awards
Anne M. Mulcahy, Save the Children, Xerox Corporation (Lawrence A. Wien Legacy)
Denise Morrison, Campbell Soup Company
Brian C. Cornell, Target
Risa Lavizzo-Mourey, Robert Wood Johnson Foundation
Chad Dickerson, Etsy
F. William McNabb III, Vanguard
Michael Corbat, Citi

Charlie Award
Balaji Ganapathy, Head of Workforce Effectiveness, Tata Consultancy Services

### 2018

CEO Force for Good Awards
Richard Davis, U.S. Bancorp (Lawrence A. Wien Legacy)
Doug Baker, Ecolab
Hubert Joly, Best Buy
Terri Kelly, W.L. Gore & Associates
Ajay Banga, Mastercard
Martina Hund-Mejean (CFO), Mastercard

Charlie Award
Heather Nesle, Vice President, Corporate Responsibility; President, New York Life Foundation

## 2019

CEO Force for Good Awards
Alan G. Hassenfeld, Chairman, Executive Committee, Hasbro, Inc. (Lawrence A. Wien Legacy)
Michele G. Buck, President and CEO, The Hershey Company
Fran Horowitz, CEO, Abercrombie & Fitch Co.
Rajesh Gopinathan, CEO & Managing Director, Tata Consultancy Services
Edward W. Stack, Chairman & CEO, DICK'S Sporting Goods

Charlie Award
Shannon Schuyler, Principal, Chief Purpose Officer and Responsible Business Leader of PwC US; President of the PwC Charitable Foundation, Inc.

Note: Titles and affiliations of individuals at the time of the award

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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 social investment, 14 million employees, 23 million hours of employee engagement, 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.

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