



CEO Roundtable Executive Report

June 22, 2023

FEATURED SPEAKERS: Vincent Forlenza, Chairman, Moody's and former Chairman & CEO, BD;
Bill McNabb, former Chairman & CEO, Vanguard

This CEO Roundtable explored the process and value of developing and presenting an Integrated Long-Term Plan from the CEO and investor perspectives, the challenges of balancing long-term planning with short-term demands, and the current landscape of ESG reporting.

KEY TAKEAWAYS:

- **Developing an Integrated Long-Term Plan is a light lift for a big return.** Informed by institutional investors and the International Financial Reporting Standards, CECP's Integrated Long-Term Plan guidance provides a framework for CEOs and their teams to present their company's sustainable value creation strategies and key, forward-looking, financially material ESG metrics to investors. The updated concise, consistent, and comparable framework will be released in the fall of 2023.
- **Short-term thinking attracts short-term investors.** With close to 30% of company holdings owned by index funds, it is essential to communicate an authentic long-term vision when looking to attract long-term investors.
- **Investors want to see strategic agility** from executives and boards. By its nature, an Integrated Long-Term Plan should not change much, though CEOs and boards need to be prepared to pivot when the unexpected happens. Equally importantly, they need to communicate to investors how events in the short term are expected to impact plans in the long term.
- **ESG strategies need to create value and acknowledge risk.** To establish trust with long-term investors, companies might consider whether: 1) their ESG strategies are creating long-term value and, 2) whether they are mitigating risk.

"The process of developing an Integrated Long-Term Plan was very straight forward. There's an outline of what the expectation is. We reused the material multiple times, and went on to do a major acquisition based on the strategy work. The investment is essentially zero and it can lead to tremendously different outcomes."

– Vincent Forlenza, Chairman, Moody's and former Chairman & CEO, BD

"What investors are looking for from boards, and from management for that matter, is strategic agility. How are the short-term issues framed against the long-term aspirations? You have to explain to investors how new developments impact your long-term strategy."

– Bill McNabb, former Chairman & CEO, Vanguard

Participating Companies

