

Executive Report



CHIEF EXECUTIVES FOR CORPORATE PURPOSE

NOVEMBER 14, 2022 | NEW YORK CITY

SAVE THE DATE
18th Annual Board of Boards
November 13, 2023 | New York City





Pictured above left to right: Mike Schmidtberger, Sidley Austin LLP; James White, Jamba Juice Company (former); Joe Davis, BCG; Fran Horowitz, Abercrombie & Fitch Co.; Barb Humpton, US Siemens Corporation US

FEATURED SPEAKERS:

Mike Schmidtberger, Partner & Chair, Executive Committee, Sidley Austin LLP

Eric Gertler, Executive Chairman & CEO, U.S. News & World Report

Neil Blumenthal, Co-Founder & Co-CEO, Warby Parker

Matthew Harrington, Global President & COO, Edelman

Michele Buck, Chairman of the Board, President & CEO, The Hershey Company

Megan Myungwon Lee, Chairwoman & CEO, Panasonic Corporation of North America

Penny Pennington, Managing Partner, Edward Jones

Alan Murray, CEO, Fortune Media (USA) Corporation

Doug Conant, Chairman, Board of Directors, CECP; former CEO, Campbell Soup Company; and Founder & CEO, ConantLeadership

Joe Davis, Former Chair, North America, BCG

Hamdi Ulukaya, Founder & CEO, Chobani and Founder, Tent Partnership for Refugees

Alex Gorsky, Executive Chairman, Johnson & Johnson

Yvette Ostolaza, Partner & Chair, Management Committee, Sidley Austin LLP

ADDITIONAL CEO PARTICIPANTS INCLUDED:

Andrew McMahon, CEO & President, Guardian Life Insurance Company

Barb Humpton, President & CEO, Siemens USA

Christiana Riley, CEO, Deutsche Bank USA Corp

Daniel Crowley, President, CEO & Director, Triumph Group

Fran Horowitz, CEO, Abercrombie & Fitch Co.

Henrietta Fore, Chairman and CEO, Holsman International

James White, Former Chairman, President & CEO, Jamba Juice

Lorie Almond, Partner, Labor & Employment, Seyfarth

Mauricio Gutiérrez, President & CEO, NRG

Mike Brandstaedter, President & CEO, The Bazooka Company

Roy Weathers, Vice Chair, Policy and Societal Engagement at PwC and CEO of CEO Action for Racial Equity

Scott Kinney, CEO, Discovery Education

Steve Beard, President & CEO, Adtalem Global Education

Suresh Muthuswami, Chairman of North America, Tata Consultancy Services

Ted Dysart, Vice Chair, Heidrick & Struggles

SPECIAL GUESTS:

Peter Gleason, CEO, NACD

CHIEF EXECUTIVES FOR CORPORATE PURPOSE

Dozens of CEOs from the world's largest companies convened at CECP's 17th Annual Board of Boards in NYC on November 14, 2022, to discuss this year's theme, *Shaping the Future*—an evergreen, yet particularly timely topic in today's volatile climate.

Noted in *Forbes* as one of the top three "power player" CEO convenings, CECP's Board of Boards is a unique opportunity for corporate leaders to share insights and best practices around the business case for ESG and stakeholder capitalism. Leading CEOs discussed topics such as the call to purpose, how to seize crises as opportunities, long-term sustainable business practices, employees as stakeholder number one, and capital as an equity lever.

CEO
ATTENDEE
PROFILE



**US \$35.6
Billion**

in Pretax Profit



**US \$238.1
Billion**

in Revenue



**US \$677.9
Billion**

in Historical
Market Cap



**US \$2.9
Billion**

in Community
Investment



404,236

Volunteer Hours



"There are two distinctive characteristics that differentiate good and great CEOs: their humility and fierce resolve to move things forward." **Doug Conant, Chairman, Board of Directors, CECP; former CEO, Campbell Soup Company; and Founder & CEO, ConantLeadership**

KEY TAKEAWAYS

STRATEGY

- Leading companies have always talked about purpose.
- Put people before product, as a company's employees are its most valuable corporate asset; the war for talent is over, and talent won.
- If CEOs do not like change, they will like irrelevance even less. Replace fear of the unknown with curiosity.
- CEOs need to make commitments for which they can be held accountable during their tenure.
- Leading CEOs are speaking up and listening up, but if CEOs use their voice too much, it loses impact; statements need to have substance.
- When CEOs were polled at the event, preparing for the future of work was seen as both their biggest concern and biggest business challenge.

LEADERSHIP

- Leaders have gone from "command" and "control" to "trust" and "inspire".
- Social investment needs a collaborative ecosystem and a quarterback to execute it.

- CEOs see what others do not; they must always plan several steps ahead and be prepared to pivot when necessary.
- When CEOs were asked to describe how they are feeling in the current business and sociopolitical environment, one phrase rose to the top— "cautiously optimistic."
- CEOs do not need to be the smartest in the room, but instead oversee the smartest results.

2022 EDELMAN TRUST BAROMETER

COMPANIES DON'T KNOW HOW TO MANAGE THE DYNAMICS GEN Z IS INTRODUCING— 71% of companies believe it's hard to follow and reach Gen Z; 61% find their expectations make it difficult for their company to know when and how to take a stand; and 60% find it difficult to understand Gen Z and what they expect of their brand/ company



"Our founder established an organization and created our mission, which is to contribute to society. It doesn't matter what society we are in; we should create a healthy company as a public entity. We borrow people, we borrow money, and we must be here to create value and do more than the resource. We have a lot of manufacturing positions at Panasonic North America; we have 27,000 employees in Canada, U.S., and Mexico. I feel really good that we're not just selling products, but we convey a stronger message, which is, 'we make people before product'. That is why I have been at this job for so long." **Megan Myungwon Lee, Chairwoman & CEO, Panasonic Corporation of North America**

Pictured left: Alan Murray, CEO, Fortune; Megan Myungwon Lee, Panasonic Corporation of North America; Penny Pennington, Edward Jones

"Back in 2009, I was living in Utica and heard that there were refugees who legally settled in this town and were having a hard time finding a job. I went to the refugee settlement agency and asked them what the problem was. These people were settled by the State Department, and they had every right to work, but they didn't speak the language, didn't own a car, nor did they have job training. So, I said, 'Well, let's give it a try. We're hiring,' and we simply got them access to translators and buses." **Hamdi Ulukaya, Founder & CEO, Chobani and Founder, Tent Partnership for Refugees**



"There are over a billion people on the planet that don't have access to glasses, which we couldn't believe. We thought we were failing as a species when technology that is 800 years old was not widely available. Our goal was to get glasses on faces, because when people have their glasses, they're able to see, they can thrive in school, and they can earn a livelihood." **Neil Blumenthal, Co-Founder & Co-CEO, Warby Parker**



"As leaders, what do you see that nobody else does? We are being asked to see into the future. What's amazing about that is, as the first female managing partner of Edward Jones, I probably see things in our organization that my predecessors didn't. And if I can illuminate those places where in leadership, it is our job, our responsibility, and the opportunity for growth and innovation, to see things in ways that other people don't see it, that's where the spark is." **Penny Pennington, Managing Partner, Edward Jones**



LIVE POLLING RESULTS OF ATTENDING CEOS

- When asked **how they are feeling** in the current business and sociopolitical environment, CEOs provided many responses, including but not limited to: **uncertain, troubled, optimistic, hopeful, and divided.**
- **Forty-two percent** of CEOs feel **well-equipped** to meet expectations in the current business and sociopolitical environment.
- CEOs cited **preparing for the future of work, employee diversity and inclusion, and leading with purpose during a downturn or crisis** as the top three **business challenges** they are currently facing in their company.
- **Ninety-one percent** of CEOs are most concerned about **the future of work.**
- When asked what the most effective move a CEO can make toward sustainable business leadership over the long term, **41%** said to **further integrate my company's values into our incentives and practices.**



Board of Boards 17TH ANNUAL

"I get very nervous when people put out big, lofty goals that are 25–30 years into the future, where I think, 'Is anyone still going to be around who's accountable for those goals?' I believe people have a right to be skeptical about that. We are a company that's very much about making commitments and taking a very pragmatic approach to delivering them, which is why we put in place more short-term goals, where we have a strong operational plan that can get ourselves there." **Michele Buck, Chairman of the Board, President & CEO, The Hershey Company**



"After George Floyd's murder, ~\$150 billion was committed to make a difference for Black and Latinx communities. Much of that money is now "stuck"; to this day about 40% of the pledges have made its way to places where it can make a difference. Money needs an ecosystem to make the biggest difference, which is why we formed Southern Communities Initiatives (SCI). We focus on identifying and amplifying high-impact organizations and initiatives where the money will have meaningful impact, bridging support from corporations to these communities, setting metrics and ambitious targets, and publicizing the progress through all six cities involved." **Joe Davis, Former Chair, North America, BCG**



"Today, there's suddenly a new emphasis on resiliency, redundancy and thinking a bit more holistically, even about our supply chain—rather than just a maniacal focus on efficiency and effectiveness. It is clearly a different world." **Alex Gorsky, Executive Chairman, Johnson & Johnson**



DARYL BREWSTER, CEO, CECP

ABOUT CECP Chief Executives for Corporate Purpose® (CECP) is a trusted advisor to companies on their corporate purpose journeys to build long-term sustainable value and tell their impact stories. Working with CEOs and leaders in corporate responsibility, sustainability, foundations, investor relations, finance, legal, and communications, CECP shares actionable insights with its CEO-led coalition to address stakeholder needs.

Founded in 1999 by actor and philanthropist Paul Newman and other business leaders, CECP is a movement of more than 200 of the world's largest companies that represent \$7.7 trillion in revenues, \$37.4 billion in total community investment, 14 million employees, 22.5 million hours of employee engagement, and \$21 trillion in assets under management. CECP helps companies transform their strategy by providing benchmarking and analysis, convenings, and strategy and communications in the areas of societal/community investment, employee engagement, environmental social governance/sustainable business, diversity equity inclusion, and telling the story. For more information, visit <http://cecp.co>.

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CECP also thanks the **Empire State Building** for lighting in CECP blue on November 14th.

