



Chief Executives for Corporate Purpose's
**INTEGRATED LONG-TERM
PLAN FRAMEWORK**



The CEO Investor Forum

Chief Executives for Corporate Purpose (CECP) is a CEO-led coalition of 200+ of the world's leading companies committed to positive societal impact for the long term. CECP's CEO Investor Forum is our marquee institutional investor event at which corporations present forward-looking financial and nonfinancial material metrics to institutional investors exceeding US\$25 trillion in assets under management (AUM).

The Forum encourages publicly traded companies to leverage CECP's proprietary Integrated Long-Term Plan Framework to communicate sustainable value creation strategy and key forward-looking metrics over a three-to-five-year time horizon. Our investor-informed framework is concise, comparable, consistent, and connected to value. Data for Integrated Long-Term Plans can be pulled from various standards, though the framework itself is based on the Sustainability Accounting Standards Board (SASB) Standards, which were integrated into the International Sustainability Standards Board (ISSB) Standards in 2022.

To date, more than 50 CEOs representing over US\$3 trillion in market cap have delivered an Integrated Long-Term Plan on our Reg FD platform to an audience of institutional investors, issuers, professional services firms, media, and academics.

Every presenting company receives an Integrated Long-Term Disclosure Assessment, consulting hours, ongoing review, and recommendations on the presentation, as well as a post-presentation assessment based on our proprietary methodology that provides deep insights into risks, opportunities, and gaps.

A special thank you to Matthew Bruschi (NIRI), Prof. Robert Eccles (Capital Partners, Inc. and Oxford University), and Peter Klein (PK Associates LLC) for their input on CECP's Integrated Long-Term Plan Framework.

Why an Integrated Long-Term Plan is a Business Imperative:

LONG TERMISM

The short-term focus of capital markets has increasingly become a concern for both companies and institutional investors. The historical emphasis on quarterly guidance pushes companies to focus on quarterly targets rather than long-term goals. Reorienting the capital markets toward the long term is part of a broader public policy mission to revitalize the public markets. Capital markets need to receive more long-term strategic information about companies to reduce the negative impact of short-term pressures on management, corporations, and the wider economy. Companies should use CECP's Integrated Long-Term Plan Framework to effectively communicate their long-term strategic plans to investors.

1. Business continues to be the most trusted institution at 62%, ahead of NGOs at 59%, and government and media at only 50% each.¹
2. Companies focusing on sustainability performance get equal or higher returns in the market. Improved financial performance increases over longer time horizons.²
3. Businesses that pursue a long-term, multistakeholder model create value in many ways. Over time, leaders integrate strategic thinking, save money, reduce risk, innovate more, build brand and reputation, and have higher employee engagement.
4. Shareholder activism, especially on climate, is on the rise.³
5. In 2023, disclosure and reporting complexities for multinational companies will become even more challenging. U.S. companies should be prepared to refresh—or, in some cases, begin—their materiality assessments through the double materiality lens.



Double Materiality

Double materiality provides criteria to determine whether

a sustainability topic or information must be included in an issuer's sustainability report. Double materiality is the union of impact materiality (e.g., affects employees, customers, vendors, the environment) and financial materiality (e.g., affects investors, creditors). A disclosure falls under the criteria of double materiality if it is material from the impact perspective, financial perspective, or both.

With the approval of the Corporate Sustainable Reporting Directive (CSRD) in Europe, double materiality will be required not only for companies in the European Union, but also for U.S. companies of a certain size with a European subsidiary or branch. The Global Reporting Initiative (GRI) standards are also based on double materiality.

See page 11 for additional information.

¹ [Edelman Trust Barometer 2023](#)

² [NYU, ESG and Financial Performance](#)

³ [ESG on the Ballot: U.S. Proxy Season Preview](#)

Companies Leading Now and For The Future

 Allstate.  Medtronic  Johnson & Johnson  PSEG

 IBM.  Humana.  jetBlue®  DELPHI  Abbott

 AMERICAN ELECTRIC POWER  SANOFI  AmerisourceBergen®  nrg®  Nestlé

 nielsen  Catalent.  INTUITIVE  moderna  BD

 welltower  aetna®  Verisk™  Incyte  MERCK

 Telia  gsk  WELLS FARGO  Takeda  Pfizer  Unilever

 Prudential  • APTIV •  PHILIP MORRIS INTERNATIONAL  ucb  EQUINIX

 ca technologies  ups  VOYA FINANCIAL  PG&E  HENRY SCHEIN®

BY THE NUMBERS



US\$ 3 T

Company
Market Cap



US\$ 25 T

AUM Investor
Network



1,000s

Online
Audience

What CEOs Say About Integrated Long-Term Plans

"In today's business climate, investors are increasingly interested in the resilience of a company's business model."

[EY 2023 PROXY SEASON PREVIEW](#)

MARK SCHNEIDER
CEO, NESTLÉ



"The old 1980s mantra of 'we are here to make money' is simply no longer good enough. People want to know how you make money and why, the social purpose you are serving, and the long-term consequences of what you are doing."

"To run a business in this uncertain but exciting context, there is no doubt that we must take a long-term, agile view."



EMMA WALMSLEY
CEO, GSK

ROD MARTIN
CHAIRMAN & CEO, VOYA



"By presenting Voya's long-term strategy to investors at the CEO Investor Forum, 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."

"The CEO Investor Forum is helping leading companies strengthen their relationships with investors by sharing new types of information along extended time horizons."



ALEX GORSKY
FORMER CHAIRMAN & CEO,
JOHNSON & JOHNSON, AND
CO-CHAIR, CEO INVESTOR
FORUM

BILL MCNABB
FORMER CHAIRMAN &
CEO, VANGUARD, AND
CO-CHAIR, CEO
INVESTOR FORUM



"It is through the groundbreaking efforts of the CEO Investor Forum that companies and investors can change the impact businesses have on the world."

Why Deliver an Integrated Long-Term Plan?

VALUE OF DELIVERING AN INTEGRATED LONG-TERM PLAN

- Trading volumes and stock prices exhibit significant abnormal market reactions to Integrated Long-Term Plan presentations⁴
- Heightened specificity and inclusion of forward-looking metrics will result in a positive capital market reaction
- It acts as a “force function,” leading to greater cross-functional collaboration within a company
- Develop a holistic understanding of materiality and integrate sustainability metric accountability across departments

KEY MOTIVATIONS FOR CEOs

- Frustration about an overly short-term focus on the earnings call
- Need for a coherent narrative around an expanded disclosure ecosystem
- Desire to reinforce industry leadership
- Increase the number of long-term shareholders in the investor base
- Prepare the company to engage with activist investors

EIGHT REASONS

Companies Should Share Their Forward-Looking Business Plans:

1 Demonstrate there is an effective, forward-looking strategy

2 Show that the company can anticipate and capitalize on megatrends

3 Help investors understand how sustainability issues and strategies are material to overall business strategy

4 Enable the C-Suite to reflect on the corporate ecosystem, including a consideration of its stakeholders

5 Inspire—and retain—key stakeholders, such as employees, customers, partners, suppliers, and more over the long term

6 Communicate key priorities to cultivate a long-term investor base

7 Create a favorable context for the company to execute short-term actions in the effort to achieve long-term objectives

8 Force functions to break down silos within an organization

⁴ The Economic Significance of Long-Term Plans

When to Deliver an Integrated Long-Term Plan

An Integrated Long-Term Plan is an opportunity to communicate with all stakeholders about a longer time horizon and broader set of themes that are often not addressed in investor-facing disclosures.

ANNUAL	PERIODIC	EVENT
A company should review its Integrated Long-Term Plan on an annual basis and update relevant sections based on market triggers.	A company should refresh its Integrated Long-Term Plan every 3-5 years.	There are key triggers for a corporation that make revising its Integrated Long-Term Plan an investor relations (IR) imperative: <ul style="list-style-type: none"> • Recovery from scandal • CEO transition • Major climate-related impacts • Transformational M&A • Activist proposals

CECP's CEO Investor Forum works with companies to help them optimize their long-term disclosures



How to Develop a Successful Integrated Long-Term Plan

Successful Integrated Long-Term Plans are essential tools to guide internal strategic decision-making and communicate with the capital markets. Integrated Long-Term Plans should be tracked in short-term reporting (e.g., earnings calls) and be updated at a regular cadence. If long-term financial guidance or short-term reporting is not provided, the company should explain why. Additionally, Boards of Directors are increasingly accepting oversight of environmental, social, and governance issues as the positive ROI of managing double materiality issues becomes clearer. The most successful plans involve the Board of Directors in the development and communication of long-term targets.

SUCCESSFUL PLANS SHOULD BE:

ADDITIVE: Build on existing disclosures and complement the default IR deck

CONTEXTUAL: Provide meaningful contextualized disclosures, expectations, and targets

RELEVANT: Address financial and nonfinancial material issues for the industry and business

INTEGRATED: Demonstrate how an organization's sustainability strategy, business strategy, governance, and performance lead to value creation

Illustrative Concepts and Emerging Practices

INTEGRATED LONG-TERM PLAN FRAMEWORK

CECP's research informs the guidance we provide to enable CEOs to develop and communicate their sustainable value creation strategy. Our Framework, developed in partnership with Professor George Serafeim of the Harvard Business School, sets out eleven themes to build an effective presentation. Foundational to this presentation is how environmental, social, and governance issues underpin all business practices.



Corporate Purpose

Statement of Corporate Purpose
Alignment with Forward-Looking Strategy



Megatrends

Social
Planet
Geopolitics and the Global Economy



Competitive Strategic Positioning

Key Value Drivers
Future Goals, Metrics, and Milestones



Corporate Governance

Stakeholders
Cybersecurity



Financial & Capital Allocation

Financial Metrics
Capital Allocation Strategy
R&D



Risks & Opportunities

Assessment of Financially Material Issues
Risk Management
Opportunities



Stakeholder Engagement

Stakeholder Engagement Strategy
Strategic Partners



Human Capital Management

Workforce Composition
Future of Work
Workforce Engagement



Operational Ecosystem

Integration of Sustainability Metrics
Internal Collaboration



Climate Risk

Climate Targets
Leveraging Opportunities



Biodiversity

Impact
Mitigation

Components of an Integrated Long-Term Plan

CORPORATE PURPOSE

- Share the Statement of Corporate Purpose across multiple channels
- Indicate whether the board has signed onto the Statement of Corporate Purpose
- Disclose how the Statement of Corporate Purpose is operationalized and measured
- Describe how the long-term business strategy is aligned with the firm's Statement of Corporate Purpose

MEGATRENDS

- Management's view of major trends that broadly impact:
 - Social
 - Planet
 - Geopolitics and the Global Economy
- Ensure views are sector-specific and address climate risk and economic instability, leveraging leading frameworks, such as SASB Human Capital Management, CDP, TCFD, GRI, TNFD, IFRS S1 & S2 (see pages 12 and 13 for examples)

COMPETITIVE STRATEGIC POSITIONING

- Describe the key short-, medium-, and long-term value drivers for the firm
- Outline priority initiatives and detail goals, metrics, and milestones, tying them to risks and opportunities:
 - Current initiatives to continue
 - Initiatives to start up
 - Current initiatives to change or modify
 - Current initiatives to stop

CORPORATE GOVERNANCE

Stakeholders

Board

- Provide commentary on how board diversity and structure enable meaningful strategy development, engagement, and monitoring (e.g., sustainability subject matter expertise, % women, % ethnically diverse)
- Describe the role of the board in setting corporate strategy, incentives, and governance
- Outline board oversight of and time spent on management risk, executive compensation programs, cybersecurity, and assessing current long-term strategy

Executives

- Provide commentary on how C-Suite diversity and structure enable meaningful strategy development, engagement, and monitoring (e.g., sustainability subject matter expertise, % women, % ethnically diverse)
- Provide commentary on how executive-level diversity and structure enable meaningful strategy development, engagement, and monitoring (e.g., sustainability subject matter expertise, % women, % ethnically diverse)
- Describe in high-level terms the relationship of executive compensation to the long-term strategy and whether material sustainability metrics are incorporated

Shareholders

- Provide examples of where shareholder engagement has resulted in adjusted practice within the business (e.g., climate reporting, activist investors)
- Describe management's plan for engagement with various shareholders (e.g., institutional investors, retail investors, activist investors) on material issues

Cybersecurity

- Detail cybersecurity governance structures in place, including whether the board has oversight
- Provide commentary on metrics and targets used to measure cybersecurity

FINANCIAL & CAPITAL ALLOCATION

- Provide commentary on how forward-looking strategic and financial metrics are relevant to the long-term strategy:
 - ROI
 - Leverage
 - Revenue growth 3-5 years out
 - Share purchases
 - EBITDA growth expectations
 - Capital efficiency and profitability (e.g., ROIC, ROE, CAGR, RONA)
- Describe the capital allocation strategy and plan:
 - Outline the framework for allocating capital and how it enables strategy implementation and the initiatives outlined in Competitive Strategic Positioning
 - M&A discipline
 - CAPEX
- Address how R&D spend is linked to megatrends and material sustainability issues. Include commentary on % of total budget

RISKS & OPPORTUNITIES

- Set out an assessment of financially material environmental, social, and governance issues, highlighting key frameworks used (e.g., IFRS S1 & S2, GRI, SEC, EFRAG):
 - Indicate whether materiality assessments are conducted and frequency of refreshment
 - Set out key metrics, KPIs, forward-looking targets
- Describe how financially material risks are managed and overseen
- Elaborate on how financially material opportunities are leveraged

STAKEHOLDER ENGAGEMENT

- Provide commentary on the process for identifying significant stakeholders (e.g., customers, suppliers, communities, regulators, civil society) and corresponding engagement strategies
- Describe key strategic partnerships aligned with delivering long-term business goals and provide examples of how such partnerships impact the operational ecosystem (i.e., access to specific product or geographic markets)

HUMAN CAPITAL MANAGEMENT

- Provide commentary on how workforce diversity and structure enable meaningful strategy development, engagement, and monitoring (e.g., gender pay parity, % women, % ethnically diverse)
- Outline how the organization is planning its workforce to reflect future industry challenges and needs (e.g., automation, officing, upskilling/reskilling)
- Describe human capital management practices in the context of the long-term strategy

Note: Federal and state laws may require specific guidance on human capital management (HCM) disclosures, which should be taken into consideration while discussing HCM metrics and measures.

OPERATIONAL ECOSYSTEM

- Describe how sustainability practices are integrated throughout the business ecosystem. Offer commentary on the evolving mix of portfolio businesses and how it relates to underlying mega and market trends
- Provide commentary on how internal teams work together on key material issues

CLIMATE RISK

- Outline how the company sets climate targets and provide related metrics (e.g., TCFD, Scope 1, 2, and 3)
- Describe how the company leverages [climate-related opportunities](#) to mitigate and adapt to climate change, such as resource efficiencies and cost savings, the adoption of low-emission energy sources, the development of new products and services, access to new markets, and building resilience in the supply chain

BIODIVERSITY

- Provide disclosures on the impact of the company's operations and investments on biodiversity, including water risk
- Utilize reporting frameworks such as the CDSB Biodiversity Application Guidance, TNFD, SBTi, and GRI

There are two categories of climate risks:

Transition Risks: Risks related to the transition to a lower-carbon economy

Physical Risks: Risks related to the physical impacts of climate change

Biodiversity plays a vital role in climate adaptation and mitigation. Biodiversity is becoming increasingly top of mind for institutional investors. The current funding need is estimated to be around 0.5 - 0.8% of global GDP. Results from more than 30 countries revealed that public expenditures on biodiversity are currently about 0.3% of national GDP and make up about 1.3% of the total national budget on average.⁵

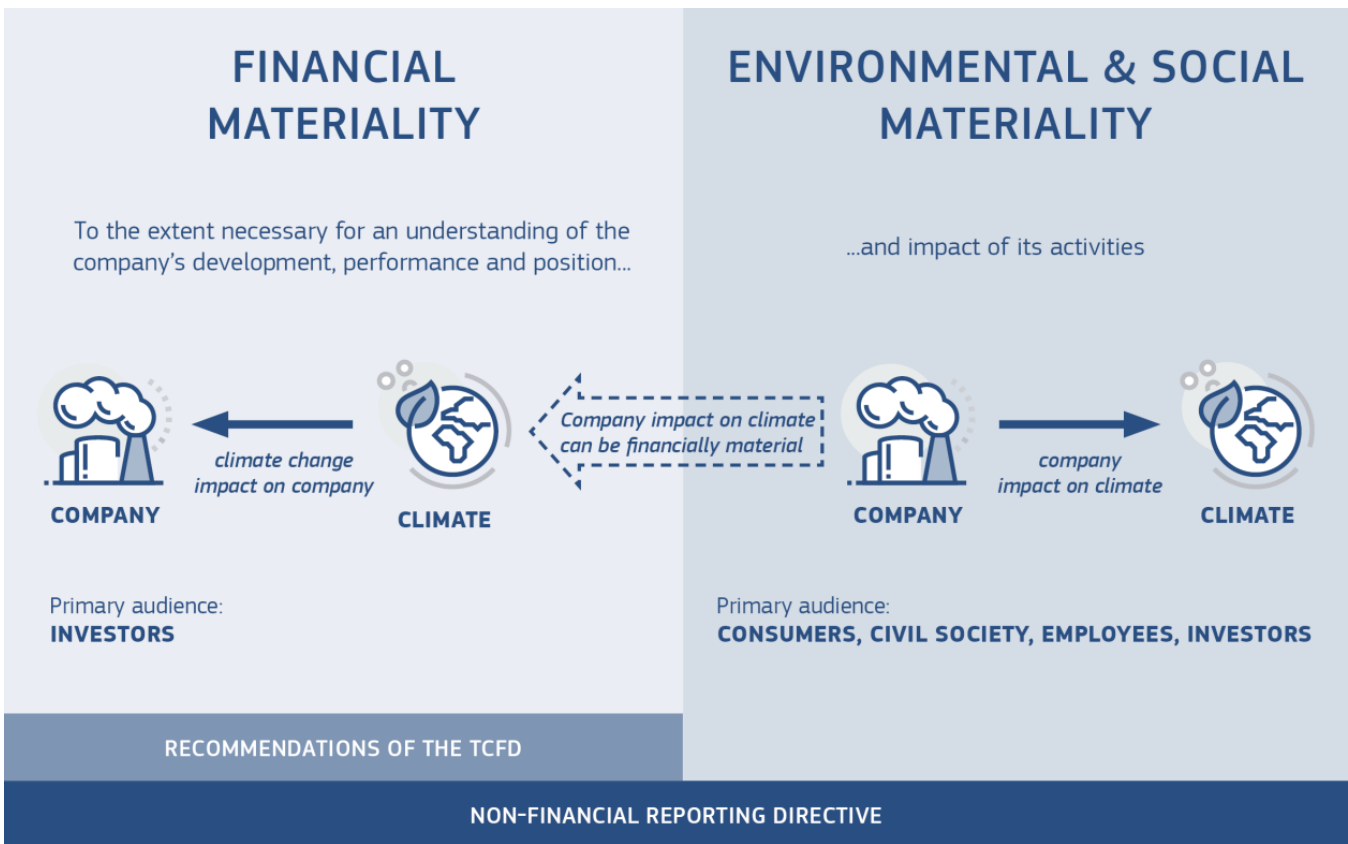
[CLICK HERE TO LEARN MORE AND VIEW PAST PRESENTATIONS](#)

⁵ <https://www.un.org/en/climatechange/science/climate-issues/biodiversity>

Additional Resources

DOUBLE MATERIALITY

The double materiality perspective of the Non-Financial Reporting Directive in the context of reporting climate-related information:



* Financial materiality is used here in the broad sense of affecting the value of the company, not just in the sense of affecting financial measures recognised in the financial statements.

Source: https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines_en.pdf

CLIMATE RISK TOOLS

#1: Climate-Related Risks, Opportunities, and Financial Impact



Source: <https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf>

#2: Reporting Climate Risks for the Financial Sector

The Rocky Mountain Institute (RMI) developed a series of tools to help companies find alignment between their climate risk metrics and reports with their impact reporting and initiatives. The table below clarifies what is being asked of companies when reporting for the financial sector with regards to climate risks. It also clarifies what may be needed to ensure that the actions taken by the financial sector in support of decarbonization are effective and that expectations are realistic.

	RISK	ALIGNMENT	IMPACT
Data & Metrics	<ul style="list-style-type: none"> 427 Corporate Climate Risk Scores 	<ul style="list-style-type: none"> PCAF RMI Utility Transition Hub S&P TruCost Paris Alignment Data 	
Pathways & Scenarios			
Assessment Tools	<ul style="list-style-type: none"> MSCI Climate VaR S&P Climate Credit Analytics Carbon4 Finance - Climate Risk Impact Screening Carbon4 Finance - Biodiversity Impact Analytics powered by GBS 	<ul style="list-style-type: none"> PACTA Arabesque S-Ray Temperature Score MSCI Implied Temperature Rise TPI CRREM 2 Degrees of Separation 	<ul style="list-style-type: none"> Carbon4 Finance - Carbon Impact Analytics FinanceMap ISS ESG Climate Scenario Analysis Carbon4 Finance - Biodiversity Impact Analytics powered by GBS
Methodology	<ul style="list-style-type: none"> ClimateWise Transition Risk Framework 	<ul style="list-style-type: none"> CDP-WWF Temperature Rating The Poseidon Principles Net Zero Investment Framework SBTi Sectoral Decarbonization Approach 	<ul style="list-style-type: none"> Climate Impact Management System for Financial Institutions
Target Setting Guidelines & Verification		<ul style="list-style-type: none"> Guidelines for Target Setting for Banks NZAOA 2025 Target Setting Protocol SBTI FI Science-Based Targets Guidance 	
Reporting Frameworks & Guidelines	<ul style="list-style-type: none"> TCFD CDP 		
Collaborative Initiatives		<ul style="list-style-type: none"> Center for Climate-Aligned Finance Gfanz PAII 	<ul style="list-style-type: none"> Impact Management Project

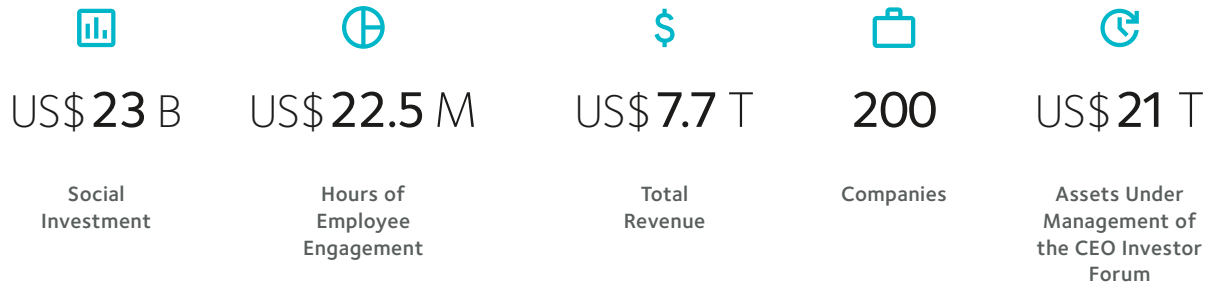
Source: <https://rmi.org/insight/breaking-the-code/>

What Is CECP?

Chief Executives for Corporate Purpose® (CECP) is a trusted advisor to companies on their corporate purpose journeys.

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 US\$7.7 trillion in revenues, US\$37.4 billion in total community investment, 14 million employees, 22.5 million hours of employee engagement, and US\$21 trillion in assets under management. CECP helps companies transform their strategy by providing research, benchmarking, strategy, convening, and communications in the areas of societal/community investment, employee engagement, environmental social governance/sustainable business, diversity equity inclusion, and telling the story.

OUR CEO COALITION, IN NUMBERS



For more information on the Integrated Long-Term Disclosure Assessment, or to receive an assessment, please reach out to insights@cecp.co.



CEO
Investor
Forum