Sparked by the 1970 Friedman Doctrine,
FOR DECADES COMPANIES OBSESSED OVER ONE THING…

PROFITS

“The social responsibility of a business is to increase its profits”
- MILTON FRIEDMAN
Nobel Prize Winning Economist
# Expectations of Brands Have Evolved

Customers, investors, and employees have changed the dynamic.

<table>
<thead>
<tr>
<th>Yesterday</th>
<th>Today</th>
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</thead>
<tbody>
<tr>
<td>Profit Driven</td>
<td>Profit &amp; Positive Impact</td>
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<td>Transactional</td>
<td>Transparent &amp; Accountable</td>
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<td>Functionality Focused</td>
<td>Functionality &amp; Brand Values</td>
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<tr>
<td>Limited Choices</td>
<td>Unprecedented Choice</td>
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<tr>
<td>Generalized Offerings</td>
<td>Personalized Offerings</td>
</tr>
</tbody>
</table>
“To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society.”

- LARRY FINK
CEO of Blackrock

“The future of business is not really just being able to make a living for people, and make more money, and go public, and all those kinds of things. But it’s actually the possibility to make a difference in the world.”

- EILEEN FISHER
Founder & CEO of Eileen Fisher
Purpose-led brands are more than what they sell. They truly live the *why* behind their existence.

The more people [customers, investors, employees] understand, are inspired by, and engage, the more likely the brand is to **drive change and achieve current and future success.**
Today people are 4-6x More Likely to buy from, trust, champion, and defend companies with a strong Purpose.

The Time is Now
BRANDS NEED TO “LIVE” THEIR PURPOSE IN THE REAL WORLD


76% of Marketing Leaders believe their organization has a defined purpose…

BUT

ONLY 10% actually have a corporate purpose statement backed by a meaningful activation plan
PEOPLE REWARD BRANDS WITH A HIGH COMMITMENT TO PURPOSE

BrandZ 12 Year Brand Value Growth
Perceived Positive Impact

Brands recognized for high level of commitment to purpose grow >2x the rate of others

70%  86%  175%
Low   Medium   High

Source: Forbes / Kantar Purpose 2020 Report. Brand Valuation is based on a combination of financial factors (future profitability) and brand factors (meaningful, different, salient) based on survey results from 3 million people across 50 countries.
Ahead of the Curve
UNILEVER HAS SUCCESSFULLY COMMUNICATED ITS PURPOSE TO ALL KEY GROUPS: INVESTORS, EMPLOYEES, & CUSTOMERS

Launched in 2009, Unilever’s "purpose-led, Sustainable Living Brands" grow 69% faster than the rest of the business, delivering 75% of the company’s growth

FINANCIAL IMPACT
Market capitalization increased from €63B to over €100B

SAVINGS
€1.2B in efficiencies thanks to sustainable sourcing

EMPLOYEE ENGAGEMENT
Employee engagement rose ~70% from low 50s to high 80s

Despite Potential Adverse Business Impact, PURPOSE-BACKED DECISIONS HAVE THE POTENTIAL TO DRIVE CHANGE WHILE BENEFITTING THE BOTTOM LINE

CVS Pharmacy will stop selling cigarettes and all tobacco products at its stores nationwide

Ending the sale of cigarettes and tobacco products at CVS Pharmacy is simply the right thing to do for the good of our customers and our company. The sale of tobacco products is inconsistent with our purpose – helping people on their path to better health.

CVS’ Decision to Stop Selling Cigarettes Resulted in a Positive Business, Brand, and Community Impact

RISK

Upwards of $2 Billion a year in lost revenue

SHORT-TERM FINANCIAL IMPACT

Stock price Dropped 1% the day after the announcement

LONG-TERM FINANCIAL IMPACT

1.5 years after the announcement, CVS’ stock hit an All-time High

EPS rose 70% over the next 3 years

COMMUNITY IMPACT

In the states where CVS had 15% market share or greater, the average smoker bought five fewer packs of cigarettes, totaling 95 Million fewer packs sold over 8 months

CVS BRAND IMPACT

Other purpose-led companies who had refused to do business with CVS (e.g., Irwin Naturals and New Chapter Vitamins and Supplements) allowed CVS to carry their products. This enabled CVS to offer a greater selection of high-quality brands.

Source: CVS Press Release, Courage in business counts: How CVS turned a tobacco ban into a financial win by Simon Sinek
PURPOSE-LED BRANDS DEMONSTRATE THEIR COMMITMENT IN MANY SHAPES AND FORMS
Living it from the inside-out
At the Core, **PURPOSE MUST BE GROUNDED IN A FUNDAMENTAL TRUTH TO AUTHENTICALLY CONNECT WITH PEOPLE**

**Founder / Origin Story**
One of the founders previously ran an eyewear non-profit creating glasses for people who lived on $4 a day and wondered why glasses cost so much.

**Societal Need / Problem**
By championing a shift from animal to plant-based meat, BM set out to impact 4 global issues: **human health**, **climate change**, **constraints on natural resources** & **animal welfare**.

**Consumer Insight**
The initial insight behind the True Beauty campaign was that only 2% of women consider themselves beautiful.
Purpose-Led Brands can build off these truths to connect with communities in meaningful ways.

Community-Centric Consumer Insights

Congress introduces The CROWN Act of 2019 to end hair discrimination nationwide!

81% of Multicultural consumers are more loyal to companies who prioritize the community’s wellbeing over business.

A Black woman is 80% more likely to change her natural hair to meet social norms or expectations at work.

Black women are 1.5x more likely to be sent home or know of a Black woman sent home from the workplace because of her hair.

Source: 1. Dove 2019 CROWN Research Study
Purpose-led Brands can Range from DRIVING SOCIETAL CHANGE TO ENRICHING PEOPLE’S LIVES

**Society-Centric**
brands strive to solve more macro-level problems impacting society or the world as a whole

**Community-Centric**
brands offer products or services to enrich consumers’ lives, help them achieve certain goals, or give them a sense of belonging
Balancing Purpose & Profit

ACROSS CATEGORIES, BRANDS DRIVE PROFITS ALONGSIDE THEIR ARTICULATED PURPOSE

**Society-Centric**
- To grow our business, while decoupling our environmental footprint and increasing our positive social impact
- To use our business resources “to save our home planet”
- To inspire and nurture the human spirit – one person, one cup and one neighborhood at a time
- Commitment to the best ingredients, nutrition for everyone

**Community-Centric**
- Empowering people to be the best version of themselves anywhere, anytime
- To be essential to our customers by providing products and services to help them achieve their aspirations
- To move the world forward through the power of sport
- To create a world where you can belong anywhere
- To offer designer eyewear at a revolutionary price while leading the way for socially conscious businesses
- To empower creative exploration and self-expressions

Note: These mission statements sourced from the brands’ public information
### Purpose-led Brands

**COMMUNICATE THEIR PURPOSE ON A LARGE & SMALL SCALE**

<table>
<thead>
<tr>
<th>Focused Audiences &amp; Tailored Comms</th>
<th>Broad Audiences &amp; Broad Comms</th>
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</thead>
<tbody>
<tr>
<td>Connect the world through fitness, empowering people to be the best version of themselves anywhere, anytime</td>
<td></td>
</tr>
<tr>
<td><strong>PELOTON</strong></td>
<td></td>
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<tr>
<td>[Image]</td>
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<tr>
<td>Personalized E-mail Marketing</td>
<td>Micro-influencer Network 2.3 Million Social Followers</td>
</tr>
<tr>
<td>“We All Have Our Reasons” Campaign</td>
<td>“It’s You. That Makes Us” Campaign</td>
</tr>
<tr>
<td>[Image]</td>
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</tr>
</tbody>
</table>

| **airbnb** | |
| [Image] | |
| We Believe in a World Where People Belong Anywhere | |
| Personalized / Localized Travel Recommendations | Neighborhood Guides for popular cities |
| “Made Possible by Hosts” Campaign | Olympics Sponsorship through 2028 |
| [Image] | |
THERE ARE UNIVERSAL TRUTHS TO SUCCESSFULLY COMMUNICATING BRAND PURPOSE
To both activate and drive impact at the societal and community level

Be Authentic & Inspire

Define Goal & Publicize Your Impact

Differentiate Amongst Peers

Clearly Articulate Your Purpose

Fuel Conversation & Start a Movement

Maintain Consistent 360 Communication
PURPOSE-LED BRANDS WILL CONTINUE TO GROW

Given the Rising Influence of People

Customers

- 71% of customers are more likely to buy from a purpose-driven company over an alternative if cost and quality were equal\(^1\)

Employees

- 78% of employees are more likely to work for a company with a strong purpose & 72% are more likely to be loyal\(^1\)

Investors

- 90% of investors want to align their investments with their values\(^2\)

NOW

FUTURE

A clear purpose will be necessary to drive trial and build loyalty; will be more of a factor than price

Purpose at the forefront of recruiting communications & other initiatives

Proliferation of Purpose Driven Index Funds & Investment Funds

Source: 1. Fast Company, People are More Likely to Trust—and Buy—Purpose-Driven Brands. 2. ThinkAdvisor, Wealthy Investors Seek Purpose-Driven Investments After Pandemic. USB Study.
Purpose-led brands will become more prevalent
As people continue to have more influence, and businesses realize purpose is not at the expense of profits

People’s buy-in drives success
Brands are no longer set apart from key groups – customers, investors, employees

Purpose is authentic to the brand
There is a spectrum of purpose-led brands, each purpose needs to authentic and lived “inside-out”

A mix of broad and focused media is a must
As brands need to both activate and drive impact at the societal and community levels