“The essence of sustainability is preserving for future generations as many options and choices as we benefit from today.”

Jeroen van der Veer
Chief Executive, Royal Dutch Shell
About the Cover

The theme of this year’s Annual Report is sustainability, and the quote on the cover is taken from one of three essays on the subject in this year’s publication. While each of the essays approaches the topic from a different standpoint, they all stress how the path to true sustainability requires an understanding of the stakes involved and the collaboration of businesses, governments, and stakeholders.
At a time when leaders need feedback, when companies need strategic guidance, when business needs help in connecting with society, we bring together a global community of executives to generate ideas and address critical issues.

With the credibility born of our long history, trustworthy research, and staunchly nonpartisan orientation, we deliver what business needs today: useful insights grounded in real-world experience. In our peer-to-peer meetings and forums, top executives forge relationships and acquire the tools to achieve innovation and growth. Our research and data—authoritative and unbiased—is aimed directly at helping companies succeed.

And with nearly 2,000 companies representing more than 50 countries, our membership—augmented by an extended network of experts and specialists whose combined knowledge covers a broad spectrum of business and social issues—is both wide and deep. The Conference Board offers a balanced, broad perspective—and knowledge the world’s leaders can depend on.
Building Trust

“The Conference Board has been a leader in corporate governance reform. It deserves the appreciation of shareholders, directors, managers, and the public at large.”

John Snow
Former U.S. Treasury Secretary
This has been an exciting year for The Conference Board. In addition to continuing to provide the innovative research and interactive programs we are known for, we also initiated a number of important new ventures that will broaden our scope as an institution and assist us in meeting our twin obligations of helping businesses strengthen their performance and better serve society.

I want to thank Dick Cavanagh for his outstanding contributions during more than a decade of leadership at the helm of The Conference Board. Dick created a strong platform from which the organization continues to benefit. I also extend an enthusiastic welcome to Dick’s successor, Jon Spector, who joined us as Chief Executive Officer in April. We are confident Jon and his colleagues will continue to move The Conference Board forward on many dimensions.

As outgoing chairman, I would like to take this opportunity to recognize departing Trustees Stephanie A. Burns, Paul W. Chellgren, and Linda Bardo Nicholls for their service and the contributions they have made to the organization during their tenure. I would also like to welcome Douglas R. Conant, the Chief Executive Officer of Campbell Soup Company, who has been elected to succeed me.

It has been an honor and a privilege to serve as chairman during the past two years. While last year’s Annual Report looked back at our first 90 years, this year’s report offers an overview of how The Conference Board continues to expand its reach and extend its impact. I look forward to remaining involved with The Conference Board as it adds new chapters to its history.

Respectfully submitted,

Samuel A. DiPiazza, Jr.
Chairman, The Conference Board, Inc.
Chief Executive Officer, PricewaterhouseCoopers LLP
Creating Knowledge

“The Conference Board provides a world-class forum for business leaders to discuss new trends and burning issues. Further, it helps evolve practices and standards that enable the smooth functioning of markets. The Conference Board’s research, forecasts, and surveys help us negotiate these adverse times.”

Nandan M. Nilekani  
Co-Chairman, Infosys
I am pleased to be writing to you in my first few months as Chief Executive Officer. My predecessor, Dick Cavanagh, retired this year after more than a decade of leadership of The Conference Board, and our accomplishments in 2007 are due to his efforts and those of our colleagues.

Our mission at The Conference Board is simple: **to help companies improve their performance and better serve society.** But the pursuit of our mission is more complex. Each year, we touch more than 10,000 senior executives through our active programs of research, conferences, and council meetings. These executives, and the companies they represent, have a very broad range of challenges, opportunities, and issues that keep them awake at night. Our task is to help them address these issues by providing independent insights and knowledge based on research and the collective experiences of our global membership.

In 2007, The Conference Board initiated a number of noteworthy programs. Our new **Center for Corporate Citizenship and Sustainability** will provide guidance for our research programs and other activities. Sustainable development—“preserving for future generations as many options and choices as we benefit from today,” in the words of Jeroen van der Veer, chief executive of Royal Dutch Shell—is a multi-faceted challenge, with significant societal and business implications.

Our groundbreaking report *Are They Really Ready to Work?* shed a spotlight on the subtle—but devastating—deficiencies in the current global workforce. More broadly, growing and managing talent is the most enduring challenge businesses face. Our work in this area covers many dimensions, from the technical (measuring the return from educational initiatives) to the ethical (how to ensure a diverse and inclusive workplace) to the inspirational (how to manage the issue of religion in the workplace). Less visible is the work we undertake jointly with our councils. For example, our diversity councils are defining a competency model for chief diversity officers, which we hope will eventually translate into an educational program to prepare future leaders in this important field. Other councils have taken on similarly challenging issues.

Our **China Center for Economics and Business** opened in 2007 and is conducting important research on productivity and economic trends in China while working with leading Chinese economists to develop the sophisticated metrics and indices China needs to support its rapid growth (we have similar initiatives under way in Europe and the Middle East).

In 1916, the leading industrialists who drove the formation of The National Industrial Conference Board were acting in response to the labor crises of the early 20th century. The issues have changed, but our role has remained the same. It is truly a privilege to begin my service to The Conference Board, and I look forward to working with my colleagues and our members to tackle the toughest issues at the intersection of business and society.

Respectfully submitted,

Jonathan Spector
Chief Executive Officer
The Conference Board, Inc.
“The Conference Board has been an important institution in my life. It was here I started as an economist. It was here I came into contact with a business world I had never known before…. What I learned during my five years at The Conference Board proved invaluable in my later life.”

Alan Greenspan
Former Chairman
Federal Reserve System
Finding Solutions Together

The Conference Board brings together leaders of the world’s top companies, drawing out their hard-won lessons and insights gained from grappling with real-world challenges. And we offer authoritative economic data and research-based wisdom. In other words: your experience and our expertise.

In 2007, we led a series of important initiatives and sponsored major events in:

• Leadership and strategy
• Governance and ethics
• Citizenship and sustainability
• Economics and finance
• Human resources, talent management, and diversity
• Operations and business processes
• Marketing and communications
Lessons from Today and Yesterday

It’s a volatile time for corporate leaders, who operate in a disruptive global environment in which the playing field constantly shifts, in which boards are less and less reticent to change the occupant of the corner office, in which different constituencies—from institutional investors to the business press—make strong and often contradictory demands. The looming shortage of young corporate stars will only widen the existing leadership gap. The leaders of both today and tomorrow need guidance, and over the past year, leadership events and programs hosted by The Conference Board have spanned the globe to offer counsel.

At the Paris meeting of our trustees, former French Président Valéry Giscard d’Estaing spoke with top executives about the European Union’s successes—from the euro to its representative parliament—and its persistent challenges, including lingering national sentiment and a voting system that gives smaller countries disproportionate weight. He also explored proposed changes to the EU’s political and economic structure. As part of the same meeting, CEOs and senior members of The Conference Board Global Advisory Council convened at Vivendi headquarters to discuss the world economic outlook, ranging from the effects of excessive liquidity to the relevance of public markets.

In Mumbai, at our Leadership Conference, 12 of India’s most influential CEOs discussed the aspirations of emerging global Indian companies and participated in a panel on “Growing Globally in an Age of Disruptions.” And at our 90th anniversary gala in New York, a CEO panel discussion led by Jeffrey Garten, Juan Trippe Professor of International Trade, Finance, and Business at the Yale School of Management, convened trustees of The Conference Board to explore human resources and talent development issues, focusing on the challenges of populating and sustaining a multinational workforce.

Lessons in leadership can also be found outside of conference rooms, and our experiential leadership events take executives to some of the world’s most historic battlefields to examine difficult decisions made under the toughest circumstances. Participants learn real-world techniques and strategies that ultimately benefit their customers, their teams, and their organizations.

The Conference Board Leadership Experience at Normandy, France, has proven to be a powerful and effective exercise for executives looking to align a global team, examine strategy from a fresh viewpoint, or focus on organizational effectiveness in a unique and stimulating setting. Last year, we expanded the popular Normandy series and launched the Waterloo Leadership Experience in Belgium. This companion program, which features military historians and corporate executives, offers critical lessons about the importance of strategy, empowerment, and trust, as well as the role of information and decision-making styles.

In the United States, our Leadership Experience at Gettysburg, now in its sixth year, continues to help executives fine-tune their management skills. Whether struggling with a merger, succession planning, team building, or employee engagement, senior executives found the on-the-ground leadership experiences offered in 2007 to be an effective way to formulate action plans. As a result of their participation, our surveys show, many executives re-examined their approach to leadership.

From left to right: Mel Karmazin CEO, SIRIUS Satellite Radio, at the Digital Media Revolution meeting in New York. Jean-Pascal Tricoire Chairman of the Management Board and CEO, Schneider Electric, at the Paris briefing. Pierre Simon Chairman of the Paris Chamber of Commerce and Industry, at the annual business briefing by The Conference Board in Paris. Sanjay Nayar CEO, Citigroup India; Sumant Sinha CEO-Designate, Aditya Birla Retail; and Rajnikant Patel Managing Director of the Bombay Stock Exchange.

At the Leadership Conference in Mumbai (from left to right): Sanjay Nayar CEO, Citigroup India; Sumant Sinha CEO-Designate, Aditya Birla Retail; and Rajnikant Patel Managing Director of the Bombay Stock Exchange.
Leadership and Strategy

Research and Programs

Research

- Executive Action series
  - Becoming Skilled at Painting with Two Brushes
- Brotherly Alliances, Engines of Growth
- Growing a Business Niche by Niche
- Growing the New Business Leader
- Leadership Challenges for Indian Companies
- Risk and Opportunity in the Gathering Climate Change Storm
- The Secrets of Midsize Success: An Interview with Richard E. Cavanagh
- A View from the Top: The Challenge of Building a Global Workforce

Programs

- Conferences
  - Global Leadership Conference: Eye of the Storm: Growing Globally in an Age of Disruptions Mumbai
  - Leadership Development Conference New York; Coronado, CA
  - Leadership Excellence Pre-Conference Annapolis, MD
  - Succession Management Chicago
- Councils
  - Council of Strategic Planning Executives
  - European Council on Corporate Strategy
    - Heim Schreuder DSM N.V.*
    - Joachim Heins-Bunde SGL CARBON AG*
- European Council on Strategic Risk Management
  - Dominik Geller F. Hoffmann-La Roche AG**
  - Karl K. Guha ABN AMRO Bank N.V.**
  - Ronan Murphy Bank of Ireland**
  - Marc Schaedeli Nestlé**
  - Geoff Taylor Nike EMEA Region**
- Executive Council
  - Carl N. Guerrieri Electronic Warfare Associates, Inc.*
- Leadership Development Council
- Middle East Business Leaders Council
- Polish Council of Chief Executive Officers
- Strategic Risk Management Council
  - Tara Heusé Skinner The South Financial Group, Inc.*
- Other face-to-face forums
  - CEO Challenge Briefing with Ernst & Young Shanghai
  - Gettysburg Leadership Experience Gettysburg, PA (10)
  - Leadership Excellence Summit Annapolis, MD
  - Normandy Leadership Experience Normandy, France (3)
  - Succession Management Seminar New York; Coronado, CA
- Webcasts
  - Addressing the Challenges for Global Leadership across Cultures
  - Leading Corporate Change: A European Perspective
  - Processes for High-Potentials: Planning for Your Future Leaders Now
  - Top 10 Challenges of CEOs Worldwide

* Council chair
** Advisory board member

Top right: The Conference Board Leadership Experience at Waterloo.

Bottom left: At a meeting of The Conference Board Board of Trustees (from left to right): Douglas R. Conant President and CEO, Campbell Soup Company; Richard E. Cavanagh former President and CEO, The Conference Board; Samuel A. DiPiazza CEO, PricewaterhouseCoopers; Jonathan Spector CEO, The Conference Board; Harry M. Jansen Kraemer Executive Partner, Madison Dearborn; and Anne Tatlock Director and former Chairman and CEO, Fiduciary Trust Company International.

Bottom right: Participants at a panel discussion during The Conference Board 90th Anniversary Dinner included (from left to right): Jeffrey Garten Juan Trippe Professor of International Trade, Finance, and Business, Yale School of Management; Anne Tatlock Director and former Chairman and CEO, Fiduciary Trust Company International; Ronald A. Williams Chairman of the Board and CEO, Aetna Inc.; and Nandan M. Nilekani Co-Chairman, Infosys Technologies Ltd.
Leading the Way

In the wake of Enron and Sarbanes-Oxley, corporate governance has emerged as a major global issue—and not only for boards that have suffered the unwelcome attention of plaintiffs and prosecutors. In responding to new rules and regulations, boards, management, and institutional investors are trying to keep pace with a rapidly evolving capital market that features a growing hedge-fund and private-equity presence and traders that operate 24/7 in off-exchange platforms. And boards face pressures from both new shareholder activists intent on realizing short-term gains and large institutional investors with a more traditional shareholder-value focus; companies are being forced into short-term stock buybacks and other “quick return” actions that may well run counter to the creation of long-term value.

Communication between companies and investors has become critical, and aiding this communication is at the heart of The Conference Board Governance Center’s mission. The Governance Center and the Directors’ Institute, both of which are led by Dr. Carolyn Kay Brancato, bring together companies and investors to discuss issues of mutual long-term benefit. In the past year, for example, the Governance Center augmented its ongoing series of corporate/investor summits on stock market short-termism.

The Governance Center also conducted research on how enterprise risk management (ERM) can improve long-term shareholder value, including *Emerging Governance Practices in Enterprise Risk Management*. This report examined how leading public companies are taking a more top-down, strategic, and holistic approach to ERM.

On the investor side, we convened the Research Working Group on Hedge Funds this year to explore the various types of hedge funds, their typical demands, how companies can communicate with them, and how institutional investors can monitor their hedge-fund investments to be consistent with their own goals of long-term value creation and beneficiary payout. Research working group and corporate/investor summit activity also highlighted critical and evolving proxy-voting issues, including stock-lending practices, majority election of directors, and access to the proxy. These key governance issues are all reflected in the curriculum for the Directors’ Institute, whose faculty members are experienced corporate directors and subject experts equipped to discuss how these trends affect directors’ fiduciary duties. Since the Institute’s founding, we have trained more than 500 directors from 282 different companies—198 directors in the last fiscal year alone.
Research and Programs

Research

Executive Action series
The Convergence of Principle- and Rule-Based Ethics Programs: An Emerging Trend?

Ethics Programs and Practices: A 20-Year Retrospective

Soft Law and Ethics Programs: The Expanding Role for Company Attorneys

PowerPresentations
The Conference Board and ECOA Global Anti-Corruption Benchmarking Survey: Results and Discussion

Ethics and Compliance Programs: A Benchmarking Survey

Ethics Programs: The Role of the Board

Research Reports
Directors’ Compensation and Board Practices in 2006
Emerging Governance Practices in Enterprise Risk Management
Resisting Corruption: How Company Programs Are Changing
The 2007 Institutional Investment Report
Universal Conduct: An Ethics and Compliance Benchmarking Survey

Programs

Conferences
Antitrust Conference New York
Business Ethics and Compliance Conference New York; Coronado, CA
Enterprise Risk Management Conference New York; Coronado, CA
Insurance Industry Enterprise Risk Management New York

Councils
Corporate Governance and Risk Management Council–India
Council of Chief Audit Executives
Martha C. Shepard The Principal Financial Group*
Council of Chief Legal Officers
Howard Malovany Wm. Wrigley Jr. Company*
Council of Chief Privacy Officers
Council on Corporate Compliance
Therese M. Obringer Lincoln Financial Group*
Carol Baldwin Moody Nationwide Insurance*
Council of Senior International Attorneys
European Council of Chief Audit Executives
Alain Byl Umicore**
William Holman SUEZ**
European Council on Corporate Governance
European Council on Legal Affairs
Erik Lagendijk AEGON N.V.*
Alfred Gerber Sulzer Ltd.*
European Council on Mergers and Acquisitions
Luc Gellens Umicore**
Global Council on Business Conduct
Olivier Loubière Areva S.A.*
David Reid Texas Instruments Inc.*

Other face-to-face forums
Business Ethics Seminar New York
Corporate Governance Briefing for Albanian Delegation New York
Corporate Governance and Compliance Crash Course New York (2)
Corporate Investor Summit on Reputational Risk Washington, D.C.
Directors’ Institute Roundtable Program Washington, D.C.
Directors’ Roundtable Forum New York, Chicago
Ethics Management Seminar New York; Coronado, CA
Governance Center Annual Meeting New York
Governance Center Fall Symposium New York
SASAC Conference New York

Research Working Groups
Ethics and Compliance Criteria in Government Enforcement Decision
Hedge Funds: Confronting the Newest Force in Corporate Governance
Sarbanes-Oxley Section 404: Best Practices in Implementation

Webcasts
Company Ethics Codes: Getting the Most Out of Your Values and Business Conduct Rules
Company Programs for Resisting Corrupt Practices
Creating an Open and Non-Retalatory Workplace
Ethics and Compliance Programs: Pre-Release Analysis and Discussion of a Benchmarking Report by The Conference Board
Legal Corporate Investigations for the Non-Security Professional
Minimizing Legal and Reputational Liability from Third Parties, Including Investigators
The New E-Discovery Rules: Burden or Benefit?
Whistle-blowing Systems in Europe: Integrated Governance, Compliance, and Risk Management Provide Extra Benefit

* Council chair
** Advisory board member

Opposite left: Sandra Day O’Connor former Associate Justice, U.S. Supreme Court, met with The Conference Board Council of Chief Legal Officers.

Right: The Conference Board Corporate/Investor Summit featured presentations on risk oversight and enterprise risk management, the role of financial analysts, and the fiduciary role of asset managers in the short-termism debate.
In today’s global marketplace, companies planning to improve their long-term competitiveness, profitability, and market valuation must integrate citizenship and sustainability into their core business strategy. At the same time, increased demand for sustainable products and services has created new business opportunities. The question executives are now grappling with is how to convert citizenship and sustainability into a source of real business value.


The Center takes an opportunity-focused approach to sustainability issues, framing them strategically. In its first year, it highlighted best practices and thought leadership through an integrated, interdisciplinary method that works to merge the ongoing citizenship and sustainability dialogue into the mainstream of business agendas worldwide.

Our councils and working groups also offered opportunities for in-depth exploration of stakeholder issues. Members of the Corporate Responses to Humanitarian Disasters Research Working Group shared best practices with other multinational companies and learned about disaster response partnerships; participants in the Research Working Group on Stakeholder Engagement on the Global Stage met with international nongovernmental organizations and stakeholder leaders. Executives participating in these research working groups gained the tools, skills, contacts, and information needed to protect their companies’ brands and develop strategies to build and maintain trust and mutual support between their companies and a wide variety of stakeholders.

With member companies looking for a way to guide and focus efforts to help New Orleans recover from Hurricane Katrina, the Contributions Council and the Contributions Council II held a joint meeting in the city in February 2007, highlighted by an unanticipated visit from Louisiana Governor Kathleen Blanco. A wide range of officials and experts, including Don Powell of the U.S. Department of Homeland Security, offered insights into ongoing challenges and plans, while a guided bus tour and neighborhood visits brought home both the city’s progress and the devastation that remains.

Our researchers addressed many other critical issues, including climate change and its consequences for long-term competitiveness, a decision-making framework for achieving better carbon management, business-education partnerships to improve workforce readiness, and corporate philanthropy to match a globalizing business agenda. Whatever the venue—conference, council, research working group, or webcast—our researchers and executives from member companies worked together to develop a broader, strategic, opportunity-focused approach to these and other issues, addressing new business realities and their impacts on business value.
Research and Programs

Research
Conference summaries
Citizenship as a Growth Driver for the 21st Century
Sustainability in the Global Marketplace—Business Has a Crucial Stake
Executive Action series
Citizenship and Sustainability: Doing Good Can Be Good for Business
Corporate Giving Priorities and Challenges in 2007
How Public-Private Partnerships in Education Can Enhance International Business Competitiveness
Philanthropy at Mid-Market Firms: It Pays to be Creative
Reward Trumps Risk: How Business Perspectives on Corporate Citizenship and Sustainability Are Changing
Toward a Framework for Supply Chain Leadership

PowerPresentation
Planning for a Pandemic: Results of a Global Survey

Research Report
The 2006 Corporate Contributions Report

Programs
Conferences
Business and Education Conference Washington, D.C.
Business and Sustainable Development Conference Washington, D.C.
Corporate Community Involvement Conference Washington, D.C.
Global Corporate Citizenship Conference New York

Councils
Business Education Council
Community and Public Issues Council
Laura B. Tew Arch Chemicals, Inc.*
 Contributions Council
Patricia D. Wright BP America Inc.*
 Contributions Council II
Donna M. Funk HSBC-North America*
European Council on Corporate Responsibility and Sustainability
Lothar Meinzer BASF AG*
European Council on Environment and Product Stewardship
Hartmut Müller Bombardier Transportation**
Eric van Wely Du Pont de Nemours International S.A. **

Other face-to-face forums
Annual Dinner—90th Anniversary Gala New York
Disaster Relief:
Community Redevelopment and Empowerment (Held in conjunction with the Clinton Global Initiative) New Orleans
Social Responsibility:
Whose Business Is It? (Part of the Reuters Newsmakers Series) New York

Research Working Group
Stakeholder Engagement on the Global Stage

Webcasts
How to Enhance the Corporate Giving Process Using Online Applications
Riding the Tidal Wave of Climate Change
Role of the Private Sector in Humanitarian Operations

* Council chair
** Advisory board member
In our increasingly global economy, volatile financial markets, faulty quality controls, and real estate and mortgage market issues in various continents have kept even seasoned professionals off-balance. And attention, apprehension, and interest continue to surround a number of economies—China in particular.

We continue to keep business, government, and media informed about changes and major developments in the world economy. Our economic indicators, analyses, and forecasts enable executives to accurately monitor and assess economic conditions that directly impact their markets and industries. We provide leading indexes for nine countries—Australia, France, Germany, Japan, Korea, Mexico, Spain, the United Kingdom, and the United States—representing about two-thirds of the world’s GDP. In 2007, we began developing business cycle indexes for China and the euro area, allowing us to better monitor cyclical dynamics across the global economy and helping establish a better picture of economic imbalances, risks, and sources of growth across different regions. As part of our ongoing research into worldwide productivity trends, we released “Is ICT’s Contribution to Productivity Growth Peaking?” an Executive Action report that addressed the contribution of information and communication technology to the recent productivity slowdown in the United States, the moderate pickup in Europe, and continued rapid growth in China.

The Beijing office of our China Center for Economics and Business became fully staffed and operational in 2007, and it hosted a series of events and served as the focal point for our China-related research programs. China Center activities were organized around working with China’s official statistical agencies to develop high-quality economic statistics and analysis in the region and conducting and disseminating research and analysis to our members on topics of strategic significance. As part of the first initiative, the China Center organized a series of technical workshops for researchers in China, which were led by our senior advisors and visiting scholars. We also partnered with China’s National Bureau of Statistics on “The 2006 China Economic Growth Forum: Innovation and China’s Economic Growth,” and Bart van Ark, our executive director of international economic research, collaborated with professor Dale Jorgensen of Harvard and professor Ren Ruoen of Beihang University to produce Measuring the Sources of Growth in China: Lessons from International Experience.

In the United States, concerns about job growth fueled interest in our help-wanted print and online indexes. Journalists and labor-market analysts increasingly use our Help-Wanted OnLine Data Series™ to gauge labor demand in local markets throughout the United States. This series now includes monthly data for all 50 states and 52 of the largest metropolitan areas, as well as enhanced, detailed data on occupations, labor supply, and labor demand. The webcast “Analyzing the Short and Long-Term Outlook for the U.S. Labor Market” identified the industries most likely to suffer shortfalls, offered expectations for employment growth and labor costs for the next year, and detailed how the impending decline in the supply of workers will affect business.

Several economists from The Conference Board presented research on China’s economy, the Consumer Confidence Index, and the leading economic indicators to an international audience of the world’s most prominent economic researchers and forecasters at the International Symposium on Forecasting held by the International Institute of Forecasters. Dr. Victor Zarnowitz, senior fellow and economic counselor at The Conference Board and a world-renowned expert on business cycles, was one of the featured speakers at the meeting.
Research and Programs

Research

Conference summary
Innovation and China’s Economic Future

Executive Action series
Competitive Advantage of “Low-Wage” Countries Often Exaggerated

Growth in the Middle East Depends on Productivity

Is ICT’s Contribution to Productivity Growth Peaking?

Periodicals
Business Cycle Indicators monthly
CEO Confidence Survey quarterly
Consumer Confidence Survey monthly
Consumer Internet Barometer quarterly
Consumer Spending Trends bimonthly

StraightTalk 10 issues per year

Programs

Councils
Asia-Pacific CFO Council
Amit Banati Cadbury Schweppes Asia Pacific* Colin Sampson SAP Asia Pte.*

Council of CFOs
Frank R. Gatti ETS*

Council of Corporate Treasurers
Thomas C. Deas, Jr. FMC Corporation* Thomas W. Grein Eli Lilly and Company*

Council for Division Leaders—Financial Executives
Council of Financial Executives
Geoffrey E. Merszei The Dow Chemical Company*

Council of Tax Executives
Matthew P. Sheers NCR Corporation* S. Mark Seymour Praxair, Inc. *

European Council of Chief Financial Officers
Wolfgang Scheffler Freudenberg & Co.* Sten Daugaard SGL Carbon AG* European Council of Economists
Philippe Eulaerts AB SKF** Paul J. Horne Smith Barney/Citigroup (retired) ** Helge Pedersen Nordea Markets** James F. Smith Kenan-Flagler Business School** Timo Tyrvainen Aktia Savings Bank plc**

European Council of Financial Executives and Controllers
Joerg P. Erdmann Hapag-Lloyd AG**

European Council on Investor Relations
Dries Ausems DSM N.V.*

European Tax Executives Council

Hungarian Council of Finance Executives
Polish Council of Finance Executives

Research Council on Global Investment
Paul Brett Hammond TIAA-CREF*

Other face-to-face forums
Briefing with Bart van Ark: The Changing Competitive Landscape among Emerging Economies Mumbai

Briefing for Former Commissioner Li Deshui and National Bureau of Statistics Staff on Current Research Beijing

Briefing with Richard Moore, NYSE Board of Executives Mumbai


China Center Founding Members Dinner: Informal Exchange on Comparative Corporate Governance at the Board Level Beijing

China Center Workshop—China’s Economic Future and the Quality of Growth: Measurement and Analysis of Productivity, Competitiveness, and Innovation Beijing

China Economic Growth Forum 2006: Innovation and China’s Economic Growth Suzhou, China

China and the Global Economy Briefing with Gail Fosler Beijing

China’s M&A Policy: Trends for Foreign Direct Investment: Briefing for China Center Founding Members Beijing

Data Confidentiality and Data Applications Workshop with John Halliwanger and Eric Bartelsman Beijing

Information Technology and World Growth Resurgence Briefing with Dale Jorgensen Beijing

Joint Meeting with the Developmental Research Center of the State Council on Leading Economic Indicators in China (Keynote Speaker Victor Zarnowitz) Beijing

Launch Meeting for “Productivity, Performance, and Progress in the Countries of the Gulf Corporation Council” Research Project with the Gulf Investment Corporation Kuwait

Paris Chamber of Commerce Briefing with Gail Fosler Paris

Retail Statistics: Methodology and Analysis Presentation to National Bureau of Statistics with Bart van Ark and Ian J. Stones Beijing

Statistical Issues in International Comparisons of Economic Performance with Bart van Ark Beijing

Sustainable Development and Green Growth Briefing for China Center Founding Members Beijing

2007 Economic Update with Gail Fosler Singapore

Using Micro Data to Support Macro Decision Making Presentation to People’s Bank of China with John Halliwanger and Eric Bartelsman Beijing

Webcasts
Analyzing the Short and the Long-Term Outlook for the U.S. Labor Market

The U.S. Housing Market—Did We Hit Rock Bottom?

* Council chair
** Advisory board member

Opposite top: At The Conference Board China Center Gala (from left to right): Max Yang President, Agilent China; Douglass C. North Nobel Prize co-recipient in economics, and Washington SyCip, Founder, The SGV Group; and Gail Fosler Executive Vice President and Chief Economist, The Conference Board, and Lim Chee Onn Executive Chairman, Keppel Corporation.

Opposite bottom: A session during the Paris Chamber of Commerce Briefing.
Participants in this year’s edition of The Conference Board CEO Challenge Survey are more concerned about talent challenges—top management succession, finding qualified managerial talent and skilled workers—than were respondents to last year’s survey. For companies to successfully contend with these issues and function smoothly, human resources executives need information on recruitment and retention, strategies to engage mature workers, reliable workforce forecasts, and practical models for action.

This year, The Conference Board confronted these issues on several fronts. Our Research Working Group on Engaging Your Global Workforce brought together human resources executives from multinational firms to examine cultural nuances and how they could inspire their employees to be intellectually and emotionally connected to their jobs, their colleagues, and their companies. A report in the Executive Action series entitled “Bridging China’s Talent Gap” detailed the difficulties companies are experiencing in recruiting, developing, and retaining talented managers in China. Although it found that the number of young people earning university and graduate degrees in China is increasing rapidly—raising the human capital and the quality of China’s labor force—the study also revealed that these newcomers often lack the practical experience and the creative and leadership skills that are critical for success in today’s business world.

As baby boomers age, corporate America faces a wave of retirements and a shrinking supply of younger workers. In the comprehensive research report Are They Really Ready to Work? employers reported startlingly low levels of basic and applied skills among recent high school and college graduates. In an ominous sign for those lacking college degrees, the study, which was created in collaboration with Corporate Voices for Working Families, the Partnership for 21st Century Skills, and the Society for Human Resource Management, found that 28 percent of employers expect their companies will reduce hiring of applicants who have only a high school diploma over the next five years.

The Mature Workforce Initiative—a project funded by The Atlantic Philanthropies—continued to build a body of research to help companies adjust to the demographic transformation of the workplace. Members of our Mature Worker Engagement Research Working Group included companies that cumulatively employ more than 600,000 people globally. Whether they established age-related affinity groups or crafted a new engagement strategy or refocused their efforts to address multigenerational issues, virtually all of the research working group members reported taking constructive action as a result of their participation. In addition, our research report Phased Retirement after the Pension Protection Act explored how companies can retain valuable skills and knowledge while providing mature workers with an alternative to the “all-or-nothing” approach to retirement.
Our research in strategic workforce planning, which draws on The Conference Board’s expertise in talent management, demographics, and metrics, is striking a chord with executives struggling to align growth with an increasingly mobile and global labor market. This year, we published *Strategic Workforce Planning: Forecasting Human Capital Needs to Execute Business Strategy* and established the Implementing Strategic Workforce Planning Research Working Group. We also launched two research working groups on the emerging topic of evidence-based human resources, a new approach to human capital analytics that seeks to empirically identify the causal relationships between a business’s human-capital strategies and its overall operational and financial performance success measures. In the area of workforce diversity, our research team secured a grant from the Rockefeller Foundation to study pathways of opportunity open to immigrant-community workers in the United States and assess the prevalence and rationale for employer-provided programs to improve English-language competency.

“The only way we can achieve success in workforce readiness is to analyze the gaps that exist between where we are now and where we need to be to remain competitive. The Conference Board’s research has helped clearly define the issues and focus the discussion about developing action plans to address the future workforce pipeline.”

Joyce Walters Director, Global Community Investing
Global Corporate Citizenship
The Boeing Company–Corporate Offices
Research and Programs

Research

Executive Action series
Bridging China’s Talent Gap
Building a World-Class Workforce: Two Case Studies
Designing the High-Performance Compensation Plan That Works
Europe’s Progress in Promoting Work-Life and Diversity in the Workplace
Faith at Work: What Does It Mean to Be a “Faith-Friendly” Company?
Finding a Definition of Employee Engagement
Global Talent Management: How Businesses Attract, Develop, and Retain the Best
How to Hire Top Performers (Hint: They Already Have Jobs)
How to Make Executive Coaching Work for Your Company and Executives
Middle Managers: Engaging and Enrolling the Biggest Roadblock to Diversity and Inclusion
Women and Leadership: Creating Opportunities for Advancement

Programs

Conferences
Asia-Pacific Human Resources Conference Hong Kong
China HR Conference Shanghai
Coaching Conference New York; Chicago; Coronado, CA
Compensation Conference New York
Diversity Conference New York; Chicago; Coronado, CA
Employee Engagement and Loyalty Pre-Conference and Conference New York; Coronado, CA
Enterprise Learning Strategies Conference New York
European Work-Life and Diversity Conference Berlin
Executive Compensation Conference New York, Chicago, San Francisco
Growth and Innovation Conference New York
Health Plan and Provider Conference Chicago
Human Capital Metrics Conference New York
Human Resources Outsourcing Conference Chicago
Pensions and Retirement Conference New York
Strategic e-Human Resources Conference Coronado, CA
Talent Management Strategies Conference New York; Coronado, CA
Women’s Leadership Pre-Conference and Conference New York; Coronado, CA
Work-Life Conference New York

Councils
Advisory Council on Human Resources Management
Miles B. King Toyota Motor Sales, U.S.A., Inc.*
Asia-Pacific Human Resources Council
Rohana Weiler Agilent Technologies (Malaysia) Sdn Bhd*
Roy Massey CLP Holdings Ltd.*
Werner Krieger Henkel KGA–Hong Kong Branch*
William Chan MTR Corporation Ltd.*
Charles Lim Procter & Gamble Asia Pte Ltd.*
Asia-Pacific Talent, Leadership Development and Organization Effectiveness Council
Shanton Mowe Shell Eastern Petroleum (Pte) Ltd.*
China Human Resources Council Elaine Lin Baxter (China) Investment Co., Ltd. *
Andrew Jackson Ford Motor (China) Ltd.*
Council on Compensation Mark L. Nagorka 3M Company*
Natalie Schilling Alcoa Inc.*
Scott Swasey Chevron Corporation*
Ernesto Fajardo Exxon Mobil Corporation*
Pilar C. Vitoria Johnson & Johnson*
Patti Koch Target*
Council on Compensation II Andrew W. Brown Abbot Laboratories*
Duane B. Helm AT&T Inc.*
Brian C. Gelles EDS*
Miles W. Meyer Kellogg Company*
Lisa Emerson McDonald’s Corporation*
Council on Development, Education and Training Robert C. Reindl Edwards Lifesciences Corporation*
Kevin D. Wilde General Mills, Inc.*
Michael A. Hopp Lockheed Martin Corporation*
Tamar Ekeles QUALCOMM, Inc.*
Council of Diversity Executives Frank J. McCloskey Georgia Power*
Graciela Meibar Mattel, Inc.*
Council for Division Leaders–Human Resources Michael D. Gilley Olin Corporation*
Helen K. Frye Prudential*
Council for Division Leaders–Human Resources II Patricia E. Rowell American Express Company*
Shon J. Manasco Bank of America Securities*
Council on Employee Healthcare Duane L. Olson Deere & Company*
Tom M. Jecklin State Farm Insurance Companies*
Council on Executive Coaching William H. Hodgetts Fidelity Investments*
Council on Executive Compensation Sharon L. Sullivan Eli Lilly and Company*
Cynthia Heath Emerson Electric Co.*
Bruce Pavoni General Electric Company*
Donna Ng Johnson & Johnson*
Ron T. Miller Motorola, Inc.*
Council of Human Resources Executives Sally A. Savoia Praxair, Inc.*
Council on International Compensation and Benefits Joan F. Bakarich General Motors*
Council on Learning, Development and Organizational Performance Edward Betof BD*
Michael A. Garber USG Corporation*
Council for Mid-Market Human Resources Executives–Eastern Division James L. Francis Swagelok Company*
Council for Mid-Market Human Resources Executives–Western Division
Council on Supplier Diversity Kristen Hickey Aetna*
Tamika Eubanks Bank of America*
Council of Talent Management Executives Lesley Hoare Kimberly-Clark Corporation*
Council of Talent Management Executives II
- Stephen Hrop ADP*
- Karen Rohde Sun Microsystems*

Council on Work Force Diversity
- Eric N. Watson Food Lion, Inc.*
- Gwen Houston Campbell Soup Co.*

Diversity Business Council
- Patrice Dunckley Avon Products, Inc.*
- Robert Spencer, Jr. Entergy Services*

Diversity and Inclusion Council
- Demetrai Mitchell Battelle*
- VeLois Bowers Trinity Health*

Diversity and Inclusion Strategy Council
- Eduardo Salaz Intuit, Inc.*
- Terrian C. Barnes Yum! Brands, Inc.*

Employee Benefits Council
- Mary Ellen Lammel Alcoa Inc.*
- Susan C. Bailey American Greetings Corporation*

European Council on Compensation and Benefits
- Donald Watson Hydro Aluminum AS*
- Clive Wright Mercer Human Resource Consulting*

European Council of Human Resources Executives
- Christel Berghäll Amer Sports Corporation**
- Ron Collard PricewaterhouseCoopers LLP**
- Jaap de Vries Borealis AG**
- John Harker Citigroup**
- Lorenz Freudenberg Freudenberg & Co.**

European Council on Learning, Leadership and Organisational Development
- Akber Pandor KPMG*
- Danny Kalman Panasonic Europe Ltd.*

European Council on Work-Life and Diversity
- Natalie Lotzmann SAP AG*
- Monika Ruehl Deutsche Lufthansa AG*
- Kene I. Umeasiegbu Cadbury Schweppes plc*

Executive Compensation Management Council
- Marc L. Buchsbaum Lenovo* Wilma K. Schopp Monsanto Company*
- Sally K. Fanning Praxair, Inc.*
- David Kasiarz The Pepsi Bottling Group*

Global Human Resources Council
- Shirley Gaufin Black & Veatch Corporation*
- Global Human Resources Council II

Human Resources Council – India
- Bijay Sahoo Reliance Retail*
- Nancy Reisig Ford India Pvt Ltd.*

Human Resources Council–Mexico
- Joaquín J. Salazar Garcia PricewaterhouseCoopers (Mexico), S.C.*

The Pensions Council
- Christian Frerer Julius Baer Private Banking*
- Neil McPherson Standard Life Investments Ltd.*

Polish Council of Human Resources Executives

Research Council on Employee Benefits
- Anthony Mazzeo Bristol-Myers Squibb Company*
- Paul McAuliffe Federal Reserve Employee Benefits System*

Work-Life Leadership Council
- Annette Byrd GlaxoSmithKline*
- Maria S. Ferris IBM Corporation*

The Manager’s Role in Retention and Engagement
- Joanne Egan Deloitte

Other face-to-face forums
- Asia-Pacific Strategic Workforce Planning Workshop Hong Kong
- Asia-Pacific Talent Management Forum Hong Kong

Diversity Seminar New York, Chicago; Coronado, CA

Employee Healthcare Seminar New York; Coronado, CA

Executive Coaching Seminar New York

Workforce Readiness Stakeholder Meeting Washington, D.C.

Research Working Groups
- Building a Culture of Wellness
- Consumer-Driven Healthcare
- Defining New Performance Targets for Human Resources
- Engaging Your Global Workforce
- Evidence-Based Human Resources
- Human Capital Strategy and Measurement I
- Human Capital Strategy and Measurement II
- Implementing Strategic Workforce Planning
- Leveraging High-Potential Employees
- Managing a Distant Workforce
- Mature Workforce Engagement
- Multigenerational Knowledge Transfer
- Strategic Workforce Planning I

Webcasts
- Building a Coaching Culture
- The Business Impact of Europe’s Aging Workforce
- Compensation Strategies for Retaining “A” Players: Strategies and Proven Approaches
- Driving Diversity through the Business for Sustainability and Growth: Executing for Results
- Employee Engagement: What Is Everyone Really Talking About?
- Employee Value Proposition in China: Creating Retention
- Europe’s New Diversity Agenda
- European Diversity Laws: Understanding European Anti-Discrimination Laws
- Evidence-Based Human Resources: The Next Generation in Human Capital Analytics
- Human Capital Needs to Execute Business Strategy

The Link between Employee Health and Productivity
- Making Phased Retirement Work
- The Manager’s Role in Retention and Engagement
- Managing from a Distance: New Complexities/New Opportunities
- People Equity: Building the Cash Value of Your Human Assets
- Post Merger and Acquisition–HR’s Critical Role
- Practical Perspectives on Global Talent Management Processes
- The Realities of Executive Compensation
- Rotational Assignments for Talent Development
- Succession Management: Keep It Simple
- Talent Management in Central and Eastern Europe
- Talent Management in China
- Talent Management in India
- The U.S. Hispanic Market: The Awakening Giant?
- Women of Color in Leadership II (Hispanic Women)
- Women’s Leadership: Across the Generations
- Workforce Intelligence: New Metrics

* Council chair
** Advisory board member
Natural disasters, pandemics, identity theft, and terrorism—they’re threats not only to citizens but to companies. Even the most virtual, high-tech firms face the possibility of serious disruption to ongoing operations. All of which means that preparing contingency plans now goes far beyond the occasional fire drill. Security affects every element of operations, and business continuity and risk management are becoming more intertwined in corporate practice. This year, with security such a high priority for members, the issue became our primary focus in operations programming.

Leadership during a crisis requires a unique set of skills and capabilities; chief executives demand solutions from strategic, operational, and tactical perspectives. At our meetings and in our research on security and continuity, chief security and legal officers, high-ranking government officials, and renowned policy experts discussed best practices and case studies. Former officials from the FBI, CIA, FEMA, and other agencies focused on strategic crisis management—making the right decisions and doing the right things during high-pressure situations.

Senior executives are often challenged when making the business case for security. Navigating Risk: The Business Case for Security, a research report sponsored by the U.S. Department of Homeland Security, found that successful programs are typically founded on issues of operational risk: compliance, certification, and protecting confidential information. Large global companies and those in the critical infrastructure industries were determined to be the most receptive to security concerns.

Members also looked to our councils for best practices in security management. For a global perspective, the Council of Corporate Security Executives held a meeting in Berlin, sponsored by Deutsche Bank. The council also held a joint meeting in San Antonio with the recently formed Business Continuity and Crisis Management Council. At the annual meeting of the American National Standards Institute, Thomas E. Cavanagh, senior research associate and The Conference Board’s key security expert, briefed executives on avian flu preparedness.

Research and Programs

Research

Executive Action series
Are Businesses Doing Enough to Prepare for a Pandemic?

The Business Benefits of Security: Making the Case in Mid-Market Companies

“Carbon Footprint” a Growing Management Concern

Pandemic Preparedness: Frequently Asked Questions

Stopping the Profit Drain from Higher Energy Costs

PowerPresentation
“Carbon Footprint” a Growing Management Concern

Research Reports
Managing for a Carbon-Concerned Future: A Decision-Making Framework
Navigating Risk: The Business Case for Security

Programs

Conferences
Asia-Pacific Outsourcing, Offshoring and Shared Services Conference Singapore

Business Development Conference New York
Change Management Conference New York
Corporate Real Estate Conference New York
Corporate Security and Crisis Management Conference New York
Launch Conference of the EU KLEMS Database Brussels
Organizational Design Pre-Conference New York
Council of CIO Executives
Brandt R. Allen University of Virginia*

Council on Corporate Real Estate

Council on Corporate Security Executives
Zachary T. Lowe Waste Management Inc.*

Council on Corporate Travel Management
Rebecca Karp Tyco International (U.S.) Inc.*

Council on Innovation
Luc R. Reynaert Procter & Gamble Company*

Council of Shared Business Services Executives
Thomas McGlinn Unisys Corporation*

Council of Shared Business Services Executives II
Earl K. Moore BHP Billiton*

Jonica Preite UNICCO Service Company*

Council for Six Sigma Executives
Paige Chesser Bank of America* Steven K. Randol Office of the Chief of Staff*

Council for Six Sigma Executives II Leslie Behnke CIGNA Corporation* Jeanne J. Kenney Entergy Corporation*

Council of Telecommunications Executives
Thomas J. Marcin DuPont Company* Environment, Health and Safety Legal Council
Peter Etienne Baxter International Inc.* Vail T. Thorne The Coca-Cola Company*

European Council on e-Procurement
Martin Fog Novo Nordisk* Knut Iversen Borealis AG* Floris Mokveld DSM Purchasing*

European Council on Global Supply Chain Jeroen Janssen Lok Sara Lee International** Per-Magnus Karlsson Oracle EMEA** Laurens van de Rotte Heineken N.V.**

European Council on Innovation

European Council on IT Leadership
Patrick Arlequeeuw Procter & Gamble Services Company*

European Council on Purchasing
Marino Buser Novartis International AG** Nando Galazzo Borealis Polymers N.V.*

Pierre Offant TOTAL S.A.**

European Council on Shared Services
Paola Bolderman Hercules International LLC*

Michel de Zeeuw Philips International B.V.*

Chris Gunning Unisys EAS b.v.*

Ian Howells Bristol-Myers Squibb Company*

European Council on Strategic Manufacturing
Jochen Jacobs Henkel KGaA*

Global Council on Outsourcing and Offshoring
Jose Iglesias Symantec Corporation*

Henry Alexander State Farm Insurance Companies*

Global Operational Excellence Council
Paivi Suutari Stora Enso OYJ*

Information Research and Management Council
Laura Tucker Xerox Corporation*

Learning and Knowledge Management Council
James I. Mitnick Turner Construction Company*

Online Strategy Council
Thomas Hoehn Eastman Kodak Company*

Purchasing and Supply Leadership Council
Sarah M. Catterson Abbott Laboratories* Anthony S. Nieves Hilton Hotels Corporation*

Shelley Stewart, Jr. Tyco International (U.S.) Inc.*

Strategic Sourcing Leadership Council
Farryn Melton Amgen, Inc.*

Steven K. Chyung Novartis Pharmaceuticals Corporation*

Jeff Danis Royal Caribbean Cruises Ltd.*

U.S. Quality Council
Mike Adams Allegheny Energy Inc.*

John C. Timmerman The Ritz-Carlton Hotel Company, L.L.C.*

Other face-to-face forums
Asia-Pacific M&A Forum Hong Kong


European Outsourcing/Offshoring Forum Frankfurt

Research Working Group
Assessing Offshoring Risks: Thinking Through the Financial and Operational Issues

Webcasts
The Changing Role and Organization of Regional Headquarters

Corporate Planning for a Pandemic

Current Developments in Organization Design and their Impact on Company Operations

Future Trends in Procurement Technology Tools

Leveraging Supplier Relationships for Competitive Advantage

Measuring Security’s Contribution to Business Goals

Pandemic Readiness Planning at Roche: How a Company with a Special Product Prepares

Preventing Information Leakage

Security and the Supply Chain

Security Leadership in the 21st Century

Strategic Crisis Management

Trends in Organization Design: Equipping the Organization for Ongoing Change

Understanding Risk Appetite: Defining the Boundaries of Managing Risk

* Council chair

** Advisory board member
New Markets, New Strategies

Marketing executives have always searched for better ways to define, quantify, and measure the return on investment from their programs, and it’s no easier than it’s ever been to measure corporate reputation and brand awareness. Plus, corporate dollars budgeted for marketing, advertising, and communications—which CEOs view with an ever-sharper eye—are monitored very carefully these days. So today’s marketing and branding executives are under great pressure to make an effective case for attention and dollars.

At The Conference Board last year, more than 40 conferences, councils, seminars, and webcasts addressed these concerns and virtually every other important marketing, communication, and branding issue facing business today. At the 54th Annual Marketing Conference in New York, executives from American Express, Motorola, and Xerox led discussions on the promise that emerging markets offer, Asian branding strategies, price pressures from low-wage markets, pushing the marketing envelope to create brand buzz, and the new customers—and new competition—that globalization has brought.

One of our members’ top concerns is how to respond to shifting demographics, and in 2007, our Latino Market Collaborative brought together a network of executives from leading organizations to learn more about the $1 trillion Latino market in the United States and the traditional and nontraditional marketing approaches needed to address it. Through their examination of intracultural issues, linguistic differences, and commonly held myths about Latino consumers, participants developed a fresh way of looking at this fast-growing market.

And this year our Consumer Research Center produced *The Global Luxury Market: Exploring the Mindset of Luxury Consumers in Seven Countries*, which highlighted the similarities among luxury consumers around the globe. A key finding from this study is that the definition of “luxury” for this population is changing. Most people place more emphasis on experiences than on owning things, and for many consumers worldwide, time is the new luxury item.

“Councils provide a terrific opportunity to speak openly with peer-level executives about issues we all face. It’s surprising that, despite the diversity of industries represented in a council, there is tremendous commonality in the challenges before us. This diversity of experience works to our advantage when we brainstorm.”

Maura Payne
Vice President, Communications
Reynolds American
Research and Programs

Research

Research Report
The Global Luxury Market: Exploring the Mindset of Luxury Consumers in Seven Countries (Sponsors’ Edition)

Programs

Conferences
Corporate Communication Conference New York
Corporate Image Pre-Conference and Conference New York
Corporate Reputation and Communication New York
Customer Experience Management Conference New York, Chicago
Customer Loyalty Conference New York
Extending Your Brand to Employees Conference Chicago
Marketing Conference New York
Marketing Precision Conference New York
Marketing Pre-Conference New York
Marketing Research Pre-Conference and Conference New York
Sales Executive Conference New York

Councils
Asia-Pacific Corporate Communication Council
Asia-Pacific Strategic Marketing Council
Anna Yong Heidrick & Struggles* Scott Whyman Unisys Singapore Pte, Ltd.*
Corporate Communications Development Group
Council on Competitive Analysis Barbara Orr Salt River Project*
Council on Corporate Brand Management Dean Adams 3M Company*
Council on Corporate Communications Strategy Janet M. Botz Dow Coming Corporation*
Council on Corporate Communications Strategy II Tara Carraro Altria* Genevieve Haldeman Symantec* Brandi Robinson Novartis*
Council of Marketing Executives Gerald W. Patterson The Principal Financial Group*
Council of Marketing Executives II David Laverty Cognos Corp.*
Council on Marketing Research David A. Mihanovic Hallmark Cards, Inc.* Chris Curtright United Parcel Service*
European Council on Corporate Communications Stefan Lorentzon Volvo*
Polish Council of Marketing Executives
Western Marketing Research Council Debra Kassarjian Taco Bell Corporation* Frank Pisciotto The Clorox Company*

Other face-to-face forums
Communicating Employee Benefits Seminar New York, Chicago
Communicating Organizational Change Seminar New York, Chicago
Corporate Brand Management Seminar Chicago (2)
Corporate Image and Branding Seminar New York
The Digital Media Revolution (The Week magazine) New York
Employee Communications Seminar New York, Chicago

Senior Marketing Executive Roundtable New York, Chicago
The State of Marketing 2007 Executive Briefing Singapore

Research Working Groups
Latino Market Collaborative
Return on Marketing Investment

Webcasts
An After-Action Briefing for the 2006 Corporate Reputation and Communication Conference: Delivering on the Promise
Employee Branding: What Really Works and Why?
How to Align Sales and Marketing for Better Business Results
Using Customer Segmentation to Drive Improved Marketing Performance

* Council chair

From left to right:
Jeff Hayzlett Chief Marketing Officer, Kodak, at the Marketing Conference.
George Neill Corporate Vice President, Global Marketing, Motorola, Inc.
Mona Williams Vice President, Communications, Wal-Mart Stores, Inc., at the Corporate Reputation and Communication Conference.
John Giere Chief Marketing Officer, Lucent Technologies, Inc.
The Annual Essays

Each year, The Conference Board includes an essay in our Annual Report that offers timely and informative commentary on a pressing business concern. Sustainability—this year’s theme—is a particularly urgent issue because it cannot wait for a generation or two for enduring change to take root. Businesses must begin finding new ways of satisfying human needs that respect ecological integrity. They must also start establishing the unprecedented partnerships with government and society that will be needed for true sustainable development to reach full fruition.

To offer the widest possible discussion of this topic, we present three essays that address the topic from the perspectives of meeting the global energy challenge, China’s efforts to balance sustainability with rapid growth, and one company’s experience with integrating sustainable practices into its business operations.
Meeting the Energy Challenge
Why We All Must Do Our Part

by Jeroen van der Veer  Chief Executive, Royal Dutch Shell

One of this century’s critical challenges will be providing sufficient energy to fuel continued economic development around the globe while stabilizing or even reducing CO₂ emissions. This will not be easy. Energy, prosperity, and the environment are intimately interlinked. When societies become wealthier, they consume more energy. When fossil fuel consumption goes up, so do CO₂ emissions.

We all know that global demand for energy is growing, but the reality of how fast hasn’t really sunk in. Thanks to surging populations and greater wealth, demand will at least double by the middle of the century. The world’s population could reach more than 9 billion by then, up from about 6 billion today. China, India, and other populous countries have entered the energy-intensive phase of their development; it’s the point where people buy their first television or car and start consuming much more transport fuel and electricity.

To illustrate the speed of development, in China today there are 40 million cars on the road—three cars for every 100 inhabitants. By 2020, there could be 150 million cars. This is still only 12 per 100 people, well below the American or European average, but fueling those cars will require an additional 2 to 3 million barrels of oil per day—equivalent to the current demand of Germany.

CO₂ emissions, meanwhile, could outpace the growth in energy demand. The International Energy Agency’s business-as-usual scenario predicts emissions will rise 55 percent between 2005 and 2030. That’s because much of the new demand for energy will be met by fossil fuels, especially coal.

To reduce dependence on imported oil and gas, countries like China, India, and the United States exploit abundant domestic coal reserves. Already, coal supplies about 70 percent of China’s primary energy. To fuel its double-digit economic growth, it will need to double coal use by 2030. The United States, for its part, generates more than 50 percent of its electricity through coal. Applying the latest technologies—coal gasification, in particular—will be vital to ensure a cleaner use of this important resource.

Coal gasification has the advantage of facilitating the capture of a relatively pure stream of CO₂ for underground storage in aquifers or abandoned gas and oil reservoirs, a technique called carbon capture and storage (CCS). The United Nations’ Intergovernmental Panel on Climate Change believes CCS is the most promising technology for significant and rapid reduction of global emissions. Of the total emissions reduction needed to stabilize world CO₂ levels by the end of the century, CCS could potentially deliver 55 percent. However, since there is no natural market for big volumes of CO₂, government incentives will be needed for CCS to have the impact that is needed.
It’s a daunting challenge: To keep greenhouse gases in the atmosphere at around 450 parts per million, which is where scientists tell us we should be. Shell works with models that assume CCS is installed at 90 percent of all the coal and gas-fired power plants in developed countries by the year 2050, and 50 percent of those in non-OECD (Organisation for Economic Co-operation and Development) countries. Today, there’s not a single one. And this would be only one element of a much broader set of necessary measures.

A second approach is to boost the use of renewable energy, such as solar and wind. Many companies see this as a business opportunity, including Royal Dutch Shell. That’s why we are investing in wind power, solar research, and a new generation of biofuels produced from nonfood crops and biowaste. But renewables are starting from a small base. Today, wind, solar energy, and biofuels together account for less than half a percent of global energy supplies. Fossil fuels make up between 80 and 85 percent of the global energy portfolio and will continue to dominate the global energy mix well into the next century. A major part of the remainder is made up of nuclear energy, which continues to generate controversy that may hold back its expansion. To illustrate the challenge of shifting to renewable energy, if the United States were to convert its entire corn yield into ethanol, it would still only produce around 15 percent of its gasoline demand.

A third solution is to become more efficient and economical in our use of energy. I like to say that the best way to use energy is simply not to use it. Right now, the world wastes more energy than it uses in a productive way. In the average car, about 20 percent of the fuel burned is turned into passenger miles; the rest is lost as heat. For an airplane taking off, the figure is about 8 percent. In the average coal-fired plant, roughly 35 percent of the coal burned is converted into electricity; the rest, again, is lost as heat.

Energy losses will always occur during conversion and distribution, but efficiency gains must and can be made in all sectors of the economy—be it transport, industry, power generation, or the residential sector. For instance, in the newest types of coal-fired plants, efficiency typically goes up to more than 40 percent. And if U.S. cars were as efficient as European cars—an improvement of nearly 40 percent—this could cut U.S. oil consumption by nearly 3.5 million barrels a day or the equivalent of the combined daily oil consumption of France and Britain.

If we are to meet the energy challenge successfully, now is the time to put the right policies in place. And that is why governments have a particularly important role to play. They must provide the regulations and economic incentives that encourage both investment in new technologies and energy conservation. An important element of such a framework is a long-term, cross-border approach to capturing CO₂ emissions and creating a market where companies and others can trade emissions credits.

The geographical scope of such emissions trading should widen to include the United States and as many other countries as possible. California’s efforts to ensure compatibility between its own planned cap-and-trade system (and a possible future federal U.S. system) and that of the European Union are hopeful signs. Trading mechanisms should not only put a cost on the CO₂ that is emitted, but also provide credits for the CO₂ that is either captured and stored or prevented from escaping into the atmosphere—be it through investments in low or zero-emissions energy or through creative solutions, such as the CO₂ Shell supplies to the soft drinks industry and to greenhouses to boost the growth of vegetables.

The essence of sustainability is preserving for future generations as many options and choices as we benefit from today. It’s a collective responsibility, and everyone must do his or her part. Governments must create the right international framework and spirit in which innovation can flourish. Scientists will have to make progress through fundamental research in areas like nanotechnology, robotics, and biotechnology. The energy industry will have to relentlessly drive energy efficiency in its operations and processes and bring new technologies to market. Consumers will have to become more aware of the value of energy and the need to use it sparingly.

While the road to a solution is long and filled with potholes, I believe there are plenty of reasons to be optimistic about our ability to address the global energy challenge, provided we work together.
China attaches great importance to sustainable development, so we stress scientific planning that strikes a harmony between man and nature. We are committed to a society that uses resources economically and in an environmentally friendly fashion. As a responsible large country and the largest developing nation, we recognize that our nation’s pursuit of sustainable development is important to the world community.

China is in a period of industrialization, urbanization, marketization, and internationalization—changes that are interwoven, advancing shoulder to shoulder, and developing at an accelerated speed. It is confronting increasingly more rigorous challenges in sustainable development, especially in view of the fact that the urbanization of 1.3 billion people fundamentally changes the social and economic fabric of China, even as it becomes the principal driver for development. Accelerated urbanization has brought about problems, including a shortage of land, water, and mineral resources; environmental pollution; and ecological destruction. These problems seriously inhibit the progress of China’s urbanization and complicate the process of sustainable development of the entire Chinese economy and society.

To realize sustainable development, China always must consider both its own condition and the lessons to be drawn from international experience:

- **The matter of first importance is development.**
  The demands of a backward country for accelerated development are very pressing. Without development, sustainability does not have any real or long-term meaning. To realize sustainable development, it is necessary to use scientific methods to solve a host of contradictory and conflicting issues, values, and problems.

- **Planning for scientific development is the prerequisite.**
  A developing country by definition is a backward country, but even backwardness presents opportunities. We can leapfrog past incremental technical progress and plan sustainable development via leading-edge technology, but this is only possible after thorough and well-considered advance planning. We can promote development of the highest quality and efficiency, but such development requires a comprehensive and systematic strategy, planning, and design, taking into consideration the interests of all concerned and integrating existing resources with new ones.
• **The market and the system are the foundations.** The market is the foundation of economic operations, and the backwardness of its markets is a major bottleneck restricting China’s development. Blind and disorderly development in developing countries is closely associated with the unreasonableness of resource disposition, which is, in turn, a product of defective markets and systems. This requires accelerated development in building, cultivating, and developing markets. Market development is China’s fourth largest economic driver, behind investment, consumption, and exports. Relatively speaking, China’s economic growth is only lightly affected by the impetus of organic growth and efforts at improving industrial efficiency.

• **Science and technology are the keys.** Development at the cost of significant environmental degradation or wasteful use of resources must be prohibited. Out of necessity, we are changing conventional ideas and practices associated with the economic phenomenon known as the “extensive growth mode.” We continually elevate the science and technology of our development to minimize resource consumption and maximize protection of the environment. These are key notions behind our drive for sustainable development.

• **Business enterprises should bear social responsibilities concerning their operation and development.** Sustainable development is achievable only if China raises the consciousness of the whole society because China intends to ensure sustainability by relying on the joint efforts of government, business enterprises, and individual citizens. In particular, business enterprises that have taken maximization of profits as their sole value orientation must be taken to task. Long-held ideas can be long-outdated ideas—development of business enterprises must proceed hand in hand with notions of sustainable development of the overall needs of the economy and society.

China Development Bank (CDB) has, over a long period of time, devoted itself to our nation’s sustainable development. We at CDB recognize that backward markets and ineffective planning impede China’s development, so we regard the building of efficient financial markets as an important element we must integrate into every CDB activity. This is the starting point for all of our bank’s financing activities, proceeding from planning through the operation of completed projects. We have consciously accepted the burden of social responsibility we see as allied with development finance. We use financing as the carrier for integrating the interests of all of the elements of society. We combine the building of active, modern, efficient, and transparent markets, which is part of our mandated mission from above, with the spontaneous, interest-driven efforts of our borrowers and affected stakeholders from below.

The universal result is to create healthy, highly efficient, and universally beneficial market and financial systems—foundation predicates for sustainable development. Further, we have financed projects costing tens of billions of RMB for activities specifically intended to improve environmental values. Examples of such projects are those whose primary objectives are energy saving, greenhouse gas reduction, environmental protection, pollution control, and economic use of and recycling of resources.

At CDB, promoting sustainable development is not an afterthought. We believe and practice our work mindful of the standards of the state for the environment and energy saving—these are prerequisites to our financing. We have gone further and taken the initiative as a force for fundamental change.

In 2006, CDB raised its level of social responsibility acceptance by joining the Global Compact of the United Nations. We now identify ourselves as an organization in a global society where our past work in promoting sustainable development has alerted us to greater needs and spurred us to take on a deeper level of involvement for the betterment of China and the rest of the world. We intend to wear that mantle proudly.
To do that in the 21st century, we have to keep pace with the evolving idea of sustainability. In the 1970s and 1980s, that meant a focus on internal safety and meeting environmental regulations. In the late 1980s and 1990s, we added voluntary environmental footprint reductions that went beyond regulatory requirements. Today, we see ourselves in a third phase of sustainable growth, characterized by a holistic approach fully integrated into our business models.

Now, sustainability has been broadened to include human safety as well as environmental protection, and it has become a market-driven business priority throughout the value chain. The transition to products that meet the definition of “sustainable” will take place over time and emerge from dialogue with stakeholders, including governments, NGOs, and academia. Science and innovation that does not address pressing human needs will not advance sustainability. Likewise, a vision of sustainability detached from science and technology will not succeed.

Meanwhile, we never forget that we are a business, and our first job is to create value for our shareholders. Sustainable growth means creating value for our shareholders and for society by developing products that the market demands. Some companies say that what’s good for the environment can also be good for business. Our view is that what’s good for business must be good for the environment or you are not moving toward sustainable growth.

To keep us on that track, we have found it useful to create goals. We developed our first set of environmental goals in 1989. In 2006, we created our newest set—what we call our 2015 Sustainability Goals, which renewed and expanded our commitment to sustainability. Among this set of goals are what we call market-facing goals. We have four market-facing goals to accomplish by 2015:

1. We plan to double our investment in R&D programs with direct, quantifiable environmental benefits for our customers and consumers along our value chains.
2. We will grow our annual revenues by at least $2 billion from products that create energy efficiency and/or significant greenhouse gas emissions reductions for our customers.
3. We will nearly double our revenues from nondepletable resources to at least $8 billion.
4. We will introduce at least 1,000 new products or services that help make people safer globally.

To intensify our ongoing efforts to minimize the environmental impact of our operations around the world, we also updated and expanded our footprint goals:

- Since 1990, DuPont has reduced its global greenhouse gas emissions, measured as CO₂ equivalents, by 72 percent. By 2015, we will further reduce these emissions at least 15 percent from a base year of 2004.
• We will reduce water consumption by at least 30 percent over the next 10 years at our global sites that are located where the renewable freshwater supply is either scarce or stressed, as determined by the United Nations’ analysis, and keep water consumption flat at all our other sites.

• By 2015, 100 percent of our offsite fleet of cars and light trucks will represent the leading technologies for fuel efficiency and fossil fuel alternatives.

• We will reduce our air carcinogen emissions by at least 50 percent from a base year of 2004 and bring our total reductions since 1990 to 96 percent.

• We will ensure that 100 percent of our global manufacturing sites have completed an independent third-party verification of the effectiveness of their environmental management goals and systems.

To achieve these objectives, we’re relying on the creativity and commitment of our 60,000 employees around the world and also on partners who share our commitment and have the influence and ability to take actions that will make a difference. Consider developments in three areas of current activity—biotechnology, bio-based materials, and safety.

We believe biotechnology presents important opportunities that should be explored and developed to identify safe and commercially viable applications that will bring benefits to society. We are committed to improving our understanding of how to grow more nutritious food, particularly in areas that pose an agricultural challenge. For example, our Pioneer Hi-Bred seed business uses advanced plant genetics to develop field crops that are more productive, of higher quality, more nutritious, and better suited for specific uses.

A direct product of our biotechnology is our work in bio-based materials. In 2006, we announced a partnership with BP to create a new generation of biofuels that will help reduce the world’s dependence on oil while also providing economic opportunity to local farmers. Our intent is for DuPont to become a major player in bringing biofuels to market in a way that promotes sustainable agriculture. We want to make sure that the development of biofuels is accomplished in a way that does not take food out of some peoples’ mouths to put fuel into other peoples’ cars.

In bio-based materials, our joint venture with Tate & Lyle of the United Kingdom has developed a bio-based process for creating a major ingredient for DuPont™ Sorona® polymers, our newest polymer platform. The bio-route to this polymer uses 40 percent less energy than the traditional chemical route and will save the equivalent of 10 million gallons of gas annually—enough to power 22,000 cars a year. We also are aiming to make further progress in improving the environmental profile of our traditional product lines. For example, our R&D pipeline is delivering next-generation refrigerants with lower greenhouse warming potential; new automotive finishes with lower volatile organic compound (VOC) content; and enhanced solutions to improve solar module lifecycle and efficiency, building on our experience with eight DuPont products currently used in photovoltaic solar panels.

Because of our unique tradition of safety at DuPont, sustainability for us is not just about being an environmentally smarter company. It’s also about protecting people and keeping them safe. You know DuPont™ Kevlar® as a 40-year-old product that is used in protective vests, where it has saved the lives of 3,000 police and security officers. What you may not know is that Kevlar® is also used to reinforce high-performance automobile tires sold by Goodyear. And it is being used to protect people from tornadoes and hurricanes through the DuPont™ StormRoom™ with Kevlar®.

Safety is also paramount in the early development of new products and technologies. We are working with Environmental Defense to understand potential risks of the emerging field of nanotechnology. Together, we developed a framework for responsible development, production, use, and disposal of nanoscale materials critical to “next-generation” communications devices and other products.

These examples show how sustainable growth is not a distant goal, but an immediate reality. Sustainable growth is about products and services we are working on right now. Sustainability is about investment in the future of our business, the future of our customers, and the future of families around the world. Sustainability is also about the future of our planet—the one we live on today and the better, safer, and healthier planet we aspire to leave for tomorrow.

Chad Holliday is the chairman of the board and chief executive officer of DuPont. He started at DuPont in 1970 after receiving a B.S. in industrial engineering from the University of Tennessee. Holliday is chairman of the Business Roundtable’s Task Force for Environment, Technology and Economy and past chairman of the World Business Council for Sustainable Development, (WBCSD), The Business Council, and the Society of Chemical Industry—American Section. While chairman of the WBCSD, he co-authored the book Walking the Talk, which details the business case for sustainable development and corporate responsibility.
## Financials

### Statements of Financial Position (in US$ thousands)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,227</td>
<td>$5,918</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>166</td>
<td>166</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>5,416</td>
<td>6,279</td>
</tr>
<tr>
<td>Investments, at fair value</td>
<td>30,706</td>
<td>24,469</td>
</tr>
<tr>
<td>Deferred charges and sundry assets</td>
<td>1,251</td>
<td>1,474</td>
</tr>
<tr>
<td>Pension asset</td>
<td>2,949</td>
<td>6,455</td>
</tr>
<tr>
<td>Furniture, equipment, software, and leasehold improvements— at cost, less depreciation and amortization</td>
<td>1,786</td>
<td>1,972</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$45,501</td>
<td>$46,733</td>
</tr>
<tr>
<td><strong>Liabilities and Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$10,525</td>
<td>$7,799</td>
</tr>
<tr>
<td>Advance payments and deferred revenue</td>
<td>10,068</td>
<td>11,225</td>
</tr>
<tr>
<td>Deferred subscription revenue</td>
<td>10,218</td>
<td>9,502</td>
</tr>
<tr>
<td>Post-retirement benefit obligation</td>
<td>5,298</td>
<td>3,524</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>36,109</td>
<td>32,050</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>9,292</td>
<td>14,589</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>100</td>
<td>94</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>9,392</td>
<td>14,683</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$45,501</td>
<td>$46,733</td>
</tr>
</tbody>
</table>

Note: The information on pages 34 and 35 was extracted from the Financial Statements audited by Ernst & Young LLP. These statements are available upon request.
## Statements of Activities (in US$ thousands)

### Operating Revenue

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscriptions</td>
<td>$18,178</td>
<td>$16,989</td>
</tr>
<tr>
<td>Conferences, councils, and meetings</td>
<td>34,394</td>
<td>32,194</td>
</tr>
<tr>
<td>Grants, contracts, and fee-based services</td>
<td>7,075</td>
<td>5,458</td>
</tr>
<tr>
<td>Sale of publications</td>
<td>419</td>
<td>470</td>
</tr>
<tr>
<td>Other income</td>
<td>272</td>
<td>267</td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td><strong>60,338</strong></td>
<td><strong>55,378</strong></td>
</tr>
<tr>
<td>Operating fund investment income</td>
<td>720</td>
<td>501</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>61,058</strong></td>
<td><strong>55,879</strong></td>
</tr>
</tbody>
</table>

### Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>27,987</td>
<td>26,543</td>
</tr>
<tr>
<td>Purchased services</td>
<td>12,764</td>
<td>10,442</td>
</tr>
<tr>
<td>Travel</td>
<td>2,168</td>
<td>1,858</td>
</tr>
<tr>
<td>Meeting location costs</td>
<td>7,631</td>
<td>6,641</td>
</tr>
<tr>
<td>Printing, postage, and supplies</td>
<td>4,980</td>
<td>4,681</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>717</td>
<td>686</td>
</tr>
<tr>
<td>Facilities</td>
<td>3,388</td>
<td>3,051</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1,450</td>
<td>1,631</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>61,085</strong></td>
<td><strong>55,533</strong></td>
</tr>
<tr>
<td><strong>Excess of Revenue from Recurring Operations</strong></td>
<td><strong>(27)</strong></td>
<td><strong>346</strong></td>
</tr>
</tbody>
</table>

### Other Activities

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest, dividends, and other income</td>
<td>370</td>
<td>291</td>
</tr>
<tr>
<td>Realized gain on disposal of investments</td>
<td>291</td>
<td>393</td>
</tr>
<tr>
<td>Unrealized (loss) gain in the fair value of investments</td>
<td>1,473</td>
<td>(267)</td>
</tr>
<tr>
<td>Effect of foreign currency translation</td>
<td>(43)</td>
<td>16</td>
</tr>
<tr>
<td>Change in accounting principle*</td>
<td>(7,361)</td>
<td>–</td>
</tr>
<tr>
<td>Change in unrestricted net assets</td>
<td>(5,297)</td>
<td>779</td>
</tr>
<tr>
<td>Change in temporarily restricted net assets</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>14,683</td>
<td>13,897</td>
</tr>
<tr>
<td><strong>Net assets as of the end of the year</strong></td>
<td><strong>9,392</strong></td>
<td><strong>14,683</strong></td>
</tr>
</tbody>
</table>

* One-time charge for the adoption of SFAS No. 158 in 2007, which required recognition of a liability for the underfunded status of the organization's defined benefit postretirement plans.
Global Counsellors

The Conference Board draws on the support and advice of an extraordinary network of global business leaders. These individuals volunteer their time, their knowledge, and their insights to reinforce The Conference Board’s dual mission: helping companies improve their performance and helping them better serve society.

Asia/Pacific

Australia

Linda Bardo Nicholls
Retired Chairman
Australia Post

John B. Prescott, A.C.
Chairman
Australian Submarine Corporation Pty Ltd

John B. Reid, A.O.
Chairman Emeritus
Australian Graduate School of Management
University of New South Wales

Hong Kong

Andrew C.W. Brandler
Group Managing Director and CEO
CLP Holdings Ltd.

Sir C.K. Chow
Chief Executive Officer
Mass Transit Railway Corporation

Marjorie Yang
Chairman
Esquel Group of Companies

India

Mukesh D. Ambani
Chairman and Managing Director
Reliance Industries Ltd.

Nandan M. Nilekani
Co-Chairman
Infosys Technologies Limited

Malaysia

Dato’ Tan Teong Hean
Chief Executive Director
Southern Bank Berhad

Philippines

Roberto F. De Ocampo
President
Asian Institute of Management

Oscar M. Lopez
Chairman and Chief Executive Officer
First Philippine Holdings Corporation

Singapore

S. Dhanabal
Chairman
Temasek Holdings (Private) Ltd.

Koh Boon Hwee
Chairman
DBS Bank

Lim Chee Onn
Executive Chairman
Keppel Corporation Limited

Middle East

Egypt

M. Shafik Gabr
Chairman and Managing Director
ARTOC Group

Israel

Doron Tamir
Chairman
RDT Investments

Kuwait

Hisham Abdurrazzak Al-Razzuqi
Chief Executive Officer
Gulf Investment Corporation

Oman

Sayyid Khalid Bin Hamad Al Bu Said
Chairman
Sabco L.L.C.

United Arab Emirates

Khalid Kalban
Chief Executive Officer
Dubai Investments

Europe

Belgium

François M. G. Cornélis
Vice Chairman of the Executive Committee of Total and President of Chemicals
TOTAL SA

Viscount Etienne Davignon
Vice Chairman of the Board
Suez-Tractebel S.A.

Bert De Graeve
Chief Executive Officer
N.V. Bekaert, S.A.

Julien De Wilde
Member of the Board of Directors
N.V. Bekaert S.A.

Edward G. Krubasik
President
ORGALIME

Thomas Leysen
Chief Executive Officer
Umicore

Anton van Rossum
Member of the Board of Directors
Crédit Suisse Group

Karel Vinck
Chairman of the Board
Umicore

Denmark

Mads Øvilsen
Chairman of the Board
Lego A/S

Jess Søderberg
Partner and CEO
Maersk Group

Peter Straarup
Chairman of the Executive Board and the Executive Committee
Danske Bank AS

Finland

Jukka Härmälä
Former President and CEO
Stora Enso

Ole Johansson
President and CEO
Wärtsilä Corporation

Jouko Karvinen
Chief Executive Officer
Stora Enso

Mikael Lilius
President and CEO
Fortum Corporation

France

Philippe Camus
Co-Managing Partner
Lagardère

Bertrand Collomb
Honorary Chairman
LAFARGE

Denis Kessler
Chairman and CEO
SCOR Group

Jean-Bernard Lévy
Chairman of the Management Board and Chief Executive Officer
Vivendi

Jean-Louis Mathias
Chief Operating Officer
EDF

Germany

Josef Ackermann
Chairman of the Management Board and the Group Executive Committee
Deutsche Bank AG

Roland Berger
Chairman
Roland Berger Strategy Consultants

Gerhard Cromme
Chairman of the Supervisory Board
ThyssenKrupp AG

Michael Diekmann
Chairman of the Management Board and CEO
Allianz AG

Werner Wenning
Chairman of the Board of Management
Bayer AG

Klaus Zumwinkel
Chairman of the Board of Management
Deutsche Post AG

Greece

Yannis S. Costopoulos
Chairman of the Board of Directors and CEO
Alpha Bank
Hungary
Zsolt Hernadi
Chairman and
Chief Executive Officer
MOL

Ireland
Brian J. Goggin
Group Chief Executive
Bank of Ireland

Padraig McManus
Chief Executive Officer
Electricity Supply Board

Liam O’Mahony
Group Chief Executive
CRH plc

Netherlands
Peter Bakker
Chief Executive Officer
TNT N.V.

Rijkman W. J. Groenink
Chairman of the Managing Board
Abn Amro Bank N.V.

Gerard J. Kleisterlee
President and CEO
Royal Philips Electronics

Morris Tabaksblat
Retired Chairman and CEO
Unilever N.V.

C. J. A. van Lede
Member of the Supervisory Board
Akzo Nobel nv

G. J. (Hans) Wijers
Chairman, Board of Management
Akzo Nobel nv

Norway
Johan H. Andresen, Jr.
Owner and
Chief Executive Officer
Ferd Holding AS

Poland
Maria Wiśniewska
Vice President
Polish Confederation of
Private Employers

Spain
César Alierta Izuel
Chairman and
Chief Executive Officer
Telefónica S.A.

Isidro Fainé Casas
Chairman
La Caixa

Francisco González
Chairman and CEO
BBVA

José Luis Madariaga
Executive Chairman
PricewaterhouseCoopers - Spain

Carlos Más Ivars
President
PricewaterhouseCoopers - Spain

Alfredo Saenz Abad
Second Vice Chairman and
Chief Executive Officer
Grupo Santander

Sweden
Tom Johnstone
President and CEO
SKF AB

Lars G. Nordström
Group Chief Executive Officer
Nordea AB

Marcus Wallenberg
Chairman of the Board
SEB

Switzerland
Fritz F. Fahrni
Chairman
Innovation Management
and Logistics
Institute of Technology,
Management and
Entrepreneurship
University of St. Gallen

Turkey
Bülent Eczacibasi
Chairman
Eczacibasi Holding A.S.

Güler Sabancı
Chairperson and Managing Director
Hacı Ömer Sabancı Holding A.S.

United Kingdom
Sanjiv Ahuja
Chairman Emeritus
Orange S.A.

Lord Browne of Madingley
Managing Director and
Managing Partner
Riverstone Holdings LLC

Patrick J. Cescau
Group Chief Executive
Unilever PLC

Harald Einsmann
Executive Vice President, Europe,
Middle East, and Africa (Ret.)
The Procter & Gamble Company

Niall Fitzgerald KBE
Chairman
Reuters Group PLC

Lord Marshall of Knightsbridge
Chairman
Pirelli UK plc

Sir Martin Sorrell
Group Chief Executive
WPP Group plc

Peter D. Sutherland
Chairman and Managing Director
Goldman Sachs International

Latin America
Mexico
Dionisio Garza Medina
Chairman of the Board and CEO
Alfa Corporativo, S.A. de C.V.

Tomás González Sada
Chairman of the Board,
President, and CEO
Grupo Cydsa, S.A. de C.V.

Federico Sada
Chief Executive Officer
Grupo Vitro

Panama
Stanley A. Motta
Chairman
Banco Continental de Panama

North America
United States
Paul M. Anderson
Chairman
SPECTRA Energy Corporation

Alain J. P. Belda
Chairman and CEO
Alcoa Inc.

Douglas R. Conant
President and CEO
Campbell Soup Company

Alan M. Dachs
President and CEO
Fremont Group, L.L.C.

Alfred C. DeCrane, Jr.
Retired Chairman and CEO
Texaco Inc.

Robert E. Denham
Partner
Munger, Tolles & Olson LLP

Samuel A. DiPiazza, Jr.
Chief Executive Officer
PricewaterhouseCoopers LLP

Laurence D. Fink
Chairman and CEO
BlackRock, Inc.

Jacob A. Frenkel
Vice Chairman
Chairman, Global Economic
Strategies Group
American International Group, Inc.

Christina A. Gold
President and CEO
Western Union Company

Klaus Kleinfeld
President and Chief Operating
Officer (elect)
Alcoa Inc.

Harry M. J. Kraemer, Jr.
Executive Partner
Madison Dearborn

Ellen R. Marram
Advisor
North Castle Partners, L.L.C.

W. Craig McClelland
Retired Chairman and CEO
Union Camp Corporation

Hutham S. Olayan
President and CEO
Olayan America Corporation

James W. Owens
Chairman and CEO
Caterpillar Inc.

Henry B. Schacht
Director and Senior Advisor
Lucent Technologies, Inc.

Anne M. Tatlock
Director
Former Chairman and CEO
Fiduciary Trust Company
International

Paul A. Volcker
Former Chairman of
the Board of Governors
The Federal Reserve System

1 Until October 16, 2007
2 As of October 16, 2007
3 Global Advisory Council Member
Board of Trustees

Chairman of the Board

Samuel A. DiPiazza, Jr. ¹
Chief Executive Officer
PricewaterhouseCoopers LLP

Douglas R. Conant ²
President and CEO
Campbell Soup Company

Vice Chairmen

Josef Ackermann
Chairman of the Management Board
and the Group Executive Committee
Deutsche Bank AG

Nandan M. Nilekani
Co-Chairman
Infosys Technologies Ltd.

Alan M. Dachs ²
President and CEO
Fremont Group, L.L.C.

Anne M. Tatlock
Director and Former Chairman
and CEO
Fiduciary Trust Company International

Members

Herbert M. Allison, Jr.
Chairman, President and CEO, TIAA
President and CEO, CREF

Alain J. P. Belda
Chairman and CEO
Alcoa Inc.

Stephanie A. Burns ¹
Chairman, President and CEO
Dow Corning Corporation

Patrick Cescau
Group Chief Executive
Unilever PLC

Paul W. Chelgren ¹
Retired Chairman of the Board
and CEO
Ashland Inc.

Richard T. Clark ²
Chairman, President and CEO
Merck & Co., Inc.

Ian E. L. Davis
Worldwide Managing Director
McKinsey & Company

Jeffrey E. Garten
Juan Trippe Professor of International Trade, Finance
and Business
Yale School of Management

Anne Golden
President and CEO
The Conference Board of Canada

Francisco González
Chairman and Chief Executive Officer
BBVA

Klaus Kleinfeld
President and Chief Operating Officer
Alcoa Inc.

Lim Chee Onn
Executive Chairman
Keppel Corporation Limited

Padraig McManus
Chief Executive Officer
Electricity Supply Board

Linda Bardo Nicholls ¹
Retired Chairman
Australia Post

Hutham S. Olayan
President and CEO
Olayan America Corporation

Michael E. Roach
President and CEO
CGI Group Inc.

Edward B. Rust, Jr.
Chairman and CEO
State Farm Insurance Companies

Mayo M. Schmidt
President and Chief Executive Officer
Saskatchewan Wheat Pool

Samuel C. Scott III
Chairman, President and CEO
Corn Products International, Inc

Jonathan Spector
Chief Executive Officer
The Conference Board, Inc.

Anton van Rossum
Member of the Board of Directors
Crédit Suisse Group

G. J. (Hans) Wijers
Chairman, Board of Management
Akzo Nobel nv

Ronald A. Williams
Chairman of the Board,
Chief Executive Officer and President
Aetna Inc.

Marjorie Yang
Chairman
Esquel Group of Companies

Jaime Augusto Zobel de Ayala II
Chairman and CEO
Ayala Corporation

¹ Until October 16, 2007
² As of October 16, 2007
Mission Statement
The Conference Board creates and disseminates knowledge about management and the marketplace to help businesses strengthen their performance and better serve society.

Working as a global, independent membership organization in the public interest, we conduct research, convene conferences, make forecasts, assess trends, publish information and analysis, and bring executives together to learn from one another.

The Conference Board is a not-for-profit organization and holds 501 (c) (3) tax-exempt status in the United States.

Trusted Insights for Business Worldwide
The Conference Board provides authoritative economic and management research expertise to our unparalleled global network. Our members contribute practical experience and wisdom, based on real-world challenges and insights gained from hard-won experience.

Our cross-functional approach and global reach provide CEOs and top executives with an enterprise-wide perspective on the challenges they face in their organizations, their markets, and their communities.

Citizenship and Sustainability
Economics and Finance
Governance and Ethics
Human Resources, Talent Management, and Diversity
Leadership and Strategy
Marketing and Communications
Operations and Business Processes

Communications Frank Tortorici, Carol Courter,
Matthew Budman
Creative Peter Drubin
Project Editor Timothy Dennison
Editors Marta Rodin, Sheri Rothman
Design Sana Olkovetsky

Photography Ben Asen, Marino Belich, Randy Duchaine,
Mary Gatty, John Harrington, Corinne Jamet Moreno Ruiz,
Susan San Giovanni, Pat Semansky, Frank TooGood

Printer Villanti and Sons, Printers, Inc., an FSC-certified printer

© 2007 by The Conference Board, Inc. All rights reserved.
Printed in the U.S.A. The Conference Board and the torch logo are registered trademarks of The Conference Board, Inc.

The Conference Board has printed this report on Mohawk Options paper, which contains 100% post-consumer waste fiber, is manufactured with wind power, and is process-chlorine-free. This paper is certified by Green Seal and SmartWood for FSC standards, which promote environmentally appropriate, socially beneficial, and economically viable management of the world’s forests.