

## ESG CENTER INSIGHTS FOR WHAT'S AHEAD



Dear Center Member,

As a Member of the ESG Center, you have unlimited access to exclusive Member-only programs held under the Chatham House Rule, including Working Groups, Roundtables, Center Briefings, and our annual ESG Summit. Your participation in these programs is the “secret sauce” that enables us to deliver timely, relevant, and practical insights that you can share with your board, leadership team, and colleagues.

We ended 2022 with three Chatham House Rule programs: our annual ESG Summit focusing on collaborating while competing in ESG, a Center Briefing on Scope 3 emissions, and a Roundtable on maximizing the benefits of board diversity.

This month’s newsletter includes just a sample of the insights from three programs (see “Featured Insights Section”). Look out for more insights in upcoming ESG Alerts, our weekly Friday morning e-mail featuring key takeaways from our latest programs and publications.

As always, in 2023, the ESG Center will continue to provide you with an array of programs, publications, and data tools to help you address your ESG priorities.

I look forward to seeing you at our next three Chatham House Rule programs: a Center Briefing on The Conference Board C-Suite Outlook for 2023, a Roundtable on the evolving landscape of shareholder voting, and the first session of a Working Group on corporate citizenship reporting.

Finally, if you haven't already done so, I encourage you to schedule an Expert Briefing for your organization, which are customized briefings for your board, C-suite executives, or any group of employees on a broad range of current ESG topics. If you are interested in taking advantage of this exclusive (and complimentary) benefit for

ESG Center Members, please get in touch with [Jonathan Yankelewitz](#) for more information.

Thank you for your support of the ESG Center.

Best regards,  
Paul Washington  
Executive Director, ESG Center

## UPCOMING EXCLUSIVE MEMBER-ONLY EVENTS

---



### **The C-Suite Outlook 2023**

January 24 | 11:00 AM – 12:00 PM Eastern (Virtual)

As we head into the new year, learn about the results of a new survey by The Conference Board, which gauged what CEOs and other C-Suite executives around the globe view as the top internal and external challenges and opportunities for 2023. We also will engage Members of The Conference Board who attend, by learning what actions they see as crucial to navigating global economic uncertainty, their plans relating to ESG and stakeholder capitalism, and what new opportunities for growth they may be considering at their firms.

[Register »](#)



### **Best Practices in Reporting on Corporate Citizenship & Philanthropy Working Group – Session 1**

*Sponsored E4E Relief and True Impact*

February 23 | 2:00 – 4:00 PM Eastern (Virtual; Zoom)

The kick-off session, the first of four in this Working Group, will discuss the current state of corporate citizenship reporting and disclosure. It's increasingly important for companies to tell their corporate citizenship story in a way that resonates with different stakeholders: employees, consumers, investors, communities, and society at large. Moreover, disclosure can serve as a tool – and a catalyst – for more effective corporate citizenship programs. Subsequent sessions in 2023 will focus on best practices in corporate citizenship impact measurement, practical approaches to working with external partners, and the internal governance practices and processes to maximize success.

[E-mail Lindsay Beltzer to register »](#)



## The Evolving Landscape of Shareholder Voting

*Sponsored by Morrow Sodali and Broadridge Financial Solutions*

February | Date and Time TBD (Hybrid)

This Roundtable will address the current state of shareholder voting (including trends in institutional and retail voting), the impact of industry and regulatory developments on shareholder voting (including recent SEC rule changes), how companies and investors can best respond individually to these developments, and what, if any, changes in regulation or industry practice may be useful to pursue collectively.

[E-mail Evan Ladao to register »](#)

## FEATURED INSIGHTS

---

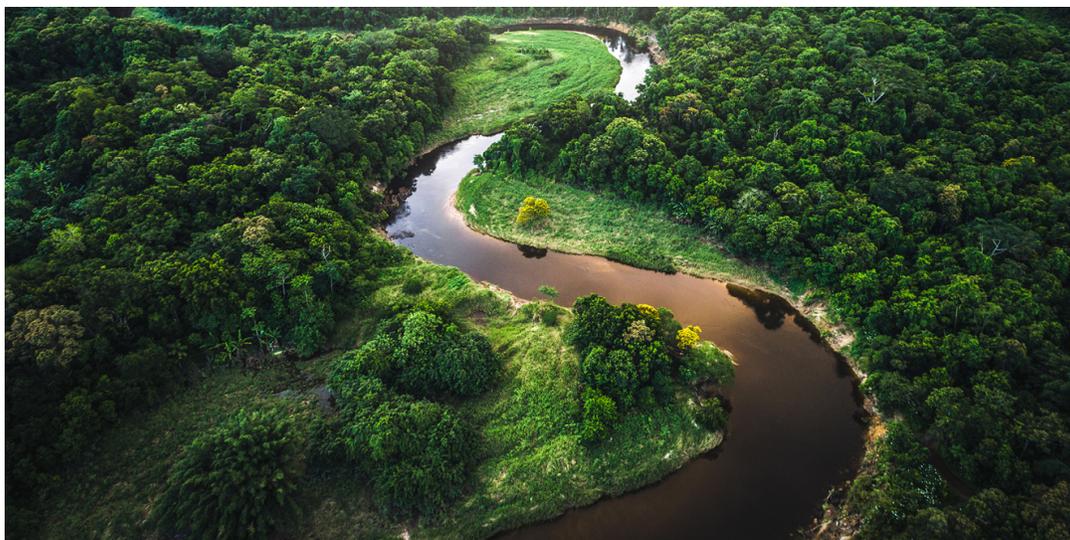


### Maximizing the Benefits of Board Diversity

Asking the question, “how can we maximize the benefits of a diverse board,” opens the door for a board to take a fresh look at how it operates inside and outside the boardroom. Many of the steps to make the most of a diverse board are also ones that help with board effectiveness in general – such as going around the room to make sure that every director has an opportunity to speak before a major decision and ensuring there is ample time for executive sessions (with and without the CEO).

An inclusive board culture can have unexpected benefits. For example, creating an environment where directors can bring their “authentic selves” to discussions creates personal bonds between directors that deepen a sense of trust. In embracing diversity, it’s ok to ask fellow directors why they hold a particular view, and it’s important not to play “gotcha” if a director stumbles in their language. We’re all learning, after all.

[Read the takeaways from the Roundtable »](#)



## Addressing Scope 3 Emissions

In complying with Scope 3 disclosure requirements (stemming from both the SEC and the EU) firms should focus on 1) materiality and 2) having strong governance and processes in collecting, calculating, and reporting on Scope 3 emissions.

- The SEC rules will likely require companies to report on Scope 3 emissions if they are “material” (definition to come) to the company. As a start, companies can conduct a baselining analysis to review the 15 categories of Scope 3 emissions to gauge their size, cost, and risk to the firm.
- Because companies will need to report on emissions beyond their direct knowledge and control, they should focus on having, and documenting, a robust and rigorous process for calculating Scope 3 emissions.

[Read the takeaways from the Center Briefing »](#)



## Engaging Employees on Sustainability

Embedding sustainability throughout a company's culture requires "leading from the middle." Reaching middle management requires much more than a speech by the CEO or even tying compensation to ESG goals. It requires making the business case for sustainability; mapping how each department can contribute to the company's key sustainability goals; embedding sustainability in the company's core business planning processes; and engaging middle management in ways that enable them to serve as role models for their colleagues.

[Watch the on-demand webcast » Engaging Employees on Sustainability](#)

[Watch the on-demand webcast » Building a Sustainability Culture with leaders from Michelin North America and J.M. Huber](#)

[Read » Organizing for Success in Corporate Sustainability](#)

[Read » Building a Sustainability Culture: Six Challenges and Five Guiding Principles to Get Started](#)

[Read » Building a Sustainability Culture: Who Is Responsible for Driving Change?](#)

*In addition to the resources above, look for an upcoming report on Building a Sustainability Culture, sponsored by Baker Tilly.*



## Making Measurable Progress on Racial Equality

As discussed in last month's newsletter, it is possible for companies to collaborate with other firms, government, academic institutions, and non-profits to make meaningful progress toward racial equality, but how can they report progress? First, ensure goals and related metrics are clear from the outset. Second, guide nonprofits and other partners to gather data to measure *outputs* (number of people served) and *outcomes* (impact on societal measures of equality). Third, evaluate which strategies and partners returned the highest impact, and revise programming as needed.

[Read the full report »](#)



## Beyond Traditional Philanthropy: Corporate Citizenship Investing and Innovation

Corporate citizenship teams are deploying a wide array of nontraditional programs to address societal needs. These include helping to establish and strengthen local, minority- and women-owned suppliers; investing in social enterprises; and providing no-interest loans to, and equity investments in, partners. In many cases, corporate citizenship departments take the lead; in others they are the catalyst, convener, consultant, or supporter. However governed and structured, it is imperative for the company to have clear criteria for deciding which areas to focus on and the objectives of such investments—including the balance between financial and social returns.

[Read the report »](#)

## ATTEND OTHER EVENTS

---

### *Webcast*

## Governance Watch: Proxy Season Preview

**February 6 | 1:00 – 2:00 PM (Eastern)**

The 2023 proxy season promises to be even more challenging than 2022. Look for more shareholder proposals, higher opposition to directors, lower say-on-pay votes, increased “Big A” activism, and, on top of that, economic uncertainty and ESG backlash. The good news is that investors are truly open to hear companies’ side of the story because they, too, are trying to navigate many of the same challenges. Join Francesca Odell, Partner, and Helena Grannis, Counsel, from Cleary Gottlieb Steen & Hamilton for a discussion on: the impact of the latest SEC developments on the proxy season; key voting policy changes at institutional investors and proxy advisory firms; reducing the risk of votes against your directors and your say-on-pay proposal; finding common ground with major investors on E&S proposals; dealing with the cross-

currents of ESG activism and backlash; and how to shape your board's expectations for this proxy season.

[Register »](#)

### Conference

## Communicating Total Rewards Conference

**February 9 - 10, 2023**

Total Rewards is not just about the benefits you offer; it's about how you sell them to your people. The Conference Board Communicating Total Rewards Conference will cover both what rewards companies are offering today and communication techniques. Attendees can expect great presentations on transparency; customizing communications for remote and hybrid workers; connecting to the employee as a customer; and more.

[Register »](#)

## ESG CENTER COUNCIL MEETINGS

---

The **Business Continuity & Crisis Management Council** meets on January 10<sup>th</sup> to discuss how climate change and sustainability initiatives impact business continuity and crisis management programs.

The **Global Business Conduct Council** meets on January 11<sup>th</sup> to discuss the Legal Environment in a Post-Dobbs World. The call will feature James P. Joseph, Partner, and co-chair, Arnold Porter.

The **Labor & Employment Law Council** meets on January 30<sup>th</sup> for its first virtual call of 2023. This round-robin will feature a handful of topics discussed in the December check-in call, including DE&I issues and Race Equity Audits.

To learn more about our Councils, [click here](#).

## THE CONFERENCE BOARD IN THE NEWS

---

### The Board's Role in ESG Implementation

*Directors & Boards*; featuring *The Roles of the Board in the Era of ESG and Stakeholder Capitalism*

[Read»](#)

## ESG in the Boardroom

*Modern Healthcare*; featuring Paul Washington

[Read»](#)

## ESG Metric in Compensation Plans

*Directors & Boards*; featuring *Linking Executive Compensation to ESG Performance*

[Read »](#)

## 2023 Economic Outlook and Consumer Spending Trends

*CNBC*; featuring Dana Peterson

[View»](#)

### MORE WAYS TO ENGAGE

---

## Tell Your Colleagues

Would your colleagues benefit from these insights? Forward this on to them!

[Forward now »](#)

## Join the Conversation



---

[Terms Of Use](#) | [Privacy Policy](#) | [Trademarks](#)

©2023 The Conference Board Inc. All rights reserved.

The Conference Board, 845 Third Avenue, New York, NY 10022

You are receiving this email based on your relationship or past engagement with The Conference Board on this topic. To manage your preferences or unsubscribe [click here](#).