



## The Conference Board Research Working Group Project Brief

### *Integrating Sustainability into Your Core Business*

**Research Question:** *How can organizations incorporate sustainability into their core business strategy to attain the same level of relevance and influence as other key elements of business value and performance and use it to drive profitability, innovation and engagement?*

#### Research Proposal

Studies show that forward-thinking organizations that adopted progressive environmental, social and governance policies in the 1990s have outperformed those that didn't, both in the stock market and in accounting measures.<sup>1</sup> However, despite this evidence that it can be a competitive advantage, sustainability is not fully integrated into the decision making processes at many multinational corporations, and few have adopted it as a core priority within their corporate culture. Corporate sustainability traverses nearly all functions of the organization including Finance, HR, Marketing, Supply Chain, EHS, Governance, Logistics, and Technology. Yet a majority of top corporate sustainability executives are at least two degrees removed from their CEO in the corporate hierarchy. There is also still a perception that sustainability is a cost center, as opposed to a business imperative.

In the summer of 2013, The Conference Board surveyed over 120 multinational corporations in Europe and the US about their challenges and priorities. A clear majority, 73% of the respondents, indicated that integrating sustainability into their corporate strategy is a top priority for their executive leadership team. In response to these survey results, existing research, and feedback from our members, **The Conference Board proposes to convene a Research Working Group (RWG) to help organizations identify successful approaches for incorporating sustainability into their core business strategy. Participating companies will identify how sustainability executives can partner across functional boundaries and use sustainability programs to help drive profitability and innovation, manage risks, increase employee and community stakeholder engagement, and build corporate reputation.**

#### What is a Research Working Group?

A Research Working Group (RWG) is a collaborative project that convenes peer companies and researchers in a rapid deep dive and targeted focus on a compelling business issue. When firms across industries with similar concerns come together and are guided by subject matter experts, there is a rich transfer of ideas and knowledge. The result is comprehensive findings designed to shape a platform for enterprise-wide action and impact. Our team of researchers, partnerships with leading organizations and deep commitment to our members make us uniquely positioned to produce high quality, innovative research.

<sup>1</sup> <http://www.theguardian.com/sustainable-business/sustainability-key-corporate-success>

## Objective

The objective of this group is to bring Sustainability, EHS, CSR, Product Stewardship and operations professionals together with experts and thought leaders to identify how companies can most effectively integrate sustainability as a core business value into an organization and beyond. The group will review past experiences, cutting edge approaches, and develop case-studies of organizations that are various stages of tackling this issue.

Organizationally, many companies have already given sustainability a seat at the C-Suite table, via the appointment of a Chief Sustainability Officer (CSO). However, even with this leadership recognition, some continue to struggle with how to build the same credibility as a CHRO or CIO, and how to truly integrate sustainability in their business culture and values. Whether a company has formalized the CSO role or not, having the commitment and buy-in of top leadership is critical to the success of corporate sustainability program to drive strategic business value. At GE, for example, the CEO decentralizes sustainability across the management team through ad-hoc incentives, yet they have many successful initiatives that have changed the way they do business.

Many organizations recognize that they are at a turning point in integrating sustainability efforts into their corporate culture, and their employees, suppliers and Board may be asking to address this issue. By joining this Working Group, members will be able to explore effective models and develop implementable action plans to deepen the value of their sustainability programs, and thereby reap the positive benefits for their corporations. The group will investigate the following business themes:

- How can those leading Sustainability efforts in their company best enable their work to be deeply integrated into the business strategy of their organization? What organizational structures and cross-functional relationships can help maximize the incorporation of sustainability as a business value?
- How can companies drive Sustainability into every corner of their organization by partnering with their employees, suppliers, customers, and other key stakeholders? How do you build a corporate culture that moves beyond “initiatives” to “the way we do business”?
- What lies ahead for those organizations that are seeking to build sustainability as a business value? How do you keep up in a fast changing global marketplace that is steadily increasing its environmental, social, and economic performance expectations?

The Working Group will leverage The Conference Board’s broad experience in the areas of Sustainability, Philanthropy, Corporate Governance, Global Value Chain, Energy & Sustainability, Innovation, and Employee Engagement. Some examples of our recent publications, webcasts and conferences include:

Publications	Webcasts	Conferences
<a href="#"><u>The Link Between Brand Value and Sustainability</u></a>	<a href="#"><u>A CEO's View on CSR, Risk &amp; Reputation Management</u></a>	<a href="#"><u>Summit on Sustainability Conference</u></a>
<a href="#"><u>Sustainability Practices: 2013 Edition</u></a>	<a href="#"><u>Corporate Governance, ESG and Sustainability</u></a>	<a href="#"><u>Enterprise Risk Management Conference</u></a>
<a href="#"><u>Sustainability from the Inside Out</u></a>	<a href="#"><u>The Corporation of the Future: Integrating Trust and Sustainability with Creating Shareowner Value</u></a>	<a href="#"><u>Corporate Diversity &amp; Inclusion Conference</u></a>

## Format & Takeaways

**Timing:** Launching **April 23-24, 2014 in New York**, this Working Group will work together over 6 months to develop actionable solutions. The group will meet 3 times in-person to share their own practices and challenges in a confidential, hands-on environment. These two day meetings are planned for April, June and September 2014. The participants typically commit 2-4 hours a month for the duration of the project, outside of the in-person meetings.

**Format and Participants:** Each company sends two participants from their teams who are best able to represent thinking and experience about the evolution of sustainability programs at their firm. There will be 3 in-person meetings, virtual meetings and small group teleconferences throughout to continue the group's collaboration. Together with top specialists, thought leaders and researchers, the members will build tools and frameworks to effect change throughout their organizations. The meetings are held in a confidential setting to allow the free exchange and examination of ideas, and self-evaluation with peers across industries. We encourage inter-departmental participation and generally suggest that participants be senior manager and above.

**Deliverables:** This is a dynamic process focused on helping your team develop useful new strategies throughout the working group. RWGs provide actionable items throughout the process, as well as benchmarking and peer networking. This collaboration will result in a report comprising detailed findings, conclusions, and recommendations for action; this may include a series of short, focused Executive Action reports, in-depth Research reports, case studies and surveys. Groups often prepare additional material such as webcasts, PowerPoint presentations and other media to share their findings with their colleagues to drive impact into their corporation.

**Research Contribution:** Membership is \$18,500 per company & enables two executives per company to participate.

Membership is reduced to \$14,500 for companies that hold a seat in one of the following Councils at The Conference Board: Corporate Responsibility & Sustainability, Sustainability I or II, PSRA, and EH&S.

Membership for a single participant from a company is \$12,500.

The contribution will be invoiced, and is requested to be paid in full by June 30<sup>th</sup>. The fee covers all materials, access to research and subject matter experts, and peer benchmarking. It includes meals during meetings, but does not include travel & hotel to in-person meetings. RWGs are only open to member companies of The Conference Board.

**To join or for further information, please contact Irene Sobol, Senior Manager of Research Working Groups: [Irene.Sobol@conference-board.org](mailto:Irene.Sobol@conference-board.org) or 212-339-0408.**

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