



The Conference Board operates with a unique mission: we equip the world’s leading corporations with the practical knowledge they need both to improve their own performance and to better serve society. Our founders believed the first obligation of an enterprise is to build and sustain a successful business, which would, in turn, create employment and stimulate economic development. Today, our members also seek to contribute value to their communities in more specific and direct ways.

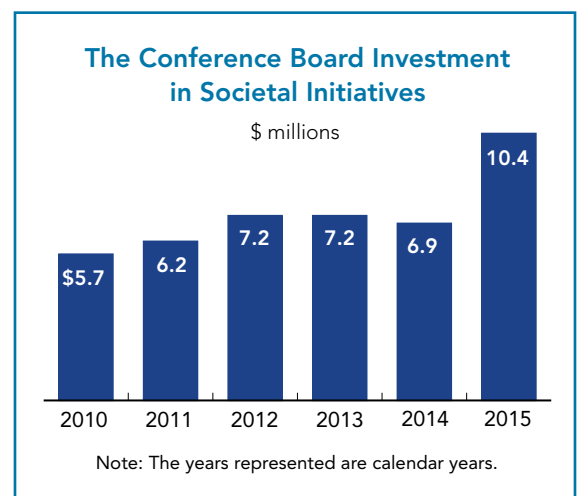
As part of our societal mission, we make a portion of our research available to the public at no charge so that a broad audience can benefit from our work. For our members, we offer a rich portfolio of activities focused on societal objectives such as sustainability and education.

Funding for these activities comes from our 1,024 member organizations, which we feel obligates us to report regularly and specifically on the programs that support our societal mission. This publication covers the activities that we believe provided a societal benefit in 2015. Its purpose is to inform both our members and the broader business community of our efforts, and to hold ourselves accountable for delivering services that are valued by the public and make the most of our members’ financial support.

Over the past five years, The Conference Board has invested nearly \$38 million in societal initiatives, including more than \$10 million in 2015. These investments supported a wide range of activities, from the publishing of our economic indicators—which are influential in public policy circles worldwide—to our portfolio of reports, meetings, webcasts, and councils devoted to helping top companies meet their social obligations. In 2015, for the first time, our societal efforts also include very substantial work to develop policies in the areas of economic growth, education, health care, equal opportunity for women, and sustainable capitalism.

This significant increase in our investments stems from the merger between The Conference Board and the Committee for Economic Development (CED), which took place at the beginning of 2015.

Our continued investment in societal programs reflects the critical role of corporations and informed citizens in addressing the world’s pressing challenges. This report summarizes our work as thought leaders for member organizations and the broader business community in several important areas, including sustainability, corporate philanthropy, social responsibility, education, health care, diversity and inclusion, and employees with disabilities.





SUSTAINABILITY

The practice of sustainability is a key focus area of our research, peer learning, and leadership development activities. The insights produced by these efforts help executives develop, implement, and benchmark programs that serve both the needs of shareholder value and those of the natural and human environment.

In 2015, we released two major reports on sustainability topics. *China Wants to Go Green: Sustainability Imperatives for Multinationals* was designed to help companies doing business in China understand the impact and implications of new environmental regulations. *Driving Revenue Growth through Sustainable Products and Services* examines how forward-thinking companies are leveraging portfolios of sustainable products and services to grow revenue and stimulate innovation; it was released in collaboration with the Investor Responsibility Research Center Institute and made available to the public at no charge. Both reports were launched with public briefings and were accompanied by a series of webcasts.

We also released *Sustainability Practices: 2015 Edition*, the third update to the sustainability benchmarking report first launched in 2012. It was accompanied by the *Sustainability Practices Dashboard*, a web-based intelligence tool that captures data on 79 environmental and social practices for the S&P Global 1200 companies, segmented by market index, geography, sector, and revenue group.

A research working group (RWG) report, *Integrating Sustainability into Your Core Businesses—A Road Map*, was also published in 2015. It was developed by RWG members to help fellow practitioners incorporate sustainability into their organizational cultures through a deliberate strategic-planning approach.

Two additional reports rounded out our sustainability research portfolio in 2015: *The Business Case for Corporate Investment in Sustainable Practices* examined how sustainability can lower a company's risk profile, while also serving as an innovation driver that contributes to growth and competitive advantage. *Navigating the Sustainability Transformation* presented a model for companies progressing from the early stages of sustainability engagement to advanced levels of sustainability leadership.

Throughout the year, we publicly disseminated key findings from the aforementioned reports and others through the "Fact of the Week" series, reaching an audience of over 80,000 individuals. The series featured sustainability insights, data, and analysis from several thought leaders within our Corporate Leadership practice.

In addition to the published research, we again held our annual *Sustainability Summit* in New York. Senior executives addressed key issues related to sustainability and circular economy thinking, such as market and investor perspectives, ethical practices and supply chain management, and the future of mobility and energy. Several of our peer-learning councils also discussed sustainability topics at their regular meetings. These include: Sustainability Council I—Implementation and Execution; Sustainability Council II—Products, Technologies, and Solutions for Sustainability; the Chief EH&S Officers' Council; and the European Council on Corporate Responsibility and Sustainability.

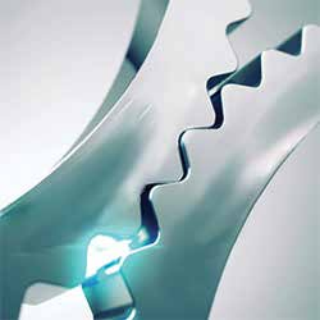


CORPORATE PHILANTHROPY

A responsible company is one that nurtures diversity and inclusion, creates social impact as well as business value, and minimizes its environmental footprint. These elements cannot—and increasingly do not—exist in silos. Diversity and inclusion and corporate philanthropy, in particular, are two fields that must work together to maximize their business and societal value. In 2015, we released *Better Together: Why a United Front Can Propel Diversity and Inclusion in the United States*. This Council Perspective report provided a range of management approaches to achieve effective collaboration—from restructuring teams and business units to individual initiatives that encourage awareness, collaboration, and cohesion.

At a time when many organizations are demonstrating a commitment to corporate social responsibility (CSR), simply operating with a sense of purpose is not enough. Organizations must also share their successes. Our *Communicating Social Impact* report focused on the key themes and fundamentals that will be most helpful to a broad audience of CSR and social impact professionals. The report detailed how leading firms have integrated effective communication practices into their work on multiple levels, including: building a social impact narrative, storytelling to enhance CSR communications, aligning with the business, creating employee awareness and participation, and using social media as a game changer.

Likewise, our *Giving Thoughts* series reviewed a number of cutting-edge philanthropy and social impact topics in 2015, including social impact bonds, corporate-nonprofit partnerships, and flagship programs. The *Giving Thoughts Blog* continued to present industry trends and best practice examples from thought leaders at The Conference Board and beyond. Individual posts examined everything from employee relief funds to social entrepreneurship in the Middle East to the United Nations' Sustainable Development Goals.



DIVERSITY AND INCLUSION

A successful business strategy should embrace the value of differences—within an organization, among its partners, and throughout the evolving global workforce.

In 2015, we produced a series of reports and webcasts that examined all facets of diversity and inclusion (D&I). In *The Conference Board Human Capital in Review™: Focus on Diversity & Inclusion*, we explored hot topics in the field, providing actionable summaries of the latest literature and future trends in board diversity and paternity/parental leave policies, among other areas. In *Diversity on Corporate Boards: How Much Difference Does “Difference” Make?*, we reviewed the case for board diversity in light of conflicting research findings and suggested strategies to promote more inclusive boards.

The Committee for Economic Development launched *Every Other One*, an initiative focused on increasing women’s representation on corporate boards. CED assembled a coalition of male and female business leaders to meet with key corporate decision makers to advocate for gender-diverse boards as a way to enhance company performance.

Our 2015 webcasts on D&I included *Human Capital Watch: Moving the Needle: The Past, Present, and Future of D&I*, a wide-ranging overview of the field. More specialized webcasts included *Diversity Managers: Angels of Mercy or Barbarians at the Gate*, which helped human resource professionals identify the strengths and weaknesses of their organization’s diversity strategies and provided best practices to better meet specific business goals. *The Subtle Impact of Exclusion: Overcoming Unconscious Bias* reviewed the easily overlooked workplace behaviors that can hinder collaboration and undermine diversity efforts. Webcast participants learned daily practices designed to maximize employee talents and the business impact of inclusion.



EMPLOYEES WITH DISABILITIES

What are employers doing to improve employment for people with disabilities and build disability-inclusive workplace cultures? Employees with disabilities may be the largest “diversity” segment of the workforce, yet few identify themselves as such, often for fear of being stigmatized or discriminated against.

In 2015, The Conference Board published a major research report, *Do Ask, Do Tell: Encouraging Employees with Disabilities to Self-Identify*. New regulations require government contractors with 50 or more employees and over \$50,000 in business with the federal government to invite every job applicant, new hire, and current employee in the United States to indicate whether he or she has a disability.

In light of this new mandate, our report investigated what companies are doing to build a diversity-inclusive culture in which employees feel comfortable self-identifying their disability status. It was based on rich survey data from 98 companies and extensive interviews with disability experts.



EDUCATION

Improving education continued to be a focus of our work in the Committee for Economic Development, with research on the economic impact of child care, key competencies needed in today's workforce, and company policies and practices that advance the skills of employees. Through a video and podcast series, CED members and others showed support for rigorous educational standards that will benefit both students and companies.

Today, US companies face unprecedented competition from abroad and an economy that puts a growing premium on knowledge. To succeed, employers must make a stronger commitment to ensure that employees are prepared and afforded the opportunity to learn key skill sets through higher education and training. CED's research report, *The Role of Business in Promoting Educational Attainment: A National Imperative*, examined how employers in select metropolitan areas are supporting their employees in advancing postsecondary education and identifies barriers to those efforts.

Findings are based on focus groups and interviews conducted with representatives from small, family-owned firms and global Fortune 500 companies, as well as business-education support intermediaries. The report was produced as part of Lumina Foundation's "Goal 2025" effort to increase the proportion of Americans with high-quality degrees, certificates, and other credentials to 60 percent by 2025.

CED's report on *Child Care in State Economies* examines the child care industry's effect on parents' participation in the labor force and provides extensive details regarding the industry's state economic impact, including usage rates, the role of public funding, revenues, and business structure.



HEALTH CARE

Health care continues to hold a top slot on business agendas nationwide. All aspects of health care are in flux, and rising costs pose a significant business risk. Each year, The Conference Board Employee Healthcare Conference convenes top employers and industry leaders to share case studies, best practices, and practical next steps to help companies define, achieve, and sustain a high-performance health care program now and in the years ahead. In 2015, more than 1,700 participants learned about the latest regulatory, legal, and political developments; voluntary benefits; and the latest in technology and retiree medical coverage.

CED's paper on health care reform, *Adjusting the Prescription: Committee for Economic Development Recommendations for Healthcare Reform*, describes how long-term improvement in quality, affordability, and access requires the right balance between the roles of government and the market.

CED believes this balance would be achieved through a market-driven system, based on private-sector competition and cost-conscious consumer choice. It is a follow-up to CED's 2007 report, *Quality, Affordable Healthcare for All: Moving Beyond the Employer-Based Health-Insurance System*. This vision builds on the Affordable Care Act's advances by strengthening and broadening the new law's use of those market incentives to drive innovation for higher quality and lower cost, while maintaining an appropriate role for government to facilitate access and ensure that markets work.



ECONOMIC RESEARCH

Each year, a portion of our societal investments supports economic research by The Conference Board. We make a significant investment to provide economic indicators for the world's major economies. Our global leading economic indicators cover 12 countries and the Euro Area, which together represent more than two-thirds of global GDP. Last year, our economic data was cited more than 80,000 times in the global media.

The Conference Board also produces several barometers of consumer and business confidence, including the widely quoted *Consumer Confidence Index*[®]. Our chief economist and a team of economic experts update our monthly forecasts and provide additional insights. Our indexes, forecasts, and projections help policy makers and practitioners understand and anticipate economic shifts and developments that have a significant impact on society. We make sense of the most relevant economic data to help support their decision making.

Our International Labor Comparisons (ILC) program provides data that enable businesses, academic researchers, and policy makers to compare economic performance and competitiveness across 38 countries, including emerging markets in Asia, Eastern Europe, and Latin America. ILC databases are publicly available and include data on the labor force, wages and compensation, and productivity and unit labor costs. Using these data, users can assess the relative health of labor markets worldwide and address key business and societal questions in a global context.

In 2015, we hosted a *Workshop on International Labor and Productivity Comparisons* in Washington, D.C. More than 50 academic researchers, statistical agency officials, and policy makers discussed international labor

and productivity issues and data challenges, and they developed an agenda of future research. The program was partially funded by the Alfred P. Sloan Foundation with the goal of preserving and maintaining the ILC database and increasing the awareness of current data available for international comparative research.

The Conference Board *Total Economy Database*[™] (TED) features international comparisons of the trends and sources of economic growth and productivity. TED is open to the public and includes data for over 120 countries on labor productivity, gross domestic product, employment, hours worked, and the composition of labor by skill level. Our annual *Productivity Brief* analyzes recent productivity and growth trends globally and for seven key regions. Using TED, the business, academic, and policy communities can gain a better understanding of relative competitiveness and efficiency across countries. Projections of global economic growth are available for the most recent year and can be used to shape business strategy and public policy.

The Demand Institute[™] (TDI), a nonadvocacy, nonprofit think tank jointly operated by The Conference Board and Nielsen, played a leading role in Project 8, a data collaboration platform built in partnership with the United Nations Foundation, the US Department of State, Accenture, and Salesforce.org. Project 8's initial focus is on the UN's Sustainable Development Goal #2 – "Zero Hunger." A prototype of the Project 8 platform, supporting food security and agriculture data, was released at the time of the 2015 UN General Assembly meeting and is already being used by leading researchers across more than 40 global organizations.



ECONOMIC RESEARCH (continued)

In 2015, our *Economy & Business Environment Blog* continued to feature insights and analysis on trending economic issues from senior thought leaders. Individual posts addressed such topics as weak inflation, the tightening labor market, falling oil prices, the slowdown in productivity, and wage growth. Likewise, in the Insight Minute video series, our economists distilled complex economic trends into applicable takeaways for business and policy leaders.

We are also working on a major project to understand the future of innovation. Our *Signposts to the Future of Innovation* initiative aims to help executives directly address the problem of measuring innovation inputs, progress, and innovation outputs. We focus on two key research questions: What are the most important signposts to monitor the future of innovation in your organization and business environment? What are the most important metrics to assess progress? To find out, we combine the knowledge of business executives with the research expertise of The Conference Board.



SUSTAINABLE CAPITALISM

Sustainable capitalism integrates environmental, social, and governance factors into business strategy. Sustainable capitalism encourages firms to generate financial returns in a long-term and responsible manner.

Last year, CED released *Crony Capitalism: Unhealthy Relations Between Business and Government*. The study examined the growing public perception of corruption in America through three separate trends: a rise in the size and scope of government, increased campaign costs, and the growing power of lobbying.

CED members from various industries participated in the Sustainable Capitalism Subcommittee, which released the report. CED also held events across the country to strengthen the integrity of state courts and contributed to the passage of reforms that increased government transparency and accountability.



GOVERNANCE

Last year, The Conference Board produced a range of materials on best practices and recommendations for corporate boards and management to fulfill their fiduciary duties, as well as the oversight of business integrity and strategy execution.

A focus on short-term performance may come at the expense of sustainable value creation. Managers of public companies are under constant pressure to meet quarterly guidance and maximize profits, often at the expense of future profitability. Those pressures—driven by activist hedge funds, executive compensation design, quarterly capitalism (a preoccupation with the next earnings report), and changes in capital markets—are likely to increase in the next 10 to 15 years. Our report, *Is Short-Term Behavior Jeopardizing the Future Prosperity of Business?*, examines the increasing pressures organizations face to prioritize immediate financial performance over long-term sustainability and reviews proposed solutions.

Recent hacks of Target, Sony, JP Morgan, and Anthem are dramatic demonstrations of the pain that cyber insecurity can cause to both business operations and reputation. Our report on cyber security makes recommendations to guard against this threat. The report includes best frameworks and reporting structures, what to include on a cyber risk dashboard, and a questionnaire to determine the right balance of resources for good cyber risk governance. The report also features case studies of Fortune 250 companies that have mitigated major cyber risks through a more proactive governance approach.

The Conference Board Governance Center's Committee on Corporate Political Spending released a comprehensive report featuring governance and disclosure considerations for companies engaging in political activity.

Corporate Political Spending (Second Edition): Policies, Practices, Accountability, and Disclosure is available free to the public and is intended to advance the discussion of transparency in political spending.

In 2015, The Conference Board continued its decade-long tradition of providing information and identifying trends on CEO succession and top-executive compensation practices. *CEO Succession Practices: 2015 Edition* includes updates on tenure, age, and the professional backgrounds of departing and incoming CEOs as well as a review of notable leadership turnovers that occurred in the previous 12 months among the S&P 500. Among other things, the study highlights the 2014 decline of disciplinary CEO departures to their lowest level since 2005, in response to improvements in the US economy.

CEO and Executive Compensation Practices: 2015 Edition reviews compensation disclosure across the Russell 3000, updating benchmarks on individual elements of top-executive pay packages such as base salary, annual bonuses, stock options, and other performance-based incentives. The Conference Board is a long-standing provider of analysis in the field, having inaugurated its executive compensation dataset in the 1950s.

By monitoring developments on CEO compensation and succession, The Conference Board fulfills its role of informing the public debate on critical aspects of business performance. Findings from these benchmarking studies were reported in major media outlets, including the *Wall Street Journal*, the *Washington Post*, *MarketWatch*, and *The Economist*.



CONCLUSION

Each of the activities detailed in this report represents our goal of helping the world's leading corporations thrive at the intersection of business performance and societal advancement.

Ensuring our efforts are aligned with our members' priorities is critical to achieving this dual mission. Ensuring that our efforts are effective and have an impact—on the business community and on society—is an aspiration that we endeavor to meet each year.

We hope this report is helpful in describing our work and offers those who benefit from our programs an opportunity to consider how our work could be improved further.

We encourage readers to explore the work of The Conference Board in these areas in greater depth on our website:

www.conferenceboard.org

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