





The Conference Board operates with a unique mission: we equip the world’s leading corporations with the practical knowledge they need to both improve their own performance and 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 the communities in which they operate in more specific and direct ways.

## Public Access

As part of our societal mission, we make a portion of all 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.

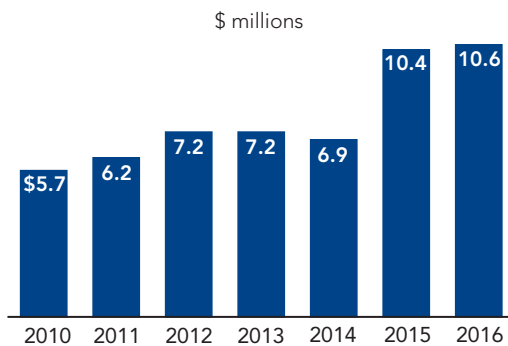
Funding for these activities comes from our 942 member organizations, which we feel obligates us to report regularly and specifically on the programs that support our societal mission. This publication covers the activities that we believe provided a societal benefit in 2016. Its purpose is to inform 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.

## Our Investment in Societal Initiatives

Since 2010, The Conference Board has invested over \$54 million in societal initiatives, hitting new highs the last two years, in which we contributed \$21 million. 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. The significant increase in our investments over the last two years stems from the merger between The Conference Board and the Committee for Economic Development, which took place in 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 sustainable capitalism.

### The Conference Board Investment in Societal Initiatives



Note: The years represented are calendar years.



## Sustainability

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 2016, we released a major report, *The Seven Pillars of Sustainability Leadership*, which examined practices that senior executives identify as most indicative of leadership in corporate sustainability. The report provides background and context for seven top practices and offers practical examples from companies that apply them. Because it focuses on a prioritized list of practices, the report can serve as a guide to help business leaders direct their sustainability efforts where they are most impactful and ultimately enable leaders to embed a culture of sustainability leadership within their organizations.

We also released *Sustainability Practices: 2016 Edition*, and the accompanying *Sustainability Practices Dashboard*, a web-based intelligence tool that captures data on 75 environmental and social practices of companies in the S&P Global 1200 and segments results by market index, geography, sector, and revenue group. This release represents the fourth update to the sustainability benchmarking report, first launched in 2012. The key findings are [available to the public free of charge](#).

The recent transformation of the electric power sector to reduce greenhouse gases presents a policy challenge for East and South Asia. Competitively priced electric power generation is vital to developing the economy, erasing poverty, and improving living conditions in the region. Yet it is dominated by power plants operating on thermal coal, producing the most greenhouse gas emissions of any energy source. Our report

on *Transforming Electric Power Generation for a Low-Carbon Environment* examines the implications of a coal-based energy future in the region. Additional publications from the China Center for Economics and Business also provide details on significant developments in the region, including the growing importance of sustainability reporting in China and an overview of China's national green policy targets.

Throughout the year, we publicly disseminated key findings from our various reports through the *Fact of the Week* series, reaching an audience of over 80,000 individuals. The series featured data and analysis from reports in the Corporate Leadership practice. We also held several webcasts on topics related to sustainability, including "Human Trafficking: Modern-Day Slavery in Global Supply Chains," "Championing Sustainability from the C-suite: A Key Pillar of Sustainability Leadership," "Board Oversight: A Key Pillar of Sustainability Leadership," and "CEO Challenge 2016: Sustainability, Customer Relationships & Corporate Brand."

In addition to research and webcasts, last year we hosted our 15th Annual Sustainability Summit in New York. Participants discussed the role of business in building a global sustainable infrastructure, the financial and competitive advantage of sustainability, and business opportunities and key priorities in embracing the sustainable development goals. These and other topics were also discussed among various councils, including Sustainability Council I – Strategy & Implementation, Sustainability Council II – Innovation & Growth, Chief EH&S Officers' Council, and the European Corporate Responsibility and Sustainability Council.



## Corporate Philanthropy

Our research and programs on corporate philanthropy address the need for knowledge and peer learning experience in the field. Our mission is to assist the business community in integrating philanthropy, corporate citizenship, and sustainability into a cohesive strategy where the company fully leverages its relations with a wide array of stakeholders.

Through our [Giving Thoughts Series](#), we explored how corporate philanthropy can encourage a longer-term perspective. We benchmarked ways in which companies are speaking out on social issues, as employees, customers, and other stakeholders begin to demand they take a position on issues such as gender identity, human rights, racial discrimination, and same-sex marriage.

Our [Giving Thoughts Blog](#) examined issues such as nonprofit board governance, nonprofit regulation in China, the corporate response to the United Nations' Sustainable Development Goals, and how companies are supporting social entrepreneurs in Asia, among other topics.

In 2016, we initiated a partnership with Americans for the Arts to benchmark corporate contributions to the arts. We conducted the survey in 2016 and will publish the results in 2017. The partnership will allow US companies of all sizes to understand how their peers are contributing to the arts community through cash, in-kind donations, and sponsorships. In addition, the report will examine how companies are trying to measure those contributions, and the business and community impact of their support. The report will include interviews with a range of businesses to understand more deeply the motivations for supporting the arts.

## Communication and Digital Transformation

Digital transformation presents a new set of challenges to the global economy and companies worldwide. Four hundred senior executives in Europe gathered last fall in Brussels to examine digital transformation's impact on leadership, business, society, innovation, and productivity at [the Future of Digital Transformation and Innovation Conference](#). Speakers included representatives from the European Commission, Intel, Boston Consulting, Solvay, and many more. Different working groups discussed a variety of topics, such as how work will change as we digitalize the workplace, leadership in a digital age, data security and privacy, the cashless society, and the growth of fintech.

Our merger with the Society for New Communications Research (SNCR) provided a permanent home to an important nonprofit that has been at the forefront of research into social media and other digital technologies since 2005. As part of The Conference Board, SNCR now has the opportunity to expand its research output and to grow its purview globally by, for example, engaging experts in Europe and Asia-Pacific. SNCR published several reports last year, including *SNCR 2020: Exploring New Communications Tools and Technologies*. This online publication, which addresses how companies are using digital technologies to transform business and society, is [available to the general public](#).



## 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 2016, we published a major report on *Inclusion + Innovation: Leveraging Diversity of Thought to Generate Business Growth*. Building a diverse workforce is one thing. Cultivating an inclusive culture that actively encourages people to express their unique perspectives—that is, an organization where “diversity of thought” consistently sparks innovation—is far more challenging. The report is based on a global survey of nearly 200 senior executives responsible for either innovation or diversity & inclusion, and also includes case studies from four leading companies: Kaiser Permanente, DBS Bank LTD, Saint-Gobain Performance Plastics, and AT&T. The report finds that highly inclusive companies are more likely to have a track record of continual innovation and outperform less diverse organizations. Our research confirms that inclusion and innovation are related. The most innovative companies are more than twice as likely (50 percent) as less innovative companies (19 percent) to describe their organization as highly inclusive.

In conjunction with RW2 Enterprises and Development Dimensions International, we also released a major report on leadership, *Divergent Views/Common Ground: The Leadership Perspectives of C-suite Executives and Millennial Leaders*. Ronald A. Williams, president and CEO of RW2 Enterprises and a vice chair of The Conference Board, was instrumental in leading this project. The findings result from interviews, surveys, and focus groups with millennial leaders and CEOs from 14 leading organizations. In the eyes of millennial leaders, a future leader succeeds globally

through adeptness at the interpersonal and interaction facets of leadership, while CEOs see an ideal future leader as one who focuses more on efficient decision making and business know-how.

*The Engagement Institute™ Annual Summit* convened over 100 leaders from different industries to discuss critical business issues, including how organizations can lead engagement efforts to foster enriched communities and achieve greater social impact. Business leaders from major companies, including Quicken Loans, JPMorgan Chase, IBM, The Dow Chemical Company, Medtronic, General Motors, Blue Cross Blue Shield of Michigan, Hewlett Packard Enterprise, VMware Foundation, and Johnson & Johnson, discussed how their organizations redefined their approach to engage employees for social good and shared value, and the benefits each stakeholder community gained from these engagement initiatives.

## Education

Improving education continued to be a focus of our work at the Committee for Economic Development (CED), 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.

Recognizing the link between a strong economy and a strong educational upbringing, CED launched an early learning podcast series, *Conversations on Advancing Early Learning*, featuring business and policy leaders discussing solutions to increase access and quality. High-quality child care and pre-K programs are not just essential to the healthy development and school readiness of young children, they are vital to the nation’s economy. Unfortunately, too many programs





today lack the necessary elements for children to realize their full educational (and later workforce) potential. Also, early learning still remains out of reach for millions, particularly children in underserved communities.

Economic inequality and opportunity are widespread, yet the current debate is often characterized more by partisan acrimony than thoughtful solutions. In this polarized environment, CED convened business leaders of all political persuasions to produce *Tackling Economic Inequality, Boosting Opportunity*, which details the causes of inequality and the keys to mitigating it through policies that promote equality of opportunity. The recommendations outlined in the report reflect a consensus achieved through respectful dialogue among CED members, who began from diverse perspectives reflecting all parts of the business community. The proposed reforms—which span from health care to taxation to higher education—provide a framework for long- and short-term change in the private sector and at all levels of government.

## Health Care

Health care continues to hold a top slot on US business agendas. All aspects of health care are in flux, and rising costs pose a significant business risk. In March, more than 2,200 participants attended The Conference Board Employee Health Care Conferences in New York and San Diego. Attendance increased 34 percent over the prior year, due in part to the wide range of companies participating and the uncertainty surrounding the future of the Affordable Care Act.

Medicare reform was largely ignored during the 2016 election campaigns, but CED made this important issue front and center in *Modernizing Medicare*. The report details how the program's current structure poses a major hurdle to providing affordable, quality health care to America's seniors and features a multi-step plan for improving the system to benefit both seniors and the nation's balance sheets.

Last year, The Conference Board also sponsored a roundtable on *Wellbeing and Resilience in the Workplace*, hosted by the Royal Bank of Scotland in London. The event was conducted in an effort to share experiences and insights into what companies can do to break the stigma associated with mental health, develop resilient employees, and support those who are ill.

## Fiscal Health

As the federal debt continued to escalate, CED produced a range of research geared toward putting the nation on a sustainable fiscal path.

CED's report, *The Federal Budget Deficit and the Public Debt*, details three issues that bear most responsibility for the nation's growing financial risk: demographic pressures, rising health care costs, and the power of compound interest. For consideration by the White House administration and Congress, the report features several solutions, all of which came from the bipartisan group of business leaders that composes CED's Fiscal Health Subcommittee.



## Economic Research

Each year, a portion of the societal investments of The Conference Board supports our economic research. Our indexes, forecasts, and projections help business leaders, policy makers, and practitioners understand and anticipate economic shifts and developments that have a significant impact on society. Our economic data and thought leaders are regularly featured in major media outlets including Bloomberg, CNBC, *Financial Times*, *Wall Street Journal*, Marketwatch, and CBS Radio.

The Conference Board produces several barometers of consumer and business confidence, including the widely quoted **Consumer Confidence Index®**. We provide economic indicators for the world's major economies. **The Conference Board Leading Economic Index®**(LEI) series includes 12 countries and the Euro Area, which together represent more than two-thirds of global GDP. The Conference Board Global Economic Outlook provides projections for short-, medium-, and long-term output growth of the world economy, including 11 major regions and individual estimates for 33 mature and 32 emerging market economies, the main results of which are also [available to the public](#). In the area of labor markets, **The Conference Board Employment Trends Index™** (ETI) and **The Conference Board Help Wanted OnLine®**(HWOL) data series provide critical information on supply and demand aspects of the labor market.

The Conference Board was the recipient of Consensus Economics' 2016 Forecast Accuracy Award for the United States, competing with the most prestigious private and public organizations forecasting the growth

of the economy. To determine the winning US forecast, Consensus Economics compared the 2016 GDP and Consumer Price forecasts between January 2015 and December 2016 to the officially reported data.

In addition to high-frequency economic information, The Conference Board also provides several large datasets with global metrics in the area of labor market and productivity. The **International Labor Comparisons (ILC) program** provides data on the labor force, wages and compensation, and productivity and unit labor costs that enable business, academic researchers, and policy makers to assess the relative health of labor markets worldwide and the competitiveness of manufacturing sectors across 38 countries. The **Total Economy Database™** features international comparisons of the trends and sources of economic growth and productivity, including data for over 120 countries on levels and growth rates of GDP, labor productivity, employment, and hours worked, which are available to the public.

Throughout 2016, our **Economy & Business Environment Blog** continued to feature insights and analysis on trending economic issues from senior thought leaders. Individual posts addressed topics such as weak inflation, trends in employment and earnings, the predictive power of consumer confidence, economic growth, productivity, the New Digital Economy, and the economic impact of political developments such as Brexit and the Italian referendum. In The Conference Board *Insight Minute* video series, our economists distilled complex economic trends into



applicable takeaways for business and policy leaders. Our thought leaders also analyzed emerging markets and political developments in various blogs and opinion columns, as well as in Facebook Live broadcasts.

The Demand Institute, a nonadvocacy, nonprofit think tank jointly operated by The Conference Board and Nielsen, founded [Project 8](#) with the UN Foundation. Project 8 is a global, digital information community where people come together to share, compare, analyze, and discuss data and perspectives on sustainable development and evolving human needs. Now in its second year since the launch of the beta platform, Project 8 continues to gather support and extend its reach, attracting an equivalent of US\$5.5 million in technology grants from current and new partners. Project 8 partners with the US Department of State, Office of Food Security, as it recently became part of its Diplomacy Lab initiative, working with the University of Indiana. Project 8 is also involved with the UN Statistics Office as they work on building a global big data platform.

## Sustainable Capitalism

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

CED's commitment to sustaining capitalism is evident in all its research and outreach. CED operates based on the underlying belief that addressing the US economic system's challenges through a nonpartisan lens will ultimately strengthen the system for all.

CED's book, [Sustaining Capitalism: Bipartisan Solutions to Restore Trust & Prosperity](#), synthesized years of research on these topics. Released in early 2017, the book lays out a clear plan for how business and policy leaders can generate prosperity for all and make

capitalism sustainable for generations to come. Globalization, for example, has generated immense prosperity. At the same time, however, it has reduced demand for many skills and jobs while elevating others. To fully capture the opportunities of globalization while avoiding its costs, business leaders must voice their support for trade and immigration reform. They must advocate policies that support workers and communities caught in the transitions inherent in globalization and rapid technological change.

In 2016, CED continued its commitment to making the US campaign finance systems work better for all through efforts geared toward all levels of government. In Chicago and New Mexico, CED polls of regional business leaders showed widespread agreement that crony capitalism damages both our economy and democracy, along with support for comprehensive reform. On the national level, CED surprised conventional thinking with analysis of new data showing that, in the post-*Citizens United* era, most corporations are not contributing directly to candidates, and very few are contributing to Super PACs. The *Wall Street Journal* spotlighted the data in a feature article on the topic.

## Governance

Last year, The Conference Board published best practices and recommendations to corporate management and boards on societal issues ranging from board diversity to disclosure of corporate political spending.

CED continued to advance women in leadership through its *Every Other One* initiative, which urges companies to fill every other open board seat with a woman. As part of the outreach campaign, nearly 40 "ambassadors" held peer-to-peer conversations with board decision makers about the barriers and opportunities for placing more women on boards. The findings from those





conversations were featured in a CED report that details voluntary, company-led solutions for making progress. CED briefed US lawmakers and legislative aides on Capitol Hill regarding the findings, and participated in symposiums held by the Women's Forum of New York and the Johns Hopkins School of Advanced International Studies.

Corporate political spending has engendered significant partisan conflict. The Committee on Corporate Political Spending of The Conference Board Governance Center convened a meeting in Washington, DC, on the *Varied Views on Corporate Political Spending from Main Street to Wall Street and in Between* that was attended by two current commissioners from the US Federal Election Commission.

Outside the United States, we launched *The Directors' Collective*<sup>™</sup> in India, followed by the release of a major handbook for directors, general counsels, and company secretaries working to adapt to rapid developments in regulatory and corporate practice in the wake of India's adoption of The Companies Act 2013. The most comprehensive and up-to-date reference tool of its kind, the *Handbook on Corporate Governance in India: Legal Standards and Board Practices*, reviews all the legal and regulatory standards applicable to today's corporate boards, from their composition to their activities. It places recently introduced legal requirements in the context of India's unique business-ownership structures and its history of corporate governance reforms.

## 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](http://www.conferenceboard.org)

[www.conferenceboard.org](http://www.conferenceboard.org)

**THE CONFERENCE BOARD, INC.**

**AMERICAS**

+1 212 759 0900

[customer.service@conferenceboard.org](mailto:customer.service@conferenceboard.org)

**ASIA**

+65 6325 3121

[service.ap@conferenceboard.org](mailto:service.ap@conferenceboard.org)

**EUROPE/AFRICA/MIDDLE EAST**

+32 2 675 54 05

[brussels@conferenceboard.org](mailto:brussels@conferenceboard.org)

**THE COMMITTEE FOR ECONOMIC DEVELOPMENT  
OF THE CONFERENCE BOARD**

+1 202 469 7286

[www.ced.org](http://www.ced.org)

**THE DEMAND INSTITUTE**

A Division of THE CONFERENCE BOARD

+1 212 759 0900

**THE CONFERENCE BOARD OF CANADA**

+1 613 526 3280

[www.conferenceboard.ca](http://www.conferenceboard.ca)