

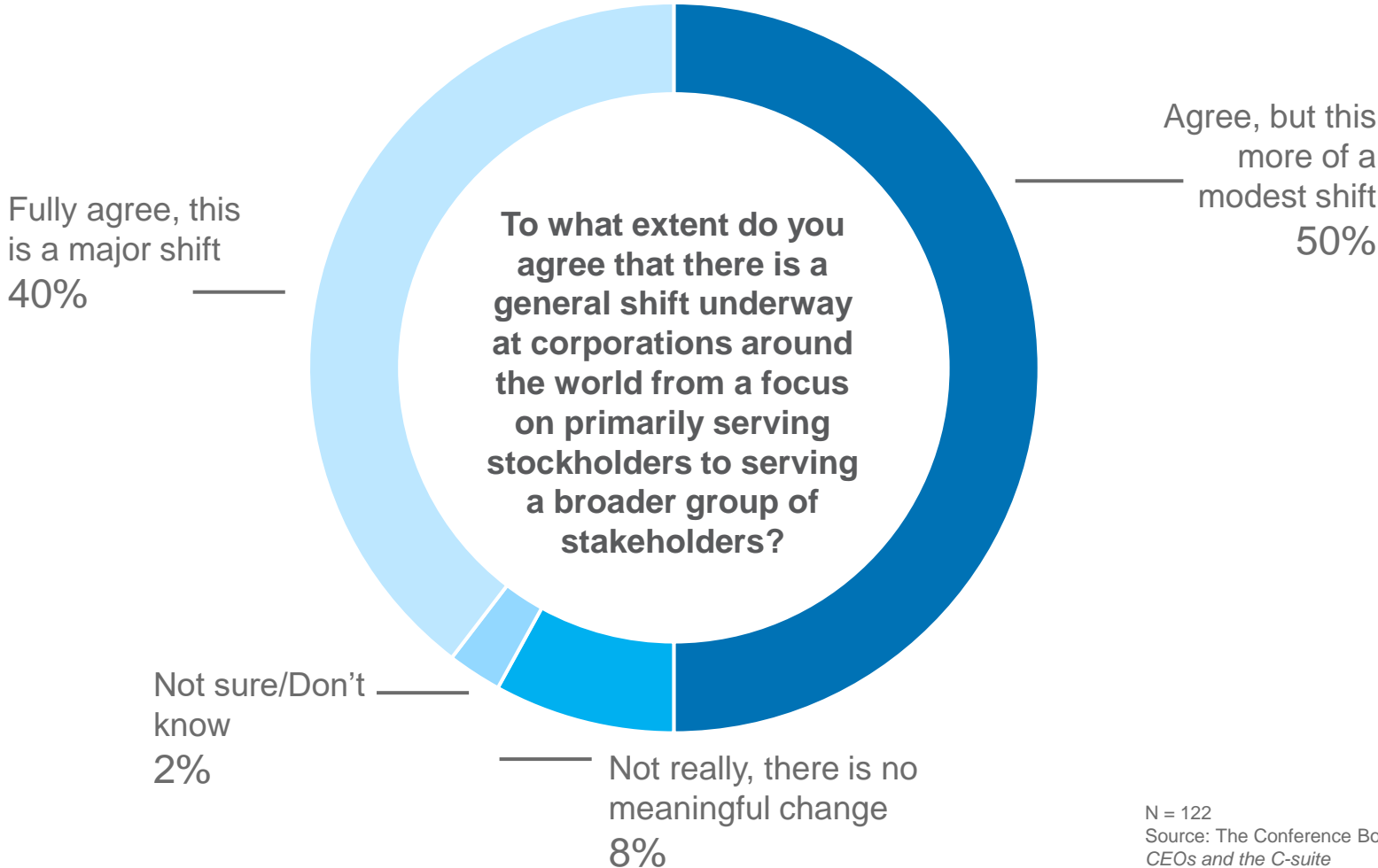
Corporate Citizenship Watch

The Shift Toward Stakeholder Capitalism: What it Means in Practice

February 15, 2022



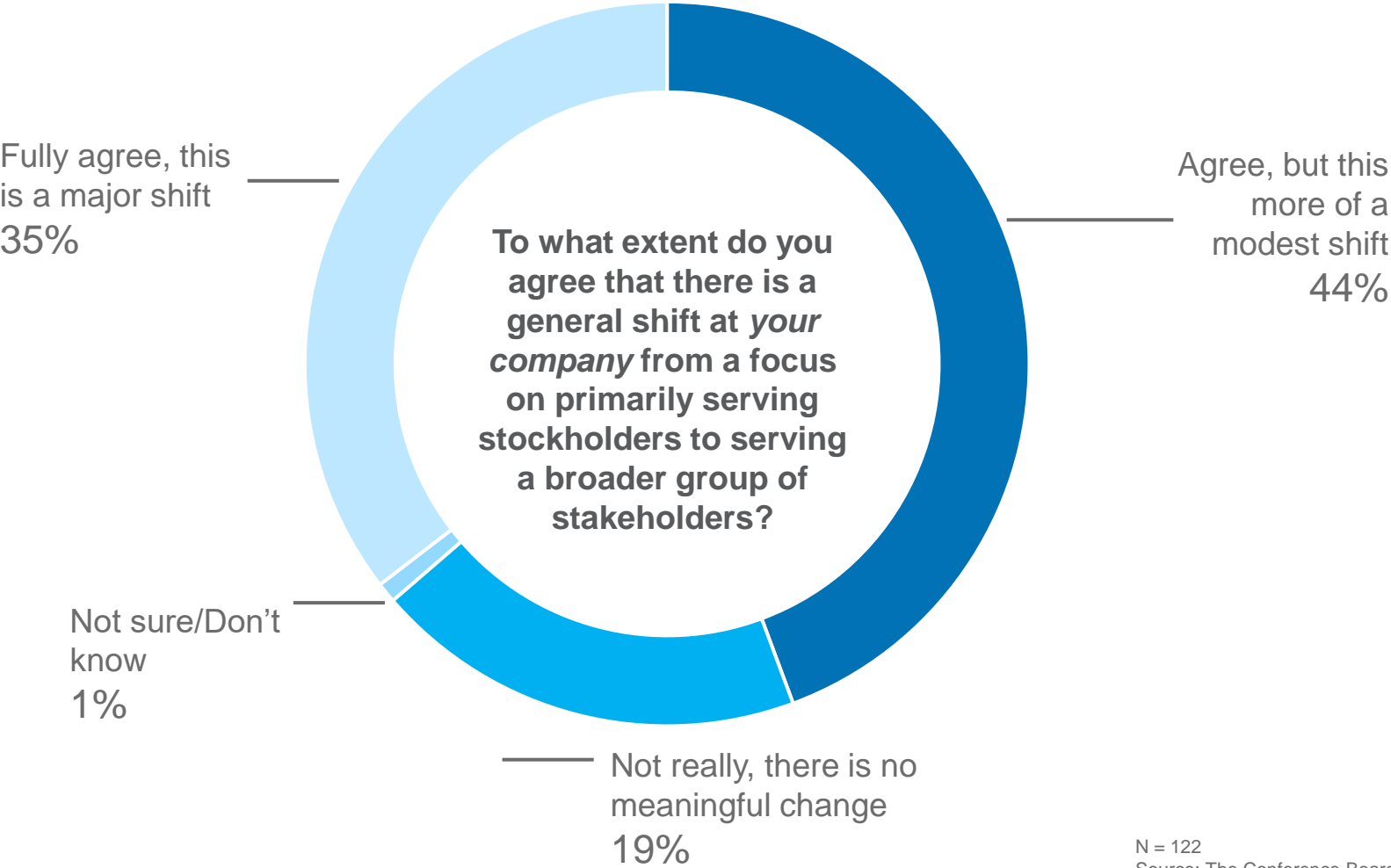
90% of C-suite executives believe the shift to stakeholder capitalism is a significant and durable trend



N = 122
Source: The Conference Board, *Toward Stakeholder Capitalism: What the Shift Means CEOs and the C-suite*



Nearly 80% of executives said it's underway at their company



N = 122
Source: The Conference Board, *Toward Stakeholder Capitalism: What the Shift Means CEOs and the C-suite*



Some of the critical issues we will be addressing today

- Defining Stakeholder Capitalism
- Implications for Board Governance
- Impact on Culture and Corporate Citizenship
- Advice for Boards and CEOs



Today's Speakers



Peter Reali

Managing Director, Head of
Stewardship
Responsible Investing
Nuveen



Jennifer Kim Field

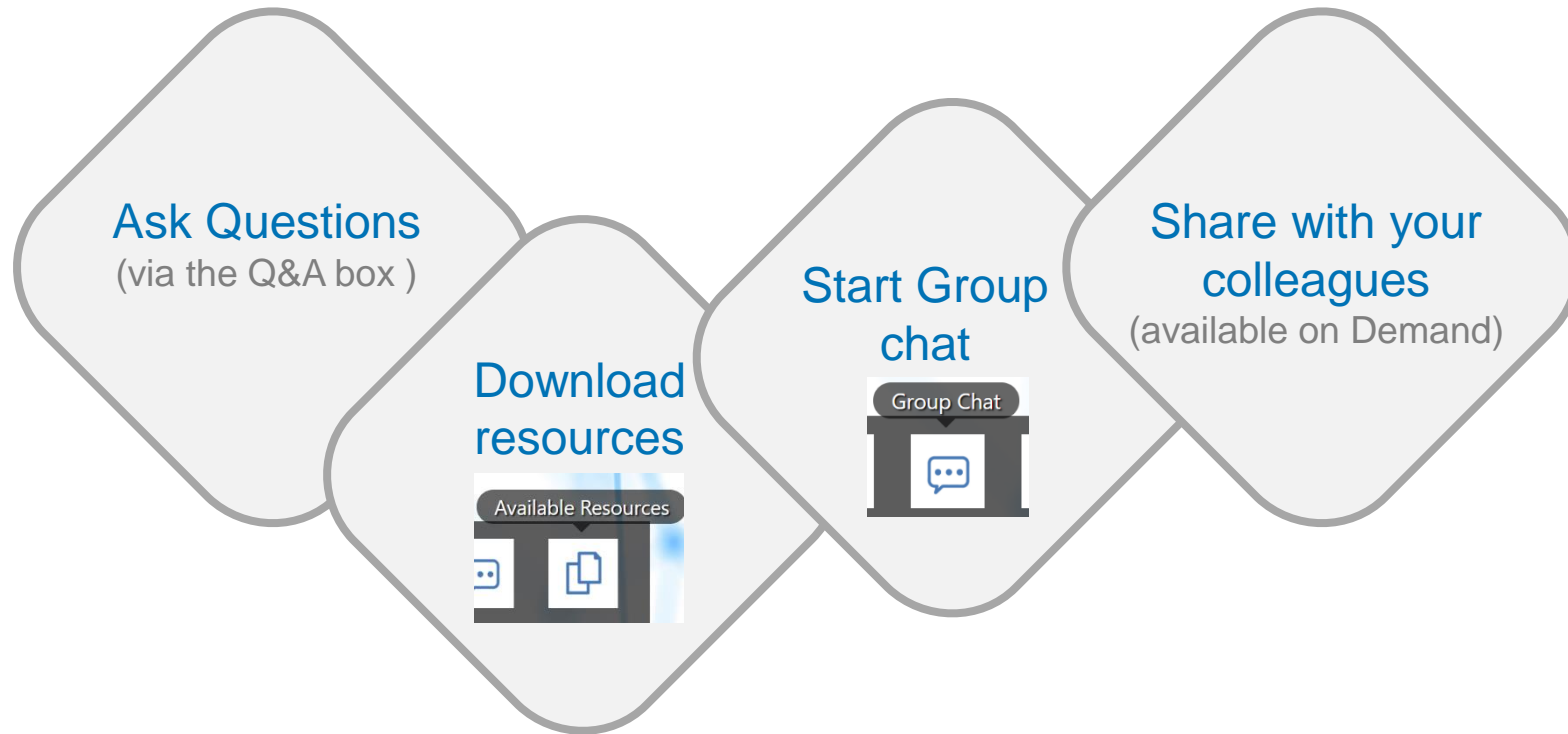
Vice President, Corporate Social
Responsibility, Executive
Director, Henry Schein Cares
Foundation
Walmart



Paul Washington

Executive Director
ESG Center
The Conference Board

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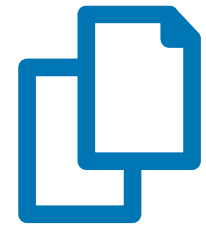
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Discussion

Driving Outcomes Through Stewardship

Driving outcomes through stewardship

Tracking ESG outcomes is an important aspect of our investment stewardship and delivering RI benefits to our clients. As such we have developed a formal framework to capture a range of possible results of our engagement and proxy voting activities.

Once we have identified our targeted initiatives, including major ESG themes such as climate change or diversity, equity and inclusion and universes of companies to target, we institute a three-year escalation strategy. This strategy includes ongoing engagement, but also incorporates support for shareholder proposals and voting against boards of directors to escalate important, financially material issues and drive desired outcomes.



Stewardship activities are utilized to achieve different outcomes that are part of a larger RI strategy to effectively integrate ESG into our investment decisions

Transparency

Consistent, material disclosure that can inform investment analysis

Foundation for establishing ESG oversight, developing ESG commitments and assessing the results of company actions

Accountability

Policies, business strategies, oversight structures and incentives aimed at appropriately managing financially material ESG issues

ESG-related commitments with clear, relevant key performance indicators (KPIs)

Impact

Operational: The measurable results of company policies and practices

Products and services: The measurable results of company products and services for the environment and/or affected individuals and communities



Our Over 30-Year Commitment to Corporate Citizenship: Our Henry Schein ESG Journey

**For three decades,
we have been committed to a purpose-
driven model that engages our 5 key
stakeholders of our
Mosaic of Success to drive sustained,
long-term economic success while also
creating shared value
for society.**



Additional Resources

[The Conference Board C-Suite Outlook 2022: Rest and Reimagine](#) (publication, January 2022)

Conducted annually, our global survey of business executives reveals the biggest challenges they anticipate in the year ahead and their plans for growth. As our survey results show, evolving stakeholder expectations of the role of business in society ranks far above shareholder activism as a factor that CEOs—especially US executives—expect to have an impact on their company in 2022.

[Toward Stakeholder Capitalism: What the Shift Means for CEOs and the C-suite](#) (publication, November 2021)

Nearly 90 percent of C-suite executives surveyed worldwide believe the shift from primarily serving stockholders to serving a broader group of stakeholders is underway, and almost 80 percent say the shift is occurring at their firm. This is according to a new report from The Conference Board that discusses what the shift to stakeholder capitalism means in practice, for CEOs and the C-suite, including Chief Financial Officers, Chief HR Officers, Chief Legal Officers, Chief Marketing Officers, Chief Government Relations Officers, and Chief Communications Officers.

[Organizing for Success in Corporate Sustainability](#) (research report, November 2021)

Organizing for Success in Corporate Sustainability provides valuable benchmarking on how firms in the US and Europe are structuring their management teams to pursue their sustainability strategies. It also offers seven practical insights for how a relatively small sustainability team can drive the integration of sustainability into the business.

[Telling Your Sustainability Story: Overview](#) (publication, August 2021)

The Conference Board convened a working group of over 300 executives from more than 150 companies who met over the span of 10 months to focus on how companies can tell their sustainability stories authentically, reliably, and effectively to multiple constituencies. This report captures the key insights from the working group sessions as well as the survey results. More detailed guidance can be found in the four accompanying practical guides.

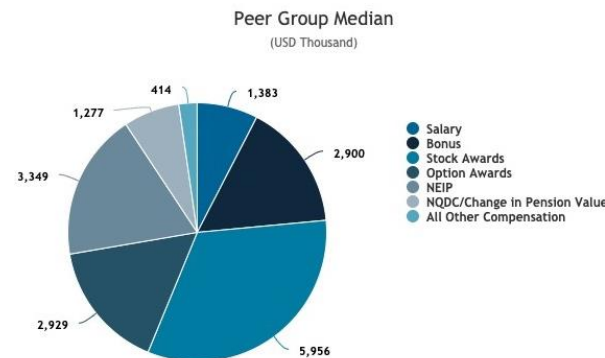


ESG Advantage Benchmarking Platform

The ESG Center serves as a resource, partner, and platform to help our Members address their priorities in corporate governance, sustainability, and citizenship through **trusted, timely, and actionable Insights**.

We now also offer **ESG Advantage** – the most powerful, comprehensive, and affordable ESG benchmarking tool in the marketplace, developed with ESGAUGE Analytics.

- ✓ Director Compensation
- ✓ Executive Compensation
- ✓ Board Composition & Practices
- ✓ CEO Succession
- ✓ ESG Metrics in Compensation
- ✓ Shareholder Voting
- ✓ Environmental Practices (NEW!)
- ✓ HCM & Social Disclosures (NEW!)



- **ESG Advantage** is the only platform that covers the **entire Russell 3000**
- The most comprehensive and powerful data:
 - ✓ **Quantitative and qualitative** data
 - ✓ **Direct links to underlying disclosures**, eliminating the need to go through third-parties
 - ✓ **Real-time data**, added within two weeks of Proxy filings
 - ✓ **Easy and efficient to use** – confidential, customized peer groups, data trend visualizations, and flexible analyses



ESG Advantage Benchmarking Platform

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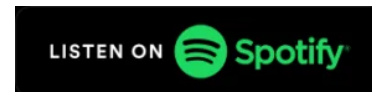


NEW Podcast Series: CEO Perspectives - Insights for What's Ahead™



Hosted by our CEO, **Steve Odland**, this bi-monthly series features in-depth interviews with thought leaders from The Conference Board to provide business executives with data-driven insights to prepare them for what's ahead.

Available on our website at <https://www.conference-board.org/podcasts/ceo-perspectives-podcast> or on most popular podcasting platforms, including:



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Watch this short [video](#) to get started.

