

Sustainability Benchmarking Collaborative

Peer-to-Peer Learning

Webinar #6 – and mid-year “Pulse Check”
June 4, 2019



CORPORATE
SUSTAINABILITY
SCORECARD™

BY HEDSTROM ASSOCIATES

2019 Webinar Game Plan

Q1-2019

January 15
February 5
March 5

Q2-2019

April 9
May 7
June 4

Q3-2019

July 23
August 27
September 17

Q4-2019

October 15
November 12

| | Q1-2019 | Q2-2019 | Q3-2019 | Q4-2019 |
|----------|---|---|---|---|
| Updates | <ul style="list-style-type: none"> Website Updates Analytics Peer Ratings New Excel version | <ul style="list-style-type: none"> Downloadable graphics Completing Scorecard section-by-section | <ul style="list-style-type: none"> Strategic Planning – “Highly Relevant” KSIs Website development: Prioritize & Take Action | <ul style="list-style-type: none"> Participant Status Website Updates Analytics |
| Analysis | <ul style="list-style-type: none"> PG&E Case Study The “G” in ESG | <ul style="list-style-type: none"> Example ‘Pitch Decks’ Engaging peers Member company sharing | <ul style="list-style-type: none"> Example ‘Pitch Decks’ | <ul style="list-style-type: none"> Example ‘Pitch Decks’ |
| Workshop | <ul style="list-style-type: none"> Small breakout group discussions Comparison to External Ratings Using Excel sheet | <ul style="list-style-type: none"> Group discussions Engaging peers to do/update ratings Creating ‘Pitch Deck’ | <ul style="list-style-type: none"> Small breakout group discussions Annual Planning <ul style="list-style-type: none"> – Priority KSIs – Action Planning | <ul style="list-style-type: none"> Small breakout group discussions Annual Planning <ul style="list-style-type: none"> – Priority KSIs – Action Planning |

Agenda

- **Quick Introductions (5 minutes)**
- **Breakout Groups: Spreading the Word (15 minutes)**
- **Latest Website Developments (5 minutes)**
- **Member Update: *Kohler* (10 minutes)**
- **Workshop Discussion (15 minutes)**
 - Updating your Company Scorecard
 - Assigning “Highly Relevant”
 - Preparing the “Pitch Deck”
- **What’s Next (5 minutes)**

Hedstrom Associates

Webinar Participants: Quick Introductions

| Company | Participant | Completed Scorecard | Highly Relevant KSIs? | Past Webs | Planned Next Step |
|--------------------|-----------------------------|---------------------|-----------------------|-----------|-------------------------------|
| • Apex Tool | Kihoon Lee | 2019 | No | Yes | Engage Peers |
| • Ashland | Nicole Voss | 2018 | Yes | Yes | 2019 Update |
| • Dow | Mark Weick | (Pending) | ---- | Yes | Initial Scorecard |
| • DTE | Greg Ryan | 2018, 2019 | Yes | Yes | Updating Now |
| • Eaton | Jon Newton | 2018 | (A few) | Yes | 2019 Update |
| • Fluor | Nancy Kralik | 2018 | (A few) | Yes | 2019 Update |
| • Kohler | Brigitte Dillman-Cruze | 2018, 2019 | Yes | Yes | Engage peers |
| • Lilly | Julie Delp | 2018 | --- | No | 2019 Update |
| • Marriott | Claire Cutting | 2018, 2019 | Yes | Yes | Engage peers & Act on Results |
| • Medtronic | Ginny Cassidy | 2018, 2019 | Yes | Yes | Leverage Results |
| • Momentive | Roger Bowman Amy Pressly | (Pending) | --- | Yes | Initial Scorecard |

Gib's Recent Activity:

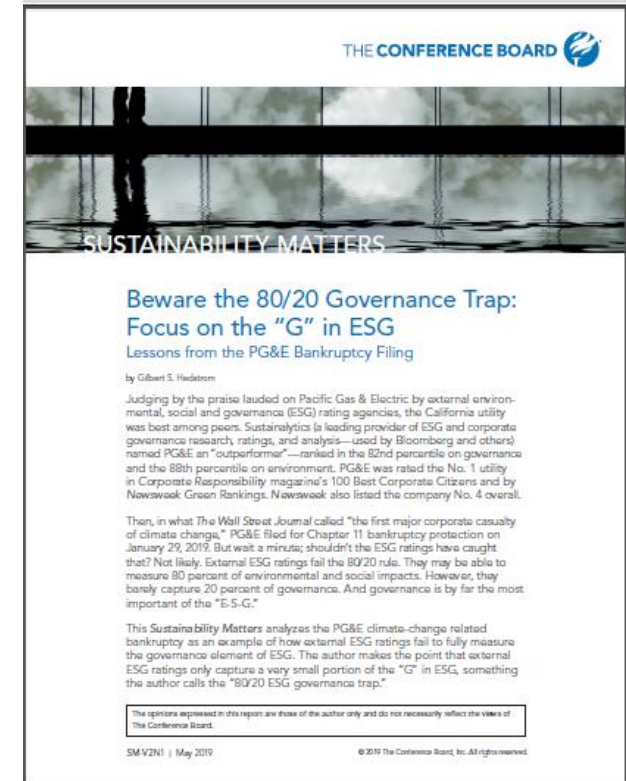
The Conference Board:

- TCB Global Sustainability Centre
- PSRA Council: Update data (or create new Scorecard data) related to product stewardship – prior to fall 2019 meeting
- Discussions re ESG benchmarking

Other Industry Groups:

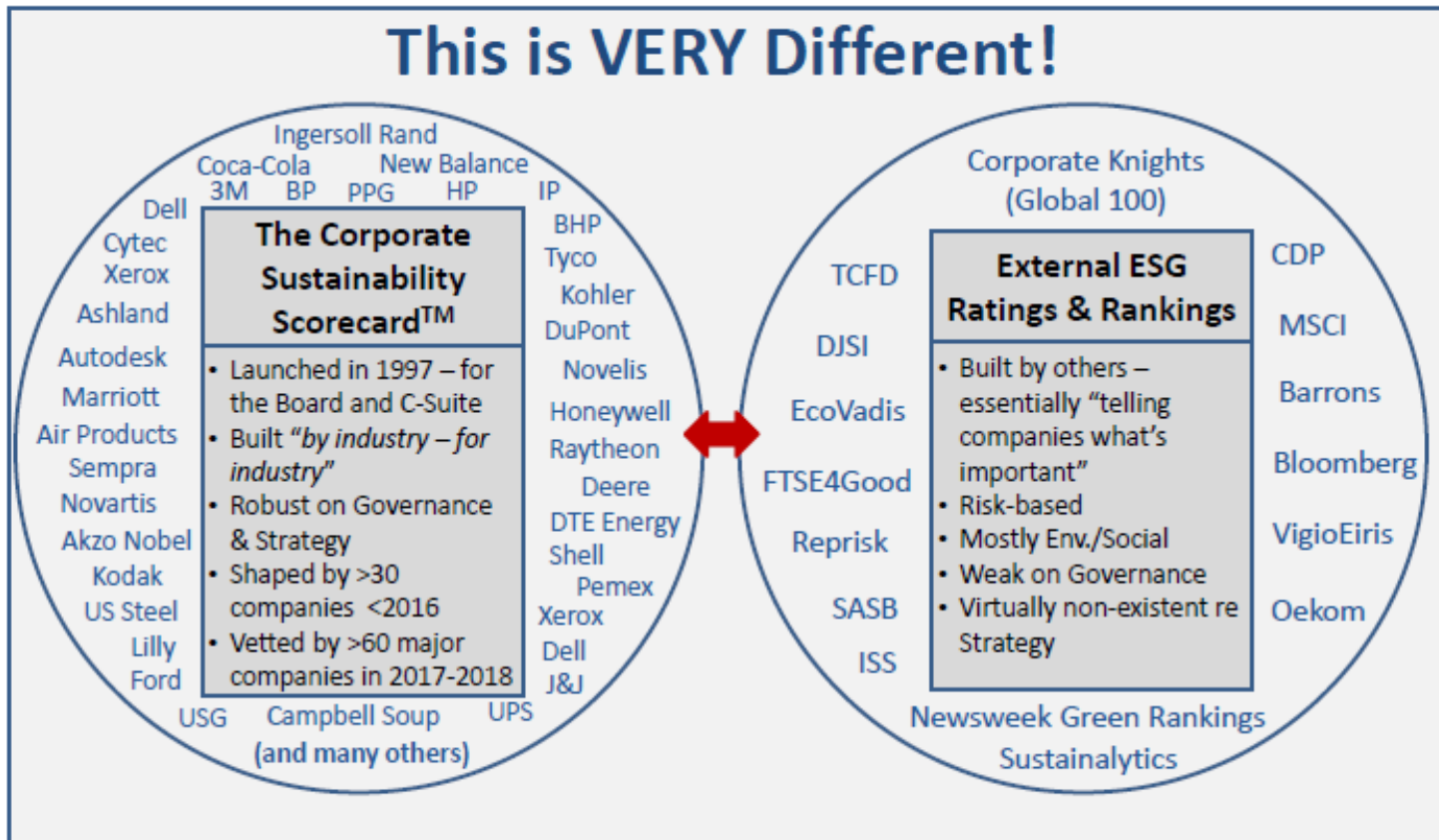
- WBCSD
 - WEC
 - WHC
 - GEMI
 - NACD
- Gib has had ongoing conversations with these industry groups – all of which are very interested in the Corporate Sustainability Scorecard. The emerging collaboration:
- They encourage members to use the Scorecard
 - Gib and team provide tailored analytics for the groups to use in meetings, etc.

May 2019



A Reminder: Why This Scorecard?

- By Industry – For Industry
- The 80/20 Trap (Can't rely on external ESG ratings)



Mid-year pulse check...

How do we spark growing interest in the Scorecard?

Head Winds

- Bandwidth: Competing priorities
- Desire for + external ESG ratings
- Yikes - Rate the CEO and Board
- Others?
 - Log-in credentials?
 - Getting started?
 - ???

Tail Winds

- Growing questions re ESG
- “How do we stack up?” (showing rainbow charts, etc.)
- Maturity guide
- Engaging cross-functional peers inside company
- Conference Board 80/20



Small Group Discussions: What can we collectively do to grow the pool of companies using the Scorecard?

Results from Breakout Groups...

How do we spark growing interest in the Scorecard?

- **Easier Entry Point:** Make it easier for new companies to get started
- **Quick Start:** Cut down level of effort to:
 - Get up to speed
 - Do an initial (can be partial) company assessment
- **Q3-Q4:** Encourage companies to do/update Scorecard 2nd half of year (Q1 and Q2 are busy with reporting, DJSI, CDP, etc.)
- **Show End Result:** Examples of how companies use results:
 - To convince management of the value
 - To see how a peer company stacks up
 - To see the “next frontier” of where leading companies are heading (re ESG)

Website Updates

- **Downloadable Graphics and Report**
 - Added Summary “Bubble Chart” to Rainbow Charts, Bar Charts, “Highly Relevant”
 - Bar charts – enhance images (colors, font size, etc.)
 - Go to “Edit a Self-Assessment” or “Prioritize and Take Action” - click on REPORT
- **Getting Started**
 - Submit Scorecard by Section
 - Quick demo re instructions
- **Coming Next Few Months**
 - Enhancements to KSI bar charts (view Stage 1-4 rating criteria)
 - Greater access to Best Practices (wealth of information few people see)
 - Excel Sheet Uploading
 - 2019 KSI Annual update (simplify; streamline; retain integrity of comparisons)

Agenda

- Quick Introductions (5 minutes)
- Breakout Groups: Spreading the Word (15 minutes)
- Latest Website Developments (10 minutes)
- **Member Update: *Kohler* (10 minutes)**
- **Workshop Discussion (15 minutes)**
 - Updating your Company Scorecard
 - Assigning “Highly Relevant”
 - Preparing the “Pitch Deck”
- **What’s Next (5 minutes)**

Hedstrom Associates

Member Update: Kohler



KOHLER®





KOHLER®



HEADQUARTERS

KOHLER, WISCONSIN



FOUNDED IN 1873

ONE OF AMERICA'S OLDEST
AND LARGEST PRIVATELY
HELD COMPANIES



LOCATIONS ACROSS SIX CONTINENTS



50+ MANUFACTURING FACILITIES

ACROSS 30+ BRANDS

Background: Kohler & Sustainability Scorecard

Update from Kohler Co.

What was it about the Scorecard that caught Kohler's attention?

- Benchmark our progress against peers/other companies
- Use as self-assessment and strategic planning tool

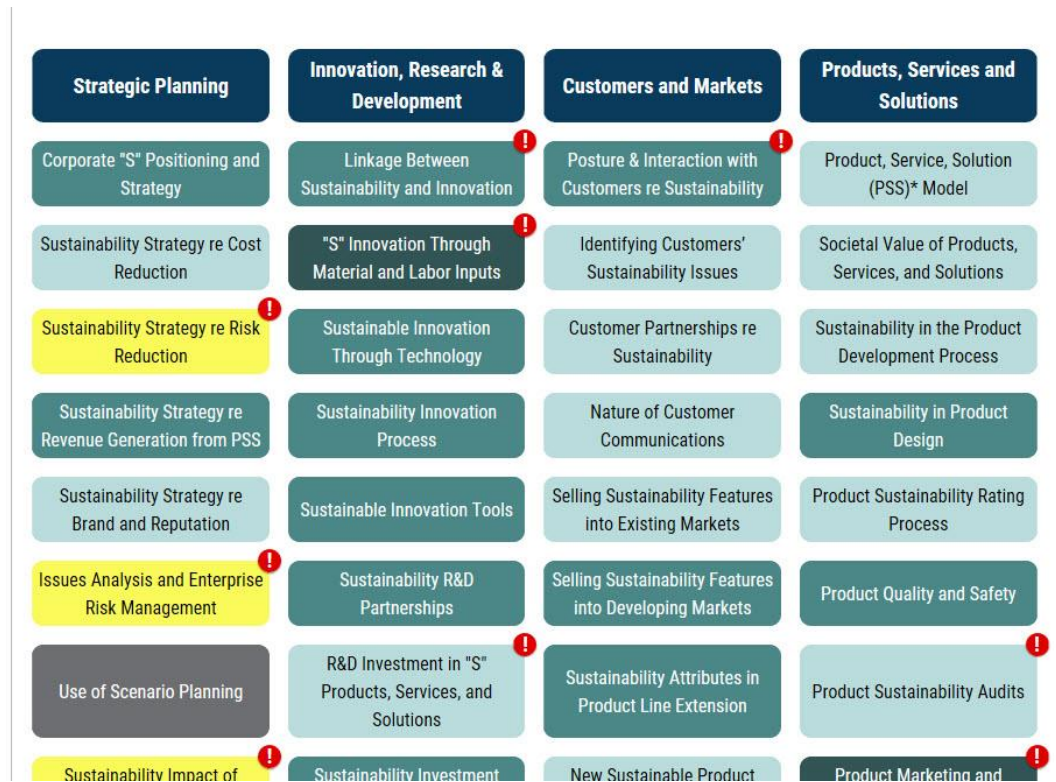
What was your experience doing the initial company self-assessment in 2017-2018?

- Easy to use and update
- Involved the team on specific questions
- NOTE: some questions were not relevant since we are privately held

Update from Kohler...

What about the “highly relevant” items – how did you guys think about that?

- Objective v. Subjective
- Strategic plan
- Ability to edit/flexibility
- Rainbow diagram



Going Forward...

- **Executive communication:**
“How do we measure up?”
- Easy to read graphics with key points
- Focuses the conversation w/o distractions
- Benchmarking with peers, other industry leaders

Future: Pitch Deck!

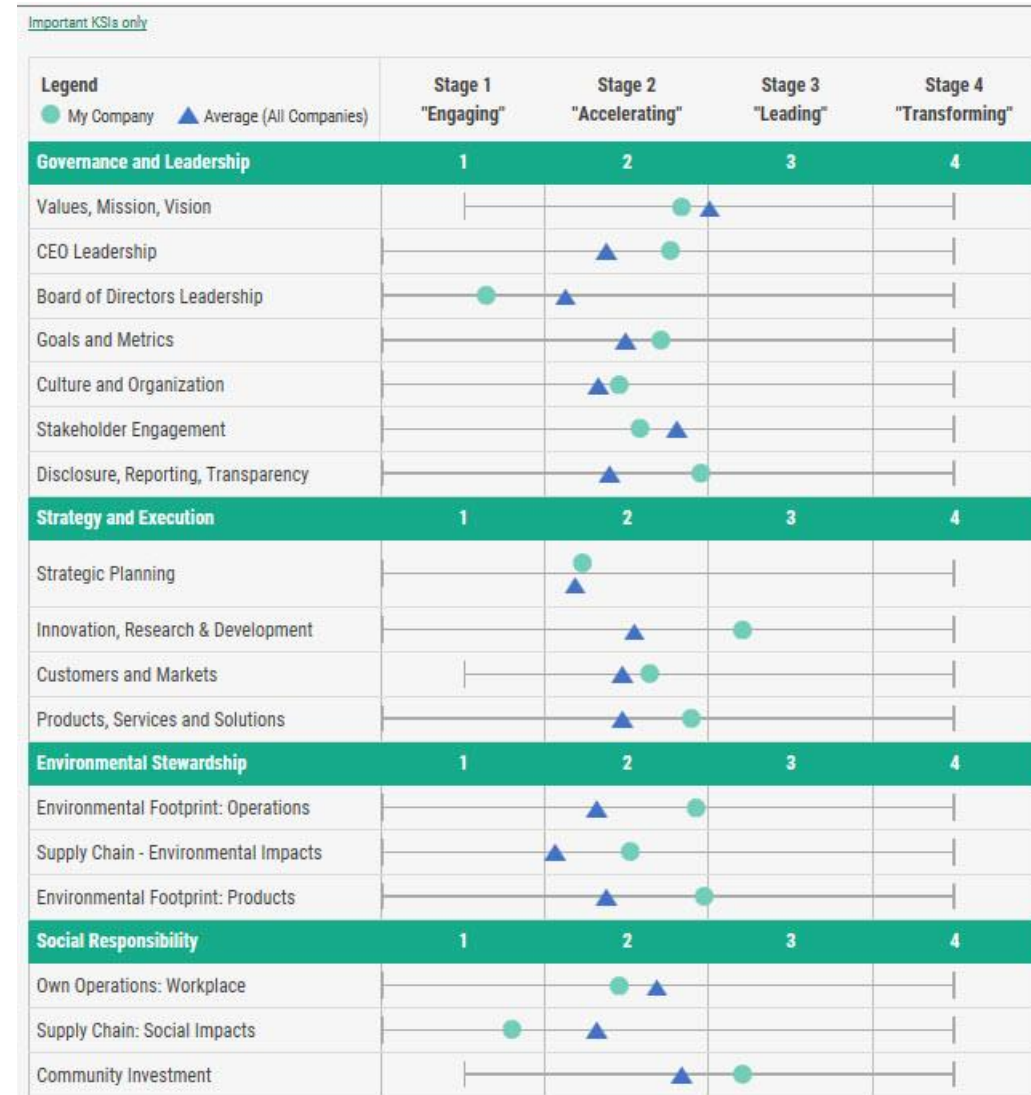
Downloadable graphics for PPT, PDF, etc.



Going Forward...

Use as an Analytic Tool

- SWOT or Materiality exercises
- Self-evaluation: measuring progress & results
- Strategic planning
- Reporting



Agenda

- Quick Introductions (5 minutes)
- Breakout Groups: Spreading the Word (15 minutes)
- Latest Website Developments (10 minutes)
- Member Update: *Kohler* (10 minutes)
- **Q&A and Discussion (15 minutes)**
 - Updating your Company Scorecard
 - Assigning “Highly Relevant”
 - Preparing the “Pitch Deck”
- What’s Next (5 minutes)

Example Pitch Deck

Over the past several months, we have been building an example “pitch deck” based on input from Scorecard participants.

Download latest example from website

Agenda

- Quick Introductions (5 minutes)
- Breakout Groups: Spreading the Word (15 minutes)
- Latest Website Developments (10 minutes)
- Member Update: *Kohler* (10 minutes)
- Q&A and Discussion (15 minutes)
 - Updating your Company Scorecard
 - Assigning “Highly Relevant”
 - Preparing the “Pitch Deck”
- **What’s Next (5 minutes)**

Upcoming Webinars

Mark Your Calendars (all on Tuesday for one hour, starting at 11:00 AM EST).

- July 23**
- August 27**
- September 17**
- October 15**
- November 12**

Actions for All:

1. Updating your Company Self-Assessment: Engaging group of internal peers in updating the ratings
 - Using the Excel sheet
 - Single account vs. several per company
2. Highly Relevant: Flagging ~10-15% (15-25) KSIs
 - Criteria (define vs. leave loose)
 - What next? (See Prioritize and Take Action)
3. Pitch Deck: Creating an internal “pitch deck” to share results with boss and executive team
 - Gib presented latest working example
 - Folks liked it – but said each company needs to create it’s few critical slides.

On behalf of our
Corporate Sustainability Scorecard team:

Thank You!

Please take 3 minutes and send Gib an
email with any comments or suggestions.

Gib Hedstrom

Ben Roberts (Webinar Mechanics and Facilitation)

Scott Sousa (Website Design)

Kelsa Summer and Ruth Shafer (Best Practices Research)