



ESG NAVIGATOR

ENVIRONMENT • SOCIAL • GOVERNANCE

Sustainability Benchmarking Collaborative

Monthly Webinar

August 27, 2020

Agenda

- **Updates** *(10-15 minutes)*
 - Best Practices Library
 - ESG Navigator Performance Maps Pilot
 - Budget Season: October 1 New Join Options
- **Social Metrics and Performance** *(30-35 minutes)*
 - ESG Navigator data
 - **Breakout**: *How is your company rethinking social performance?*
 - ESG Ratings coverage of social metrics
- **September Priorities** *(5 Minutes)*
 - ESG Performance Maps Launch (renew & sign up)
 - Parting Thought: *Time to up our game...*

➤ *What your CEO's are reading...*

Welcome... (final participants)

Company	Pre-Registered
• AB-InBev	Ashwin Kak*
• Cisco	Amanda Cumberland*; Amanda Pinyan*; Heather Darling*
• Coca Cola	Sha Green
• Consumers Energy	Jessica Spagnuolo
• Danaher	Stephen Evanoff; Sargam Saraf
• Duke Energy	Julie Hyde
• Eastman	Jen Creek
• Eaton	Jon Newton
• Ecolab	Kailey Favaro*
• Fluor	Nancy Kralik; Jenna Richards
• GM	Sharon Basel Dan Mitler
• Hexion	Syd Lindquist

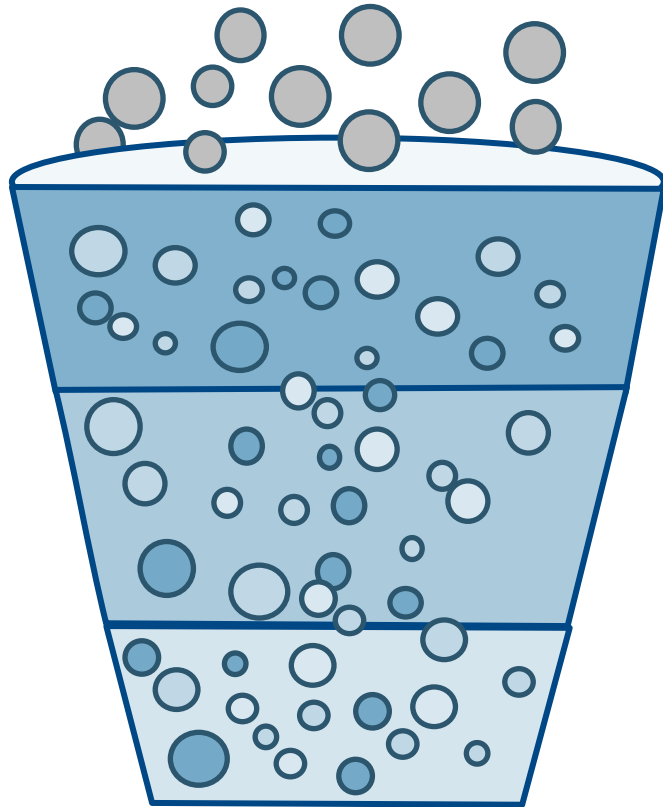
Company	Pre-Registered
• Kohler	Kayla Buszka* Nathan Nissan
• NextEra Energy	Meredith Rollo; Charlotte Anderson
• Northrop Grumman	Stanley Merritt
• Otis	Elise Konover; Terry Robinson
• PPL	Stephen Katz
• Stryker	Erol Odabasi
• SYF	Brian Alexander*
• UPS	Danielle Crownover Ta’Keda Eastern
• Waters Corp	Andrew Pastor*
• Wyndham	Rishi Shah

Shading: Darker = 2018 Founding Member

* First webinar

ESG Navigator is poised to grow significantly – with benefits to Options B and C shaped by you...

State of ESG Navigator



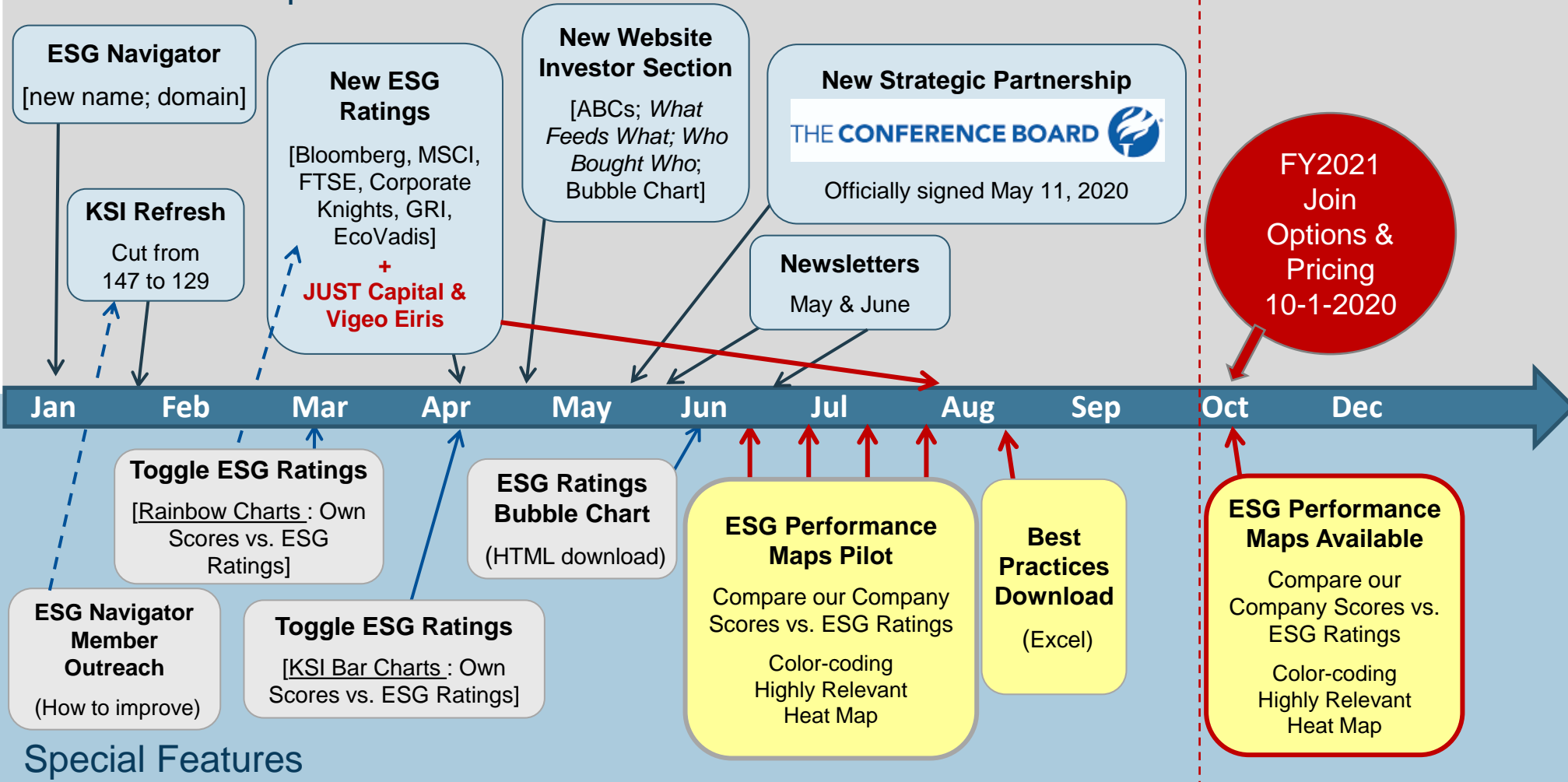
Option B and C Members



Option B and C Members

August 2020 Update

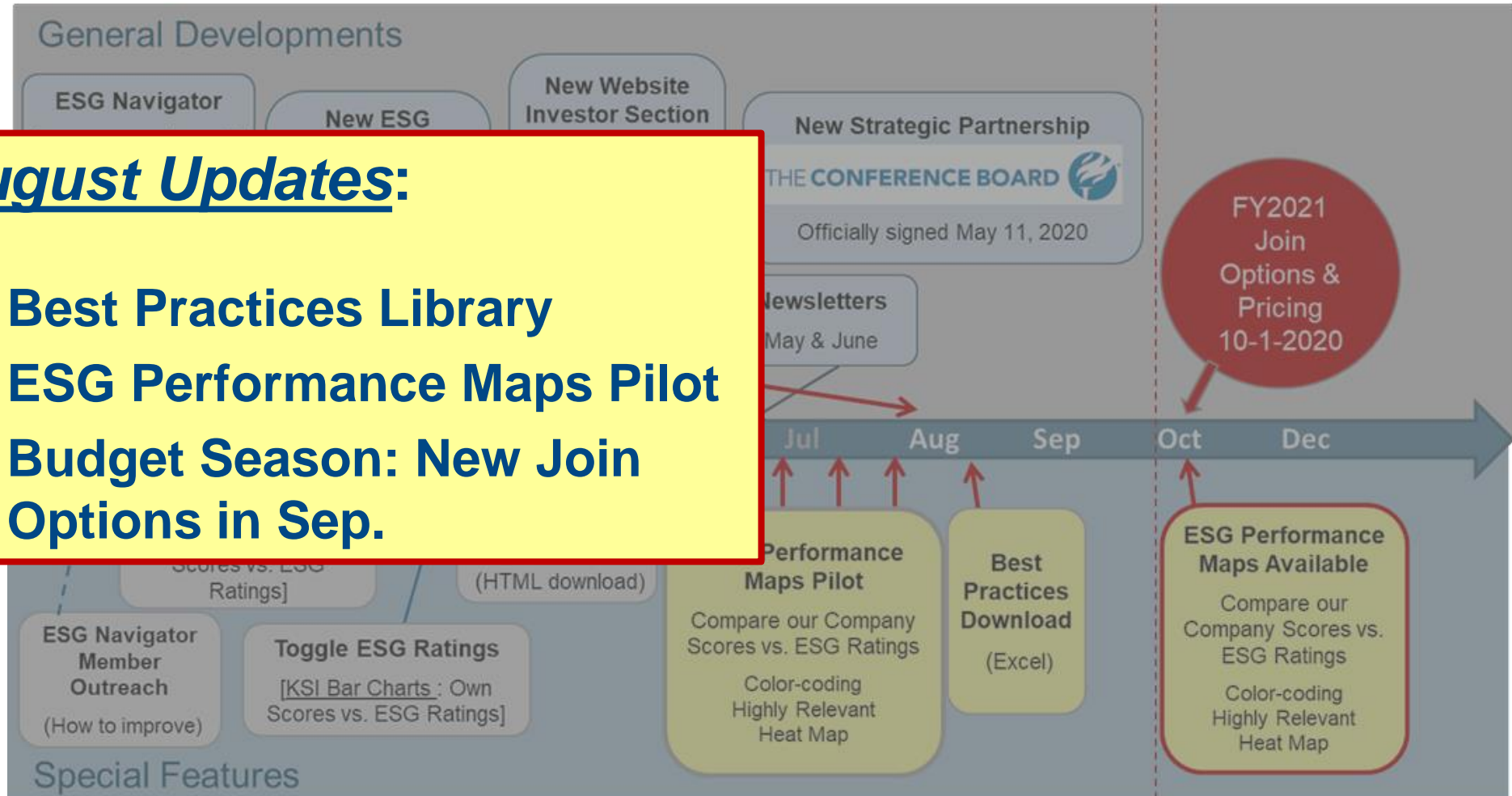
General Developments



August 2020 Update

August Updates:

1. Best Practices Library
2. ESG Performance Maps Pilot
3. Budget Season: New Join Options in Sep.



Over 750 Best Practice examples are now available (Excel) to Option B and C subscribers...

Best Practices

 ESG Navigator ENVIRONMENT • SOCIAL • GOVERNANCE				ESG Navigator - Best Practices Library	
				Current Best Practices on esgnavigator.com -- Comments welcome re additions, changes, deletions	
Section	Element	KS#	KS# Name	Company	Best Practice "Blurb"
Governance	Purpose & Values	1.1	Company Purpose (CEO's View re the Role of Company in Society)	Ecovative	Core mission is to envision, develop, produce and market earth friendly materials to help rid the world of toxic, unsustainable materials.
Governance	Purpose & Values	1.1	Company Purpose (CEO's View re the Role of Company in Society)	Interface	Founder Ray Anderson's vision was to lead the way to the next industrial revolution by becoming the first sustainable corporation, and eventually a restorative enterprise. This led to "Mission Zero [®] promise to eliminate any negative impact the company has on the environment by 2020.
Governance	Purpose & Values	1.1	Company Purpose (CEO's View re the Role of Company in Society)	Neste (Finland)	Facing headwinds and market devaluation in oil refining, transformed the company to develop sustainable sources of energy.
Governance	Purpose & Values	1.1	Company Purpose (CEO's View re the Role of Company in Society)	NRG Energy	Fomer CEO David Crane wanted to "transform our company, our industry and our society...towards a distributed generation-centric, clean energy future featuring individual choice."
Governance	Purpose & Values	1.1	Company Purpose (CEO's View re the Role of Company in Society)	Østed	Known as Danish Oil and Natural Gas until 2017, began a bold transformation in 2009 - reinventing itself as a top-to-bottom renewable energy company.
Governance	Purpose & Values	1.1	Company Purpose (CEO's View re the Role of Company in Society)	Patagonia	Founder Yvon Chouinard aimed to create a profitable company without losing your soul. The company's mission: "Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis."
Governance	Purpose & Values	1.1	Company Purpose (CEO's View re the Role of Company in Society)	Tesla	"Tesla Motors was created to accelerate the advent of sustainable transport." Declared their entire patent portfolio open source to stimulate the adoption and further growth of the electric vehicle market.
Governance	Purpose & Values	1.1	Company Purpose (CEO's View re the Role of Company in Society)	Trane Technologies	Spun off from Ingersoll Rand in early 2020 as a pure-play climate company that creates "efficient and sustainable solutions for buildings, homes, and transportation," with Mike Lamach continuing
Governance	Purpose & Values	1.1	Company Purpose (CEO's View re the Role of Company in Society)	Unilever (NL)	"We cannot close our eyes to the challenges that the world faces. Business must make an explicit and positive contribution to addressing them," says former CEO Paul Polman.
Governance	Purpose & Values	1.1	Company Purpose (CEO's View re the Role of Company in Society)	Waste Management	Former CEO David Steiner transformed the company from a disposal company wanting customers to increase waste- to a services company helping its customers reduce waste.

Over 750 Best Practice examples are now available (Excel) to Option B and C subscribers...

Best Practices

750+ Best Practices – many new; all updated:




(re KSI 1.1 – Company purpose)

Spun off from Ingersoll Rand in early 2020 as a pure-play climate company that creates "efficient and sustainable solutions for buildings, homes, and transportation," with Mike Lamach continuing as CEO.

Gib to Demo

ESG Performance Maps Pilot is nearing completion...

ESG Performance Maps Pilot


Performance Maps

Intro (0) (1) (2) (3) (4) **ABC**
 Basic w/Data Score Mix Heat **Comp (5)**

ESG Ratings Map - Basic

The 'fill' of the circles indicates the extent to which the KSI subject matter is a focus. A filled circle=significant focus, 'Ring'=moderate focus, Empty circle=little or no focus.

KSI	Name	CDP	GRI	SASB	TCFD	BB
1.1	Co. Purpose (CEO's View re Role of Co. in Society)	○	●	○	●	○
1.2	Sust. in Corp. Vision, Mission, Values & Policies	○	●	○	●	○
1.3	Support of Intl. Sust. Charters or Commitments	●	○	○	○	●

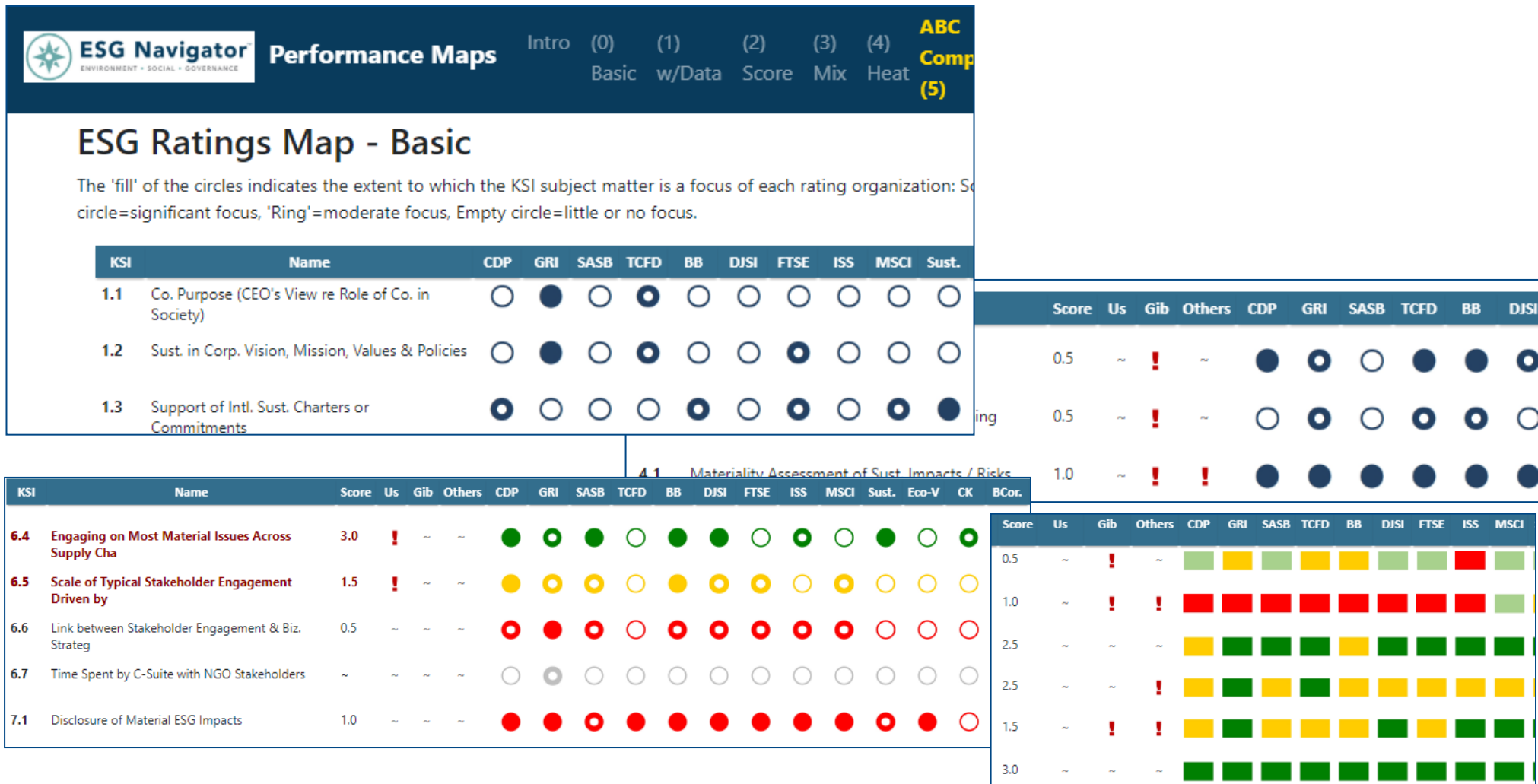
1. How well positioned are we to earn strong ESG ratings?

2. How do we measure and track our performance on the issues ESG raters do not (cannot) address –

- Trane Technologies
- Duke Energy
- PPG
- Stryker
- CMS
- Ashland
- Fluor
- Otis
- PPL
- Cisco
- Eastman
- Sims
- Citi
- IFF
- NextEra
- Eversource
- Wyndham

We have held ~15 demo calls with you to shape this new platform so that it meets your needs...

“By Industry – For Industry”



Now, we are building a summary “Dashboard”...

ESG Performance Maps *Dashboard*

ESG Navigator – Performance Dashboard

KSI average scores:

<u>OVERALL</u>	Governance	Strategy	Social	Environment
2.5	3.0	1.5	3.0	2.0

Positioning (RPC) – Overall:

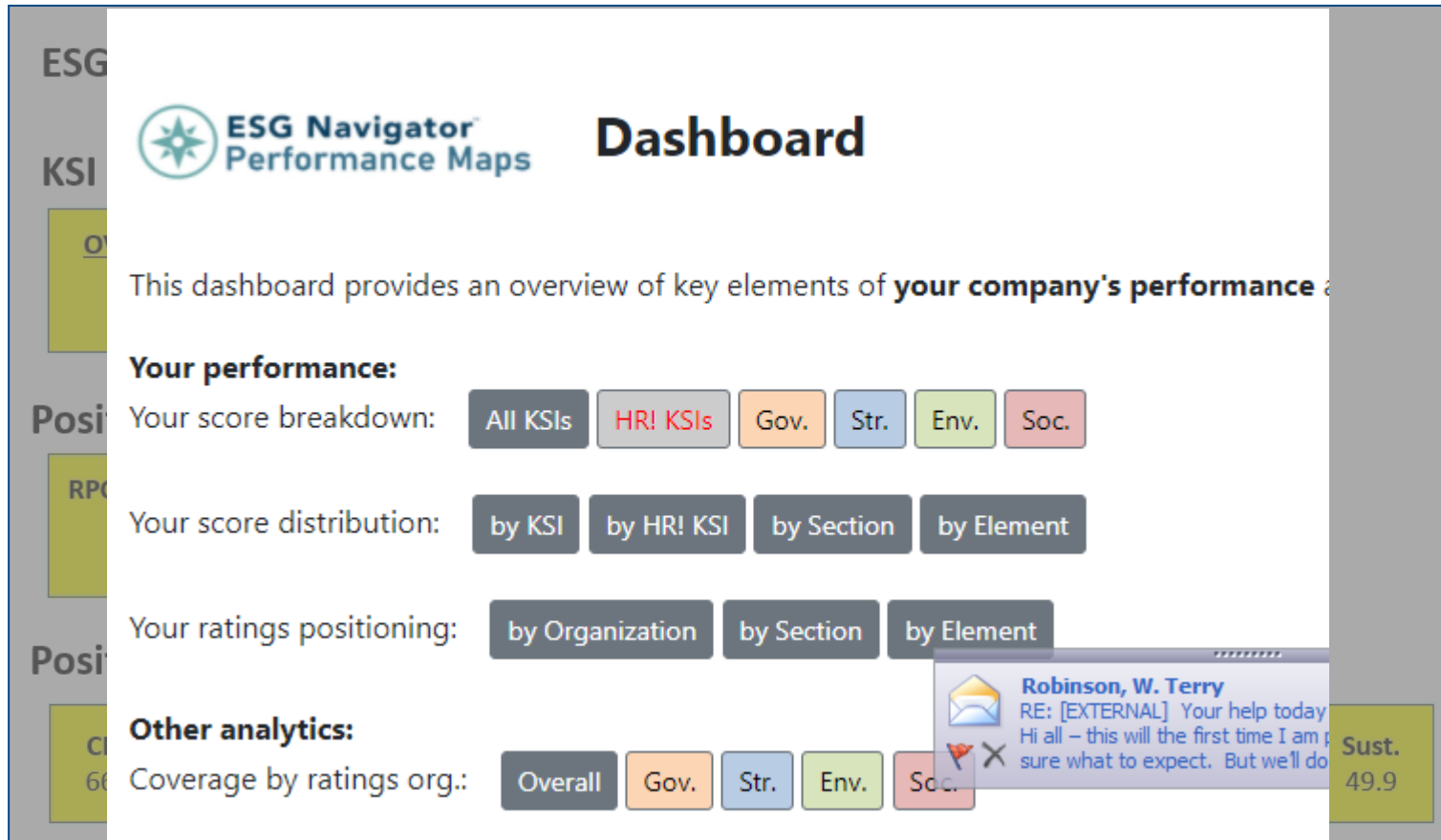
RPC Overall	Our HR!	ESG-24	Others
55.2	34.0	57.9	75.5

Positioning (RPC) – Ratings organizations:

CDP	GRI	SASB	TCFD	BB	DJSI	FTSE	ISS	MSCI	Sust.
66.1	72.0	42.1	29.0	50.0	82.5	62.3	33.1	84.6	49.9

Now, we are building a summary “Dashboard”...

ESG Performance Maps *Dashboard*



Gib to Demo

New Join Options and pricing will take effect October 1, 2020

Renewal Season

ESG Navigator Join Options effective 10/1/2020 https://esgnavigator.com/join/		Subscription Options		
		Option A Free	Option B Basic	Option C Advanced
GENERAL				
24x7 Login access to ESGNavigator website	More	single user	up to 5 users	up to 20 users
Access to all ESG Navigator KSIs and rating criteria (online + download)		●	●	●
Download KSIs and rating criteria	More	●	●	●
SELF-ASSESSMENT				
Conduct your own ratings self-assessment (online)	More	●	●	●
Flag and prioritize KSIs that are highly relevant to your company (online)	More	●	●	●
Update your self-assessment any time (online only)	More	●	●	●
Excel Toolkit: Self-assessment scoring sheets w/cross-company analysis	More	\$	●	●
EVALUATE YOUR RESULTS				
Evaluate scores at <u>Overall (O)</u> level (summary score across all KSIs)	More	●	●	●
Evaluate scores at <u>Section (S)</u> level (Governance, Strategy, Env., Social)	More	X	●	●
Evaluate scores at <u>Element (E)</u> level (17 sub-topics within Sections)	More	X	●	●
Evaluate scores as KSI (<u>K</u>) level (the 129 specific ESG indicators)	More	X	●	●
COMPARE TO OTHER COMPANIES				
Compare at Overall level to all companies	More	●	●	●
Compare at <u>Overall</u> level to <u>Industry sector</u>	More	●	●	●
Compare at <u>O/S/E/K</u> levels to <u>Industry sector</u>	More	X	●	●
Compare at <u>O/S/E/K</u> levels to <u>Industry sub-sector</u>	More	X	●	●

New Join Options and pricing will take effect October 1, 2020

Renewal Season

New price list Coming Sep. 2020:

- Base Price stays same
 - Option C = \$4,250
 - Option B = \$2,750
 - 20% discount for “Founders”
- Excel Toolkit & Best Practices Library
 - Included with Options B & C
 - Extra cost for Option Ax
- ESG Performance Maps
 - Optional add-on for all
 - Roughly ~\$2,500 to \$3,000
 - Possibly a “Base” & “Advanced” level (TBD)
- Renewal Date: Move to Q4 (Oct-Dec)
 - Discount if moving from Q1; Q2; Q3

Agenda

- **Updates** *(10-15 minutes)*
 - ✓ Best Practices Library
 - ✓ ESG Navigator Performance Maps Pilot
 - ✓ Budget Season: October 1 New Join Options

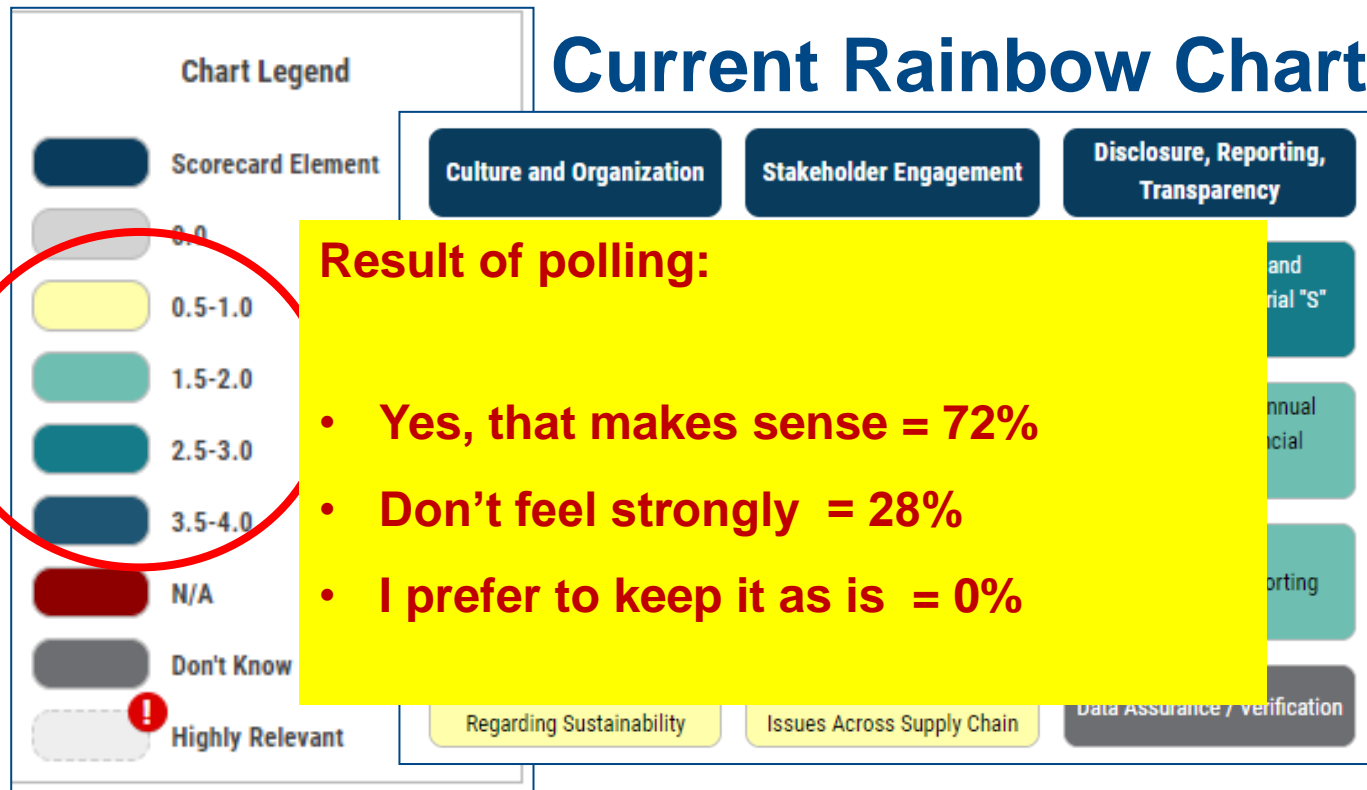
Questions? Reactions?

Quick question for you...

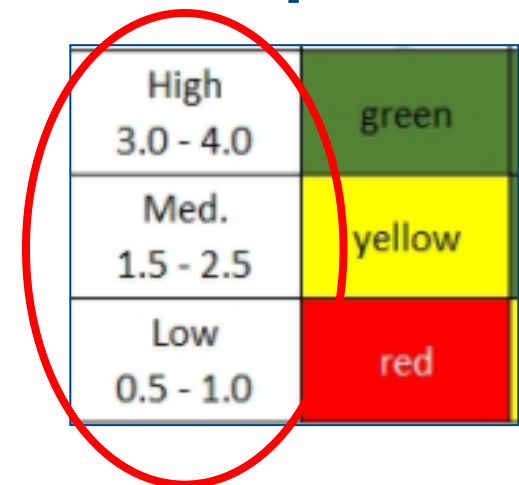
Polling Question #1

Should we simplify the color-scheme on the Rainbow Charts to have 3 vs. 4 colors – better align with ESG Performance Maps?

Current Rainbow Charts



ESG Performance Maps



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 - **Breakout**: *How is your company rethinking social performance?*
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What your CEO's are reading...

Social Metrics and Performance: How does your company stack up on Social KSIs?

ABC Company - for Demo Purposes
Supplier Capability Building vs. All Companies ▾

Us

1.50

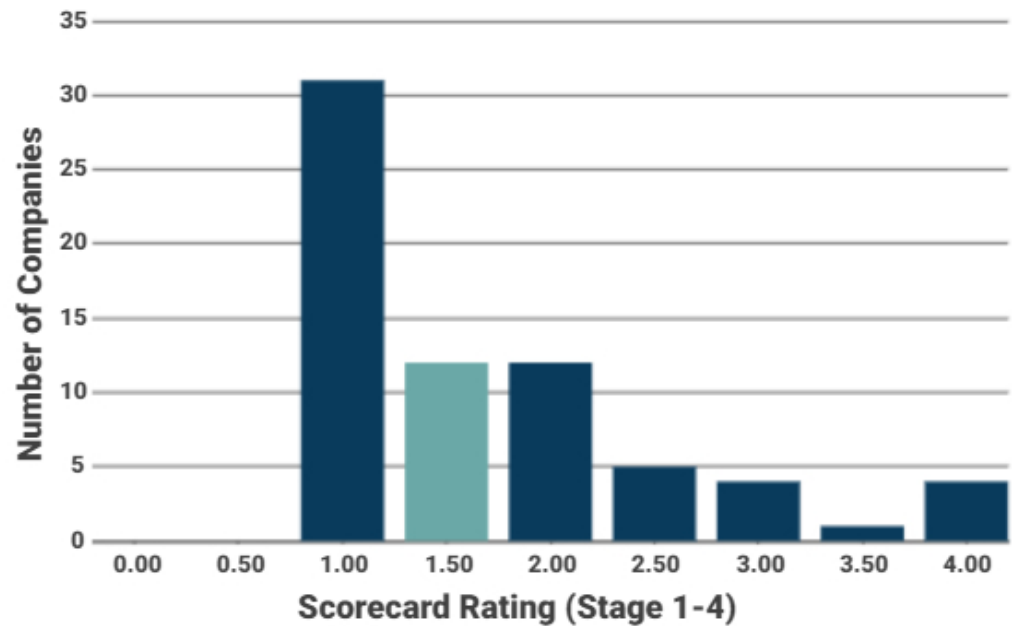
Average

1.70

Difference

-12%

KSI Distribution Chart



ESG Rating	Overlap
Bloomberg	Partial Overlap
CDP	Major Overlap
DJSI	Partial Overlap
EcoVadis	Partial Overlap
FTSE	Major Overlap
Global 100	Little or No Overlap
GRI	Partial Overlap
ISS	Little or No Overlap
MSCI	Little or No Overlap
SASB	Little or No Overlap
Sustainalytics	Partial Overlap
TCFD	Little or No Overlap

Legend

- Major Overlap
- Partial Overlap
- Little or No Overlap

Social Metrics and Performance: How does your company stack up on Social KSIs?

ABC Company - for Demo Purposes
Diversity and Inclusion vs. All Companies ▾

Us

1.00

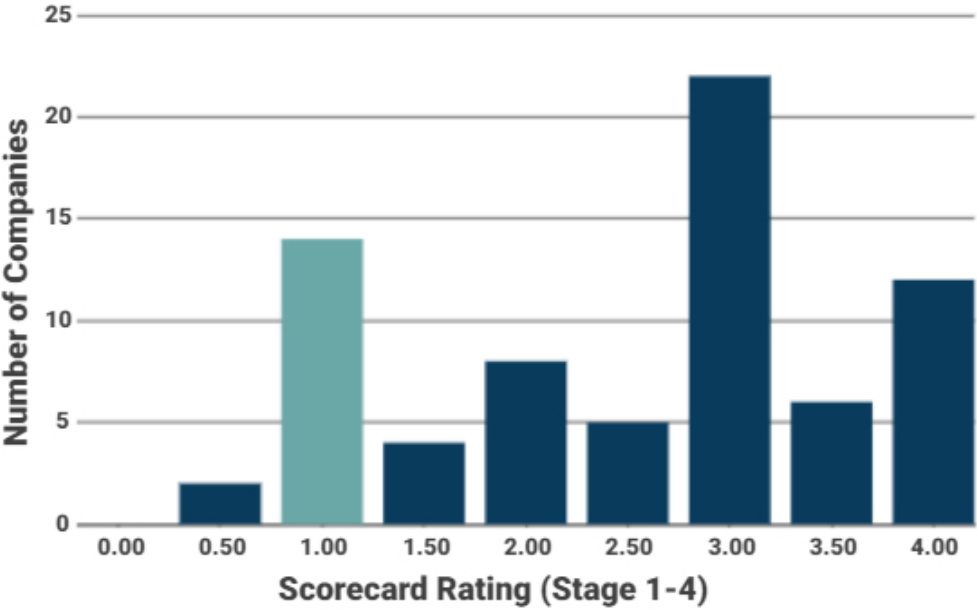
Average

2.53

Difference

-60%

KSI Distribution Chart



ESG Rating	Overlap
Bloomberg	Major Overlap
CDP	Little or No Overlap
DJSI	Major Overlap
EcoVadis	Partial Overlap
FTSE	Major Overlap
Global 100	Major Overlap
GRI	Major Overlap
ISS	Major Overlap
MSCI	Partial Overlap
SASB	Little or No Overlap
Sustainalytics	Major Overlap
TCFD	Little or No Overlap

Legend

Major Overlap

Partial Overlap

Little or No Overlap

Breakout (Groups of 4-6)

Given the unprecedented developments in last few years, (e.g, #metoo movement, Covid-19, Black Lives Matter, etc.) ...

How is your company rethinking “social performance”?

What are you focused on?

Breakout Group Feedback

Summary will be in our

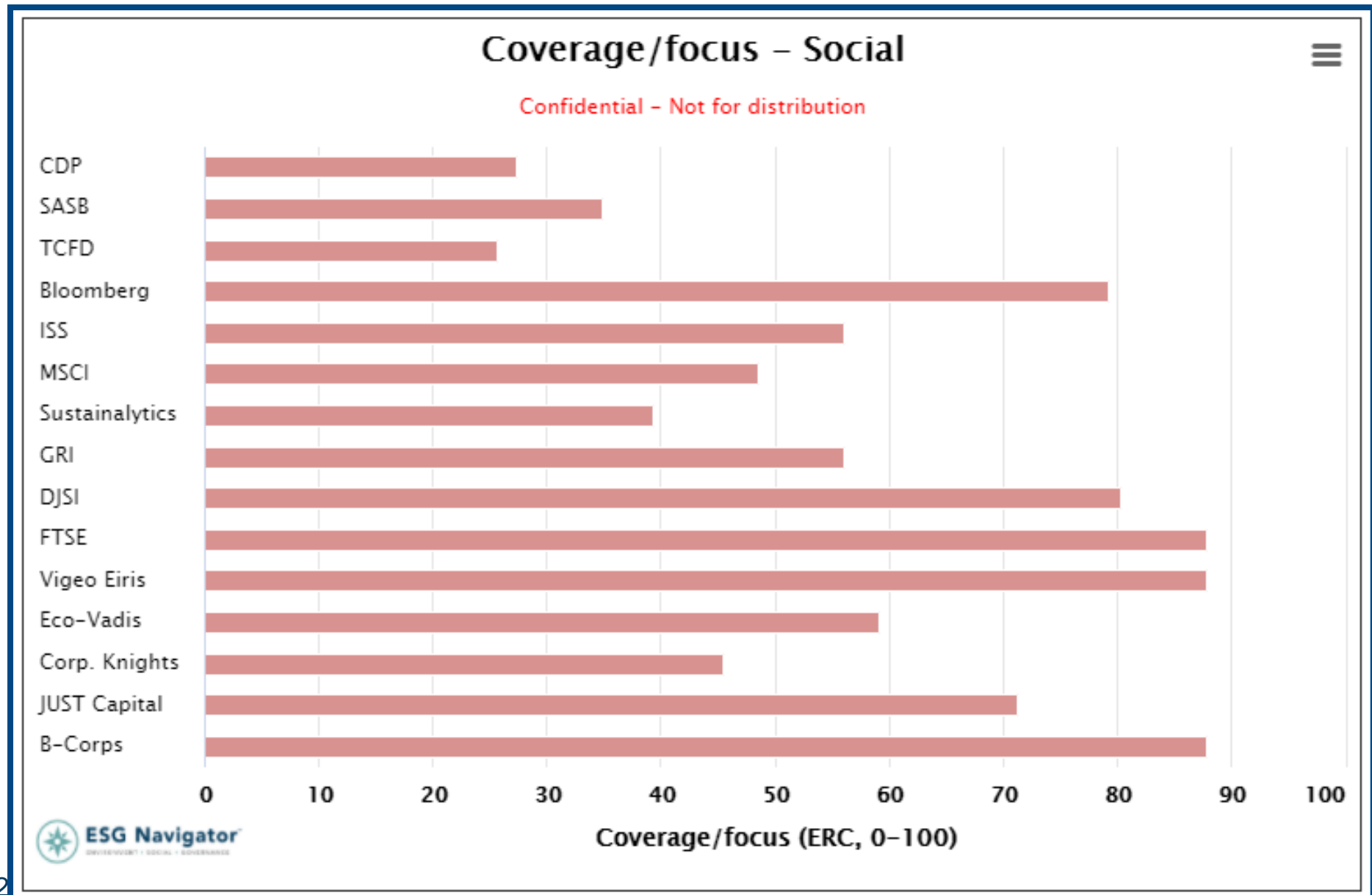
ESG Navigator

July – August Update

Newsletter

<https://esgnavigator.com/user/resources/blog/>





































































































ESG Performance Maps have some interesting metrics about this...



ESG Ratings' coverage of social metrics is pretty sparse...

Governance: ESG Ratings Coverage

Stakeholder Engagement

 ESG Navigator™ ENVIRONMENT • SOCIAL • GOVERNANCE			ESG Reporting Frameworks				ESG Ratings and Rankings										
							Primarily for Investors								Primarily for Customers	Primarily for the Public	
	KSI#	KSI Name	CDP	GRI	SASB	TCFD	Bloom-berg	DJSI	FTSE	ISS	MSCI	Sustain-alytics	Vigeo Eiris (Moody's)	Eco-Vadis	Corporate Knights	JUST Capital	B-Corps
6. Stakeholder Engagement																	
	6.1	Approach to Stakeholder* Engagement															
	6.2	Reasons for Stakeholder Engagement															
	6.3	Sustainability Partnerships															
	6.4	Engaging on Most Material Issues Across Supply Chain															
	6.5	Scale of Typical Stakeholder Engagement Driven by ESG Issues															
	6.6	Link between Stakeholder Engagement and Business Strategy															
	6.7	Time Spent by C-Suite with NGO Stakeholders															

Degree of Overlap



= High: 20%



= Partial: 26%




= Little or No: 54%

ESG Ratings' coverage of social metrics is pretty sparse...

Social: ESG Ratings Coverage

Workplace

 ESG Navigator™ <small>ENVIRONMENT • SOCIAL • GOVERNANCE</small>		ESG Reporting Frameworks				ESG Ratings and Rankings										
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KSI#	KSI Name	CDP	GRI	SASB	TCFD	Bloom-berg	DJSI	FTSE	ISS	MSCI	Sustain-alytics	Vigeo Eiris (Moody's)	Eco-Vadis	Corporate Knights	JUST Capital	B-Corps
Social Responsibility																
15. Own Operations: Workplace																
15.1	Workplace Environment	○	●	○	○	○	○	●	○	○	○	●	●	●	●	
15.2	Diversity & Inclusion	○	●	○	○	●	●	●	●	○	●	●	○	●	●	
15.3	Role of Sustainability Benefits in Recruitment and Retention	○	○	○	○	●	●	●	○	●	○	●	●	●	●	
15.4	Safety Programs and Performance	○	●	●	○	●	●	●	●	●	●	●	●	●	●	
15.5	Health, Wellness, and Promotion of Sustainable Lifestyles	○	●	○	○	●	●	●	●	●	○	●	●	○	○	
15.6	Sustainability Training and Staff Development	○	○	○	○	●	●	●	●	○	○	●	●	○	○	
15.7	Employee Engagement with Sustainability	○	○	○	○	●	●	○	○	○	○	●	○	○	○	

Degree of Overlap



= High: 53%



= Partial: 18%




= Little or No: 29%

ESG Ratings' coverage of social metrics is pretty sparse...

Social: ESG Ratings Coverage

Supply Chain

<div> ESG Navigator™ ENVIRONMENT • SOCIAL • GOVERNANCE</div>			ESG Reporting Frameworks				ESG Ratings and Rankings										
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16. Supply Chain - Social Impacts																	
	16.1	Sustainability Philosophy Regarding Supply Chain	●	○	○	○	●	●	●	○	○	○	●	●	○	●	
	16.2	Supply Chain Risk Assessment and Risk Management	○	○	○	○	●	●	●	●	●	○	●	○	○	●	
	16.3	Responsible Sourcing	●	○	○	○	●	○	●	●	●	○	●	○	●	●	
	16.4	Supply Chain Auditing and Assurance	●	●	○	○	●	●	●	○	○	○	●	●	○	●	
	16.5	Human Rights	○	●	○	○	●	○	●	●	○	○	●	●	●	●	
	16.6	Labor Relations	○	○	○	○	●	○	●	●	●	○	●	●	●	○	
	16.7	Animal Welfare	○	●	○	○	○	○	○	●	○	○	○	○	●	○	
	16.8	Supplier Capability Building	●	○	○	○	○	○	●	○	○	○	●	○	○	○	

Degree of Overlap



= High: 46%



= Partial: 25%




= Little or No: 29%

ESG Ratings' coverage of social metrics is pretty sparse...

Social: ESG Ratings Coverage

Community

<div> ESG Navigator™</div> <div>ENVIRONMENT • SOCIAL • GOVERNANCE</div>			ESG Reporting Frameworks				ESG Ratings and Rankings										
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	KSI#	KSI Name	CDP	GRI	SASB	TCFD	Bloom-berg	DJSI	FTSE	ISS	MSCI	Sustain-alytics	Vigeo Eiris (Moody's)	Eco-Vadis	Corporate Knights	JUST Capital	B-Corps
17. Community Investment																	
	17.1	Company's Philosophy re "Community"	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
	17.2	Philanthropy	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
	17.3	Community Partnerships	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
	17.4	Employee Volunteerism in Communities	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
	17.5	Community Infrastructure Development and Revitalization	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
	17.6	Community Education and Sustainability Learning	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	
	17.7	Community Job Creation	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	

Degree of Overlap

● = High: 22%

● = Partial: 28%

○ = Little or No: 50%
 All 14 ratings

Degree of Overlap

● = High: 14%

● = Partial: 30%

○ = Little or No: 56%
 12 ratings: w/o JUST & Vigeo


Agenda

- **Updates** *(10-15 minutes)*
 - Best Practices Library
 - ESG Navigator Performance Maps Pilot
 - Budget Season: October 1 New Join Options
- **Social Metrics and Performance** *(30-35 minutes)*
 - ESG Navigator data
 - **Breakout**: How is your company rethinking social performance?
 - ESG Ratings coverage of social metrics
- **September Priorities** *(5 Minutes)*
 - ESG Performance Maps Launch (renew & sign up)
 - Parting Thought: *Time to up our game...*

➤ *What your CEO's are reading...*

What's Next for ESG Navigator?

FOR US

- Finalize October 1 Join Options and Pricing
 - Finalize features/pricing
 - Send to you
-  THE CONFERENCE BOARD
- ESG Performance Maps Pilot: Demo Sessions
 - September 3 (Special Session)
 - September 11 (Monthly Webinar)

FOR YOU

- Budget season: Renewal
 - Contact Gib
 - Share comments ASAP
- Update your company ESG Navigator Scores

And...

- Get ready for the C-suite presentations...

Get ready for your C-Suite Pitch...



What Your CEO is Reading...

Harvard Business Review

- ***Spotlight: Making Sustainability Count***
 - ***Social-Impact Efforts that Create Real Value***
 - ***The Board's Role in Sustainability***
 - ***The Challenges of Rating ESG Performance***
- ***A New Model for Ethical Leadership: Create more value for society***
- ***How to Promote Racial Equity in the Workplace***
- ***Time to Pivot: How to sell stakeholders on a new strategy***

September - October 2020

Other News

McKinsey (August 9, 2020)

- *What climate change means for water, aquaculture and more*
- *Water: A human and business priority*
- *Reduced dividends on natural capital*
- *Fisheries – Navigating a sea of troubles...*
- *Feeding the world sustainably*
- *The drive toward sustainability in packaging*
- *Protecting the oceans*

A \$91 Billion Asset Manager Dumps Exxon, Chevron on Climate

"Norwegian life insurer Storebrand ASA has beefed up its climate policy, leading it to exit oil giants Exxon Mobil and Chevron and accelerate a full divestment from coal," notes [Bloomberg](#)

Aug. 24, 2020

Exxon's Removal from the Dow Jones Industrial Average) Highlights Decline of Oil Sector

The Wall Street Journal

August 26, 2020

When the outbreak finally ends...

“if we can tell that story of what we just went through and help people understand that this is an accelerated version of another story we’re going through that has the same plot structure but a different timeline, that could be transformative.”

Elizabeth Swain, Climate Interactive

“Coronavirus Holds Key Lessons on How to Fight Climate Change”

Beth Gardiner

March 23, 2020

*“Maybe this crisis is,
when it comes to corporate
governance,
a blessing in disguise”*

“Pandemic should force corporate boards to think beyond bottom line”

Peter Dey and Sarah Kaplan

March 26, 2020

On behalf of our
ESG Navigator team:

Thank You!

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