



ESG NAVIGATOR

ENVIRONMENT • SOCIAL • GOVERNANCE

Sustainability Benchmarking Collaborative

Monthly Webinar

September 11, 2020

Welcome... (final participants)

Company	Pre-Registered
• AB-InBev	Ashwin Kak; Diane Wauters* Sugandha Rastogi*
• AT&T	Ben Kruse
• Cisco	Amanda Cumberland; Lori Biesen; Amanda Pinyan
• Coca-Cola	Sha Green
• Consumers	Linda Hilbert; Jessica Spagnuolo
• Danaher	Stephen Evanoff
• Dow	Jennifer Princing
• DTE Energy	Greg Ryan
• Duke Energy	Michelle Abbott; Julie Hyde
• Eaton	Jon Newton
• Eastman	Davis Waters
• Fluor	Nancy Kralik
• GM	Sharon Basel
• Goodyear	Ashley Fahey

Company	Pre-Registered
• HP Inc.	David Eichberg
• Lear	Ron Boyer; Carolyn Markey
• Medtronic	Ginny Cassidy
• NextEra Energy	Meredith Rollo
• Northrop Grumman	Stanley Merritt
• Otis	Terry Robinson
• PPG	Mark Cancilla
• Stanley Black & D.	Dan Fitzgerald
• Stryker	Erol Odabasi
• Trane Tech.	Scott Tew
• UPS	Danielle Crownover; Andria Smith; Gabriela Lopez*
• Waters Corp	Andrew Pastor
• Wyndham	Rishi Shah

Shading: Darker = 2018 Founding Member

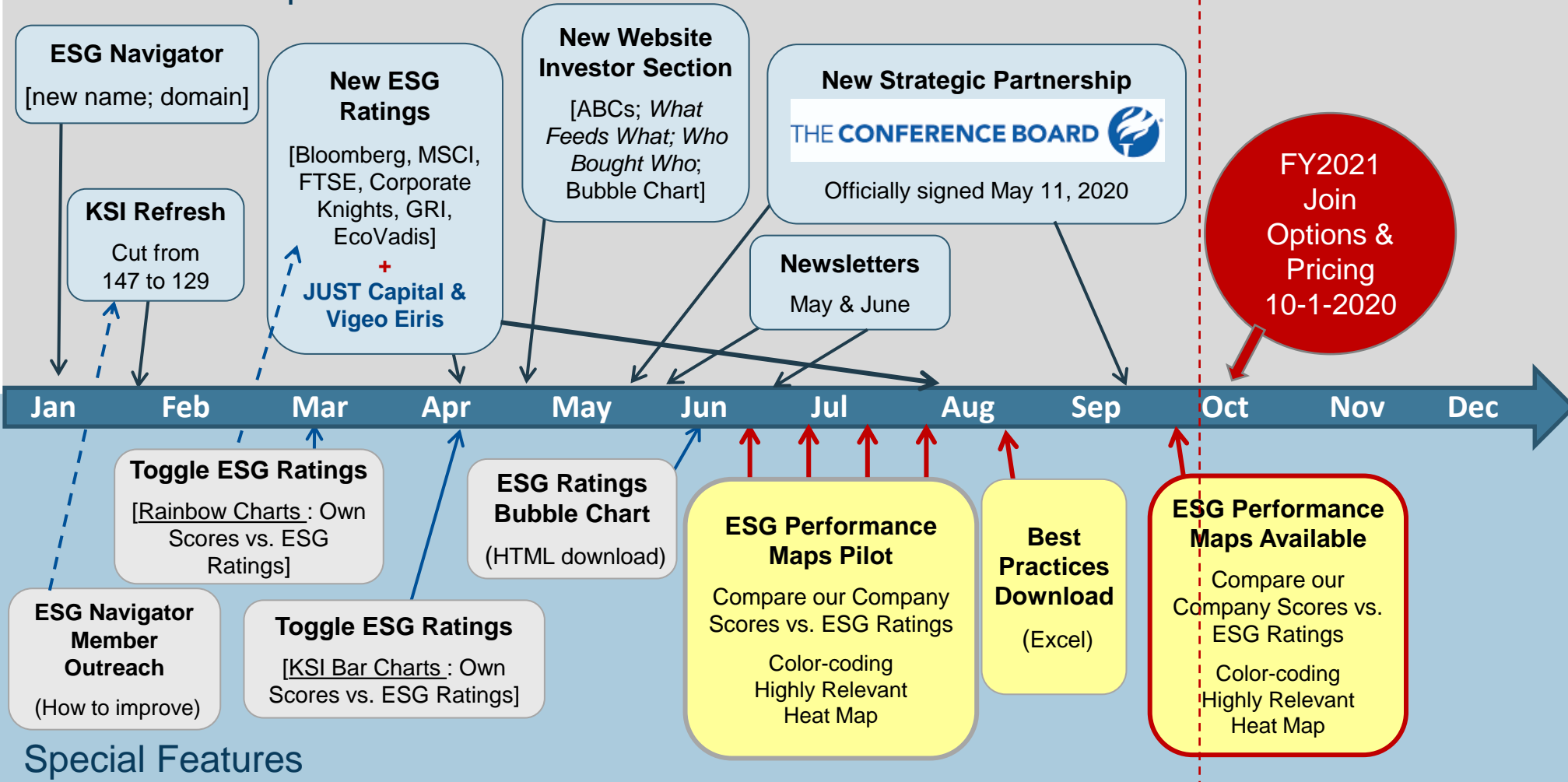
* First webinar

Agenda

- **Quick Updates** *(5 minutes)*
- **ESG Performance Maps Demo** *(30-35 minutes)*
 - What's the ultimate goal?
 - Who participated?
 - How to read the maps?
 - **Demo:** *How is your company rethinking social performance?*
 - **Breakout Groups:** Reactions? Questions?
 - What comes next?
- **Renewal: Annual Join Options** *(5 Minutes)*
 - Options and Cost
 - Timing

September 2020 Update

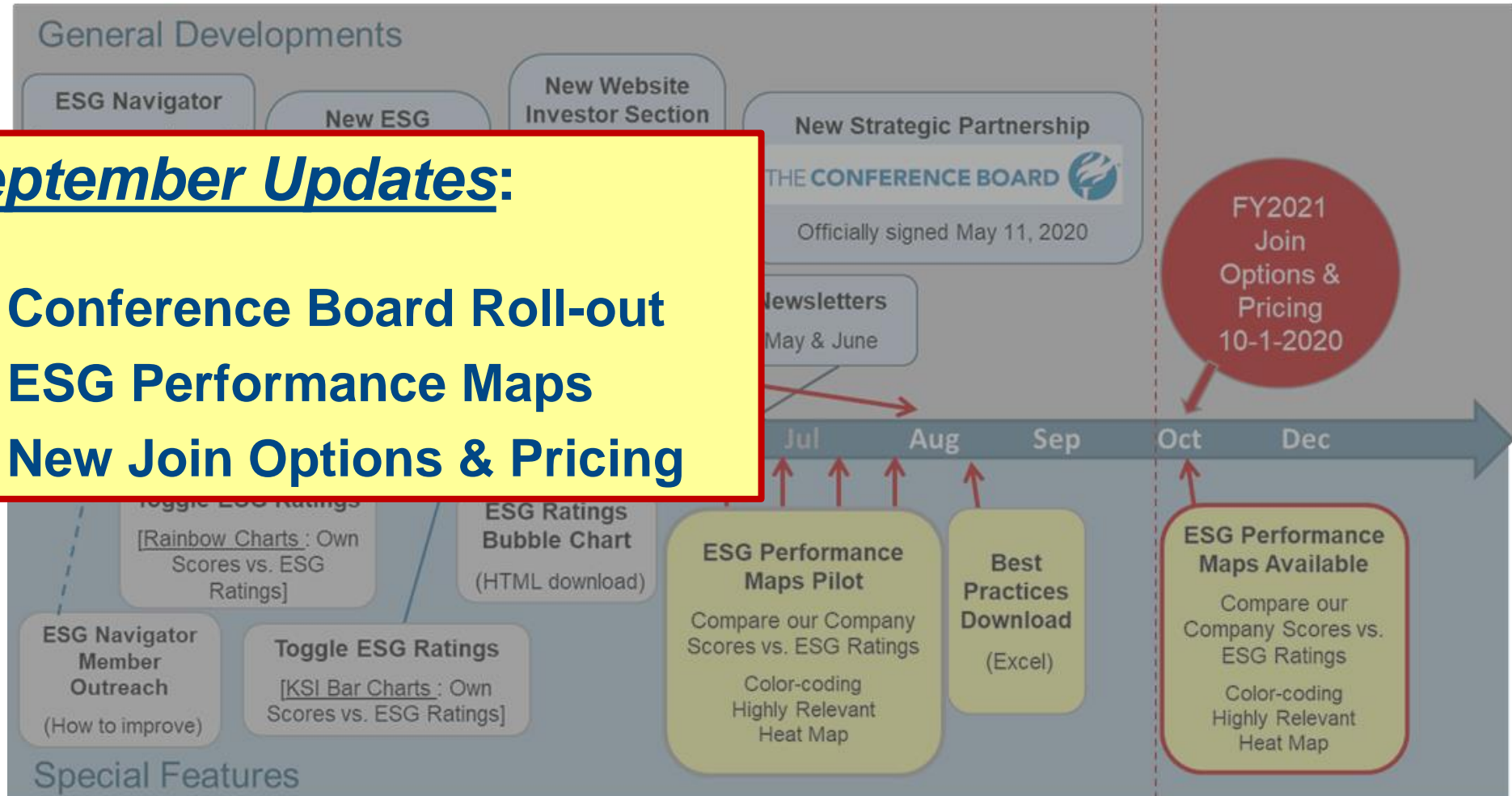
General Developments



August 2020 Update

September Updates:

1. Conference Board Roll-out
2. ESG Performance Maps
3. New Join Options & Pricing



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ESG Performance Maps Pilot

ESG Navigator Performance Maps (0) Basic

ABC Company (5)



ESG Ratings Map - Basic

The 'fill' of the circles indicates the extent to which the KSI subject matter is a focus of each rating organization: Solid circle=significant focus, 'Ring'=moderate focus, Empty circle=little or no focus.

KSI	Name	CDP	GRI	SASB	TCFD	Bloom.	DJSI	FTSE	ISS	MSCI	Sust.	Eco-V	Knights	BCorps
01.01	Co. Purpose (CEO's View re Role of Co. in Society)	●	○	●	○	●	●	●	●	●	●	●	●	●
01.02	Sust. in Corporate Vision, Mission, Values & Policies	●	○	●	○	●	●	○	●	●	●	●	●	○
01.03	Support of International Sust. Charters or Commitments	○	●	●	●	○	●	○	●	○	○	○	○	●
01.04	Managing Long-Term Viability of Core Biz.(es)	○	○	●	○	○	○	○	○	○	●	●	●	○

The ultimate goal:
How well positioned are we ...
to earn strong ESG ratings?

A great cross-section of companies

Option C Members

- Trane Technologies
- Duke Energy
- PPG
- Stryker
- Consumers Energy
- Cisco

Option B Members

- Ashland
- Fluor
- Otis
- PPL

Founders Re-engaging

- Eastman
- NextEra
- Eversource
- Sims Metal Management

Relative Newcomers

- Citi
- IFF
- Wyndham

How to read the ESG Performance Maps

How to read

For detailed explanations

1. Header Row

Intro Dashboard 0. Coverage 1. Scores 2. KSI Color 3. Heat Map 4. Sections 5. Elements 6. RPS

- **Dashboard** = all summary graphs, charts
- **Coverage** = “ESG Ratings Bubble Chart”
- **Scores** = adding in your ESG Navigator scores
- **KSI Color** = comparing ESGN to Ratings
- **Heat Map** = same... different format
- **Sections and Elements**
- **RPS** = Ratings Positioning Score

2. Column Headings

KSI	Section	KSI Name	CDP	SASB	TCFD	BB	ISS	MSCI	Sust.	GRI	DJSI	FTSE	Vigeo	Eco-V	CK	JUST	ERC
1.3	Gov	Support of Intl. Sust. Charters or Commitments	●	○	○	●	○	●	●	○	○	●	●	●	●	○	38
1.4	Gov	Managing Long-Term Viability of Core Biz.(es)	●	○	●	●	●	●	○	●	●	●	●	○	○	○	46

- **Hover over** = see explanation
- **Click** = Sort “high to low”
- **Click again** = Sort opposite way

3. ESG Ratings Organizations

KSI Name	CDP	SASB	TCFD	BB	ISS	MSCI	Sust.	GRI	DJSI	FTSE	Vigeo	Eco-V	CK	JUST
Support of Intl. Sust. Charters or Commitments	●	○	○	●	○	●	●	○	○	●	●	●	●	○
Managing Long-Term Viability of Core Biz.(es)	●	○	●	●	●	●	○	●	●	●	●	○	○	○

● = High degree of coverage (overlap)

◐ = Partial coverage (overlap)

○ = Little or no coverage (overlap)

4. Circle Fill

KSI Name	Score	HR!	CDP	SASB	TCFD	BB	ISS	MSCI	Sust.	GRI	DJSI	FTSE	Vigeo	Eco-V	CK	JUST	ERC
Product Durability	3.0	~	●	●	●	●	●	○	○	○	●	○	○	●	●	○	46
Product Biodegradability	1.0	~	○	●	○	○	○	○	○	○	○	○	●	○	○	○	38
Product Recyclability / Reusability	2.5	~	○	●	●	●	●	○	●	○	●	○	○	○	○	○	69
Product Water-Use Efficiency	1.0	~	○	●	○	●	○	○	○	●	○	●	●	○	●	○	65

Regardless of Color

● ● ● ● = High degree of coverage

○ ○ ○ ○ = Moderate degree of coverage

○ ○ ○ ○ = Little or no coverage

5. ESG Ratings Coverage (ERC)

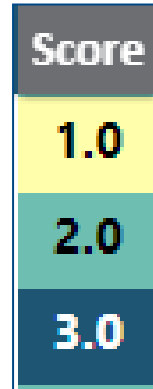
KSI Name	CDP	SASB	TCFD	BB	ISS	MSCI	Sust.	GRI	DJSI	FTSE	Vigeo	Eco-V	CK	JUST	ERC
e: Sust. by CEO & C-Suite Execs	●	○	●	●	○	○	○	○	○	○	○	○	○	●	12
Messages re Sust. to Investors	●	○	●	●	●	○	○	●	○	○	○	○	○	○	19

- **ERC** = the extent to which the ESG ratings organizations cover (focus on, overlap with, address) the content of each KSI.
- **Range** = 0 - 100
 - **100** = all ESG Ratings have “solid bubble”
 - **0** = all ESG ratings have “hollow bubble”
- **ERC is applied to:** KSIs → Elements → Sections

ESG Performance Maps: *How to Read the Maps?*

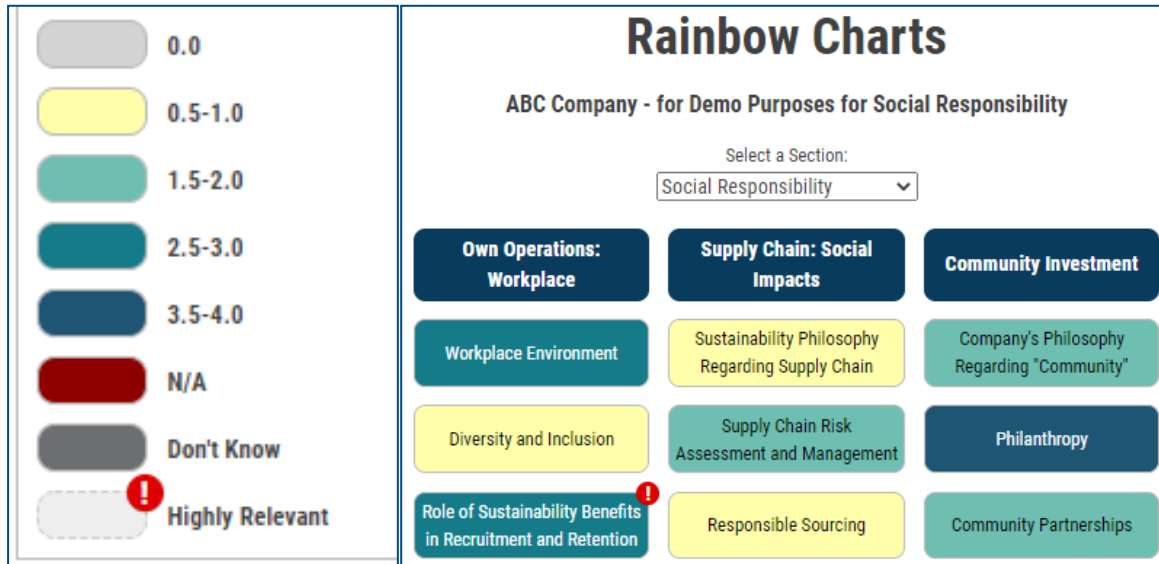
6. KSI Scores

CURRENTLY
4 Ranges



COMING SOON *
3 Ranges

- **0.5 to 1.0**
- **1.5 to 2.5**
- **3.0 to 4.0**



* During August 27 webinar, we polled participants. An overwhelming majority agreed that we should **simplify** and move to three score ranges

7. Highly Relevant (HR!)

KSI	Section	KSI Name	Score	HR!	CDP	SASB	TCFD	BB	ISS
1.4	Gov	Managing Long-Term Viability of Core Biz.(es)	1.5	~	●	○	●	●	●
1.5	Gov	KBDs tied to ESG Risks & Opportunities	1.5	!	●	○	●	●	●
2.1	Gov	Public Posture re: Sust. by CEO & C-Suite Execs	1.5	!	●	○	●	●	○

- Your HR! Scores**

- ~10% of 129 KSIs

- Criteria**

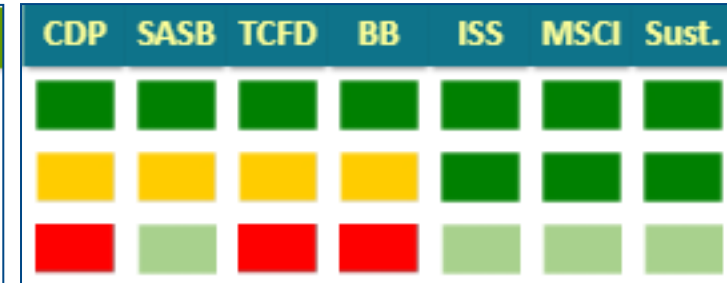
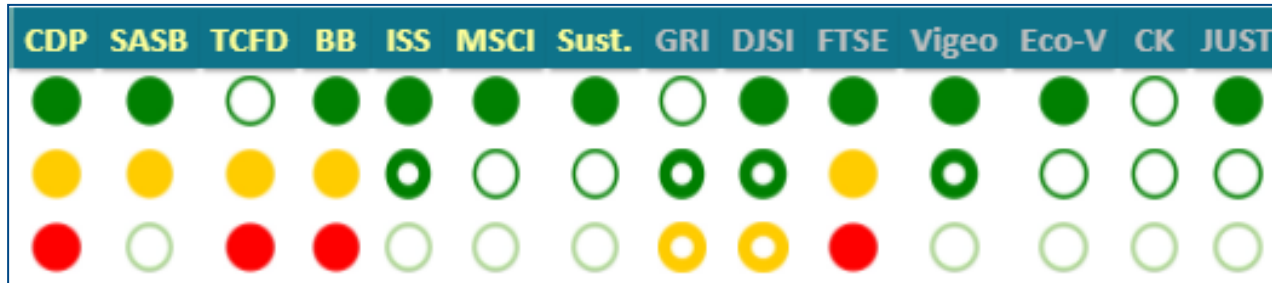
- Env./Social = material issues
- Strategy = how to grow the company
- Governance = how we run the place

- Additional HR! Designations**

- “Gib’s top 24”
- Your peers top HR!

HR!	ESG-24	Others	CDP	GRI	SASB	TCFD	BB
!	!	!	○	●	○	●	○
!	!	!	○	●	○	●	○
!	!	!	●	○	○	○	○

8. Circle & Square Colors indicate Positioning

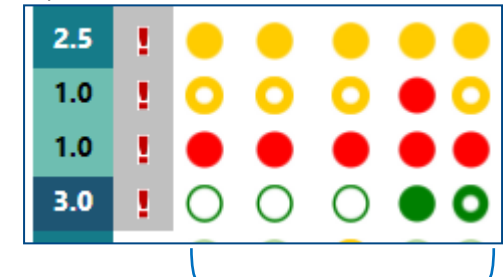


- **Color** = how well positioned your company is, given the Coverage by each Rating
 - **Green** = very well positioned
 - Light Green = b/c not covered
 - Dark Green = b/c your score
 - **Yellow** = somewhat positioned
 - **Red** = poorly positioned

	Ratings Organization - Overlap		
	High ●	Med. ○	Low ○
Your Score			
High 3.0 - 4.0	green	green	green
Med. 1.5 - 2.5	yellow	green	green
Low 0.5 - 1.0	red	yellow	green

9. RPS = Ratings Positioning Score

- A measure of how well-positioned your company is
- Based on both:
 - Your ESG Navigator scores
 - and
 - The Coverage of the ESG Raters
- Applied to KSIs, Elements, Sections
- And applied to entire ESG ratings organizations



The RPS is how close you are to having the best positioning:

Your
positioning:
4 green, 3 yellow, 1 red

Worst
positioning
All 8 red

Best
positioning
All 8 green

KSI	Section	KSI Name	CDP	CDP	CDP
5.5	Gov	Sust. Leadership Position(s)	Yellow	Red	Green
5.6	Gov	Inclusion of Sust. in C-Suite & Employee Goals	Yellow	Red	Green
6.1	Gov	Approach to Stakeholder Engagement	Green	Red	Green
6.2	Gov	Reasons for Stakeholder Engagement	Green	Red	Green
6.3	Gov	Sust. Partnerships	Yellow	Red	Green
6.4	Gov	Engaging on Most Material Issues Across S.Chain	Red	Red	Green
6.5	Gov	Scale of Typical Stakeholder Engagement Driven by	Green	Red	Green
6.6	Gov	Link between Stakeholder Engagement & Biz. Strateg	Green	Red	Green

RPS:

65.2 (example)

C

100

RPS appears in different contexts:

RPS for KSIs (across all ratings organizations):

KSI	Section	KSI Name	Score	HR!	CDP	SASB	TCFD	BB	ISS	MSCI	Sust.	GRI	DJSI	FTSE	Vigeo	Eco-V	CK	JUST	ERC	RPS
1.1	Gov	Co. Purpose (CEO's View re Role of Co. in Society)	1.5	~															12	50.6
1.2	Gov	Sust. in Corp. Vision, Mission, Values & Policies	3.0	~															23	100.0
1.3	Gov	Support of Intl. Sust. Charters or Commitments	3.5	~															38	100.0
1.4	Gov	Managing Long-Term Viability of Core Biz.(es)	1.5	~															46	36.5
1.5	Gov	KBDs tied to ESG Risks & Opportunities	1.5	!															46	34.1
2.1	Gov	Public Posture re: Sust. by CEO & C-Suite Execs	1.5	!															12	45.9

RPS for Sections (across all KSIs in the Section):

Section	Avg. Score	Elements	KSIs	CDP	SASB	TCFD	BB	ISS	MSCI	Sust.	GRI	DJSI	FTSE	Vigeo	Eco-V	CK	JUST	ERC	RPS
Governance	1.98	7	47															41	65.4
Strategy	1.69	4	31															43	57.5
Environment	1.62	3	29															64	41.8
Social	1.80	3	22															53	53.7

RPS for Ratings organizations
(across all KSIs for that org.):

#	Organization	RPS
5	Sustainable Accounting Standards Board (SASB)	56.1
6	Task Force on Climate-related Disclosures (TCFD)	54.9
7	Bloomberg (BB)	37.5
8	Institutional Shareholder Services (ISS)	54.7

ESG Performance Maps

Gib to Demo

Breakout (Groups of 8-10)

How can you see applying the *ESG Performance Maps* in your situation?

- Analyze our status vs. the ESG Ratings our C-suite cares about
- Re-assess which ESG frameworks and ratings matter most to us
- Share with our ESG Council
- Share with our C-Suite
- Use to update/review our 2021 goals and targets
- Set additional 2021 targets (e.g., improve our RPS on Environment to >60)
- Do a deep analysis of our Social Performance

Which of our KSI's are most **red**?

Which of those are **HR**!

How do those break down by:

- E, S, G, Strategy?

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Annual subscription options

Best Value

A: Starter

Cost: **Free** (with updated data)

Features:

- ✓ Participate in monthly webinars
- ✓ 24x7 website access
- ✓ Complete your scorecard online
- ✓ Update any time
- ✓ Analytics:
 - 10-20 summary charts only
- ✓ Compare to:
 - All companies
 - Industry sector

A-la-carte options:

Excel toolkit for data entry: **\$700**

Best practices library: **\$900**

B: Basic

Cost: **\$2,500***

Option A features plus:

- ✓ Excel toolkit for data entry
- ✓ Analytics:
 - Full “base” analytics: all ~150 charts each for all companies, industry sector & sub-sector
 - 4 “Rainbow Charts” vs. ESG Ratings
- ✓ Compare to:
 - Industry sub-sector
- ✓ Best Practices Library

ESG Ratings Comparison

New suite of “ESG Performance Maps” that enable analysis of how your company scores vs. 14+ ESG ratings: **\$1,800**

NEW

Total annual cost *with ESG Ratings Comparison*: **\$4,300***

C: Advanced

Cost: **\$4,000***

Option A&B features plus:

- ✓ Analytics:
 - 450+ additional analytics (for additional comparisons below)
 - 129 “KSI Bar Charts” vs. ESG Ratings
- ✓ Compare to companies by:
 - Revenue
 - Headcount
 - Geographic region
 - Public/private

ESG Ratings Comparison

New suite of “ESG Performance Maps” that enable analysis of how your company scores vs. 14+ ESG ratings: **\$1,600**

NEW

Total annual cost *with ESG Ratings Comparison*: **\$5,600***

* Founding members with 2020 data are eligible for a 20% discount off the base cost

September 2020

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

Renewal Season

Renewals – Sign-ups Now Available!

- Base Price stays same
 - Option C = ~~\$4,250~~ \$4,000
 - Option B = ~~\$2,750~~ \$2,500
 - ~20% discount for “Founders”
- ESG Performance Maps
 - Add-on for Options B and C
 - ~~Roughly ~\$2,500 to \$3,000~~
 - Option B = \$1,800
 - Option C = \$1,600
- Renewal Date: Move to Q4 (Oct-Dec)
 - Discount if moving from Q1; Q2; Q3

On behalf of our
ESG Navigator team:

Thank You!

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