



**ESG NAVIGATOR**

ENVIRONMENT • SOCIAL • GOVERNANCE

# **Sustainability Benchmarking Collaborative**

**Monthly Webinar**

**December 11, 2020**

## Welcome... (accepted invite and final participants)

Company	Pre-Registered	Company	Pre-Registered
<b>Altria</b>	Amanda Tate	<b>Hexion</b>	Syd Lindquist
<b>Amgen*</b>	Matt Goldman*	<b>HP</b>	David Eichberg
<b>Burns*</b>	Doug Dietrich*	<b>Marriott International</b>	Claire Cutting Denise Naguib
<b>Cargill*</b>	Eliza Clark*	<b>NextEra</b>	Charlotte Anderson
<b>Coca-Cola</b>	Sha Green	<b>Northrop G.</b>	Stanley Merritt
<b>CMS</b>	Jessica Spagnuolo; Kristen T.*	<b>PPG</b>	Mark Cancilla; Mike Corcoran
<b>Danaher</b>	Stephen Evanoff	<b>SBD</b>	Dan Fitzgerald
<b>Deere</b>	Kim Noe*	<b>Stegan</b>	Jason Keiper
<b>Dell*</b>	Federico Sendel; Meagan Yates	<b>Stryker</b>	Erol Odabasi
<b>Delek US*</b>	Michael Ralsky*	<b>UPS</b>	Andria Smith; Danielle C.
<b>DTE Energy</b>	Greg Ryan	<b>Waters Corp</b>	Andrew Pastor
<b>Duke Energy</b>	Michelle Abbott	<b>Wyndham</b>	Rishi Shah
<b>Eastman</b>	Davis Waters		
<b>Ecolab</b>	Emilio Tenuta*		
<b>Fluor</b>	Nancy Kralik; Lucy Brady		
<b>Goodyear</b>	Ashley Fahey		
<b>Hain</b>	Simon Wong		

**Shading:** Darker = 2018  
Founding Member

\* First webinar

### Our Team

Gib Hedstrom  
Larry Krupp  
Allie Barrett  
Beth Tener  
Dean Slocum

# Agenda

- **Welcome** *(10 minutes)*
  - Nuggets (News briefs last few days)
  - Quick recap
  - Changes in the works
  - Look ahead to 2021
- **Sharing ESG Navigator internally**
  - Typical progression
  - *Company Example: Fluor*
  - Breakout Groups: Your 2021 Game Plan
- **2021: What's Next?** *(5 Minutes)*

SUSTAINABLE BUSINESS DECEMBER 9, 2020 / 10:09 AM / UPDATED 2 DAYS AGO

### New York state pension fund sets 2040 goal of net zero carbon emissions

By Timothy Gardner, Sohini Podder

3 MIN READ



**“Those that fail to meet our minimum standards may be removed from our portfolio”**

The \$226 billion fund is transitioning its investments to net-zero GHG emissions by 2040, the first U.S. pension fund to set the goal by that date.

*Reuters, 12/9/2020*

### **Unilever, Microsoft, 11 More Companies Join the Climate Pledge**

DECEMBER 10, 2020 BY EMILY HOLBROOK

Share This Article: [in](#) [twitter](#) [facebook](#) [email](#)



The Climate Pledge - a commitment to be net-zero carbon by 2040, a decade ahead of the Paris Agreement's goal of 2050.

Envir. Leader 12/10/2020

ERM, Groupe SEB France, Harbour Air, ITV, Microsoft, Neste, Rubicon,

EDITORS' PICK | Dec 9, 2020, 01:28pm EST | 506 views

### **Solar Soars As Emerging Markets Renewables Investment Hits Record High**

“for the first time, renewables (including hydro) accounted for the majority of new capacity added in the 106 other emerging markets (excluding Mainland China and India)”

Forbes 12/9/2020



### Analysis: Exchange operators embrace sustainable investing, with an eye on Biden

By John McCrank

5 MIN READ



“ESG has become big business for the investment industry.”

“One tailwind for ESG could come from President-elect Biden, who made climate change a pillar of his election campaign.”

Reuters 12/8/2020

### **HSBC invests in world's first 'reef credit' system**

“Similar to carbon credits, these reef credits are sold by farmers or project developers to organizations and companies looking to offset their environmental footprints.”

“These nature-based solutions are going to become increasingly important“

Greenbiz 12/7/2020



## December 2020 Update

### General Developments

#### ESG Navigator

[new name;  
domain]

#### KSI Refresh

Cut from  
147 to 129

#### New ESG Ratings

[Bloomberg,  
MSCI, FTSE,  
Corporate  
Knights, GRI,  
EcoVadis]

**+**  
**JUST Capital &  
Vigeo Eiris**

#### New Website Investor Section

[ABCs; *What Feeds What*; *Who Bought Who*; Bubble Chart]

#### New Strategic Partnership



Officially signed May 11, 2020

#### Newsletters

**FY2021  
Join  
Options &  
Pricing  
10-1-2020**

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

#### Toggle ESG Ratings

[Rainbow Charts :  
Own Scores vs. ESG  
Ratings]

#### ESG Navigator Member Outreach

(How to improve)

#### Toggle ESG Ratings

[KSI Bar Charts : Own  
Scores vs. ESG Ratings]

#### ESG Ratings Bubble Chart

(HTML  
download)

#### ESG Performance Maps Pilot

Compare our  
Company Scores vs.  
ESG Ratings  
  
Color-coding  
Highly Relevant  
Heat Map

#### Best Practices Download

(Excel)

#### ESG Performance Maps Available

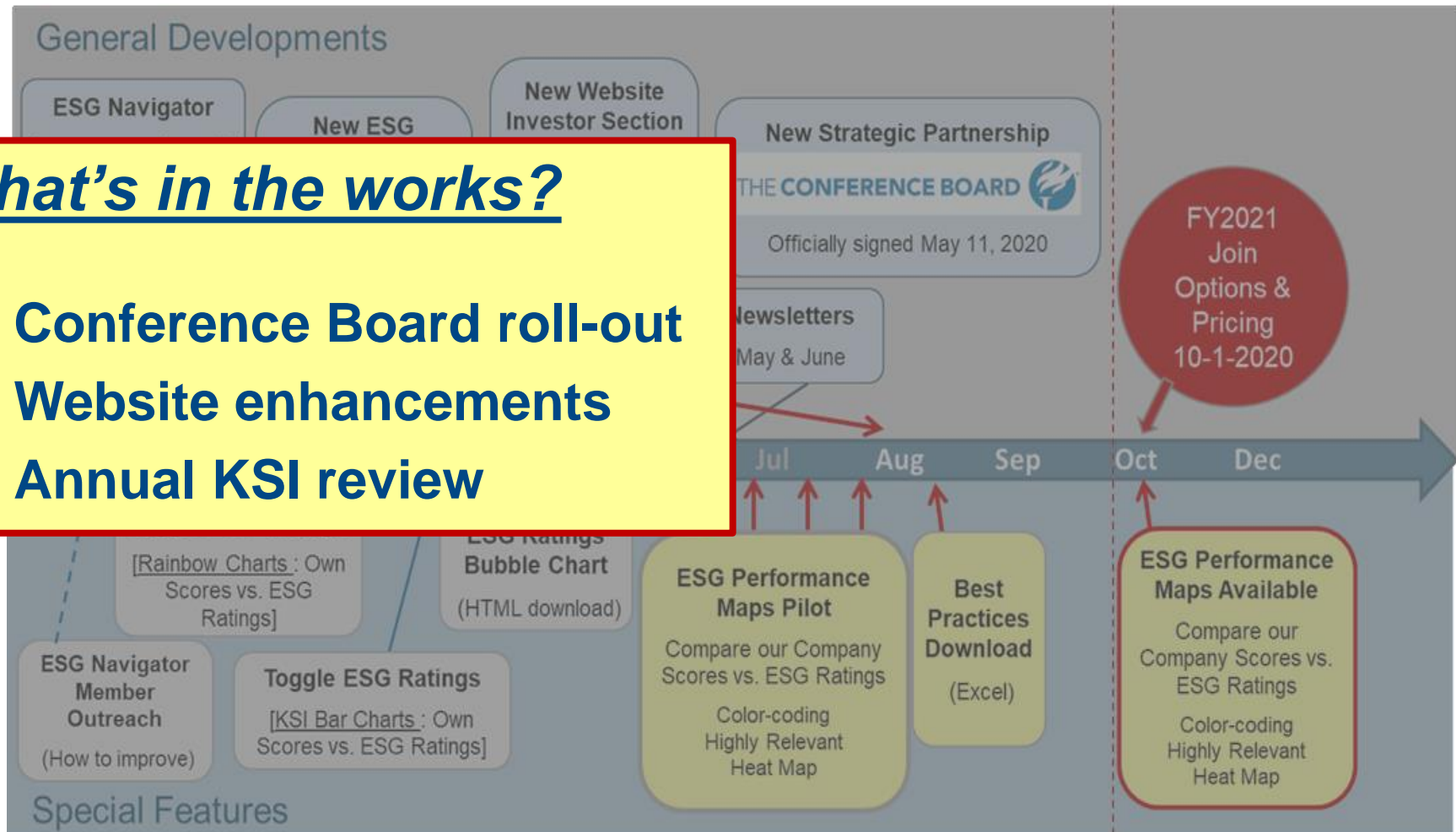
Compare our  
Company Scores  
vs. ESG Ratings  
  
Color-coding  
Highly Relevant  
Heat Map

### Special Features

# December 2020 Update

## What's in the works?

1. Conference Board roll-out
2. Website enhancements
3. Annual KSI review





# Launched!



## The Conference Board licenses ESG Navigator!

- *“Since 2015, over 80 members of The Conference Board ESG Center have actively used and shaped ESG Navigator. We are excited to make this unique and concise platform available to our member companies globally.”*  
Uwe Schulte, Director, Global Sustainability Centre
- *“The global membership of The Conference Board - 1,000+ companies worldwide - will benefit from the power and elegant simplicity of the ESG Navigator benchmarking platform.”*  
Rainer Schultheis, Executive Vice President, International
- *“ESG Navigator distills 30 years of industry knowledge, interactions with dozens of CEOs, board members, and ESG expertise into an easy-to-use, online assessment tool.”*  
Paul Washington, Executive Director, ESG Center

# Key Differences: TCB vs. ESGN.com

## Access via esgnavigator.com

- **Request log-in credentials** (Approve User Agreement; Gib assigns and sends along)
- **Welcome email with attachments** (Rating Criteria; Pitch Deck; 80/20 article)
- **View “full website” information**
  - Welcome (past webinar videos, webinar schedule, etc.)
  - About (Companies participating; history, etc.)
  - Resources (Excel Toolkit, etc.)
  - Investors (ABCs, Who Bought Who, etc.)
- **Start with 2-month Free Trial** (=Option B)
- **On ESG Navigator mailing list** (webinars, newsletters)

## Access via TCB

- **Credentials automatically assigned** (Approve User Agreement)
- **View “slimmed down” version of esgnavigator.com**
- **Automatically in Option A**
- **Goal is get first-pass data in**
- **Click on “Sample Analytics” to view all analytics**
- **Click “Advanced Options” to learn more**
- **Not on ESG Navigator mailing list** (webinars, newsletters)

**Same exact rating criteria; scoring pages; summary “Scorecard” etc.**

## In the Works

### Recent Enhancements

- Website speed
- Investors and Resources
- **Summary Bubble Chart** (vs. All Companies + Sector + Sub-sector)
- Rainbow Charts

### Coming Soon

- **Downloadable Charts** (cropped images – easy to paste into PPT)
- **Excel Toolkit** (v1.0 → v2.0)
- **Schedule 2021**
  - **Monthly Webinars**
  - **Quarterly Strategy Forum**

# 2021 Look Ahead

1. **KSI review and revisions**
2. **Website efficiency** (*better, faster, easier*) <https://esgnavigator.com>
  - **Upload and Download**
    - Best Practices Library (*download*)
    - Excel Workbook (*upload and download*)
    - Excel Analysis Report (*download*)
    - ESG Performance Maps (*download*)
  - **Pitch decks – report generation**
3. **ESG Performance Maps: Continued refinement**
4. **Highly Relevant**
  - Consider several levels (e.g., **!** and **!!**)
  - Survey tool (e.g., top ~20 KSIs to survey senior executives)
5. **The Conference Board roll-out**
  - Add pie charts of participating companies
  - Add comparisons to peer companies by Revenue, FTEs, HQ Region, Public/Private
6. **Finger on the Pulse of ESG**

# Annual KSI Review

## Objective & History

### Objective

- **Update** (for recent developments)
- **Streamline** (reduce redundancy)
- **Sharpen** (Stage 1-4 descriptors)
- **Retain the integrity** (for year-over-year comparisons)

### Past Updates

- **Jan. 2020** (147 → 129 KSIs)
- **Aug 2018** (157 → 147 KSIs)

## Next Update

### Why Now?

- **2020 Developments**
  - COVID
  - Other social issues
  - BlackRock and investor ESG developments
- **TCB** (get non-USA input)

### Timing

- **Dec 2020: Ask for Input**
- **Jan 2021: Make changes**

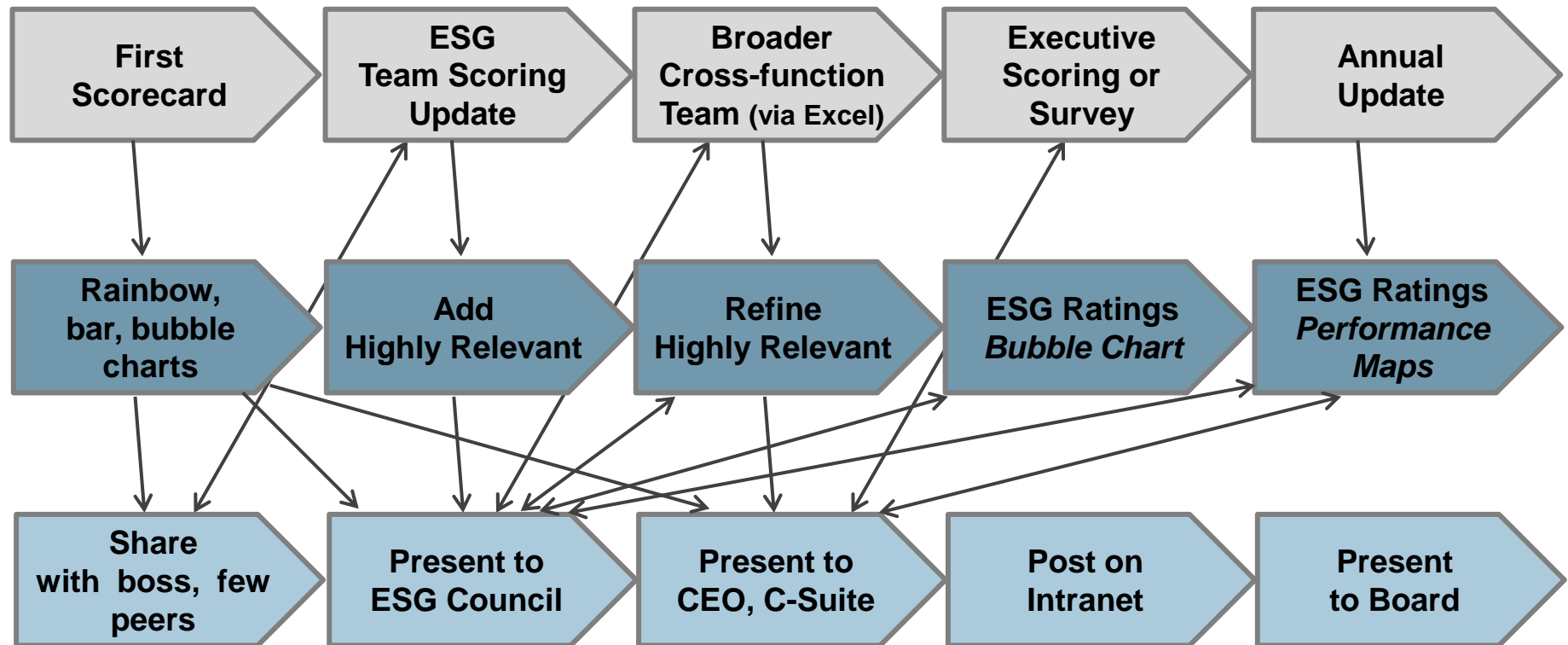
## Agenda

- **Welcome** *(10 minutes)*
  - Quick recap
  - Changes in the works
  - Look ahead to 2021
- **Sharing ESG Navigator internally**
  - Typical progression
  - ***Company Example: Fluor***
  - *Breakout Groups*: Your 2021 Game Plan
- **2021: What's Next?** *(5 Minutes)*

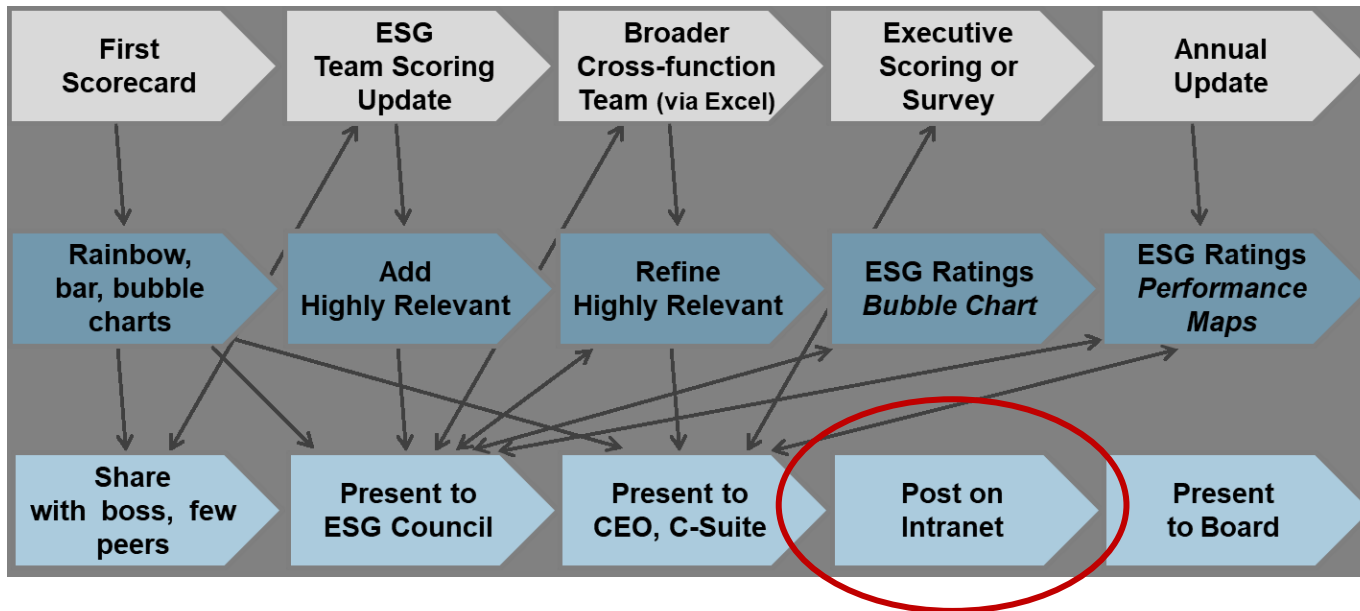


# Typical ESG Navigator Progression:

## Scoring → Analyzing → Sharing



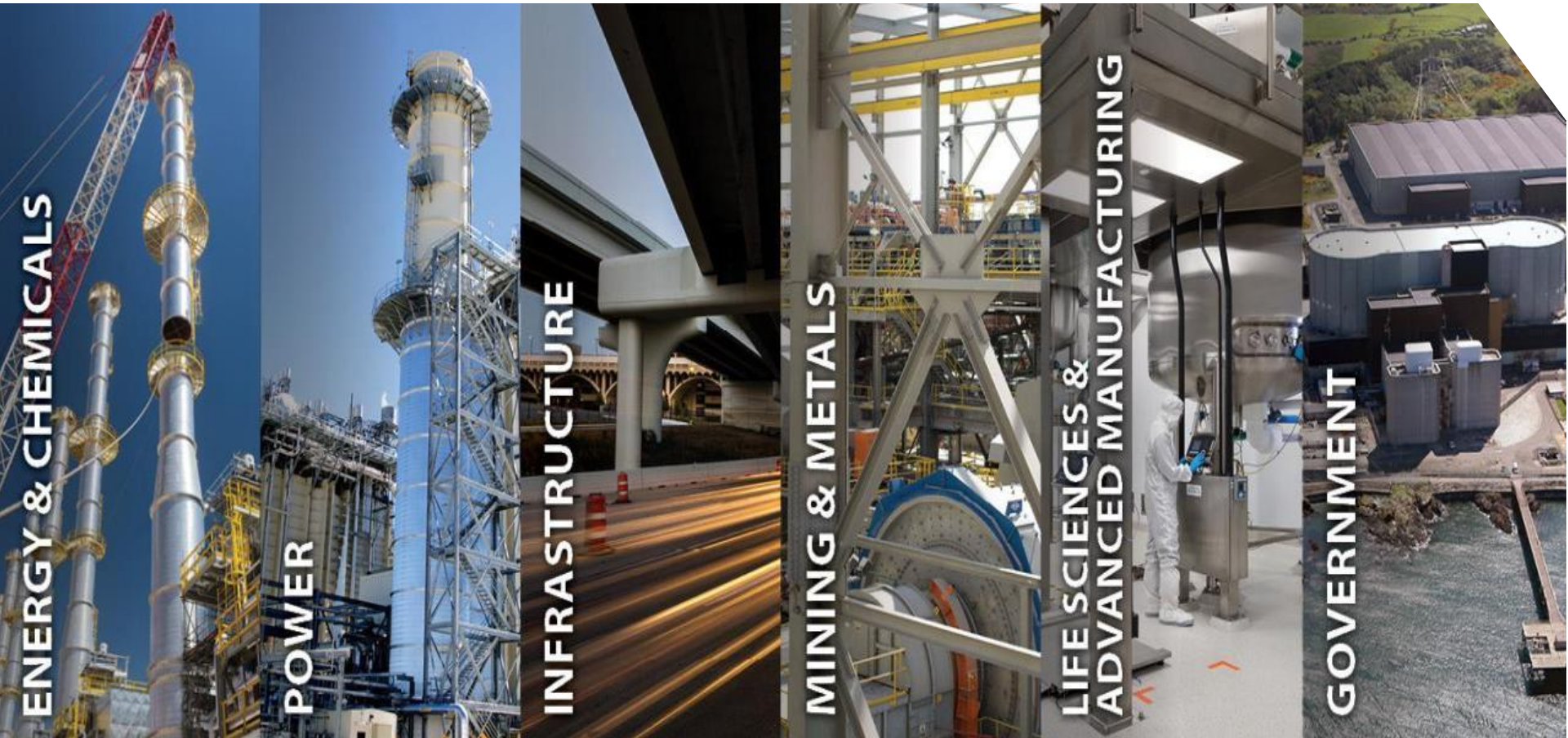
## Using ESG Navigator: *Case Study*



## Fluor at a Glance

# FLUOR'S USE OF THE ESGN SCORECARD

Nancy Kralik  
December 11, 2020



**FLUOR**<sup>®</sup>

# Fluor at a Glance

Founded in 1912 and headquartered in Irving, Texas, Fluor Corporation (NYSE:FLR) is a global, publicly traded engineering, procurement, construction and maintenance company.

➤ **14.3** BILLION REVENUE IN 2019

➤ **50,000+** EMPLOYEES

➤ PROJECTS PERFORMED IN **60+**  
COUNTRIES



# Fluor's Use of the Sustainability Scorecard

- ◆ Sustainability Committee members comprised of corporate functions completed ESG Navigator in 2<sup>nd</sup> quarter 2020
- ◆ Detailed results shared with Sustainability Committee members at 3<sup>rd</sup> quarter meeting with discussion on path forward
- ◆ Summarized results shared with all employees via Fluor intranet site / Sustainability page so that they can see areas where we can improve and where there are opportunities



# Fluor Intranet Site / Sustainability Page

## Knowledge OnLine: Sustainability



Stop Following this Community | Community Actions

### Community Quick Links



Welcome to Search Assist! What are you looking for today?



#### What can you search for?

Start typing keywords and wait for the auto-suggest to find relevant content that already exists in Knowledge OnLine or other managed communities in Connections. You can enter keywords like *hse topic*, *value creation*, *Unison*, or a document number *000.000.1000*.

ⓘ Random FAQ: [Where can I find an overview of our latest corporate information \(e.g., office locations, number of employees, revenue, etc.\)?](#)

This feature will not yet display for ICA or Stork employees or those accessing Connections remotely. [More information here.](#)

### News Blog

Create Blog Entry

#### Renewable Energy

Dwana Hunnicutt | Oct 7 | Tags: sustainability renewable\_energy spims | 6 Visits

Spotlighting Sustainability: How the Gordie Howe International Bridge Project is Bettering the Community

2

28

### Bookmarks and More



Sustainability at Fluor — Video

Fluor's Sustainability Policy

Sustainability Vision, Mission & Strategy

Corporate Sustainability Committee Charter

Corporate Sustainability Committee Org Chart

Sustainability Materiality Analysis

# ESGN Results Shared with our Employees

## Definition

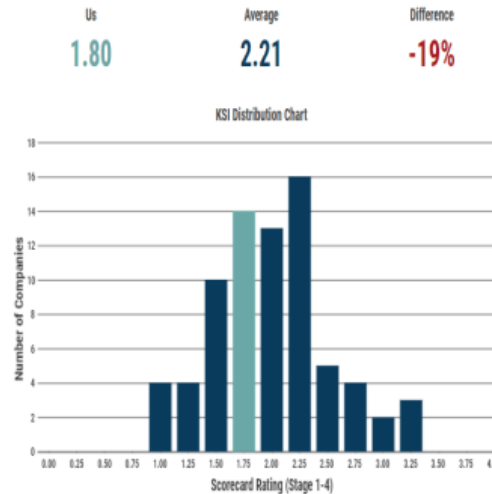
- ◆ The **ESG Navigator** is the platform where the companies evaluate themselves on where they stand in **E**nvironmental, **S**ocial and **G**overnment (ESG) areas today – and where to focus on improving.

## Background & Benefits

- ◆ **Confidential ESG Benchmarking**
  - Helps align internally on ESG
  - Benchmark with:
    - Cross-industry peers & industry leaders
    - ~70 Fortune 500 companies and growing
    - Industry sector/sub-sector
  - Easy to use and fast
- ◆ **Well-established, proven tool**
  - C-suite and board-focused
  - 20-years of development
    - 2015: Pilot with 25 major companies
    - 2018: 60 “founding” participants (F-500)
  - Rating system and criteria have been vetted by >80 companies

Note that the goal is not to win anything or get a higher score over other companies, but to determine our own areas that need improvement. This is for internal use only.

## Overall Comparison with All Companies in Pool (samples used below)



## Rainbow Charts

Company Purpose and Values	CEO and C-Suite Leadership	Board of Directors Leadership	Goals and Metrics
Company Purpose (CEO's View re the Role of Company in Society)	Public Posture Regarding Sustainability by CEO and C-suite Executives	Board of Directors' Oversight of Sustainability	Materiality* Assessment of ESG Impacts and Risks
Sustainability in Corporate Vision, Mission, Values, and Policies	CEO Messages re "S" to Shareholders	Board's Sustainability Charter/Commitment	Philosophy Regarding Sustainability Goals
Support of International "S" Charters / Commitments	CEO and C-suite Meetings with Customers re "S"	Board's Sustainability Expertise	ESG/Ethics Ratings and Rankings*
Managing Long-Term Viability of Core Business(es)	CEO and C-Suite Messages to Employees Regarding Sustainability	Reporting to Board of Most Material* ESG Issues	Long-term (5-15 year) Sustainability Goals
Key Business Decisions (KBDs)* tied to ESG Risks and Opportunities	CEO's and C-Suite's Sources of Sustainability Learning	Board Agendas Regarding Sustainability	Ultimate (e.g., 2050) Sustainability Goals

Comparing the scope of 14 external ESG ratings & frameworks with our ESG Navigator company self-assessment scores

Section	CDP	SASB	TCFD	BB	ISS	MSCI	Sust.	GRI	DJSI
<b>Governance</b>									
<b>Strategy</b>									
<b>Environment</b>									
<b>Social</b>									

# Fluor's Use of the Sustainability Scorecard / Next Steps

- ◆ In August, 2020, Fluor Corporate Sustainability Committee was restructured to comprise of Business Lines rather than corporate functions
- ◆ New committee members - Business Line leaders - are completing ESG Navigator questionnaire
- ◆ Next Steps
  - Obtain results from responses provided by Business Line leaders
  - Compare / review results from corporate functions and business lines with the Sustainability Committee and discuss any disconnects
  - Share consolidated results with employees
  - Consider completion of ESG Navigator by CEO and Board

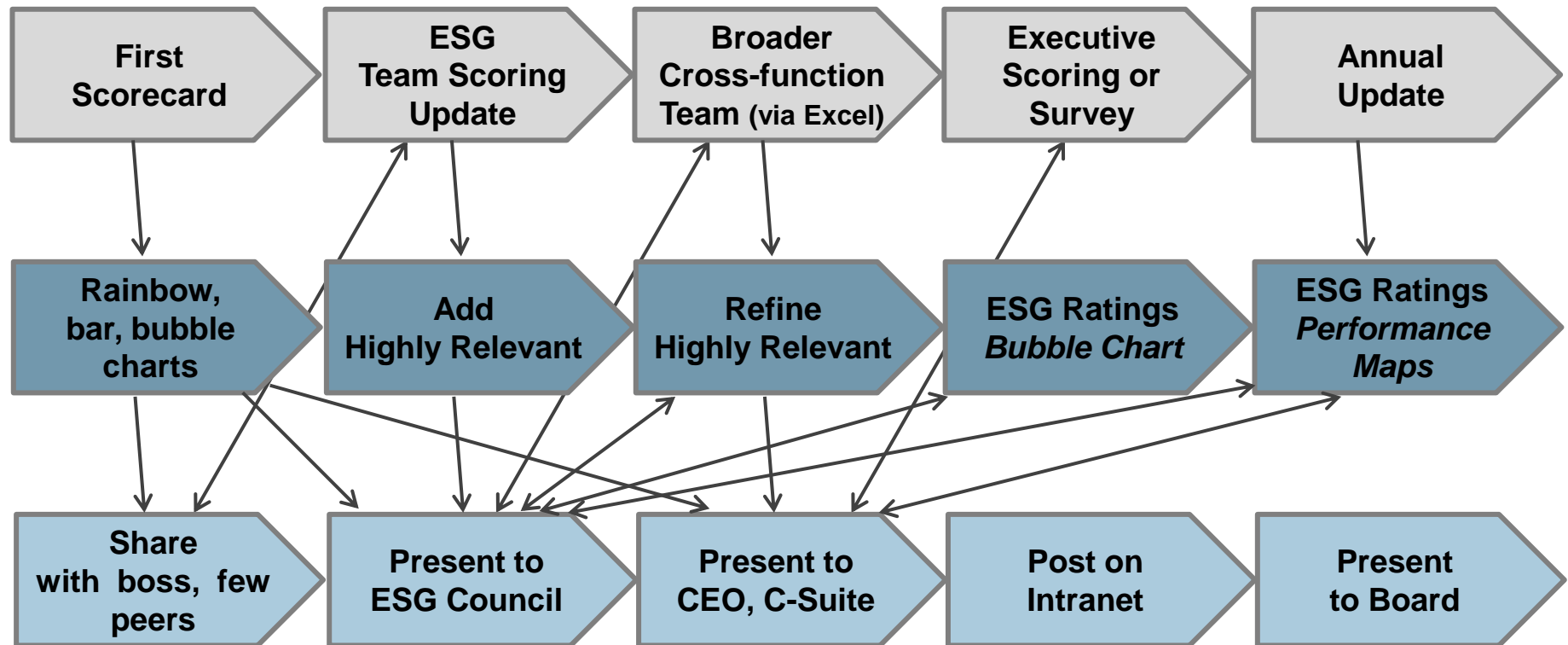


## Breakout Groups

**How do you see using ESG Navigator to engage various parts of your company in 2021?**

- **Contributing to the scoring**
- **Learning from the results**
- **Deciding action steps**
- **Etc.**

# Typical ESG Navigator Progression: Scoring → Analyzing → Sharing



Breakout Groups: *What's your current thinking re 2021 and ESG Navigator?*

# Breakout Groups & Feedback

# Agenda

- **Welcome** *(10 minutes)*
  - Quick recap
  - Changes in the works
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  - *Company Example: Fluor*
  - Breakout Groups: Your 2021 Game Plan
- **2021: What's Next?** *(5 Minutes)*

## 2021 Webinars

**What strategic question(s) would be most compelling for you to discuss with your peers during our webinars in 2021?**

- **Think for 1-2 minutes**
- **Type into Chat**

# Draft 2021 Schedule

## Quarterly Strategy Forum

### Current Thinking

- Similar to 2020
- Better for European participants

### Tentative Dates

- March 13 (Friday) 11:00am
- June 10 (Thursday) 1:00 pm
- September 17 (Friday) 12 noon
- December 9 (Thursday) 1:00 pm

## Monthly Webinars

### Current Thinking

- Days of week: Thursday and Friday
- Times of day:
  - Start b/w 10am and noon EST (make it easier for UK and Europe)
  - Vary days/times a bit

### Tentative Dates

- Jan 15 (Fri) 11am
- Feb 11 (Thu) 12 noon
- Mar 19 (Fri) 10 am
- Apr 23 (Fri) 11am
- May 20 (Thu) 12 noon
- Jun 18 (Fri) 10 am
- Jul 22 (Thu) 11am
- Aug 26 (Thu) 12 noon
- Sep 10 (Fri) 10 am
- Oct 15 (Fri) 11am
- Nov 18 (Thu) 12 noon
- Dec 3 (Fri) 10 am

On behalf of our  
ESG Navigator team:

**Thank You!**

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