



ESG Navigator™

ENVIRONMENT • SOCIAL • GOVERNANCE

ESG Navigator Webinar

June 17, 2021





Company	Pre-Registered
• Altria	Kimberlee Pepple; Athaliah Edwards-Sedra
• Bemis*	Denise Bond*
• CBRE*	Jennifer Leitsch*
• CPChemical	Rick Wagner
• Consumers	Jessica Spagnuolo
• Danaher	Jeff Ryberg
• Deere	Kim Noe
• Dell	Meagan Yates
• DTE Energy	Greg Ryan
• Duke Energy	Michelle Abbott; Julie Hyde
• Eastman	Jen Creek; Lindsay Hensley* - Kristin Ketron*
• Ecolab	Emilio Tenuta
• Fluor	Nancy Kralik
• GM	Sharon Basel
• Goodyear	Ashley Fahey
• Hain Celestial	Simon Wong
• Hexion	Syd Lindquist
• HP Inc.	David Eichberg

Company	Pre-Registered
• Int'l. Paper*	Jace Athow*
• JPMorgan Chase*	Zach Denny
• Kohler	Nathan Nissan
• Lear	Carolyn Markey
• Marriott International	Claire Cutting; Amy Bourne; Juliette Van Vleck*
• Materion	Jon Newton
• Medtronic	Ginny Cassidy; Lyrae Myxter
• NextEra Energy	Morgan McCall
• Northrop Grumman	Stanley Merritt
• Otis	Matt Turner
• PPG	Mark Cancilla; Rhonda Vete
• Stryker	Jen Boynton
• Trane Technologies	Ben Tacka; Emily Vesling
• Verizon*	Lital Kroll*
• Waste Management	Susan Robinson
• Wyndham	Rishi Shah

* = First webinar



Agenda

Updates *(10-15 minutes)*

- 2021 Game Plan
- A Request
- Key developments last 30 days

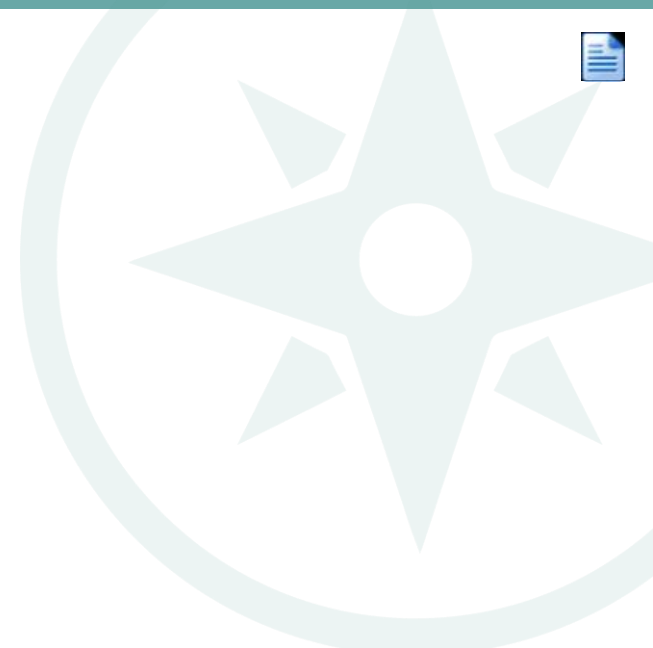
ESG Ratings *(20-25 minutes)*

- Updated Website Graphics
- ESG Ratings Maps: Analysis and Website Download
- ESG Navigator Survey: *The ROI of ESG Ratings*
 - Summary Results
 - Next Steps

Member Case Study: Chevron Phillips Chemical *(15-20 minutes)*

- Presentation
- Discussion

Next Steps *(5 minutes)*



2021 Game Plan



Reinforce the Foundation

- Major KSI (Maturity Map) Review
- ESG Ratings Analysis (MBA team)
- Enhancements
 - Welcome Page
 - Signposts
 - Branding

Simplify

- Simplify initial data entry (TCB & ESGN)
 - E or S or G or Strategy
 - Pick one and dive in
- Add “*ESG Ratings Maps*” (partial) to Option A
- Excel Options
 - By business unit
 - Executive survey

Q1 2021

Q2 2021

Q3 2021

Q4 2021

Update and Upgrade

- MBA/MS (UM) Team
 - ESG Ratings Analysis
 - Strategy Review
- Upgrade Key Features
 - Participant Pie Charts
 - Excel Toolkit
 - Migrate *ESG Ratings Maps*
 - *Who Bought Who*
 - *What Feeds What*

ESG Ratings
Survey

Launch FY-22

- Update Join Options
 - Solicit input in Q3
 - Launch in September
- Website Simplification
 - *Know Your Position*
 - *Chart Your Course*
 - *Navigate Changes Ahead*





A REQUEST

PLEASE UPDATE DATA BY Sept. 30

DATA IS 18+ MONTHS OLD

- Danaher
- Deere
- DTE Energy
- Ecolab
- JPMorgan Chase
- Kohler
- Waste Management

NO INITIAL INPUT

- General Motors
- Goodyear
- Hain Celestial
- Northrop Grumman

WELCOME ABOARD

- CBRE
- International Paper
- Materion
- Verizon

You can do it so fast (couple of hours) and immediately gain a lot of insight; very quick to identify gaps – and some surprises.”

Scott Tew – Vice President, Sustainability – Trane Technologies



ESG Navigator's *ESG Ratings Maps*

ESG Ratings Maps

- Detailed analysis of methodologies vs. ESG Navigator criteria
- ERC = ESG Ratings Coverage (degree of overlap)

ESG Ratings Maps

- "Stoplight" analysis
- Multiple levels of detail:
 - By KSI (114)
 - By Element (17) →
 - By Section (4)
- Many have shared with C-Suite and Board

KSI	Section	KSI Name	CDP	GRI	SASB	TCFD	BB	DJSI	FTSE	ISS	MSCI	Sust.	Vigeo	Eco-V	CK	JUST	ERC
1.1	Gov	Co. Purpose	○	●	○	●	○	○	○	○	○	○	○	○	○	○	12
1.2	Gov	ESG/S in Vision, Mission, Values, & Policies	○	●	○	●	○	○	●	○	○	○	●	○	○	○	23
1.3	Gov	ESG/S Commitments (by Board and/or C-Suite)	●	○	○	○	●	○	●	○	●	●	●	●	●	○	38
1.4	Gov	Managing Long-Term Viability of Core Biz.(es)	●	●	○	●	●	●	●	●	○	○	○	○	○	○	46
1.5	Gov	Key Biz. Decisions Tied to ESG/S Risks & Opportunities	●	●	○	○	●	○	●	●	○	○	●	○	○	○	46

Section	E#	Element Name	Avg. Score	KSIs	CDP	GRI	SASB	TCFD	BB	DJSI	FTSE	ISS	MSCI	Sust.	Vigeo	Eco-V	CK	JUST	ERC
Gov	1	Co. Purpose & Values	1.70	5	●	●	●	●	●	●	●	●	●	●	●	●	●	●	34
Gov	2	CEO & C-Suite Leadership	1.83	6	●	●	●	●	●	●	●	●	●	●	●	●	●	●	10
Gov	3	Board of Directors Leadership	1.00	7	●	●	●	●	●	●	●	●	●	●	●	●	●	●	40
Gov	4	Goals & Metrics	2.57	7	●	●	●	●	●	●	●	●	●	●	●	●	●	●	59
Gov	5	Culture & Organization	1.40	5	●	●	●	●	●	●	●	●	●	●	●	●	●	●	34
Gov	6	Stakeholder Engagement	2.17	6	●	●	●	●	●	●	●	●	●	●	●	●	●	●	38
Gov	7	Disclosure & Reporting	1.25	6	●	●	●	●	●	●	●	●	●	●	●	●	●	●	74
Str	8	Strategic Planning	1.14	7	●	●	●	●	●	●	●	●	●	●	●	●	●	●	56
Str	9	Innovation, R&D	1.67	6	●	●	●	●	●	●	●	●	●	●	●	●	●	●	39
Str	10	Custs. & Markets	1.71	7	●	●	●	●	●	●	●	●	●	●	●	●	●	●	29
Str	11	Products, Services, & Solutions	2.29	7	●	●	●	●	●	●	●	●	●	●	●	●	●	●	51
Env	12	Operations - Env. Footprint	2.56	8	●	●	●	●	●	●	●	●	●	●	●	●	●	●	72
Env	13	S. Chain - Env. Footprint	1.00	7	●	●	●	●	●	●	●	●	●	●	●	●	●	●	62
Env	14	Products - Env. Footprint	1.75	8	●	●	●	●	●	●	●	●	●	●	●	●	●	●	54
Soc	15	Workplace	2.57	7	●	●	●	●	●	●	●	●	●	●	●	●	●	●	62
Soc	16	S. Chain - Social Impacts	1.13	8	●	●	●	●	●	●	●	●	●	●	●	●	●	●	58
Soc	17	Community - Social Impacts	1.93	7	●	●	●	●	●	●	●	●	●	●	●	●	●	●	36



Quick Updates

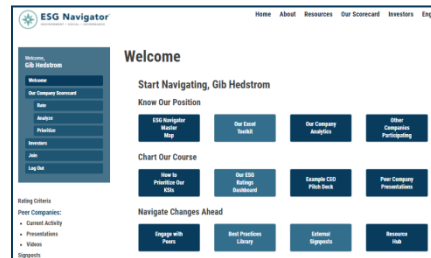
1. Strategy and Value Proposition

2. Ongoing Website Improvements

- ESG Ratings Charts
 - *Who Bought Who*
 - *What Feeds What*
 - *Etc.*
- Click to enlarge images
- Summary Bubble Chart

3. Welcome Page

- New Names
- ESG Maturity Map
- Updated CEO Pitch Deck
- Knowledge Hub



Strategy Update: Value Proposition

ESG Navigator empowers sustainability professionals and their companies to address the world's most pressing challenges - through **powerful ESG benchmarking analytics**, a **broad strategic roadmap**, and a tight-knit **community of peers**.



Welcome Page: Updates

ESG Navigator
ENVIRONMENT • SOCIAL • GOVERNANCE

Home About Resources Our Scorecard Investors Engage

Welcome, Gib Hedstrom

Welcome

Our Company Scorecard

Rate

Analyze

Prioritize

Investors

Join

Log Out

Welcome

Start Navigating, Gib Hedstrom

Know Our Position

ESG Navigator Master Map

Our Excel Toolkit

Our Company Analytics

Other Companies Participating

Chart Our Course

How to Prioritize Our KSIs

Our ESG Ratings Dashboard

Example CEO Pitch Deck

Peer Company Presentations

Navigate Changes Ahead

Engage with Peers

Best Practices Library

External Signposts

Resource Hub

Rating Criteria

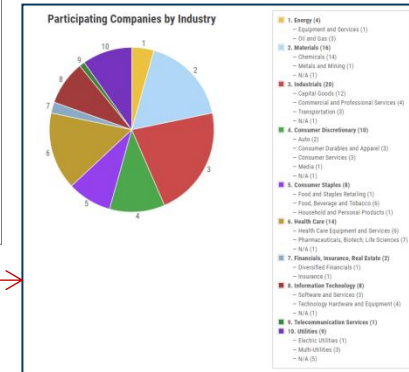
Peer Companies:

- Current Activity
- Presentations
- Videos

Signposts

- Past company presentations
- Today's (CPChem) presentation

- Investors: "Who Bought Who"
- Investors: "What Feeds What"
- Etc.



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ENVIRONMENT • SOCIAL • GOVERNANCE

Navigating ESG

How do we stack up?

Benchmarking Results for ABC Company

June 2021



June 2020

Is our company future-ready?

SIGNPOSTS

Note – we shared a few key news stories from the past week or two...

Agenda

Updates *(10-15 minutes)*

- 2021 Game Plan
- A Request
- Key developments last 30 days

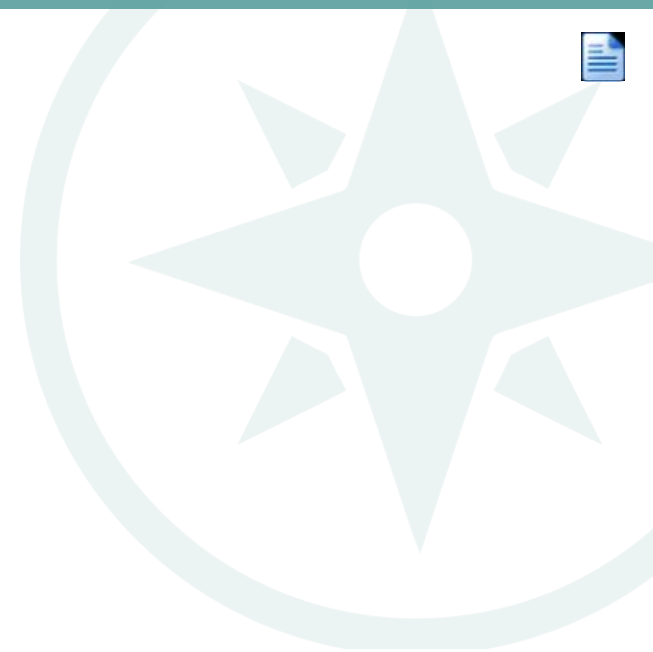
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Next Steps *(5 minutes)*





Updated Website Information & Graphics

- [ABCs of ESG Frameworks and Ratings](#)
- [Master Map of ESG Frameworks and Ratings](#)
- [ESG Reporting Frameworks](#)
- [ESG Ratings: *Who Bought Who*](#)
- <https://esgnavigator.com/investors/what-feeds-what/>

Visit on the Website



ESG Frameworks & Ratings: *Master Map*

Information Flow

Companies

Collect, validate, and publish ESG data and other information.

ESG Reporting Frameworks

Provide standardized content and structure for reporting of ESG data and information

Major Players

- CDP
- GRI
- IIRC
- TCFD
- Value Reporting Foundation
 - IIRC
 - SASB

ESG Data Providers and Ratings

Aggregate ESG data and/or conduct independent ESG rating of companies, making data and ratings available to public or investor customers

Major Players

- Bloomberg *Terminal*
- CDP *Company Scores*
- ISS *ESG Ratings*
- LSEG *FTSE Russell & Refinitiv*
- Morningstar *Sustainalytics*
- Moody's *Vigeo Eiris*
- MSCI *ESG Research*
- S&P Global
- Corporate Knights *Global 100*
- EcoVadis *Scorecard*
- JUST Capital *Rankings*

ESG Stock Indices and ESG Bonds

ESG Stock Indices - A mutual fund or exchange traded fund (ETF) designed to follow certain preset (ESG) rules; the fund then tracks a specified basket of underlying investments

ESG Bonds - Bond instruments where terms are linked to the issuer's ESG performance (e.g. carbon intensity, ESG rating)

Major Players

- Bloomberg SASB ESG Index Family
- FTSE ESG Index Series
- MSCI ESG Indexes
- S&P Dow Jones Sustainability Indices
- "Green Bonds" or "Sustainability-linked Bonds"

Click - for more information...

ABC's

of ESG Frameworks & Ratings

ESG Reporting Frameworks

Who Bought Who

What Feeds What

NOTE: The ESG Navigator Team thanks Dr. Alex Gold, Head of ESG and CEO of BWD North America, for assistance in updating and reviewing the ESG ratings' content on our Knowledge Hub – including the graphics and the "ABC's of ESG Frameworks and Ratings."



ESG Reporting Frameworks Provided by The Conference Board



www.globalreporting.org

PURPOSE: Help organizations report on economic, environmental & social impacts considering a wide range of interests.

AUDIENCE: Broad set of stakeholders

WHERE TO REPORT: Corporate sustainability report

FOCUS AREAS:
ENVIRONMENT
SOCIAL
GOVERNANCE



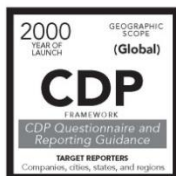
INFORMATION TO REPORT:

- **General disclosures:** Organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process.
- **Economic:** Performance, market presence, indirect economic impacts, procurement practices, anti-corruption and anti-competitive behavior.
- **Environment:** Materials, energy, water and effluents, biodiversity, emissions, effluents and waste, environmental compliance, and supplier environmental assessment.
- **Social:** Employment labor/management relations, occupational health and safety, training and education, diversity and equal opportunity, nondiscrimination, freedom of association and collective bargaining, child labor, etc.

PRESCRIPTIVE OR FLEXIBLE:

Prescriptive

SECTOR FOCUS: Agnostic (+ some sector-specific guidance)



www.cdp.net

Capture environmental performance data related to GHG emissions, water, forests, and supply chain.

Investors, buyers, other stakeholders

CDP's online reporting platform



- **Climate change:** Risks and low-carbon opportunities.
- **Forest:** How organizations produce, source, and use major soft commodities associated with detrimental impacts on natural resources.
- **Water security:** Company's management, governance, use, and stewardship of water resources.
- **Supply chain:** Management of climate change, forest and water security.

Prescriptive

Specific



www.integratedreporting.org

Establish Guiding Principles and Content Elements allowing companies to produce "integrated reports."

Investors

Stand-alone integrated report



- **Organizational overview** and external environment.
- **Governance structure:** How it supports ability to create value in the short, medium & long term.
- **Business model** of the organization.
- **Risks and opportunities** that affect the ability to create value over the short, medium & long term; how those issues are dealt with.
- **Strategy** and resource allocation.
- **Performance:** Extent to which objectives were achieved for the period; outcomes and their effect on capitals.
- **Outlook:** Challenges and uncertainties likely to be encountered; implications for the business model and future performance.
- **Basis of presentation:** How the organization determines what to include in its integrated report.

Flexible

Agnostic



www.sasb.org

Facilitate disclosure of material sustainability information in SEC filings.

Investors

SEC Form 10-K, 20-F filings



- **Environment:** Corporate impacts on the environment.
- **Social capital:** Human rights, protection of vulnerable groups, local economic development, access to and quality of products, and services, affordability, responsible marketing, and customer privacy.
- **Human capital:** Issues affecting employee productivity (e.g., employee engagement, diversity, and incentives and compensation).
- **Business model and innovation:** Impact of sustainability issues on innovation and business models, and the integration of these issues in a company's value-creation process.
- **Leadership and governance:** Management of issues inherent to the business model or common practice in the industry that are in potential conflict with the interests of broader stakeholder groups.

Prescriptive

Specific



www.fsb-tcfd.org

Encourage firms to align climate-related risk disclosures with investors' needs.

Investors, lenders, insurers

Annual financial filings (e.g., annual report)



- **Governance:** Governance around climate-related risks and opportunities.
- **Strategy:** The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.
- **Risk management:** How the organization identifies, assesses, and manages climate-related risks.
- **Metrics and targets:** The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Flexible

Agnostic (+ some sector-specific guidance)

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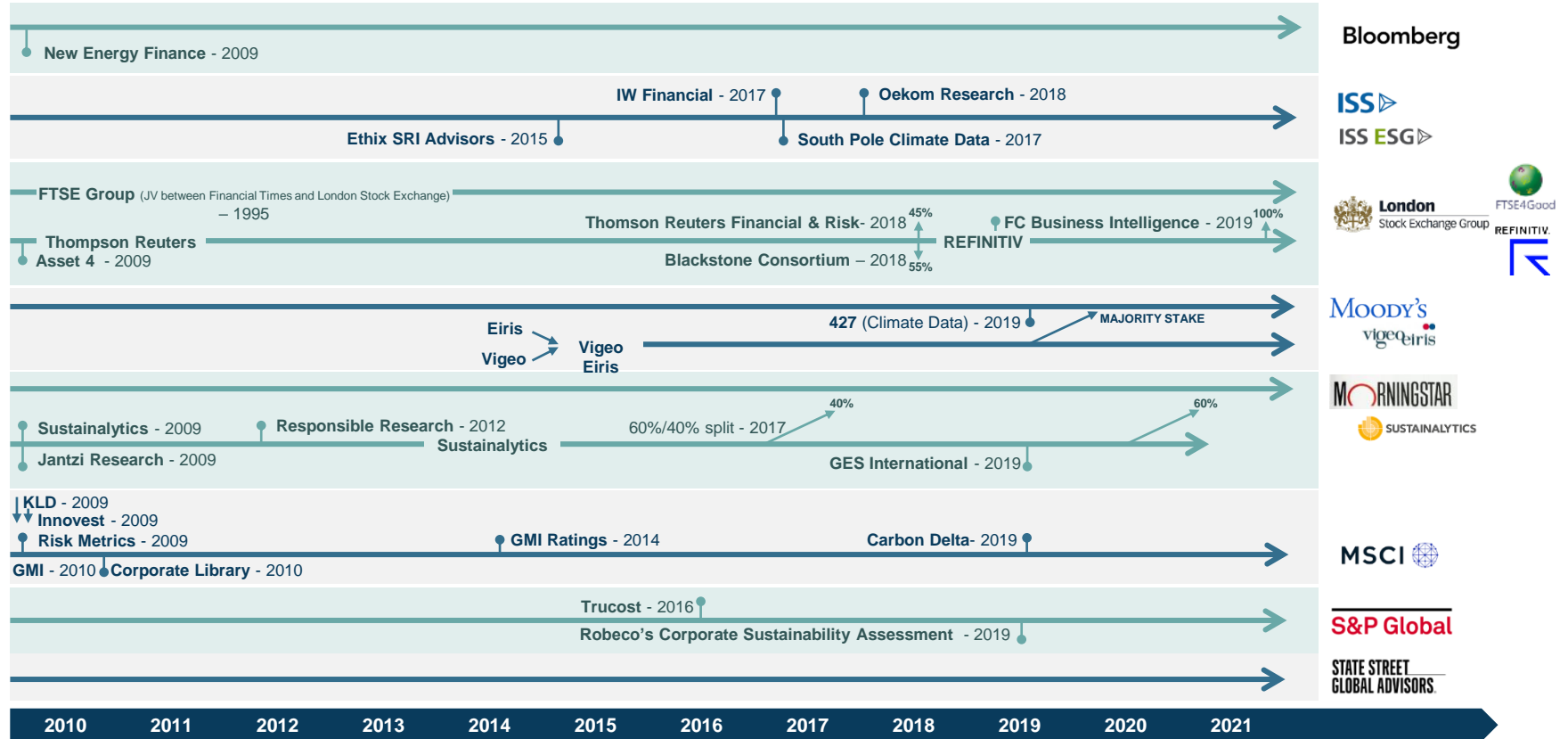
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ESG Navigator Knowledge Hub – Investors

14

ESG Ratings: “Who Bought Who”



ESG Ratings: “What Feeds What”

Target Customer Focus

- FINANCIAL
- CUSTOMER
- PUBLIC

Information Sources

- COMPANY DATA
- REVIEW
- QUESTIONNAIRE

Abbreviations

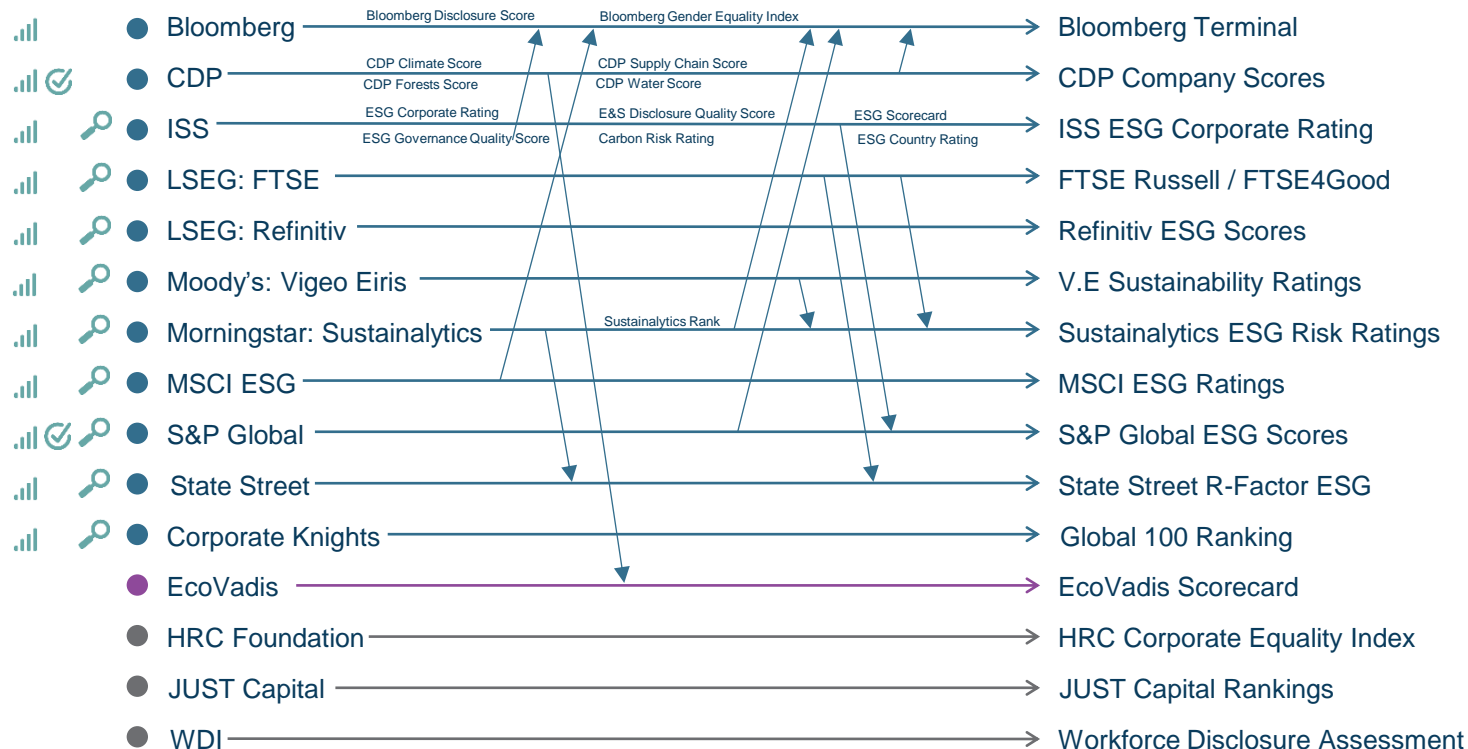
ISS: Institutional Shareholder Services

LSEG: London Stock Exchange Group

HRC: Human Rights Campaign

WDI: Workforce Disclosure Initiative

Owner: Brand





Website Migration of *ESG Ratings Maps*

We are moving ESG
Performance Maps to be
a direct download from
<https://esgnavigator.com/>

Section	E#	Element Name	Avg. Score	KSIs	CDP	GRI	SASB	TCFD	BB	DISI	FTSE	ISS	MSCI	Sust.	Vigeo	Eco-V	CK	JUST	ERC
Gov	1	Co. Purpose & Values	1.70	5															34
Gov	2	CEO & C-Suite Leadership	1.83	6															10
Gov	3	Board of Directors Leadership	1.00	7															40
Gov	4	Goals & Metrics	2.57	7															59
Gov	5	Culture & Organization	1.40	5															34
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Gov	7	Disclosure & Reporting	1.25	6															74
Str	8	Strategic Planning	1.14	7															56
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Str	10	Custs. & Markets	1.71	7															29
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Env	12	Operations - Env. Footprint	2.56	8															72
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Soc	16	S. Chain - Social Impacts	1.13	8															58
Soc	17	Community - Social Impacts	1.93	7															36

ESG Ratings Analysis:

What's the data behind the “bubbles” and heat maps?



KSI	Section	KS Name	Score	HR!	CDP	GRI	SASB	TCFD	BB	DJSI	FTSE	ISS	MSCI	Sust.	Vigeo	Eco-V	CK	JUST	ERC
1.5	Gov	Key Business Decisions - ESG/S	0.5	!	●	●	●	●	●	●	●	●	●	●	●	●	●	●	46
2.1	Gov	CEO/C-Suite Approach to ESG/S	1.5	!	●	○	○	○	○	○	○	○	○	○	○	○	○	○	12
3.4	Gov	Board Agendas re ESG/S	1.5	!	●	●	○	●	●	○	○	○	○	○	○	○	○	○	46
4.6	Gov	Accounting for ESG/S Externalities	1.0	!	●	●	●	●	●	○	○	○	○	○	○	○	○	○	69
5.4	Gov	Unwritten Rules of the Game	1.0	!	●	○	○	○	○	○	○	○	○	○	○	○	○	○	15
8.3	Str	Strategy: Enterprise Risk	1.5	!	●	●	●	●	●	○	○	○	○	○	○	○	○	○	73
8.6	Str	Use of Scenario Planning	1.0	!	●	○	○	○	○	○	○	○	○	○	○	○	○	○	65
9.1	Str	ESG/S & Innovation	1.5	!	●	○	○	○	○	○	○	○	○	○	○	○	○	○	65
10.1	Str	ESG/S Approach to Customers	2.0	!	●	○	○	○	○	○	○	○	○	○	○	○	○	○	46
11.1	Str	PSS Value Proposition	2.5	!	●	○	○	○	○	○	○	○	○	○	○	○	○	○	46
12.1	Env	Energy Purchased	2.5	!	○	○	○	○	○	○	○	○	○	○	○	○	○	○	65
13.1	Env	Supply Chain Env. - Approach	1.5	!	●	○	○	○	○	○	○	○	○	○	○	○	○	○	65
15.3	Soc	ESG/S Benefits: Recruitment & Retention	3.0	!	○	○	○	○	○	○	○	○	○	○	○	○	○	○	54

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A circle ('bubble') indicates the degree to which that organization covers that KSI subject:

- = **HIGH DEGREE** of coverage
- ◐ = **PARTIAL** coverage
- = **LITTLE OR NO** coverage

COLOR MATRIX - Summarizes the color scheme used (for circles and heat map squares).

Your Self-Assessment Score	Ratings Organization - Coverage		
	High	Med.	Low
High 3.0 - 4.0	green	green	green
Med. 1.5 - 2.5	yellow	yellow	light green
Low 0.5 - 1.0	red	yellow	light green

ESG Ratings Analysis: ISS Example



- ISS ESG Subparts
- 2020: 2 subparts
 - 2021: 8 subparts

ESG Corporate Rating: Methodology

- Available via website download = 2 pages
- Company report provided by ISS = 33 pages



ESG Ratings Analysis: Bloomberg Example

2021 KSI #	KSI Name	STAGE 1	STAGE 4	2021 Comments	Final 2021 Score	CDP 2021	ISS 2021	MSCI 2021	S&P DJSI 2021	MBA 2021 Score	TPRO Reference (page, item #)	Comments	2020 Score	Allie Content (2020)
1.1	Company Purpose	ESG/Sustainability (ESG/S) is viewed as compliance, an extension of Environment, Health, and Safety (EHS), and/or corporate responsibility. The core purpose of the company is to create shareholder value.	Every strategic and key operational decision is guided by purpose, with ESG/S at the core of the company's distinctive role in society. C-Suite is driving deep integration of ESG/S into core business processes.		1	1	1	1	1	1			1	
1.2	ESG/S in Vision, Mission, Values, and Policies	ESG/Sustainability is not explicitly called out; vision and mission can enable ESG/S. Business ethics policies and controls are broadly communicated.	ESG/S is central to transformation, driving goal of net positive impact. There is a demonstrated commitment to creating both economic value and value for society.		3	3	1	2	1	1			1	
1.3	ESG/S Commitments (by Board and/or C-Suite)	Company conforms to common industry practices and standards (e.g. Responsible Care or Global Reporting Initiative).	Company's full board of directors publicly commit to ESG/S (the intent of the SDGs). Company supports and measures total societal impact .		3	3	2	1	1	1			2	
1.4	Managing Long-Term Viability of Core Business(es)	Core businesses may or may not align with sustainability principles .	Core businesses engage with larger company to measure and drive toward net positive total societal impact - helping to drive the global sustainability agenda, defined by the SDGs .	agree that yes, Bloomberg concept is getting businesses to align with sustainability principles, felt that content about core	2	1	2	2	1	1			3	nothing specific but Bloomberg in general
1.5	Key Business Decisions Tied to ESG/S Risks and Opportunities	ESG/S elements are typically not factors in key business decisions made by C-Suite and board.	Material ESG/S issues guide strategic planning and capital allocation. Company demonstrates a track record of factoring material ESG/S risks into key business decisions .		3	3	1	1	3	3	ESG ppt13-14	Liability exposure: "Companies that disclose these opportunities and also incorporate CD2 metrics	3	nothing specific but Bloomberg in general, maybe 3 - pg. 9

Bloomberg Terminal: Our Analysis Approach

- Start with 2021 (MBA) score of Bloomberg core data
- Incorporate the four additional ESG ratings Bloomberg also includes
- Come up with new 2021 full Bloomberg score
- Compare with 2020 – and understand differences

ESG Ratings Survey



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ESG Navigator: ESG Ratings Survey

We have crafted this survey at the request of many ESG Navigator members. They tell us the subject of ESG ratings comes up at every C-Suite and board meeting – and they want current insights and data to share. (The last major survey of this nature conducted by The Conference Board was in 2016.)

The survey has been designed and shaped by ESG Navigator members during our past two monthly webinars. The survey consists of nine (9) questions. The individual questions may appear long because we include a total of 17 external ESG frameworks and rating organizations; however, you will find you can complete each question quickly. You should be able to complete this survey in 15-20 minutes, perhaps less.

The full results will be available to all companies that complete the survey. We plan to share only a summary of the results more broadly.

Your data submitted will remain confidential. We request information on name and company simply to be able to track the quality of the inputs and to avoid multiple submissions from the same company.

* Required

Update

- **Corporate EcoForum Partnership**
 - CEF Chair: *“absolutely top-notch survey; brilliantly done; totally comprehensive”*
 - CEF launch: May 17, 2021



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June 2020

What's the ROI of ESG Ratings?

SURVEY RESULTS

Note: Interim survey results were shared during the webinar. Final results will be sent to all companies participating; a summary will be added to the ESG Navigator Knowledge Hub

Agenda

Updates *(10-15 minutes)*

- 2021 Game Plan
- A Request
- Key developments last 30 days

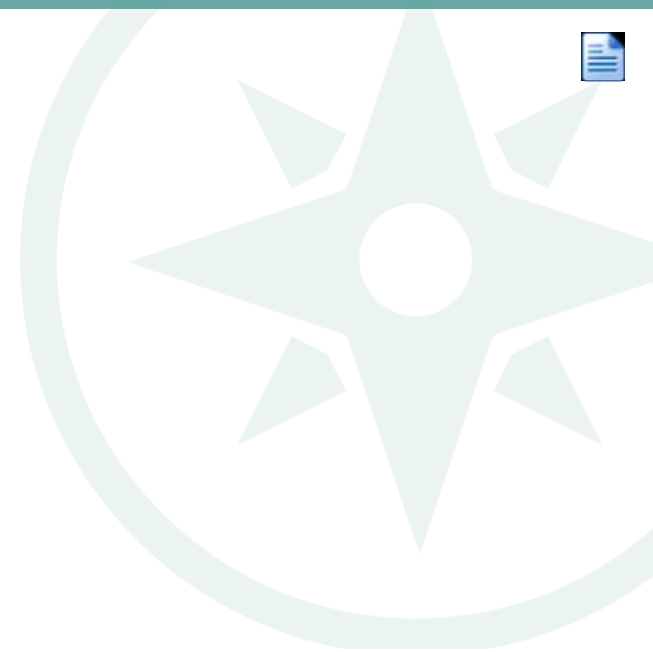
ESG Ratings *(20-25 minutes)*

- Updated Website Graphics
- ESG Ratings Maps: Analysis and Website Download
- ESG Navigator Survey: *The ROI of ESG Ratings*
 - Summary Results
 - Next Steps

Member Case Study: Chevron Phillips Chemical *(15-20 minutes)*

- Presentation
- Discussion

Next Steps *(5 minutes)*



ESG Navigator Network

Chevron Phillips Chemical's
ESG Navigator experience

Rick Wagner

Sustainability Policy & Program Manager

May, 20 2021

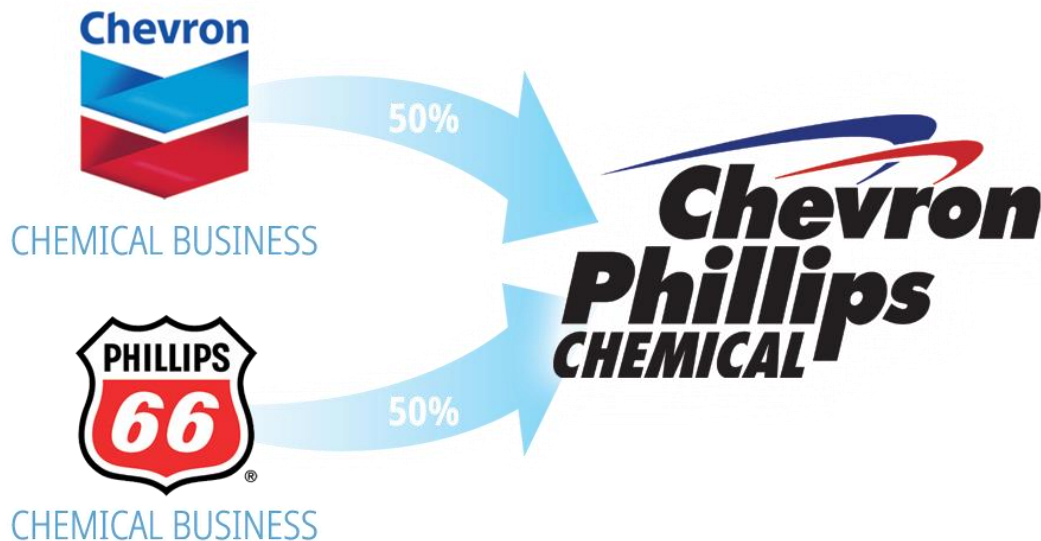


Performance by design.
Caring by choice.™



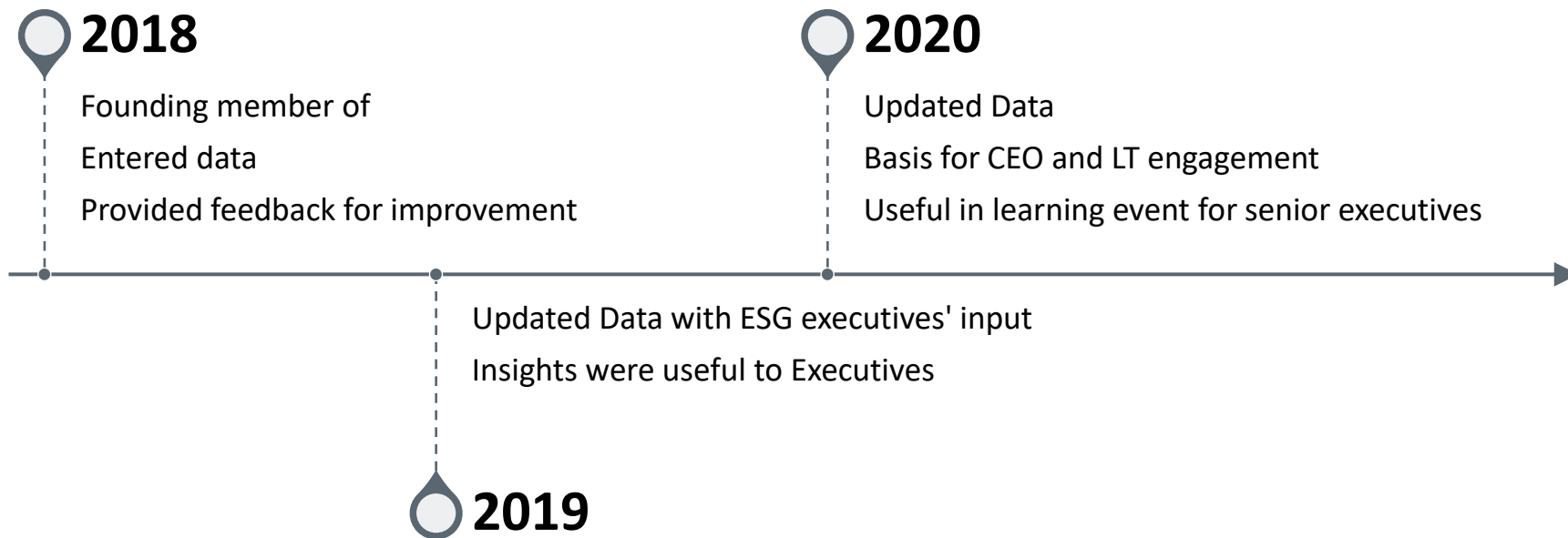
Our Heritage

Celebrating 20 years since the companies founding



- Ethylene
- Polyethylene
- Polyethylene Pipe
- Propylene
- Polypropylene
- Styrene
- Polystyrene
- Alpha Olefins
- Polyalphaolefins
- Benzene
- Cyclohexane
- Scentinel® Gas Oderants
- Soltex® Drilling Mud Additives

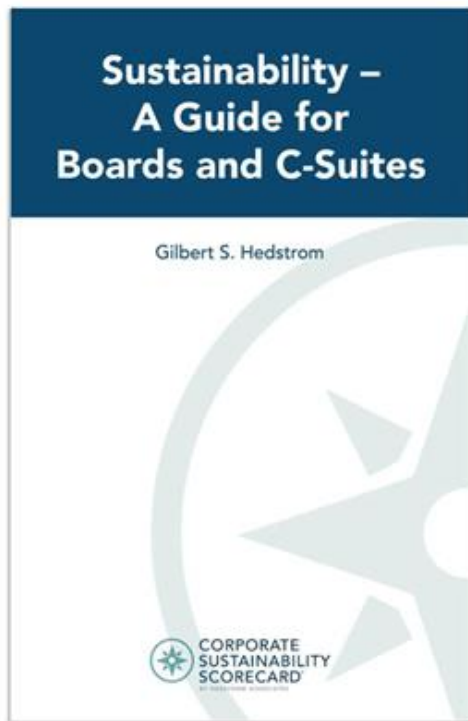
History with ESG Navigator



Survey Example

Questions	Responses
<h3>Identifying our baseline</h3> <p>In this first section, please pick the answer that you believe closely represents CPChem's current practices for ESG/Sustainability Organizational Issues.</p> <p>1. How are ESG Risks and Opportunities and the drive to deliver long-term value to society integrated into our company's vision, mission and core values? *</p> <p><i>ESG (Environment, Social, Governance): The term often used by the investment community to refer to what they characterize as the three central factors in measuring the sustainability of an investment in a company or business. In this book and the companion website, the term ESG is used interchangeably with sustainability.</i></p> <p><i>Key Business Decisions: The handful of major decisions the CEO and Board make each year – typically involving merger, acquisition or divestiture; large capital expenditure; new product launch; major research and development expenditure, etc.</i></p> <ul style="list-style-type: none"><input type="radio"/> ESG elements (e.g., in core values or policy statement) remain "on the conference room wall"<input type="radio"/> ESG elements are key factors in major business decisions; openly discussed and "rule" during crises<input type="radio"/> Formal ESG "screen" is applied to all key business decisions - reviewed with the C-Suite<input type="radio"/> Material ESG issues guide strategic planning and key business decisions made by the C-Suite and board	

Use of ESG Navigator with executives



Setting

Top 12 Executives learning about changes in sustainability governance

Preparation of the activity

Read “Sustainability – A guide for boards and C-Suites”
Review benchmarking results from the “ESG Navigator”

Activity

Rate 20 KSI from Scorecard
Forced rank the core 17 ESG Scorecard elements

Example of survey fore ranking results



Impact and the future



Impact

- New Governance structure formed
- Aligned revelations with Issue Assessment
- Launched new Strategic Focus guidance teams

Going Forward

- Update data to inform new Governance structure
- Revisit in 2022 as strategy evolves

Agenda

Updates *(10-15 minutes)*

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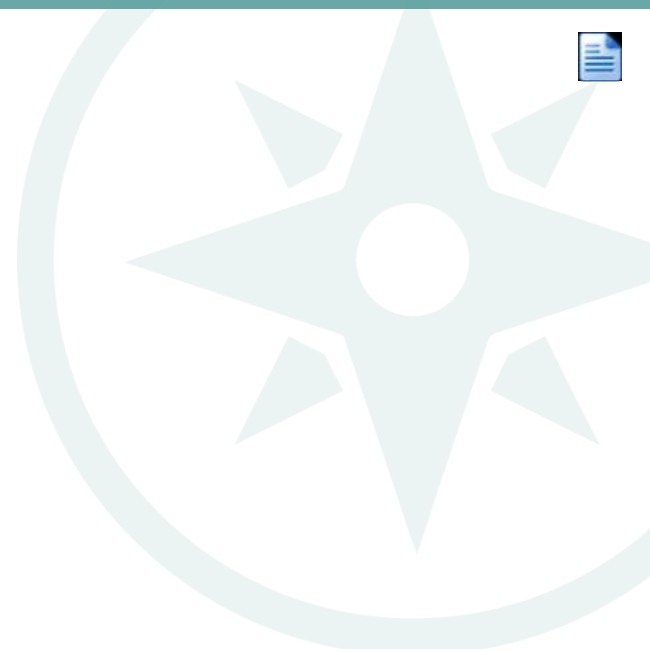
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- Presentation
- Discussion

Next Steps *(5 minutes)*





Next Steps

FOR US

- **ESG Ratings Survey**
 - Discuss during (Advanced Option C) Quarterly ESG Strategy Forum: June 25, 2021
 - Decide next steps
 - Prepare additional analysis of results
- **Website Enhancements**
 - Update ESG Ratings data (behind heat maps and bubble charts) – **June 25**
 - Migrate ESG Ratings Maps – **June 30**
 - Simplify RATE pages to encourage starting small: E + S + G + Strategy – **Q3-2021**
 - Design a partial ESG Ratings Maps feature for (free) Option A users – **Q3-2021**

FOR YOU

- **Update Your Data**
 - Plan your next update now!
 - Complete by September 30 please
 - Update online
 - You can always revise
 - Request Excel (if applicable)
- **Budget Season**
 - September renewal date
 - Same basic structure planned





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THANK YOU!