

ESG Navigator Webinar

240

210

180

November 23, 2021

Pre-registered

Company	Pre-Registered
AB InBev	Sugandha Rastogi*
• Altria	Athaliah Edwards-Sedra
Ashland	Eileen Costello*
CPChem	Tiffany Fisher*
Coca-Cola	Sha Green
Consumers Energy	Jessica Spagnuolo; Kristen Trovillion
Danaher	Kim Tuyn
• Deere	Kim Noe
• Dell	Andrea Falkin*
DuPont	Jane Schindewolf; Matt Morrison
• Eastman	Jen Creek
• Fluor	Nancy Kralik; Lucy Brady
Hexion	Syd Lindquist
	*= First webinar

Company	Pre-Registered
• HP Inc.	Paige Tornow*
Materion	Jon Newton
Medtronic	Kim Makurat
Momentive	Shaibal Roy*
NextEra Energy	Morgan McCall
• Otis	Terry Robinson; Matt Turner
• PPG	Mike Corcoran
• Solvay	Michel Washer
• Stryker	Erol Odabasi
• UPS	Andria Smith; Andy Meislin; Elba Pareja-Gallagher*
Waste Management	Michele Grossman*
Waters Corporation	Andrew Pastor

ESG Navigator Team: Gib, Larry, Tatiana -Dean Slocum, Alex Gold – with Evan Ladao (TCB)



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Welcome (5 minutes)

ESG Questions on the CEO's Agenda for 2022 (30-40 minutes)

- Signposts
- Discussion
- What you tell us and best graphics to share with the C-Suite
- Breakout Groups

Few Updates (10 minutes)

- Website
- ESG Ratings
- New "Quick Start" Survey

Next Steps (5 minutes)

- What we are doing
- What we need you to do







FY-2022 Game Plan

Our Plan

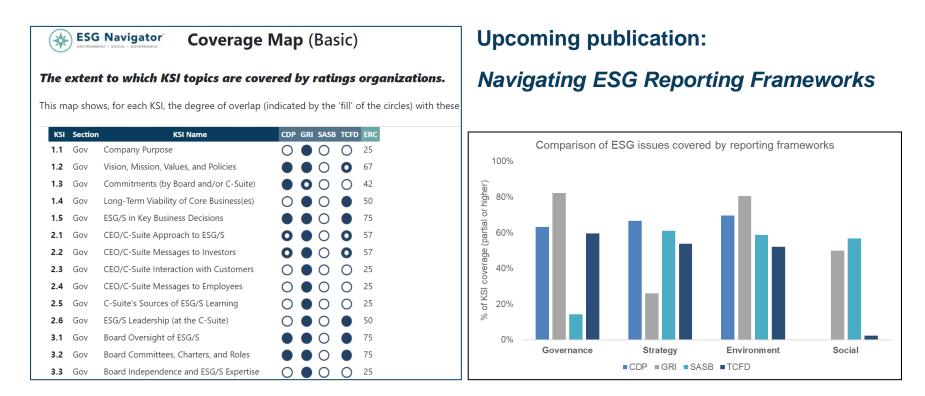
- No price increase
- Simplify getting started
- Continued investment:
 - New features
 - Premium members shape changes
- Equip you for CEO and board presentations

The Goal

- Grow 2x companies with ESG Navigator data
- Deepen roll-out by The Conference Board
- Further liaise with :
 - Corporate Eco Forum
 - National Association of Corporate Directors



ESG Ratings Maps: Used by The Conference Board





ESG Ratings Survey



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.

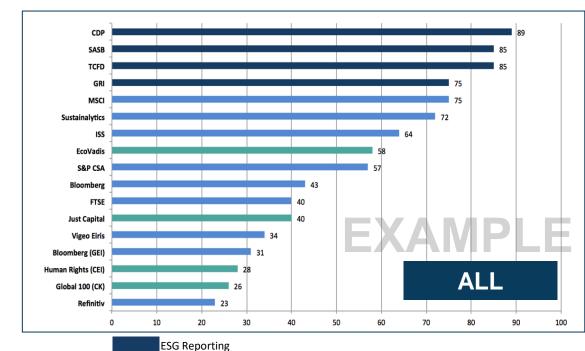
Your data submitted will remain confidential. We request information on name and company simply to be able to track the quality of the inputs and to avoid multiple submissions from the same company.

Update

- Corporate Eco Forum Partnership
 - CEF Chair: "absolutely top-notch survey; brilliantly done; totally comprehensive"
 - Final Report: July 7, 2021



1. Importance How important are each of the following to your company (CEO, board, IR, customers, etc.)?



100% if every respondent answered "Very Important" for an ESG rating

Do you have the final report?

- Available to all ESGN members
- Go to:



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Frameworks

ESG Ratings:

Financial ESR Ratings: Other

ESG Navigator – National Association of Corporate Directors

(*)	ESG Navigator	Scoring Worksheet MCD - Brit Infection		+4.1 (2001, 04, 54)	Pieces sas <u>Canada</u> lak. Miningkana wa Kantani			a anny salais Si annana
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NACD Board ESG Training Module

Which KSI topics should be included in a board of directors training module on ESG?

Gib and the NACD research team separately answered this question – then compared notes.





Welcome (5 minutes)

ESG Questions on the CEO's Agenda for 2022 (30-40 minutes)

- Signposts
- Discussion
- What you tell us and best graphics to share with the C-Suite
- Breakout Groups

Few Updates (10 minutes)

- Website
- ESG Ratings
- New "Quick Start" Survey

Next Steps (5 minutes)

- What we are doing
- What we need you to do





Is your company "future-ready"?





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Has COP 26 changed the <u>content</u> or <u>pace</u> of action on your company's 2022 ESG plans?

Open Discussion



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What have we been hearing from 25⁺ ESG

Navigator members?

ARE WE READY FOR 2022?



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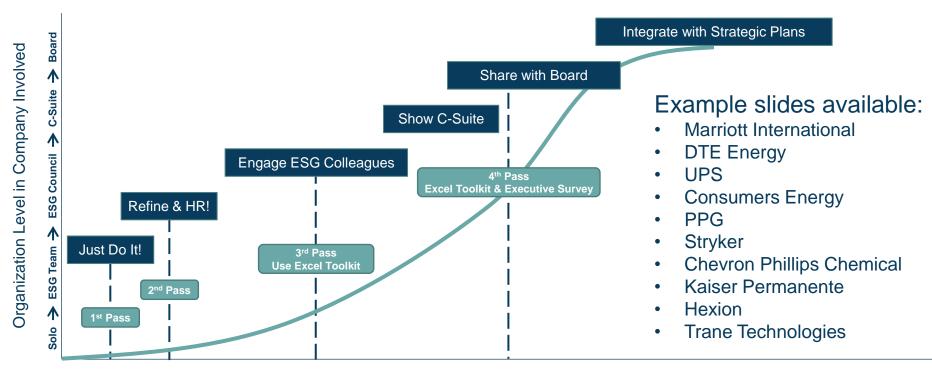
Update (Input) Data by 12/31/2021

Updating your company self-assessment data is the key to capturing the greatest value

"You can do it so fast and immediately gain a lot of insight; very quick to identify gaps – and some surprises." Scott Tew – Vice President, Sustainability – Trane Technologies



How Companies Typically Use ESG Navigator



Time from Initial ESG Navigator Registration → Next Few Years



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ESG Navigator: What is your CEO asking?

Breakout Groups

- What challenging questions are you hearing?
- What do you need to better respond?

BREAKOUT GROUPS





Welcome (5 minutes)

ESG Questions on the CEO's Agenda for 2022 (30-40 minutes)

- Signposts
- Discussion
- What you tell us and best graphics to share with the C-Suite
- Breakout Groups

Few Updates (10 minutes)

- Website
- ESG Ratings
- New "Quick Start" Survey

Next Steps (5 minutes)

- What we are doing
- What we need you to do







- 1. Simplified top menu
 - Resources → Toolkit
 - Knowledge Hub
- 2. Get started
 - First-timers
 - Not logged-in
- 3. ESG Ratings Maps
 - Click and Select
 - Customize for your company







ESG Frameworks & Ratings: *Master Map*

Companies

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

Frameworks Provide standardized content

ESG Reporting

and structure for reporting of ESG data and information

Major Players

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

Information Flow

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
- Deutsche Börse 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

Go to these pages for more information...

ABC's of ESG Frameworks & Ratings ESG Reporting Frameworks

Who Bought Who

What Feeds What

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 "Sustainabilitylinked Bonds"

Home About •

Knowledge Hub •

ESG Ratings Library

Engage

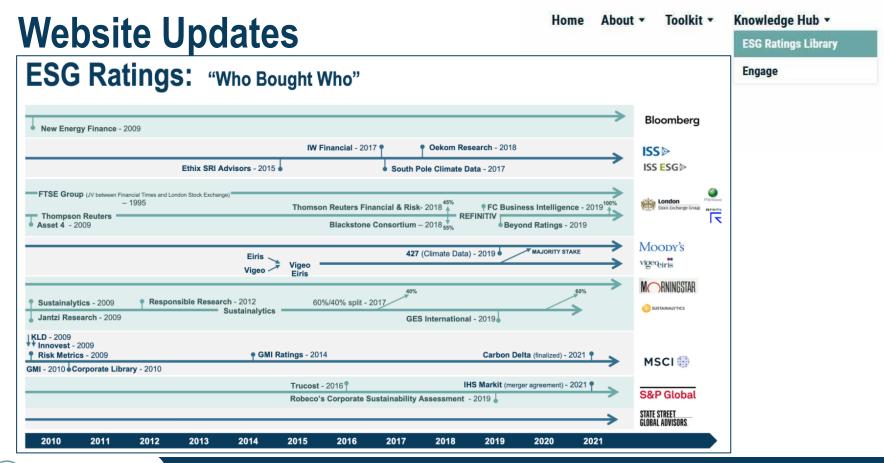
Toolkit •

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."



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UPDATES







ESG Ratings: "What Feeds What"

Owner: Brand ESG Rating Output Target Customer Focus Bloomberg Disclosure Score Bloomberg Gender Equality Index **Bloomberg Terminal** Bloomberg at CDP Supply Chain Score CDP Climate Score **CDP Company Scores** .лI Ø CDP CDP Water Score CDP Forests Score ESG Corporate Rating E&S Disclosure Quality Score ESG Scorecard ISS ISS ESG Corporate Rating ESG Governance Quality/Score Carbon Risk Rating ESG Country Rating LSEG: FTSE FTSE Russell / FTSE4Good LSEG: Refinitiv Refinitiv ESG Scores Moody's: Vigeo Eiris V.E Sustainability Ratings Sustainalytics Rank Morningstar: Sustainalytics Sustainalytics ESG Risk Ratings MSCI ESG -MSCI ESG Ratings S&P Global S&P Global ESG Scores лI Ø State Street State Street R-Factor ESG **Corporate Knights** Global 100 Ranking JI 🖉 🔎 EcoVadis EcoVadis Scorecard JI Ø Ω HRC Foundation HRC Corporate Equality Index JUST Capital JUST Capital Rankings .лI 🛇 Workforce Disclosure Assessment WDI

Home

About *

Toolkit •

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Engage

ESG Ratings Library



PUBLIC

Information Sources

- COMPANY DATA al.
- $\langle \rangle$ QUESTIONNAIRE
- Ω REVIEW

Abbreviations

ISS: Institutional Shareholder Services

LSEG: London Stock Exchange Group

HRC: Human Rights Campaign

WDI: Workforce Disclosure Initiative



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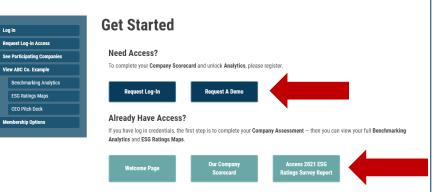


- 1. Simplified top menu
 - Resources → Toolkit
 - Knowledge Hub

2. Get started

- Request a Demo
- Ask for the ESG Ratings Survey Report!
- 3. ESG Ratings Maps
 - Click and Select
 - Customize for your company



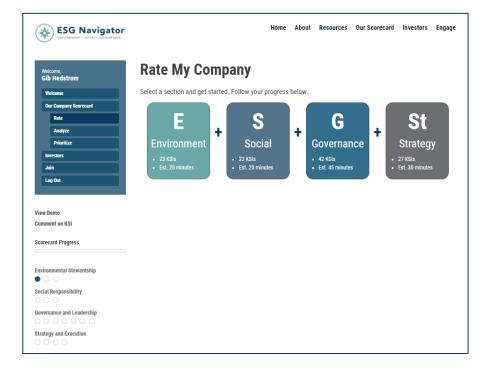






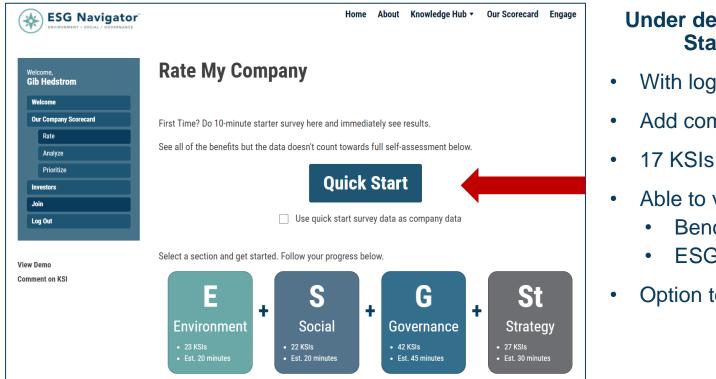
Simplify "Rate" Page

- Flexible Starting Point
- E + S + G + Strategy
- Previously set up to encourage starting with Governance – then Strategy





New "Quick Start" Survey:



Under development; on **Staging site**

- With login credentials
- Add company info.
- 17 KSIs one/element
- Able to view all analytics
 - Benchmarking
 - ESG Ratings Maps
- Option to keep/use data



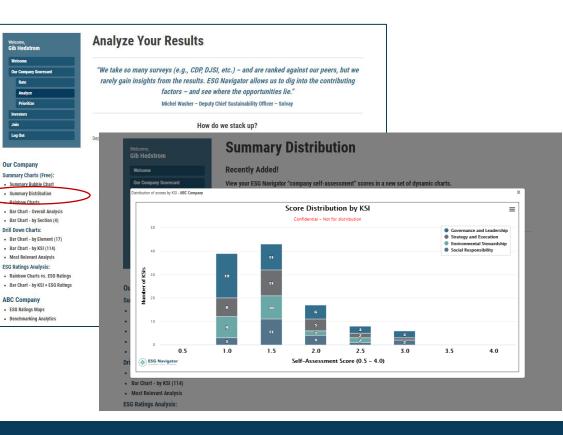
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New Analytics: Summary Distribution

- By KSI
- By Highly Relevant KSIs
- By Element





ESG Ratings Maps: The Starting Point



Introduction Dashboard Coverage - Heat Maps - RPS

ESG Navigator Coverage Map (Basic)

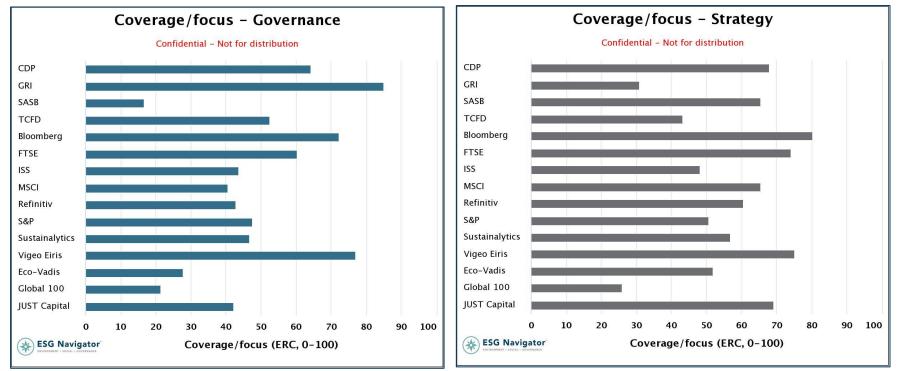
The extent to which KSI topics are covered by ratings organizations.

This map shows, for each KSI, the degree of overlap (indicated by the 'fill' of the circles) with these 3rd party ratings organizations.

KSI	Section	KSI Name	CDP	GRI	SASB	TCFD	BB	FTSE	ISS	MSCI	Refin	S&P	Susty	VE	EcoV	G100	JUST	ERC
1.1	Gov	Company Purpose	0		0	0	0	0	Ο	0		Ο	0	0	0	0	0	20
1.2	Gov	Vision, Mission, Values			Ο	0		0	Ο	0		Ο	0	0	0	0	0	47
1.3	Gov	Commitments: Board/C-Suite		0	Ο	0			0	0	0	Ο	0		0		0	47
1.4	Gov	Long-Term Viability of Businesses	Ο		Ο		0	Ο	0	0	0	Ο	0		0	0	0	37
1.5	Gov	Key Business Decisions - ESG/S			Ο				Ο	0			0		0	Ο	0	57
2.1	Gov	CEO/C-Suite Approach to ESG/S	0		Ο	0	0	Ο	Ο	0		Ο	0	0	0	0	0	27
2.2	Gov	Messages to Investors/Owners	0		Ο	0	0	Ο	Ο	0	0	Ο	0	0	0	0	Ο	17
2.3	Gov	C-Suite Interaction with Customers	Ο		Ο	0	0	Ο	Ο	0	0	Ο	0	0	0	0	0	7
2.4	Gov	C-Suite Messages to Employees	Ο		0	0	0	Ο	Ο	0	0	Ο	0		0	0	0	13
2.5	Gov	CEO/C-Suite ESG/S Learning	Ο		0	0	0		Ο	0	0	Ο	0	0	0	0	0	13
2.6	Gov	ESG/S Leadership Group(s)	Ο		Ο		0	Ο	Ο	0	0	Ο	0		0	Ο	0	20
3.1	Gov	Board Oversight of ESG/S			Ο					0	0	0			0	Ο		67
3.2	Gov	Board Roles & Committees			0					0	0	Ο			0	0	0	63
3.3	Gov	Board Independence & Expertise	Ο		0	0		0	0	0	0				0	0	0	47
3.4	Gov	Board Agendas re ESG/S			\cap	0		\cap	\cap	\cap	\cap	\cap	0		\cap	\cap	0	.37



ESG Ratings Maps: Coverage by ESG Framework/Rating



The same charts are downloadable for Environment and Social



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ESG Ratings Maps: Customized

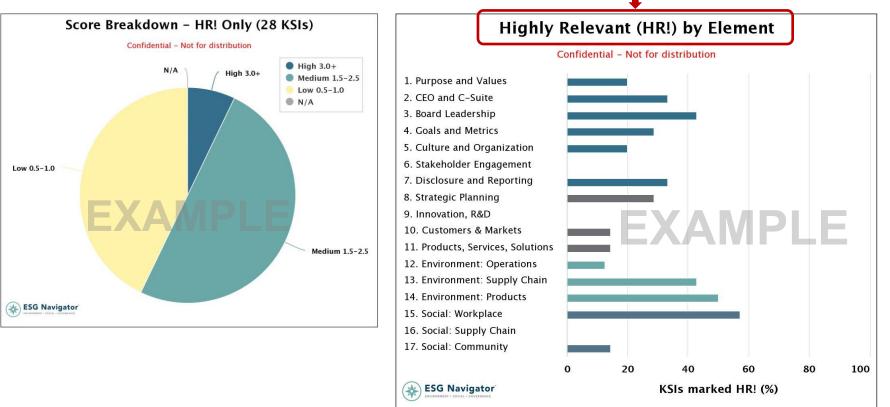
Select top priority frameworks and ratings

	KSI S	Section	KSI Name	Score	HR!	CDP	SASB TCFD	BB	ISS	MSCI Sust	y EcoV JU	JST ERC	RPS
	1.5 🤇	Gov	Key Business Decisions: ESG/S Risks & Opportunities	1.5	Ţ							41	42
Special Feature: for Premium (Option C) members only.	2.3	Gov	CEO/C-Suite Interaction with Customers Regarding ESG/S	1.0	1							0	60
Select which ratings organizations to include in your ESG Ratings Maps report.	2.4	Gov	CEO/C-Suite Messages to Employees Regarding ESG/S	1.0	1							0	60
5 5 7 5 1 1	3.4	Gov	Board Agendas Regarding ESG/S	1.0	1							44	33
Framework	3.5	Gov	Time Spent on ESG/S in Board Meetings	1.0	1							33	40
🗹 CDP 🗆 GRI 🗹 SASB 🗹 TCFD	3.6	Gov	Board Sources of ESG/S Learning	1.0	1							7	56
	4.1	Gov	Long-Term ESG/S Goals and Roadmap	2.0	1							70	28
Rating (Financial)	4.6	Gov	Accounting for Material ESG/S Risks and Externalities	1.0	1							56	27
🗹 BB 🗆 FTSE 🗹 ISS 🗹 MSCI 🗆 Refin 🗆 S&P 🗹 Susty 🗆 VE	5.1	Gov	Driving ESG/S Culture via Compensation and Goals	1.0	1							78	13
	7.1	Gov	Disclosure of Material ESG/S Impacts	2.0	1							100	20
Rating (Other)	7.2	Gov	ESG/S in Annual Reporting and Financial Disclosures	2.0	1							96	20
🗹 EcoV 🗌 G100 🗹 JUST	8.1 S	Str	ESG/S Positioning and Strategy	1.5	1							81	24
	8.4 S	Str	Strategy Regarding Revenue from ESG/S Products (PSS)	1.0	1							89	7
	10.1 S	Str	Company's ESG/S Approach to Customers	2.0	1							44	38
	11.1 s	Str	Product (PSS) Value Proposition	2.0								81	24

"There is nothing else like these ESG Ratings Maps out there!" - Vice President, Sustainability | Fortune 50 Company



ESG Ratings Maps





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ESG Ratings Maps: Final RPS Section available

#	KSI	Section	KSI Name	Score	HR!	CDP	GRI S	ASB	TCFD	BB FTS	e iss	S MSC	CI S&I	P Sust	. Vige	o Eco-'	V CK JUS	ERC	C															
1	8.1	Str	ESG/S Positioning & Strategy	1.5	~		0 (0			0		0	Ο		0	00	54																
2	1.5	Gov	Key Business Decisions - ESG/S	0.5	1	0		С	0			0	0	Ο		0	00	46																
3	4.3	Gov	Materiality Assessment	3.5	~		0		0								$\bigcirc igodot$	69																
4	4.1	Gov	ESG/S Goals & Roadmap	2.5	~							0		0			00	81																
5	3.3	Gov	Board Independence & Expertise	1.0	~	0	0 0	С	0	• 0		0	0	0		0	00	31																
6	2.3	Gov	C-Suite Interaction with Customers	1.0	~	0	0 0	С	Ο	00	С	0	0	0	Ο	0	00	0																
7	5.1	Gov	ESG/S in Compensation & Goals	1.0	~	0	0 (#	KSI	Section	ı			KSI Na	me		Score	HR	! CI	DP GI	RI SA	SB ТС	D BE	FTS	E ISS	MSC	I S&P	Sust.	Vigeo	Eco-V	СК	JUST	ERC	RPS
8	15.7	Soc	Employee Engagement	2.0	~	0	0 0	1	8.1	Str	ES	G/S P	ositio	ning 8	& Stra	tegy	1.5	~															54	34.1
9	9.1	Str	ESG/S & Innovation	1.5	1	0	0 (2	1.5	Gov	Ke	y Bus	iness	Decisi	ions -	ESG/S	0.5																46	24.7
10	13.1	Env	Supply Chain Env Approach	1.5	1		0	3	4.3	Gov	Ma	ateria	litv As	ssessm	nent		3.5	~															69	100.0
11	16.1	Soc	Approach: Supply Chain Social	1.0	~		0 (4.1	Gov			1	& Roa			2.5	~																29.4
12	14.1	Env	ESG/S Resp.: PSS Use & End-of-life	1.0	~	0	0 (3.3	Gov						xperti		~																40.0
13	17.1	Soc	Philosophy re 'Community'	1.5	~	0	0 (2.3	Gov			1.1			Sustor		~																60.0
14	6.1	Gov	Approach to Stakeholders	3.5	~	0			5.1	Gov						& Goa																		41.2
15	7.1	Gov	Disclosure of Material Impacts	1.5	~					Soc				1.1.1		x Gua		~	-				_											41.2
								-						gagen			2.0	Ĩ													_			
									9.1					vatio			1.5			- 5											_	_		29.4
										Env				Env			1.5	1	_															29.4
								11	16.1	Soc	Ар	proad	ch: Su	pply (Chain	Social	1.0	~												1			65	17.6
								12	14.1	Env	ES	G/S R	lesp.:	PSS U	se & I	nd-of	-life 1.0	~															42	32.9
								13	17.1	Soc	Ph	ilosop	ohy re	e 'Com	muni	ty'	1.5	~															50	36.5
								14	6.1	Gov	Ар	proad	ch to	Stakeł	nolde	s	3.5	~															50	100.0
								15	7.1	Gov	Dis	sclosu	ire of	Mate	rial Im	pacts	1.5	~															81	29.4





Welcome (5 minutes)

ESG Questions on the CEO's Agenda for 2022 (30-40 minutes)

- Signposts
- Discussion
- What you tell us and best graphics to share with the C-Suite
- Breakout Groups

Few Updates (10 minutes)

- Website
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- New "Quick Start" Survey

Next Steps (5 minutes)

- What we are doing
- What we need you to do





How to promote data entry



TCB Actions

- ESG Navigator Starter (15 KSIs)
 - Created and tested
 - Target December 2021
- Publications
 - Navigating ESG Reporting Frameworks
- ESG Center Member Outreach



ESGN Actions

- New Quick Start page
- ESG Ratings Positioning Score (RPS)
 - Available now if you ask
 - Move to website by January
- Best Practices
 - Updated on website (for all)
 - Updated Excel download (Option B, C)
- Annual KSI Review



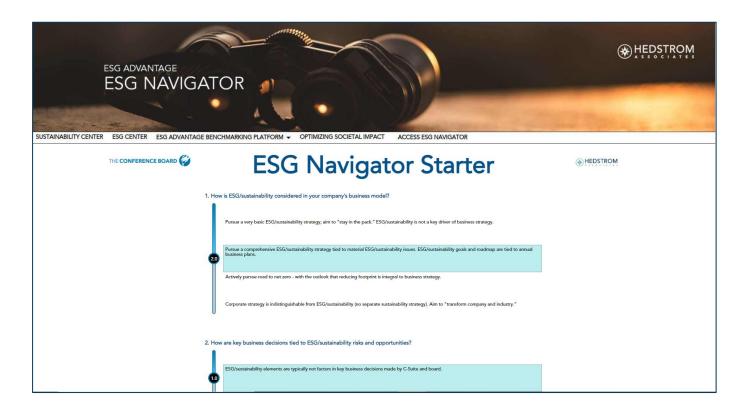
Your Actions

- Ensure 2021 data is updated
 - Contact me if you need help
 - Excel toolkit available
 - ESG Ratings Survey Report when done
- Please brag send us your Stage 3-4 best practices



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TCB Actions: ESG Navigator Starter





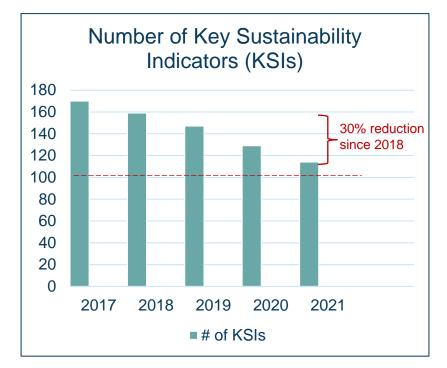
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Best Practices Excel Download Included in Options B, C and for a fee a-la-carte for Option A

	ESG Nav				ESG Navigator - Best Practices Library
	ENVIRONMENT * SOCIAL	· GOVERNA	unce .	Current Best	Practices on esgnavigator.com Comments welcome re additions, changes, deletions
Section 🖵	Element	KSI	KSI Name 🗸	Compar	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		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	1888-011	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 societytowards 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)	Ørsted	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		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 as CEO.
Governance	Purpose & Values	10000	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		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.



ESG Navigator Maturity Model (KSIs)



Annually, we conduct a detailed review of the ESG Navigator Maturity Model:

- Overall structure
- Individual KSIs
 - > Overlap
 - Clarity of KSI name
 - New ESG topic
- Stage 1 → Stage 4 descriptors
 - Progression
 - > Clarity

Next review is January 2022



A Parting Thought: 29 years on...

The Message from Rio (1992)

- ✤ "The ceiling becomes the floor"
- Those of us who represented industry and government in Rio came away with a renewed sense of urgency."
 - Gib Hedstrom



Arthur D. Little Prism Summer issue – 1992





ENVIRONMENT . SOCIAL . GOVERNANCE

THANK YOU!