Understanding and Managing Your ESG Performance

NIRI Virtual Chapter Professional Development Series

Wednesday, October 14, 2020
Noon – 1pm EST

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CPE Credit and Q&A

CPE Credit

- NIRI Virtual offers Continuing Professional Education (CPE) credit for attending and participating in our monthly programs.

- For CPE Credit, you must answer all three (3) of the polling questions AND you must complete the program survey that is provided at the end of this presentation.

Q&A

- If you are participating via the live webinar, you can type your question in the “chat box” at the bottom of your computer screen

Professional Development Unit (PDU)

- Holders of the NIRI IRC® credential can earn 1 professional development unit (PDU) per meeting/webinar. IRC-credentialed speakers may also earn PDUs. More information is available at www.niri.org/certification.

Agenda

Learning Objectives

- Manage the ESG Ecosystem in a manner that allows for easy prioritization, management and engagement.
- Recognize the nuances of the ESG frameworks, guidelines and standards that shape the field of disclosure.
- Identify efficient paths forward for measuring, managing and disclosing material ESG information.
- Engage with ESG research firms, asset managers and owners in a more proactive and credible manner.
- Conduct a materiality assessment to identify the most important ESG issues.

Today’s Speakers

Moderator

Mike Wallace
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Guest Speakers

Jonas Kron
Chief Advocacy Officer
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Ben Kruse
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Suzanne Fallender
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Mack Abbot
Vice President, Investment Stewardship
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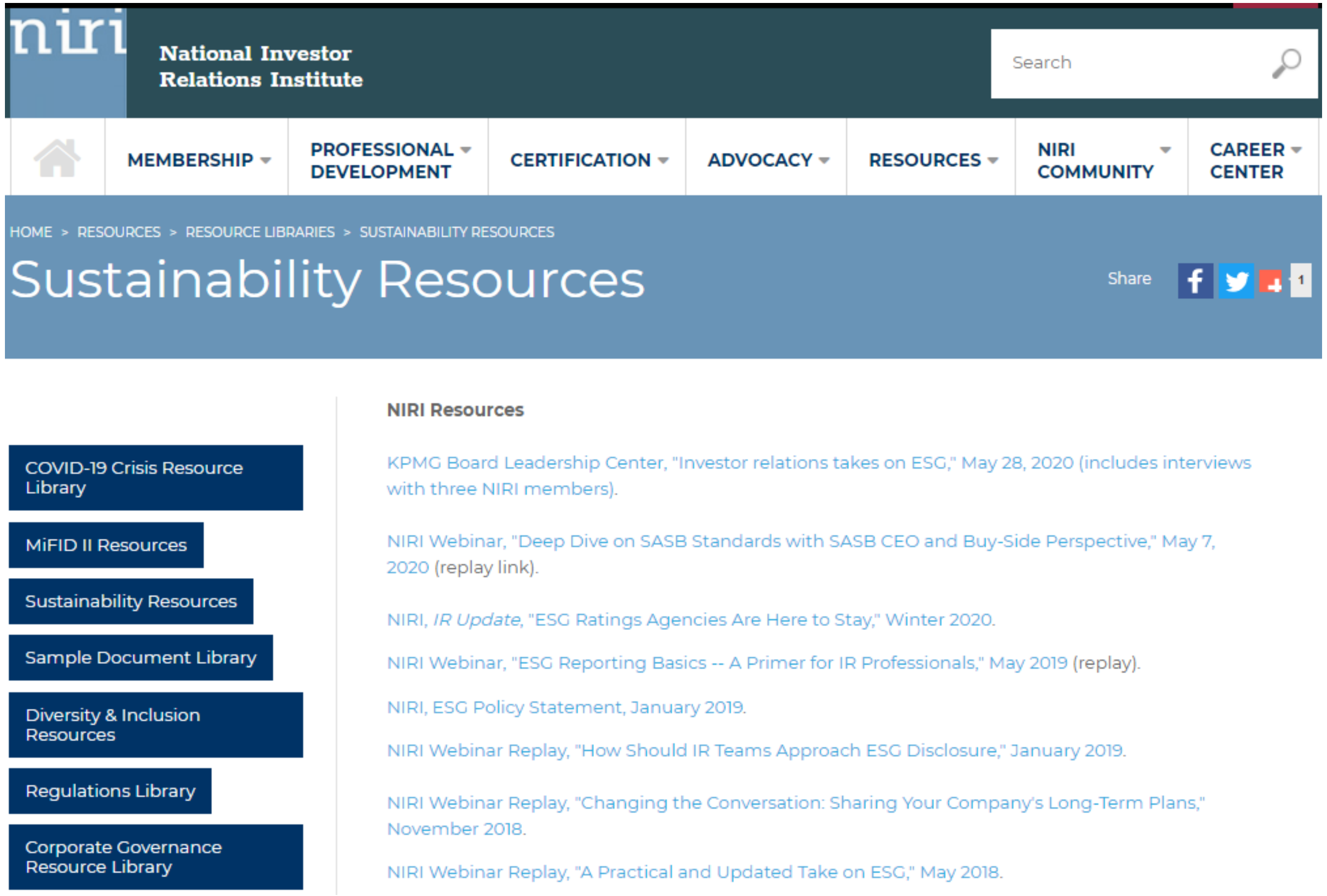
Background and Useful Links

- [NIRI Policy Statement – ESG Disclosure]
- [Modernization of Regulation S-K Items 101, 103, and 105] (August 2020)
- [Deep Dive on SASB Standards with SASB CEO and Buy-Side Perspective] (May 2020)
- [ESG Reporting Basics – A Primer for IR Professionals] (May 2019)



Who Makes Up the ESG Ecosystem?

Based on sustainability reporting standards and frameworks, there are 100+ organizations producing lists, rankings, ratings, and scorecards of the “top companies” and “most sustainable” companies.

Some organizations simply provide **frameworks** for disclosure and do not evaluate companies.

Some **actively** request information, aggregate data, and add ratings.

Some **passively** pull information from sustainability reports, aggregate data, and add ratings.

Some **purchase** data and ratings from other raters and add rankings.

Investor Coalitions and Networks (50+ Years)

INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
1972
$400 billion

IIGCC
Institutional Investors Group on Climate Change
2001
$20 trillion

CDP
2000
$100 trillion

Investor Network on CLIMATE RISK
2003
$25 trillion

PRI Principles for Responsible Investment
2006
$80 trillion

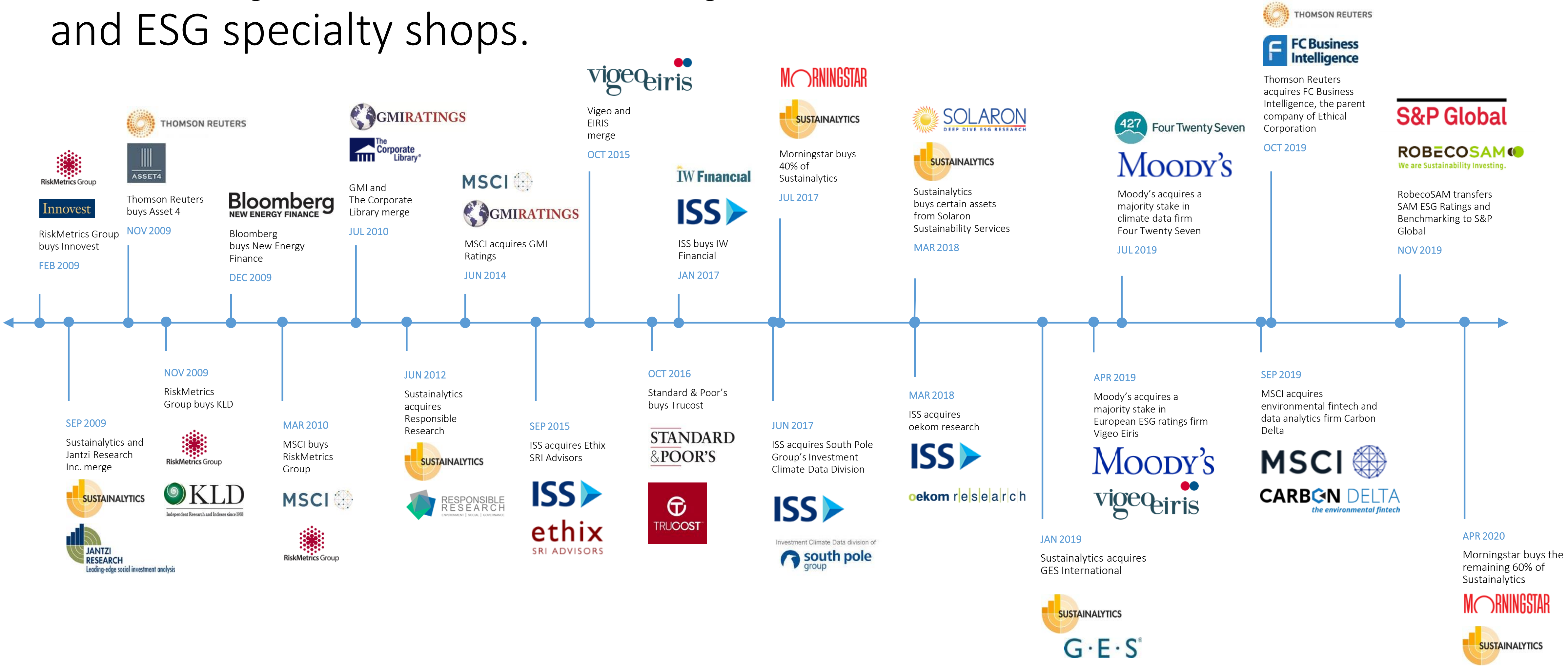
UN GUIDING PRINCIPLES REPORTING FRAMEWORK
2013
$4 trillion

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
2015
$86.2 trillion

WDi Workforce Disclosure Initiative
2017
$13 trillion

ESG Merger & Acquisition Activity

There is significant interest among traditional investment research firms and ESG specialty shops.



ESG Scores – Oil & Gas Sector

	Name	ESG Disc Score:Y	Env Disc Sc:Y	Soc Disc Sc:Y	Gov Disc Sc:Y	RobecoSAM Tot Sustain Rnk	RobecoSAM Environ Di... Rnk	RobecoSAM Soc Dim Rnk	RobecoSAM Econ Dim Rnk	Sustainalytic... Rnk:D-1	Sustainalytics Environ Pctl:D-1	Sustainalytics Soc Pctl:D-1	Sustainalytics Gov Pctl:D-1	CDP Integ Perf Sc
	Median	58.92	57.85	54.69	69.64	67	69	65	67	82.81	57.81	75.00	82.81	7.00
100)	BP PLC	67.63	65.29	73.44	66.07	71	57	69	67	78.91	57.81	72.66	95.31	--
101)	CHEVRON CORP	51.04	45.45	45.31	69.64	53	41	61	55	39.84	29.69	63.28	15.63	--
102)	CONOCOPHILLIPS	58.92	61.16	50.00	64.29	82	84	82	82	89.06	77.34	89.06	85.94	6.00
103)	ENI SPA	61.83	64.46	65.63	51.79	63	73	59	41	94.53	94.53	87.50	76.56	7.00
104)	EQUINOR ASA	55.19	52.89	54.69	60.71	67	69	65	47	85.94	83.59	75.00	92.97	7.00
105)	EXXON MOBIL CORP	56.02	51.24	48.44	75.00	51	43	63	39	58.59	43.75	74.22	19.53	--
106)	MARATHON PETROLEUM...	49.17	37.98	54.39	69.64	65	60	50	75	42.37	42.37	66.10	30.51	--
107)	ROYAL DUTCH SHELL P...	60.17	57.85	54.69	71.43	78	86	78	80	82.81	44.53	95.31	82.81	4.00
108)	TOTAL SA	61.00	57.85	59.38	69.64	92	98	88	78	96.88	97.66	82.81	85.16	7.00

Environmental Indicators – Oil & Gas Sector

	Name	GHG Scope 1:Y	GHG Scope 2:Y	GHG Scope 3:Y	GHG Intens/Sls:Y	Engy Intens/Sls:Y	Climate Chg Pol:Y	Energy Effic Pol:Y
	Median	46.50M	4.00M	400.00M	396.47	1.20k	1	1
100)	BP PLC	46.50M	5.70M	437.00M	174.72	701.98	1	1
101)	CHEVRON CORP	59.00M	4.00M	400.00M	396.47	1.70k	1	1
102)	CONOCOPHILLIPS	19.20M	1.10M	--	557.43	1.84k	1	1
103)	ENI SPA	43.35M	670.00k	252.30M	491.54	1.75k	1	1
104)	EQUINOR ASA	14.90M	200.00k	314.00M	192.22	903.83	1	1
105)	EXXON MOBIL CORP	119.00M	8.00M	--	454.66	1.49k	1	1
106)	MARATHON PETROLEUM...	36.40M	8.00M	--	460.08	--	0	1
107)	ROYAL DUTCH SHELL P...	71.00M	11.00M	697.23M	211.13	721.20	1	1
108)	TOTAL SA	54.00M	4.00M	400.00M	315.04	776.73	1	1

Polling Question #1

Which ESG research firms do you think are the most important/influential?

A. S&P (Trucost)
B. S&P (SAM (Formerly RobecoSAM DJSI))
C. MSCI
D. Moody's (Vigeo-Eiris)
E. Morningstar (Sustainalytics)
F. Refinitiv
G. ISS
H. CDP
I. I don't know

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Polling Question #2

Do you reference and/or link your ESG disclosures to recognized frameworks, guidelines and/or standards?

A. GRI
B. SASB
C. CDP
D. UN Global Compact
E. TCFD
F. SDGs
G. IIRC (Integrated Reporting)
H. Natural Capital Protocol
I. Social & Human Capital Protocol
J. Other

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Polling Question #3

How are you engaging investors on ESG / sustainability issues?

A. Proactively – engaging them and using their input to develop our disclosure approach.

B. Passively – monitoring them and adjusting disclosures at our own pace.

C. We know they are interested, but we just haven't had the time or resources

D. We don't hear or see much interest from our investors.

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Virtual Chapter Program Calendar

Date	Program
October 14, 2020	Understanding and Managing Your ESG Performance
November 10, 2020	Award Winning Investor Relations
December 2, 2020	Economic/Post Election Update & IRO Implications
January 13, 2021	Transitioning from Investor Relations to CFO
February 10, 2021	Crisis Communications
March 10, 2021	Career Development: New to Investor Relations
April 14, 2021	Topic to be announced
May 12, 2021	Topic to be announced

Please check the NIRI Virtual Chapter website, www.nirivirtual.org, for updated program information.

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Understanding and Managing Your ESG Performance

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We create connection – with each other, with what people need to thrive in their everyday lives, and with the stories and experiences that matter.

AT&T ESG REPORTING RESOURCES

about.att.com/csr/reporting

- AT&T approach to leading global ESG challenges & opportunities
- Corporate Responsibility governance & leadership
- Stakeholder engagement process
- Progress toward goals
- Leading ESG KPIs
- External ESG recognition

- Individual briefs covering 22 leading ESG topics
- AT&T managerial and programmatic approach
- Executive/Board oversight & governance
- Relevant corporate policies
- Progress toward goals
- Detailed KPIs

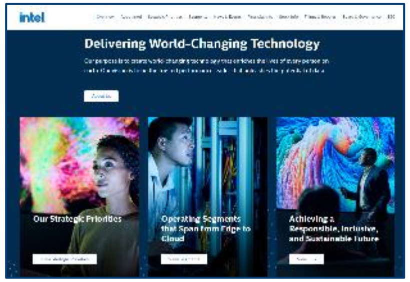
- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
- CDP
- Task Force on Climate-related Financial Disclosures (TCFD)
- U.N. Global Compact (UNGC)
- U.N. Sustainable Development Goals (SDGs)

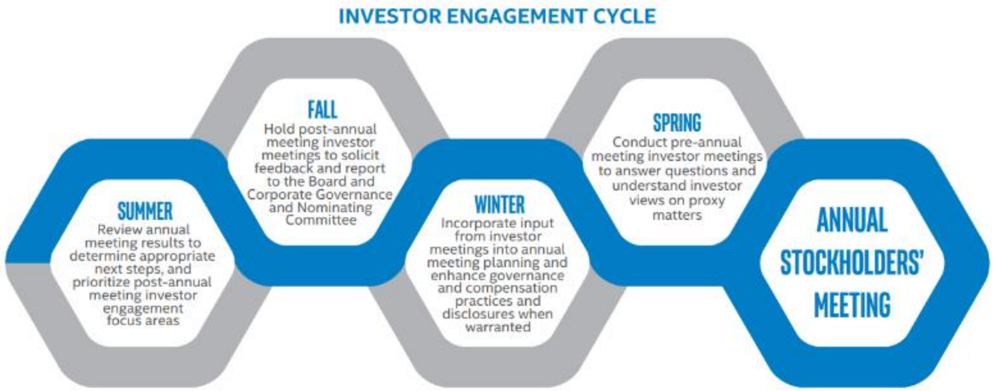
- Workforce demographics
- Recruiting & outreach
- Programs, external collaborations & partnerships
- Supplier diversity spend & recognition
- Employee groups
- WarnerMedia production diversity
- External D&I recognition

- Legal, national security and emergency customer data requests – domestic and international
- Political engagement and public policy positions
- Corporate political contributions & lobbying
- Employee PAC contributions
- Governance & compliance

Intel’s commitment to transparency and integrated outreach

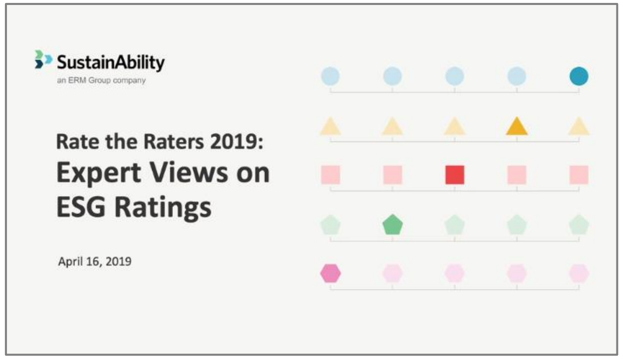
- Long history of transparency
  - 1st voluntary environmental report in 1994
  - Multiple frameworks: GRI, SASB, TCFD, IIRC “six capitals” framework
  - 3rd party assurance
- Corporate Responsibility Report:
  - Full ~80 page report, 20 page executive summary, localized versions
  - Interactive “Report Builder” web site
  - Additional reports by topic, e.g. Diversity & Inclusion Report
- Integrated reporting:
  - Close collaboration across finance, governance & CSR teams
  - Integration into 10K/Annual Report & Proxy, earnings materials, IR website www.intc.com
- Governance and integrated outreach strategy:
  - Formal board oversight responsibility for ESG since 2003
  - Linking of compensation to ESG factors since 2008
  - SRI/ESG roadshow for ~20 years – today, year-round integrated outreach





www.intel.com/responsibility

Recorded Resources

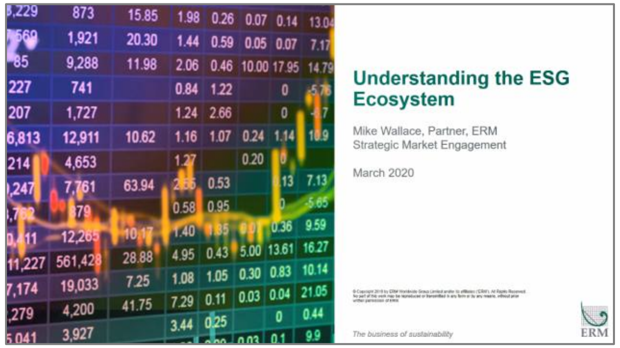


RTR Expert Survey Results (60 min)

Access Link

ESG Due Diligence (6:35 min)

Access Link



Understanding the ESG Ecosystem (9:35 min)

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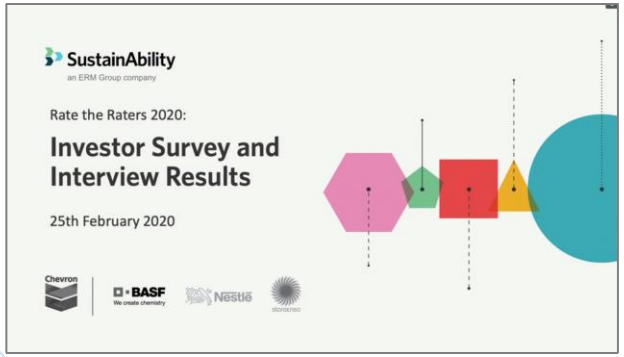

RTR Investor Research Results (60 min)

Access Link

- ESG Reporting Basics (58:50 min)
- Access Link

ESG Related Metrics for Accounting and Finance Professionals (15:16 min)

Access Link