



Helping
companies
navigate the
ESG journey



For companies that need to develop and communicate ESG strategies, we provide practical experience and hands-on support.



Sample clients



YAMANAGOLD



ESG for CFOs: What do you need to do now?

December 15, 2021 Agenda

Introductions

Why should you, as a finance leader, care about ESG?

Who is driving ESG?

What to do: 2-year roadmap

Quick hits

Polling questions

Questions

Why finance leaders should drive ESG: Opportunities!

Expands access to capital

- Traditional investors using ESG
- ESG funds and investors
- Green bond market

Improves strategy and governance

- Forward-looking lens
- Robust risk management
- Strengthened supply chain
- Increasing ESG disclosure requirements

Strengthens financial performance

- High performance employees
- Bottom line cost reductions and productivity gains
- New products, business models and business development

Polling question 1

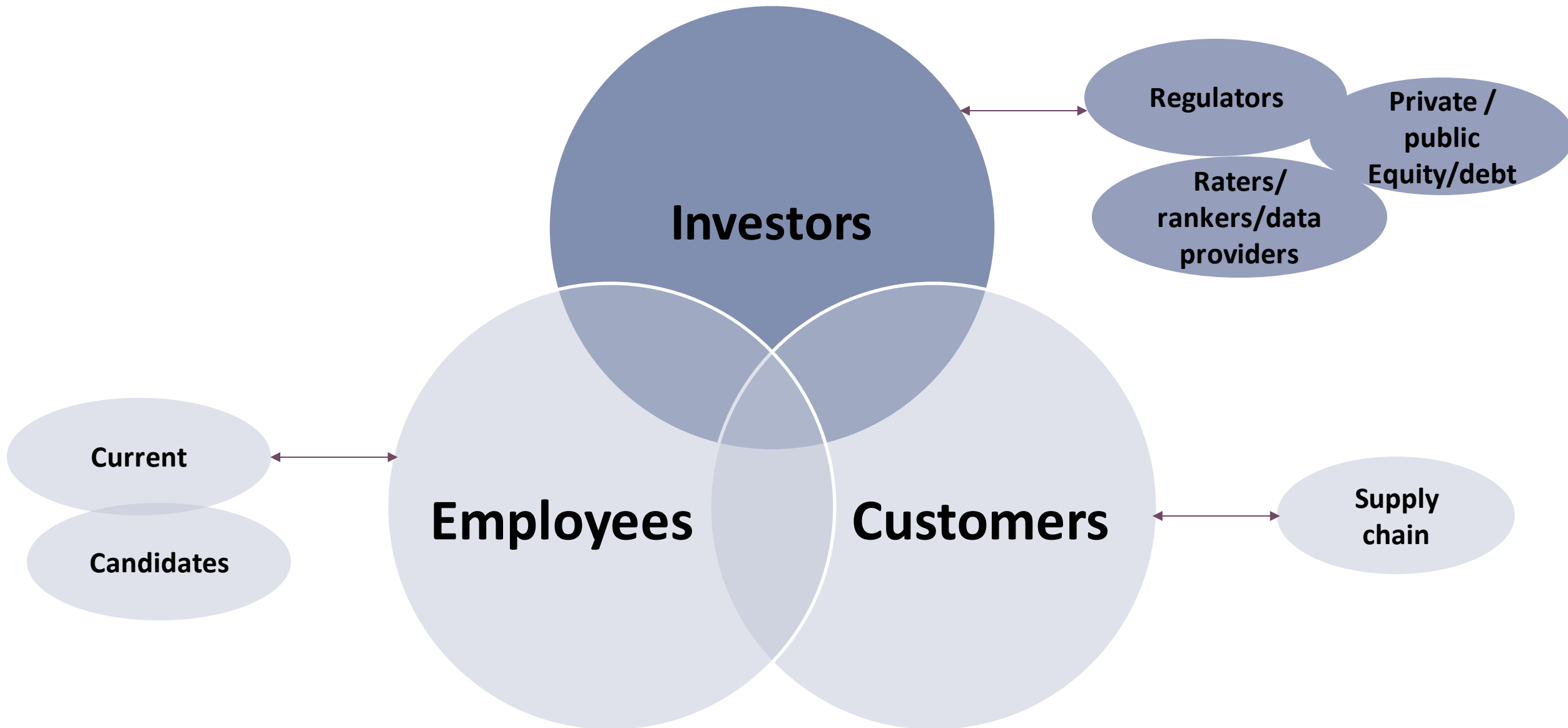
Are the opportunities resulting from ESG efforts compelling to you as a finance leader?

Risk: A weak ESG program signals management is not prepared

Downside of delaying

- Not hearing from investors that pass you over
- Shareholder resolutions
- Investor churn
- Employee turnover
- Inability to compete for new talent
- Less able to innovate, adapt, and pivot
- Unprepared to comply with growing regulations

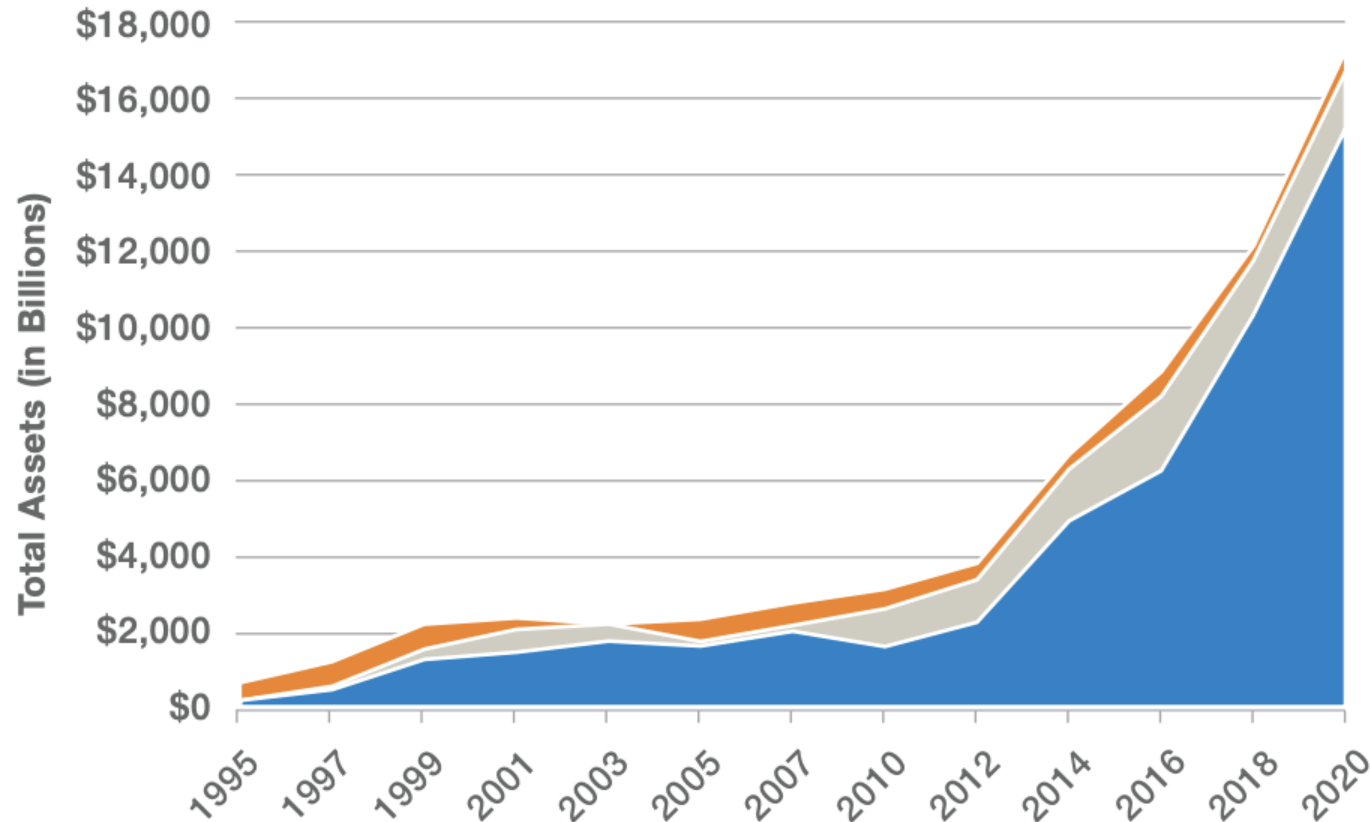
Who is driving ESG



Trend: ESG is today's capital markets story

Sustainable Investing in the United States 1995–2020

■ ESG Incorporation ■ Overlapping Strategies ■ Shareholder Advocacy



2020:
\$17T, or \$1 in \$3 AUM

Up 42% from 2018

Source; US SIF Foundation

BofA Issues \$2B Sustainability Bond Targeting Equality, Economic Opportunity, Green Investments

Posted by Mark Segal | Dec 7, 2021 | Companies, Environment, Social, Sustainable Finance | 0 🗨️ | ★★★★★



Impact: ESG can fund a company's growth plans

Public and private equity and debt is already pivoting to ESG alignment.

Respond to demand for ESG information; gain access to ESG-aligned capital.

QUICK HIT

Understand your investor / lender
ESG priorities.

Trend: ESG data/raters/rankers have multiplied

US Equity		Export to Excel		Environmental, Social & Governance Analysis						
				History 5 Years		Currency USD				
Summary		vs History		vs Peers		97) ESG Scores RV ESG »				
Environmental		Better		Better		RobecoSAM Rank 71 ISS QualityScore 2				
Social		Better		Better		Sustainalytics Rank 77.7 CDP Climate Score 7				
Governance		Worse		Worse		Bloomberg ESG Disclosure 67.6 Third party ranking, scores				
98) Analyze Peers		vs History			vs Peers					
Metrics		Current	History	Change	Low	Range	High	Median	Difference	History
1) Environmental						◆ Mdn ● Comp				
11) GHG/Revenue		174.7		18.6 W	167.5		491.5	346.9	-172.1 B	
12) GHG/MBOE		38.8		-9.2 B	19.6		216.6	73.2	-34.3 B	
13) Carbon Reserves		8141.7		1012.3 W	87.6		4611.3	1648.2	6493.5 W	
14) Oil in Total Prod %		56.8		-4.4 B	36.5		88.4	48.6	8.2 W	
15) Energy/MBOE		156		-37 B	92.1		834.4	224.6	-68.6 B	
2) Social										
21) Women Empls Mgmt Ratio		0.69		0.11 B	0.3		0.77	0.62	0.06 B	
22) Women Employees %		35		4 B	23.6		42	31	4 B	
23) Employee Turnover %		12		0	2.6		23	11.7	0.3 W	
24) Employees Unionized %		--		--	71.5		88.6	85	--	
25) Lost Time Incident Rate		0.05		-0.04 B	0.06		0.45	0.17	-0.12 B	
3) Governance										
31) Independent Directors %		86.7		8.1 B	26.3		81.8	60.3	26.4 B	
32) Percent of Board Member...		44.4		31.1 B	21.4		60	34.8	9.6 B	
33) Director Avg Age		63		1 W	52		64	58	5 W	
34) Director Meeting Attd %		94.4		-1.4 W	82		100	95	-0.6 W	
35) Board Size		9		-6 B	9		19	13	-4 B	

ESG raters/rankers are consolidating



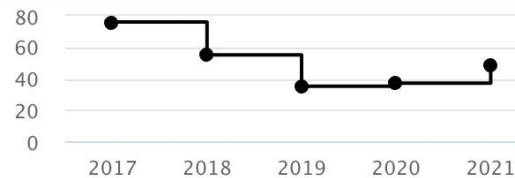
Impact: A company's ESG story is already out there



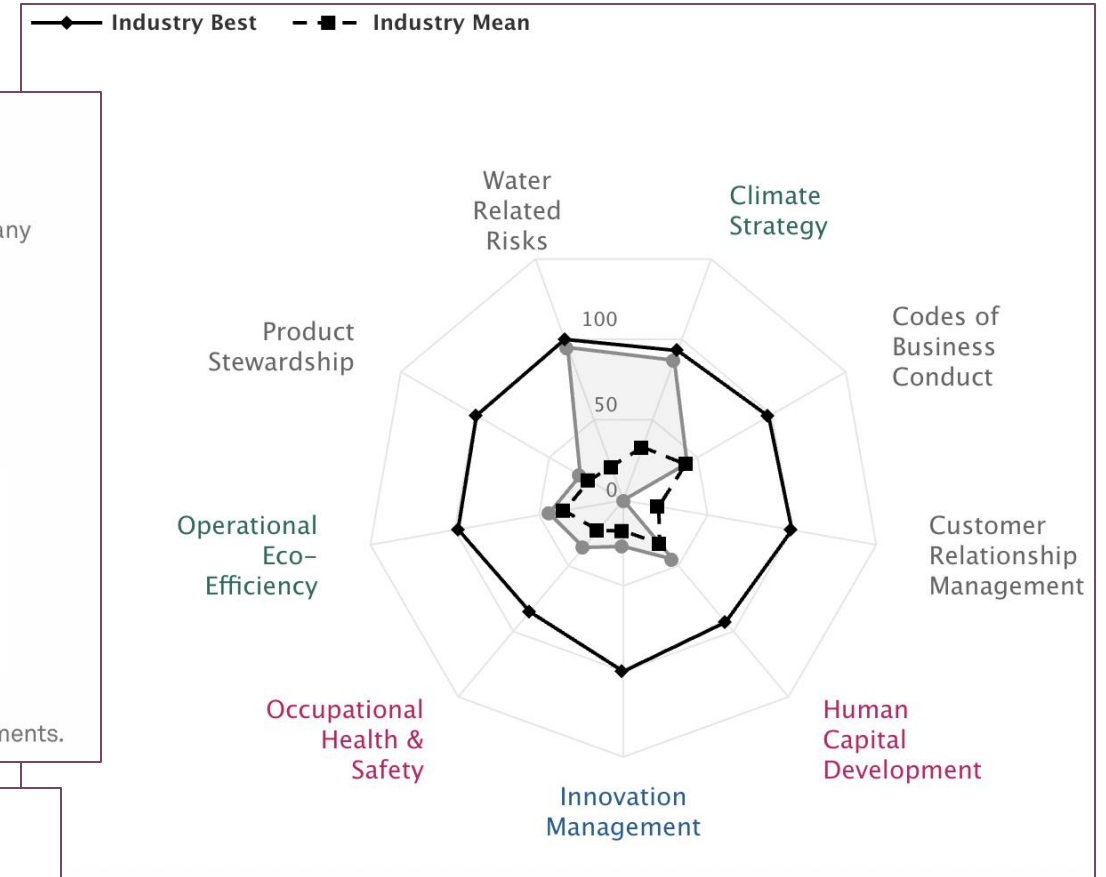
ESG Score

49

Score History
Y/Y Change: 12



Last Updated: November 11, 2021. Updated annually or in response to major developments.



November 30, 2021
7:14 PM EST
Last Updated 13 days ago

Sustainable Business

ESG Book aims to 'disrupt' sustainability sector with free data

QUICK HIT

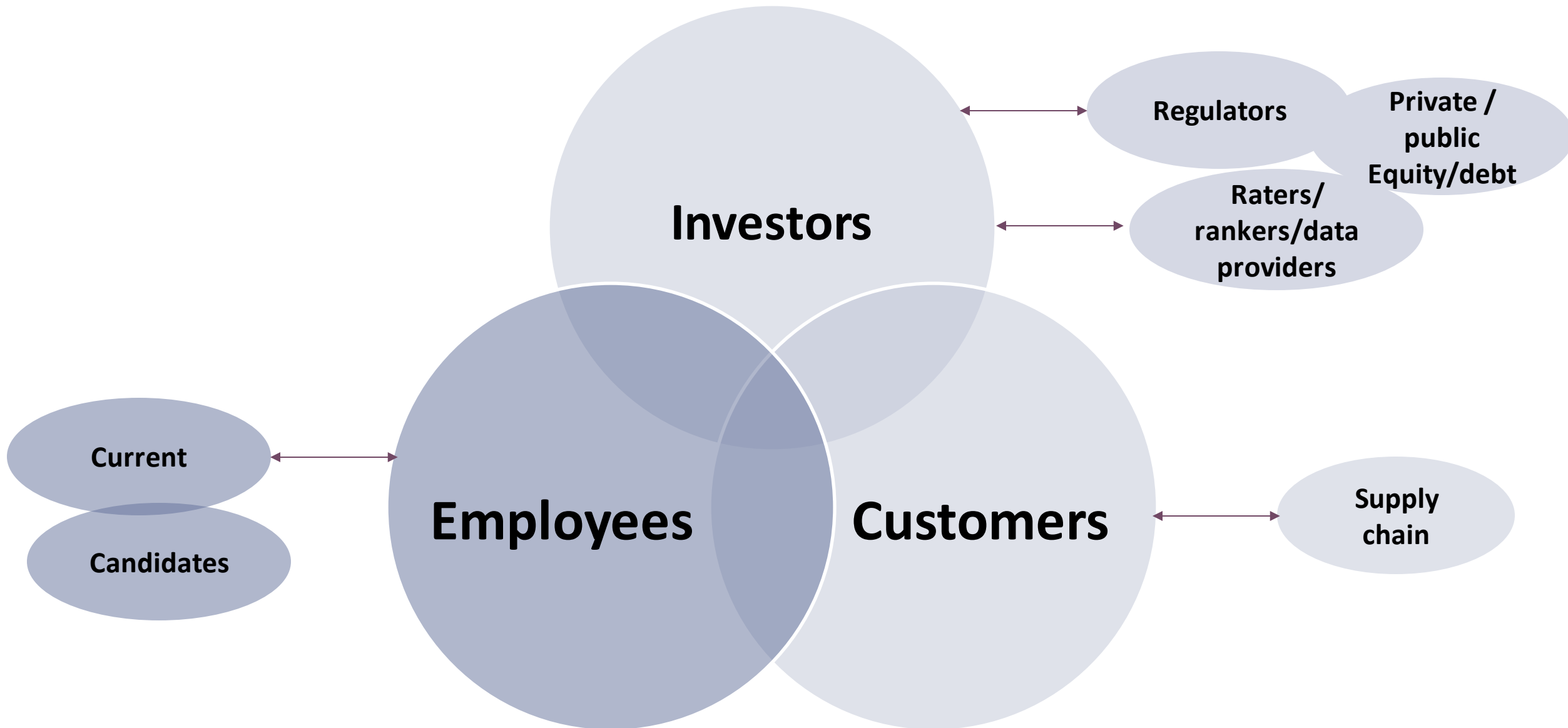
Take control of your company's data and story.

Monitor but don't chase ratings.

Polling question 2

Prior to this presentation, were you aware of the range and scope of third party ESG raters, rankers and data providers?

Who is driving ESG



Trend: Labor shortages are a lasting challenge

Factors:

- Demographic shifts (global)
- Gen X+ values (Western and China's 'Lying Flat')
- The Great Resignation (or Big Quit)



57% of CEOs believe
attracting talent is among
their company's biggest
challenges
(Deloitte/Fortune, Fall 2021)

Impact: ESG attracts + retains talent

‘ESG Outperformers’

- Have highly satisfied employees – stay longer, work harder, produce better results
- Are more attractive to younger talent – filling the talent pipeline

ESG as a Workforce Strategy

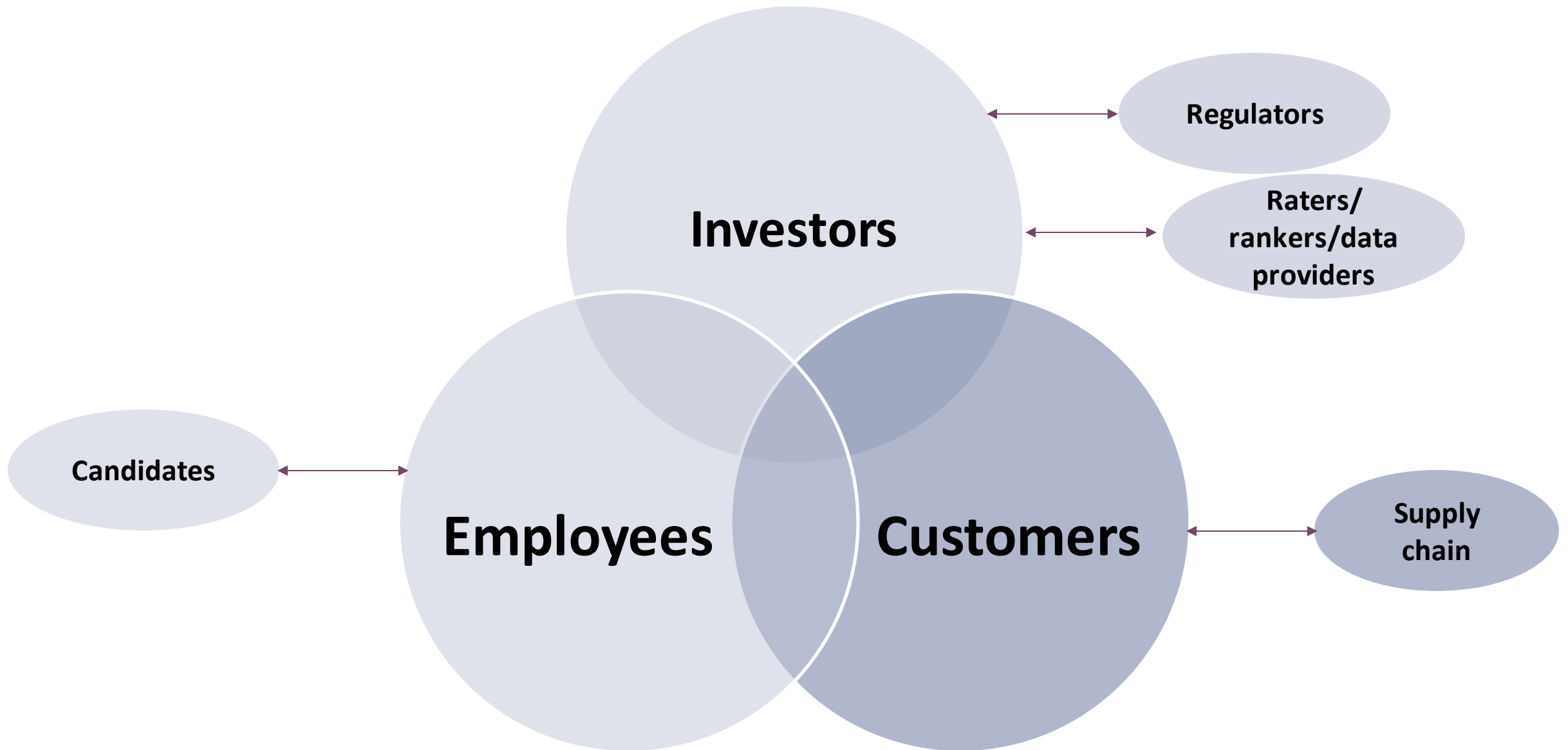
Marsh McLennan, 2021

40% of Millennials have accepted job offers based on environmental performance.

QUICK HIT

Develop and communicate your
company's purpose and ESG strategy.

Who is driving ESG



Trend: Customers collaborating with supply chain

Walmart, HSBC, CDP Collaborate on Financing Program Incentivizing Climate Action in Supply Chain

Posted by Mark Segal | Dec 8, 2021 | Companies, Environment, Sustainable Finance | 0 📌 | ★★★★★



Mondelez International Strengthens Commitments to Human Rights and Endorses Call to Action to Advance Living Wages

L'Oréal to Source Recycled Plastic for Cosmetic Packaging from Veolia

Posted by Mark Segal | Dec 9, 2021 | Companies, Environment | 0 📌 | ★★★★★



Trend: Government procurement is the ESG policy tool

NYC Mayor's Office of Contract Services

311 Search all NYC.gov websites

NYC
Mayor's Office of
Contract Services

עברית Translate Text-Size

Home About Systems Legal & Forms Reporting Partners Contact Search

Nonprofits M/WBE **EPP** Events

Share Print

Environmentally Preferable Purchasing (EPP)

Environmentally Preferable Purchasing (EPP) focuses on the human health and environmental impact of goods and products purchased by selecting products that are more environmentally preferable to others. This environmental purchasing program takes into account several factors,

THE WHITE HOUSE



[Administration](#) [Priorities](#) [COVID Plan](#) [Briefing Room](#)

BRIEFING ROOM

FACT SHEET: President Biden Signs Executive Order Catalyzing America's Clean Energy Economy Through Federal Sustainability

DECEMBER 08, 2021 • STATEMENTS AND RELEASES

U.S. Government Will Lead by Example to Leverage Scale and Procurement Power to Drive Clean, Healthy, and Resilient Operations

Impact: ESG has become prerequisite for doing business

Customers are pre-screening before RFQs and RFPs

Supplier ESG questionnaires

Trend: Imminent SEC regulation and global reporting standards

Regulation:

- SEC's Human Capital Data Disclosure Rule 2020
- Climate Risk Disclosure Act, May 2021
- SEC's 'Sample Letter to Companies re Climate Change Disclosures' 2021

Standards: International Sustainability Standards Board (ISSB)–International Financial Reporting Standards (IFRS) at COP 26



Impact: Companies need to act now

AXIOS

Sections

Local news

About Axios

Sign up

Dec 10, 2021 - Energy & Environment

The corporate climate migration has begun



Andrew Freedman



Illustration: Annelise Capossela/Axios

Companies large and small, some with longtime roots in their neighborhoods, are on the hunt for new real estate that is less prone to weather and climate extremes.

QUICK HIT

Assume 2 years to become ESG hardened.

Polling question 3

Has your company implemented an ESG strategy to guide ESG activities (planning or communications)?

A two-year roadmap to SEC readiness

Going from a blank sheet to ESG integration into reporting takes 2+ years

Phase 1: First 6 months

Benchmarking & direction setting

- Compile ESG topics
- Compare peers
- Set direction
- Communicate intent

Phase 2: Next 12-18 months

ESG strategy implementation

- Develop strategy
- Gather data
- Set goals
- Communicate progress

Phase 3: 24+ months from start

Financial reporting integration

- Evolve strategy
- Commit to targets
- Disclose per regulations
- Communicate performance improvements

Establish and build team and budget

Phase 1: Benchmark & set direction

Compile ESG topics

Compare peers

Set direction

Communicate intent

Phase 1: Sample work product – ESG topics compilation

Environment 1. GHG Emissions (SASB) 2. Climate Change Vulnerability (SASB) 3. Energy Use & Fuel Efficiency (SASB) 4. Biodiversity & Land Use 5. Electronic Waste 6. Waste Management & Recycling 7. Packaging Materials	Product & Brand (SASB: Business Model & Innovation) 8. Policies Designed to Incentivize Responsible Behavior (SASB) 9. Incorporation of ESG Factors in Investment Management (SASB) 10. Transparent Information & Fair Advice for Customers (SASB) 11. Customer Satisfaction 12. Innovation & Technology 13. Access & Affordability	Social Impact (SASB: Social Capital) 14. Human Rights 15. Minority Groups 16. Women's Rights 17. Public Policy Engagement 18. Community Investments & Engagement 19. Sustainable Infrastructure 20. Suppliers & Vendors
Human Capital Development (SASB: Human Capital) 21. Diversity, Equity & Inclusion 22. Recruitment & Development	Corporate Governance (SASB: Leadership & Governance) 23. Data Privacy & Security 24. Critical Risk Incident Management (SASB-Systemic Risk) 25. ESG Integration 26. Ownership & Control 27. Board Composition 28. Board Compensation 29. ESG & Executive Compensation 30. Accounting Practices 31. Business Ethics / Anti-Corruption 32. Taxation & Transparency	

Phase 1: Sample work product – ESG overview investor slide

Our ESG Platform: Powered by Purpose



Environment

- Using residual biomass from renewable sources
- Displacing coal for energy production
- Investing in clean production technologies



Social

- Industry leading health & safety performance
- COVID: hourly worker paid sick time; remote work
- Investing in HR information systems and best practices, such as bi-annual engagement surveys



Governance

- Leadership diversity: female Board member, CFO, HR Director and Mill Manager
- New internal audit role
- Cyber-security audit/hardening

Phase 1: Sample work product – Sustainability and ESG fact sheet

SUSTAINABILITY FACT SHEET

jetBlue

Sustainability and ESG at JetBlue

Our planet is physically changing around us, and so are the expectations of our customers, crewmembers, investors, and society. We are preparing our business for a changing climate and world through industry-changing moves including being the first US airline to commit to and achieve regular carbon neutral domestic flying.



JetBlue's Approach to Reducing Carbon

Flying is our core business and the source of our largest environmental impact – emissions produced from jet fuel.

We have a clear plan to address our flight emissions:

1. Reduce climate-warming emissions where we safely can.
2. Offset emissions where we cannot.
3. Build up sustainable aviation fuel that offers up to an 80% lower carbon footprint.
4. Support industry changing and more fuel-efficient flying technologies such as electric aircraft for short hauls.



Reducing Where We Can: Our Young, Fit Fleet

Our first step is to reduce emissions from fuel burn in the first place. We operate a robust fuel savings strategy that starts with our young, fuel efficient fleet:

- Invested in 85 new Airbus A321neo aircrafts that will improve fuel economy by 20%.
- Achieved reductions in emissions on an intensity basis since 2015, and improved 2.2 percent per ASM from 2018 to 2019.
- Introducing 70 Airbus A220s to replace older aircrafts, reducing emissions by about 40% per seat.



Offsetting Where We Can't: Carbon Neutral Domestic Flights

To address unavoidable emissions, in July started to voluntarily offset CO₂ emissions on all of our domestic flights, making us the first U.S. airline to do so. We will ramp up to offset more than 15-17 billion pounds of CO₂ emissions per year. That's the equivalent of removing 1.5 million cars from the road a year.



Sustainable Aviation Fuel (SAF)

Given current technologies, commercial air travel still requires fossil-based fuels to fly. As an alternative to conventional jet A fuel, SAF is made from renewable resources such as plants and waste materials. These fuels are well-tested, can drop into existing aircraft engines with no modifications required, and introduce no changes in safety or performance.

In July 2020, we started operating with a mixture of traditional and sustainable aviation fuel on flights out of San Francisco International Airport. This will reduce CO₂ emissions by up to 80% per gallon of neat fuel on these routes, compared to our traditional jet fuel.



JetBlue Technology Ventures

JetBlue Technology Ventures (JTV) invests in and partners with early-stage startups improving travel and hospitality. JTV focuses on five areas, including startups in the sustainable travel and ESG space. The team explores advanced methods of measuring and reducing emissions, technologies that improve environmental protections and encourage sustainable tourism, and game-changing transportation powered by alternative propulsion systems. Joby Aviation, a JTV portfolio company, is building a fully-electric vertical take-off and landing (eVTOL) passenger aircraft optimized to deliver air-transportation-as-a-service. We are excited about Joby Aviation's mission to revolutionize and deliver sustainable transportation that is safe and affordable for everyone.



Electric Airport Ground Service Vehicles

To reduce the impact of our Airport Operations on-ground vehicles, we are converting our conventionally gasoline and diesel vehicles to plug-in electric across our network, thereby reducing emissions and improving local air quality.

- Rolled out the largest electric fleet of any carrier at JFK with 118 new electric vehicles, which is projected to cut four million pounds of greenhouse gas emissions each year.
- Converting on a large-scale basis to electric ground vehicles in Boston, our second largest city.
- Exploring additional conversions and have set a public goal to convert 40% of our three most common ground service vehicle types to electric by 2025 and 50% to electric by 2030.



Onboard Recycling

It is our policy to recycle all bottles, cans, and plastic cups on all domestic flights and in all domestic airports. JetBlue diverts an estimated 30 million recycled bottles and cans annually.

PHASE 1 HIGHLIGHTS

Start by gaining an understanding of your priorities.

Rely on investor-focused frameworks, stakeholder input and peers for best practices and gaps.

Communicate your intentions with investors and influencers.



Polling question 4

Do you think your company has a good sense of its ESG priorities?

Phase 2: Implement ESG strategy

Develop strategy

Gather data

Set goals

Communicate progress

Phase 2: Sample work product – Target setting recommendations

Set Target	Report KPIs	Develop capacity to measure	Establish qualitative policy/actions	No action required – disclose policy and adherence in reporting
<p>Diversity & inclusion (excluding Board)</p> <ul style="list-style-type: none"> • Gender • Equity seeking groups <p>Board composition (diversity & inclusion)</p> <ul style="list-style-type: none"> • Gender • Equity seeking groups <p>Workforce management</p> <p>Customer practices</p>	<p>Waste management & recycling</p> <p>Community investments & engagement</p> <p>Systemic risk management</p>	<p>Critical incident risk management</p>	<p>Sustainable infrastructure</p> <p>Biodiversity & land use</p> <p>Access & affordability</p> <p>Suppliers & vendors</p> <p>Innovation & technology</p> <p>Incorporation of ESG factors in investment management</p> <p>ESG integration</p> <p>ESG & executive compensation</p> <p>Board compensation</p> <p>Ownership & control</p>	<p>Data security & privacy</p> <p>Business ethics / Anti-corruption</p> <p>Accounting practices</p> <p>Taxation & transparency</p>


Phase 2: Give investors what they want

Sustainability Accounting Standards Board (SASB) Index

Building Products and Furnishings Standard

Trex is the world's largest manufacturer of composite decking and railing products, and a leading provider of custom-engineered railing systems for the commercial and multi-family market, including sports stadiums and performing arts venues. Our SASB Index is aligned with the Building Products and Furnishings standard.

SASB Code	Metric	Response for FY20
Energy Management in Manufacturing		
CG-BF-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	See page 31 of our 2020 ESG Report.
Management of Chemicals in Products		
CG-BF-250a.1	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	See page 35 of our 2020 ESG Report.
CG-BF-250a.2	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	Not applicable. Trex end user products do not emit any appreciable VOCs.



[About Us](#)[Operations](#)[Su](#)

[HOME](#)[SUSTAINABILITY](#)[INTEGRATING SUSTAINABILITY](#)[ABOUT OUR REPORTING](#)[TCFD INDEX](#)

TCFD Index

The Financial Stability Board Task Force on Climate-related Financial Disclosure (TCFD) has developed voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers and other stakeholders. The table below links to where the relevant information can be found on our website, in our 2020 Annual Report, Form 10-K, and in our most recent CDP Climate Change survey response.

TCFD Disclosure		Location of Disclosure
Governance		
a) Board's Oversight of climate related risks		
	Process and frequency of information	Board Oversight CDP 2020
	Influence on business planning and goals	Integrating Climate-Related Risks into ERM Managing Sustainable Development Risks Board Oversight Executive Management Key Processes Climate Change Action Plan
	How the board assesses progress against goals	Board Oversight GHG Emissions Intensity Target
b) Management's role in assessing and managing climate-related risks		
	Responsibilities for climate-related risks	Governance Framework Executive Management Organizational Management CDP 2020
	Description of organization structure	Executive Management Organizational Management CDP 2020

PHASE 2 HIGHLIGHTS

Develop your strategy leveraging benchmarking work.

Set targets and goals.

Gather high-quality data.

Provide easily accessible information to investors.



Phase 3: Integrate financial reporting

Evolve strategy

Commit to targets

Disclose per regulations

Communicate performance improvements

Wait and see no longer an option for finance leaders

Expands access to capital

- Traditional investors using ESG
- ESG funds and investors
- Green bond market

Improves strategy and governance

- Forward-looking lens
- Robust risk management
- Strengthened supply chain
- Increasing ESG disclosure requirements

Strengthens financial performance

- High performance employees
- Bottom line cost reductions and productivity gains
- New products, business models and business development

Polling question 5

Given what you learned in today's session, do you think there is a business case to advance ESG in your company?



Questions?





Let's get started!

Susan Sheehan

ssheehan@leapfrogesg.com

Kelly Castledine

kcastledine@leapfrogesg.com

Christina Atkinson

catkinson@leapfrogesg.com