



# NIRI WEBINARS

## ESG Reporting Basics: A Primer for IR Professionals

May 2, 2019 | 2pm ET

*In Partnership With*



# SPEAKERS

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**Ruth Venning**  
Executive Director,  
Investor Relations,  
*Horizon Pharma*  
(moderator)



**Malcolm (Mac) Ryerse**  
Lead Analyst (US),  
Responsible Investment &  
Senior Portfolio Manager,  
*Columbia Threadneedle*  
*Investments*



**Kurt Kuehn**  
Former CFO, *UPS*,  
Member, *SASB*  
*Standards Board*



**Mike Wallace**  
Partner,  
*BrownFlynn*

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**ESG OVERVIEW:  
WHAT YOU NEED TO KNOW  
BEFORE DEVELOPING  
YOUR ESG DISCLOSURE PROGRAM**



# ASSESSING 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.



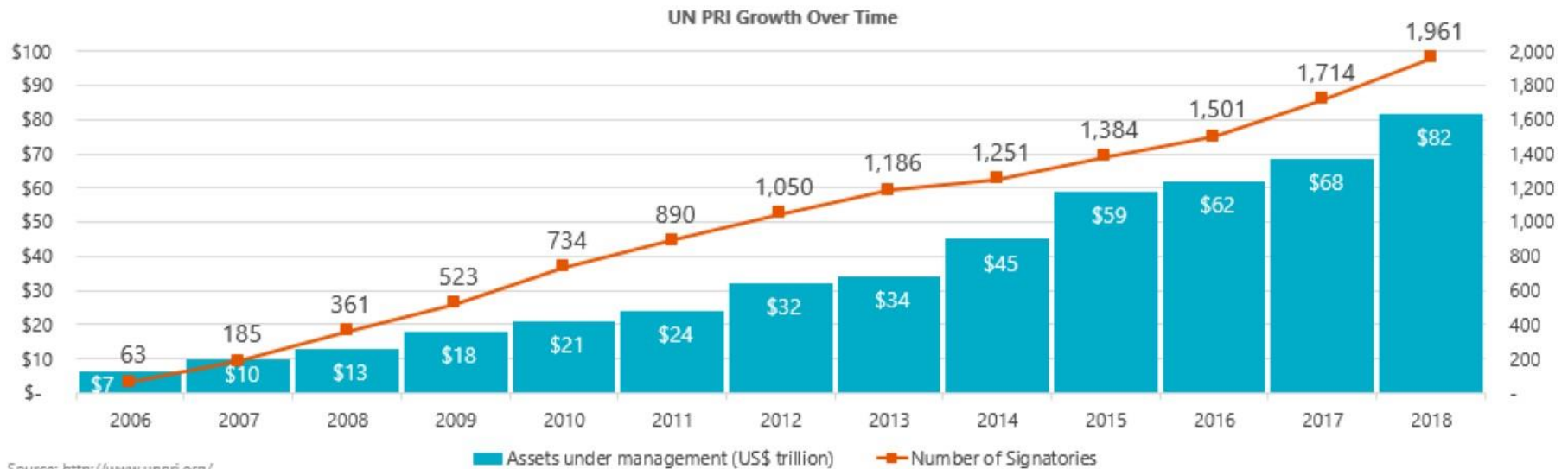
# ASSESSING THE ESG ECOSYSTEM

Significant interest among traditional investment research firms and ESG specialty shops.



# DEMAND FOR ESG INFORMATION

The United Nations-supported Principles for Responsible Investment (PRI) Initiative is an international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices.





# DEMAND FOR ESG INFORMATION

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# SUPPLY OF ESG DATA

## (SCORES)

<span>Overview</span> <span>Comp Sheets</span> <span>Markets</span> <span>EPS Preview</span> <span>Ownership</span> <span>Credit</span> <span>Custom</span> <span>⚙️</span>																
<span>Equity Valuation</span> <span>CDS Spreads</span> <span>Op Stats</span> <span>Profitability</span> <span>Balance Sheet</span> <span>ESG</span>																
Name	ESG Disclosure Score	RobecoSAM Total Sustainability	Sustainalytics ESG Rank	ISS Governance Quickscore	% Indep Dir on Board	% Women on Board	Total Comp Awarded to CEO	Fatalities/1000 Emps	Community Spend as % Pretax Profit	GHG Emis Intens/Sales	CDP Integrated Performance	Energy Intens/Sales	CEO Tenure as of FYE	Water Intens/Sales	Lost Incident	Time Rate
Median	54.96	77	84.85	3.00	79.29	19.81%	6.78M	0.04	1.43	562.80	6.00	1.60k	4.46	31.43k		0.24
100) NEWMONT MINING CORP	66.53	100	89.47	2.00	91.67	41.67%	13.83M	0.00	1.20	639.63	6.00	2.26k	4.83	70.05k		0.23
101) ALLEGIANCE COAL LTD	--	--	--	--	--	--	--	--	--	--	--	--	--	--		--
102) ANGLO AMERICAN PLC	51.65	93	84.85	1.00	66.67	25.00%	8.63M	0.09	1.70	682.09	7.00	1.03k	4.75	--		0.34
103) ARCELORMITTAL	46.28	68	86.96	3.00	55.56	33.33%	--	0.10	0.00	2.82k	4.00	8.95k	9.67	--		0.17
104) AROY COAL INC - A	--	--	--	1.00	85.71	0.00%	9.79M	--	--	--	--	--	1.25	--		--
105) BHP BILLITON LIMITED	57.85	65	72.73	1.00	90.91	27.27%	7.09M	0.02	0.72	425.75	6.00	1.02k	4.17	13.87k		--
106) CLOUD PEAK ENERGY INC	12.81	--	--	2.00	85.71	14.29%	4.43M	--	--	--	--	--	9.50	--		--
107) CONSOL ENERGY INC	--	--	--	--	--	--	--	--	--	--	--	--	--	--		--
108) GLENCORE PLC	58.68	72	27.27	4.00	75.00	12.50%	1.51M	0.06	1.50	162.83	6.00	273.08	16.00	6.98k		0.25
109) GOLDORP INC	--	81	94.74	4.00	80.00	30.00%	6.47M	--	--	--	4.00	--	1.92	--		--
110) HALLADOR ENERGY CO	11.20	--	--	6.00	71.43	0.00%	4.44M	--	--	--	--	--	--	--		--
111) MOSAIC CO/THE	64.88	53	39.80	2.00	91.67	16.67%	8.35M	0.00	2.73	562.80	8.00	3.95k	2.42	219.70k		0.16
112) RAMAD RESOURCES INC	16.12	--	--	--	25.00	0.00%	1.53M	--	--	--	--	--	2.42	--		--
113) RIO TINTO PLC	58.26	86	57.58	6.00	81.82	18.18%	4.45M	0.08	1.43	774.42	6.00	3.05k	1.50	28.20k		0.25
114) TECK RESOURCES LTD-CLS B	64.05	98	96.97	8.00	78.57	21.43%	8.22M	0.00	0.33	324.08	6.00	1.31k	12.75	31.43k		0.67
115) VALE SA	52.07	50	--	10.00	16.67	25.00%	--	--	1.51	444.03	7.00	1.60k	--	54.22k		0.11

(Accounting Adjustments: Adjusted for Abnormal Items When Applicable)

10 Analyze List



# SUPPLY OF ESG DATA

## (ENVIRONMENTAL DATA)

<span>Overview</span> <span>Comp Sheets</span> <span>Markets</span> <span>EPS Preview</span> <span>Ownership</span> <span>Credit</span> <span>Custom</span> <span>⚙️</span>										
<span>Create Template</span> <span>Rate/Ra...</span> <span>ESG2</span> <span>Governa...</span> <span>Social</span> <span>Environ...</span> <span>Communi...</span> <span>More...</span>										
Name	RobecoSAM Environ Dim Rnk	Sustainalytics Environ	GHG Emissions:Y	GHG Scope 1:Y	GHG Scope 2:Y	Energy Consump:Y	Renew Energy:Y	Env Supply Pol:Y	Climate Chg Pol:Y	
Median	76	51.52	15.70k	10.20k	3.70k	33.01k	500.00	1	1	
100) NEWMONT MINING CORP	98	68.42	4.70k	3.10k	1.60k	16.61k	55.56	1	1	
101) ALLEGIANCE COAL LTD	--	--	--	--	--	--	--	--	--	
102) ANGLO AMERICAN PLC	95	45.45	17.90k	9.90k	8.00k	27.06k	500.00	1	1	
103) ARCELORMITTAL	73	56.52	--	--	--	--	--	--	--	
104) ARCH COAL INC - A	--	--	--	--	--	--	--	0	1	
105) BHP BILLITON LIMITED	67	36.36	16.30k	10.50k	5.80k	38.96k	72.22	1	1	
106) CLOUD PEAK ENERGY INC	--	--	--	--	--	--	--	--	--	
107) CONSOL ENERGY INC	--	--	--	--	--	--	--	--	--	
108) GLENCORE PLC	75	21.21	--	--	--	--	--	--	--	
109) GOLDCORP INC	79	94.74	--	--	--	--	--	1	--	
110) HALLADOR ENERGY CO	--	--	--	--	--	--	--	--	--	
111) MOSAIC CO/THE	45	13.27	--	--	--	--	--	--	--	
112) RAMACO RESOURCES INC	--	--	--	--	--	--	--	0	0	
113) RIO TINTO PLC	77	51.52	31.00k	20.00k	11.00k	121.94k	--	1	1	
114) TECK RESOURCES LTD-C...	100	78.79	3.01k	2.68k	328.00	12.19k	3.26k	1	1	
115) VALE SA	59	--	15.10k	13.50k	1.60k	54.44k	12.22k	1	1	

(Accounting Adjustments: Adjusted for Abnormal Items When Applicable)

# SUPPLY OF ESG DATA

## (SOCIAL DATA)

Overview   Comp Sheets   Markets   EPS Preview   Ownership   Credit   Custom											
Create Template   Rate/Ra...   ESG2   Governa...   <b>Social</b>   Environ...   Communi...   More...											
Name	RobecoSAM Dim Rnk	Soc Rnk	Sustainalytics Soc Pct: D-1	Health/Safety Pol: Y	LTIR: Y	Tot Rcrdbl Incdnt Rt: Y	% Emp Union: Y	Fatalities Total: Y	Soc Supp Chn Mgmt	Human Rights Pol: Y	
Median		77	84.85	1	0.25	0.55	55.00	1	1.00	1	
100) NEWMONT MINING CORP		100	68.42	1	0.23	0.46	40.00	0	1.00	1	
101) ALLEGIANCE COAL LTD		--	--	--	--	--	--	--	--	--	
102) ANGLO AMERICAN PLC		93	90.91	1	0.34	0.63	72.00	9	1.00	1	
103) ARCELORMITTAL		50	86.96	--	--	--	--	--	1.00	--	
104) ARCH COAL INC - A		--	--	1	--	--	--	--	--	0	
105) BHP BILLITON LIMITED		58	84.85	1	--	0.84	55.00	1	1.00	1	
106) CLOUD PEAK ENERGY INC		--	--	--	--	--	--	--	--	--	
107) CONSOL ENERGY INC		--	--	--	--	--	--	--	--	--	
108) GLENCORE PLC		74	30.30	--	--	--	--	--	1.00	--	
109) GOLDCORP INC		79	94.74	1	--	--	--	--	1.00	1	
110) HALLADOR ENERGY CO		--	--	--	--	--	--	--	--	--	
111) MOSAIC CO/THE		52	43.88	--	--	--	--	--	1.00	--	
112) RAMACO RESOURCES INC		--	--	1	--	--	--	--	0.00	0	
113) RIO TINTO PLC		89	66.67	1	0.25	0.42	45.00	3	1.00	1	
114) TECK RESOURCES LTD-C...		96	96.97	1	0.67	1.40	60.00	0	1.00	1	
115) VALE SA		45	--	1	0.11	0.40	--	--	1.00	1	

(Accounting Adjustments: Adjusted for Abnormal Items When Applicable)

# SUPPLY OF ESG DATA

## (GOVERNANCE DATA)

Overview   Comp Sheets   Markets   EPS Preview   Ownership   Credit   Custom													
Create Template   Rate/Ra...   ESG2   <b>Governa...</b>   Social   Environ...   Communi...   More...													
Name	RobecoSAM	Econ	Dim Rnk	Sustainalytics Gov Pct: D-1	% Women Mgt:Y	% Women Emp:Y	% Women on Bd:Y	# Feml Execs	% Minority Emp:Y	% Indep Directors:Y			
Median			83	75.51	20.40	17.50	16.67%	1.00	0.00	80.00			
100) NEWMONT MINING CORP			100	94.74	17.40	15.40	41.67%	2.00	--	91.67			
101) ALLEGIANCE COAL LTD			--	--	--	--	--	--	--	--			
102) ANGLO AMERICAN PLC			93	84.85	--	19.00	--	1.00	--	--			
103) ARCELORMITTAL			100	100.00	--	--	33.33%	0.00	--	55.56			
104) ARCH COAL INC - A			--	--	--	--	0.00%	0.00	--	85.71			
105) BHP BILLITON LIMITED			79	66.67	23.55	18.62	27.27%	3.00	--	90.91			
106) CLOUD PEAK ENERGY INC			--	--	--	--	14.29%	1.00	--	85.71			
107) CONSOL ENERGY INC			--	--	--	--	--	--	--	--			
108) GLENCORE PLC			72	33.33	--	--	12.50%	0.00	--	75.00			
109) GOLDCORP INC			82	63.16	--	--	30.00%	4.00	--	80.00			
110) HALLADOR ENERGY CO			--	--	--	--	0.00%	0.00	--	71.43			
111) MOSAIC CO/THE			61	75.51	--	--	16.67%	2.00	--	91.67			
112) RAMACO RESOURCES INC			--	--	--	--	0.00%	0.00	--	25.00			
113) RIO TINTO PLC			84	48.48	22.40	18.00	18.18%	3.00	--	81.82			
114) TECK RESOURCES LTD-C...			98	96.97	7.00	17.00	21.43%	2.00	--	78.57			
115) VALE SA			50	--	20.40	12.30	0.00%	0.00	--	16.67			

(Accounting Adjustments: Adjusted for Abnormal Items When Applicable)

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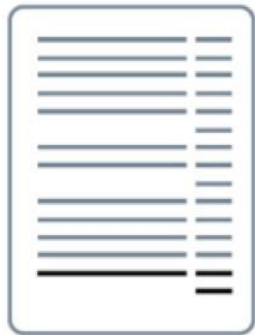
# SASB AND ESG



# Designed for communications to investors

Meet investor needs for comparable, consistent, reliable data

Financial  
Accounting  
Standards



International Financial Reporting Standards (IFRS) or US Generally Accepted Accounting Principles (GAAP) govern presentation of the financial statements

Communications  
to Investors



- **Integrated Reports**
- **Annual Reports**
- **Regulatory Filings**
- **Other Investor Communications**



SASB Disclosure Topics and Metrics designed to guide management's discussion and analysis, risk analysis, strategic analysis as appropriate



SASB standards are acknowledged by the EU as a framework for use to provide information pursuant to *Directive 2014/95/EU* on non-financial reporting.



# Complementing and Implementing Other Frameworks

Target sustainability information to specific audiences for specific purposes

## Relevant Information

All environmental, social, and governance topics of interest to a wide range of stakeholders



## Financially Material Data

Sustainability factors *reasonably likely to affect the financial condition or operating performance of a company*



**Broadest Range of Stakeholders**



**Investors**

# The SASB Approach to Financial Materiality

Standards targeted to the needs of investors for financially relevant ESG information



SASB Standards

Identify ESG factors reasonably likely to affect the *financial condition or operating performance* of companies within an industry

REQUIRE

**Evidence of Investor Interest**

AND

**Evidence of Financial Impact**

# Evaluation of Materiality of Sustainability Issues in Each Industry

SASB's research process starts with a broad universe of sustainability issues

## Environment

- GHG Emissions
- Air Quality
- Energy Management
- Water & Wastewater Management
- Waste & Hazardous Materials Management
- Ecological Impacts

## Leadership & Governance

- Business Ethics
- Competitive Behavior
- Management of the Legal & Regulatory Environment
- Critical Incident Risk Management
- Systemic Risk Management



## Business Model & Innovation

- Product Design & Lifecycle Management
- Business Model Resilience
- Supply Chain Management
- Materials Sourcing & Efficiency
- Physical Impacts of Climate Change

## Social Capital

- Human Rights & Community Relations
- Customer Privacy
- Data Security
- Access & Affordability
- Product Quality & Safety
- Customer Welfare
- Selling Practices & Product Labeling

## Human Capital

- Labor Practices
- Employee Health & Safety
- Employee Engagement, Diversity & Inclusion



# Industries Grouped by Resource Intensity & Sustainability Impacts

Sustainable Industry Classification System (SICS®): 77 industries within 11 sectors



## Consumer Goods

- Apparel, Accessories & Footwear
- Appliance Manufacturing
- Building Products & Furnishings
- E-Commerce
- Household & Personal Products
- Multiline and Specialty Retailers & Distributors
- Toys & Sporting Goods



## Extractives & Minerals Processing

- Coal Operations
- Construction Materials
- Iron & Steel Producers
- Metals & Mining
- Oil & Gas - Exploration & Production
- Oil & Gas - Midstream
- Oil & Gas - Refining & Marketing
- Oil & Gas - Services



## Financials

- Asset Management & Custody Activities
- Commercial Banks
- Consumer Finance
- Insurance
- Investment Banking & Brokerage
- Mortgage Finance
- Security & Commodity Exchanges



## Food & Beverage

- Agricultural Products
- Alcoholic Beverages
- Food Retailers & Distributors
- Meat, Poultry & Dairy
- Non-Alcoholic Beverages
- Processed Foods
- Restaurants
- Tobacco



## Health Care

- Biotechnology & Pharmaceuticals
- Drug Retailers
- Health Care Delivery
- Health Care Distributors
- Managed Care
- Medical Equipment & Supplies



## Infrastructure

- Electric Utilities & Power Generators
- Engineering & Construction Services
- Gas Utilities & Distributors
- Home Builders
- Real Estate
- Real Estate Services
- Waste Management
- Water Utilities & Services



## Renewable Resources & Alternative Energy

- Biofuels
- Forestry Management
- Fuel Cells & Industrial Batteries
- Pulp & Paper Products
- Solar Technology & Project Developers
- Wind Technology & Project Developers



## Resource Transformation

- Aerospace & Defense
- Chemicals
- Containers & Packaging
- Electrical & Electronic Equipment
- Industrial Machinery & Goods



## Services

- Advertising & Marketing
- Casinos & Gaming
- Education
- Hotels & Lodging
- Leisure Facilities
- Media & Entertainment
- Professional & Commercial Services



## Technology & Communications

- Electronic Manufacturing Services & Original Design Manufacturing
- Hardware
- Internet Media & Services
- Semiconductors
- Software & IT Services
- Telecommunication Services



## Transportation

- Air Freight & Logistics
- Airlines
- Auto Parts
- Automobiles
- Car Rental & Leasing
- Cruise Lines
- Marine Transportation
- Rail Transportation
- Road Transportation

# Robust Standards Designed to Support High Quality Disclosure

SASB standards contain industry-specific disclosure topics, metrics, and guidance

Industry-specific disclosure topic

Accounting metrics

Technical protocol for compiling data

Activity metrics for normalization

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Quantitative	Metric tons CO <sub>2</sub> -e (t), Percentage (%)	EM-EP-110a.1
	Amount from: combustion			
Air Quality	Air emissions: NO <sub>x</sub> , VOC, organics, particulates			
Water Management	(1) Total water region Water			
	Volume generated, injected, discharged			
	Percentage which fracturing			

## EM-EP-110a.1. Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations

1 The entity shall disclose its gross global Scope 1 greenhouse gas (GHG) emissions to the atmosphere of the seven GHGs covered under the Kyoto Protocol—carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).

1.1 Emissions of all GHGs shall be consolidated and disclosed in metric tons of carbon dioxide equivalent (CO<sub>2</sub>-e), and calculated in accordance with published 100-year time horizon global warming potential (GWP) values. To date, the preferred source for GWP values is the Intergovernmental Panel on Climate Change (IPCC).

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Quantitative	Thousand barrels per day (Mbbbl/day); Million standard cubic feet per day (MMscf/day)	EM-EP-000.A
Number of offshore sites	Quantitative	Number	EM-EP-000.B
Number of terrestrial sites	Quantitative	Number	EM-EP-000.C



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# ESG: THE INVESTOR PERSPECTIVE

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# **DEVELOPING & IMPLEMENTING YOUR ESG DISCLOSURE PROGRAM**



# STRATEGIC MANAGEMENT OF ESG

## CASE STUDY: EDWARDS LIFESCIENCES

### Corporate Sustainability Council

#### Aspiration Theme Champions

- IR, *Shareholder Value*
- Global Communications, *Innovative Technology*
- EHS, *Trusted Partner*
- Philanthropy, *Community*
- HR, *Talented Employees*

#### Council

- Legal
- Communications
- Global Supply Management
- Government Affairs
- Product Steward
- EU, Business Operations
- ERM
- EU, International Quality
- Strategy



# STRATEGIC MANAGEMENT OF ESG

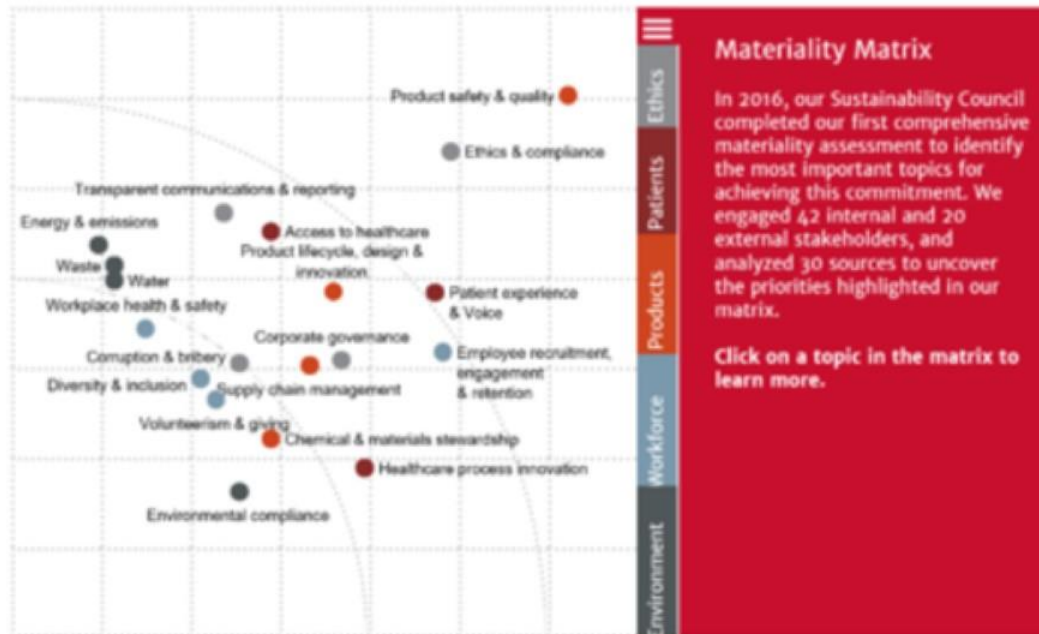
## CASE STUDY: EDWARDS LIFESCIENCES

Sustainability report > Our approach > Materiality & stakeholder engagement

Sustainability report

### Materiality & stakeholder engagement

GR 102-4.5, GR 102-4.4, GR 102-4.7, GR 102-1, GR 102-4.6, GR 102-4.3, GR 102-4.5, GR 102-4.4



## Edwards Lifesciences Materiality Assessment

- Engaged more than 60 stakeholders to identify, prioritize and validate the Company's most significant sustainability impacts, risks, and opportunities, driving the Company's strategy and goals, management approach, and reporting.
- Interactive matrix published on Edwards.com.

"Materiality & Stakeholder Engagement". Edwards Lifesciences. <https://www.edwards.com/sustainability/our-approach/materiality-stakeholder-engagement/>

# STRATEGIC MANAGEMENT OF ESG

## CASE STUDY: EDWARDS LIFESCIENCES

EW US Equity 96) Actions ▾ 97) Output ▾ 98) Settings Financial Analysis

ADJ Edwards Lifesciences Corp Periods 11 Annuals Current

1) Key Stats 2) I/S 3) B/S 4) C/F 5) Ratios 6) Segments 7) Addl 8) ESG 9) Custom 10) Shared

11) Overview 12) Environmental 13) Social 14) Governance 15) Exec & Dir Comp 16) ESG Ratios 17) CDP

In Millions of USD except Per Share

	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
12 Months Ending	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009	12/31/2008	12/31/2007
ESG Disclosure Score	50.00	49.59	36.36	27.27	16.53	15.29	15.29	15.29	15.29	15.29
<b>Environmental</b>										
Environmental Disclosure Score	50.39	47.29	35.66	20.1						
Total GHG Emissions	46.4	31.6	30.9	31.1						
NOx Emissions	0.0	-	-	-						
Total Energy Consumption	108.2	81.9	102.6							
Total Water Use	432.5	358.0	310.0	345.0						
Hazardous Waste	0.9	0.8	0.8	0.0						
Total Waste	3.3	3.7	3.6	1.1						
<b>Social</b>										
Social Disclosure Score	33.33	38.60	19.30	19.3						
Number of Employees	11,084	10,116	9,100	8,600						
% Women in Workforce	62.00	62.00	-	-						
% Women in Mgt	-	24.00	-	-						
Fatalities - Contractors	0	0	0	0						
Fatalities - Employees	0	0	0	0						
Fatalities - Total	0	0	0	0						
<b>Governance</b>										
Governance Disclosure Score	66.07	66.07	55.36	51.7						
Size of the Board	9	8	8	8						
Indep Directors	8	7	7	7						

ESG Company data, disclosure scores, ratios and third party data

Financial Analysis: Source Document FY 2016

Topic	Metric	2016	2015
<b>Environmental</b>			
ISO 14001	Manufacturing operations maintaining ISO 14001 certification	67%	67%
<b>Air Emissions</b>	Scope 1 Emissions (Th Tonnes)	7.41	6.81
	Scope 2 Emissions (Th Tonnes)	39.02	33.77
	Scope 3 Emissions (Th Tonnes)	41.38	td
	Emissions Reduction Initiatives (y/h)	Yes	Yes
	Workforce participating in alternate transportation (%)	40%	40%
	Volatile Organic Compounds ROG/VOC emissions (kgs)	799	-
<b>Climate</b>	Nitrogen Oxide Emissions (kgs)	3,001	-
	Sulfur Oxide Emissions (kgs)	86	-
	Climate Change Opportunities Discussed (y/h)	Yes	Yes
	Risks of Climate Change Discussed (y/h)	Yes	Yes
	Climate Change Policy (y/h)	Yes	Yes
	CDP Carbon Disclosure (y/h)	Yes	Yes
See <a href="#">CDP Response</a> for more information.			
<b>Energy</b>	Total Energy Consumption (MWh)	108,206	94,306
	Energy Efficiency Policy (y/h)	Yes	Yes
<b>Water</b>	Water Consumption in Manufacturing (Thousands of cubic meters)	432.46	357.88
	See <a href="#">CDP Response</a> for more information.		
<b>Waste</b>	Hazardous Waste (Th Tonnes)	906	799
	Total Waste Discarded (Th Tonnes)	1,499	1,268
	Total Waste Recycled (Th Tonnes)	925	874
	Waste Reduction Policy (y/h)	Yes	Yes
	See <a href="#">Environmental Health &amp; Safety</a> report for more information.		





# STRATEGIC MANAGEMENT OF ESG

## CASE STUDY: EDWARDS LIFESCIENCES

EW US Equity Output Settings Relative Valuation

Comp Source GICS Region North America Curr USD

Classification	Type	Metric	EW	Low	Comp Range	High
1) Health Care	Sector	Est P/E Current Yr	29.17	13.86		1.77k
2) Health Care Equipment & Services	Industry Group	EV/Est Sales Curr Yr	6.83	0.65		12.03
3) Health Care Equipment & Supplies	Industry	Sales Growth Yoy	18.85	-8.30		228.28
4) Health Care Equipment	Sub Industry	EBITDA Margin (%)	30.01	-91.46		41.19
		Gross Margin (%)	73.09	12.67		85.86

Showing Closest 50 Comps by Mkt Cap

Overview Comp Sheets Markets EPS Preview Ownership Credit Custom

Equity Valuation CDS Spreads Op Stats Profitability Balance Sheet **ESG**

Name	Sustainalytics ESG Rank	ISS Governance Quickscore	ESG1 Disclosure Score	Indep Dir on Board	Women 36.36%	CEO Tenure as of	Total Comp Awarded	Women in Incident	Lost Time ns/Sales	Energy
Average	58.04	5.43	15.13	82.32	15.31%	7.47	5.17M	55.65	0.24	109.75
10) EDWARDS LIFESCIENCES...	86.90	2.00	50.00	88.89	22.22%	17.00	9.73M	62.00	0.33	36.51
10) BAXTER INTERNATIONAL...	96.43	5.00	58.26	90.91	9.09%	1.00	5.81M	49.30	0.14	247.41
10) BECTON DICKINSON AND...	84.52	4.00	42.98	92.31	30.77%	5.00	13.93M	--	--	111.31
10) BOSTON SCIENTIFIC CORP	80.95	7.00	28.51	90.91	36.36%	4.17	12.03M	--	--	43.76
10) VARIAN MEDICAL SYSTE...	82.14	8.00	19.83	88.89	22.22%	4.08	8.61M	--	--	--
10) ORTHOFIX INTERNATION...	--	1.00	18.60	90.00	20.00%	3.83	4.83M	--	--	--
10) NXSTAGE MEDICAL INC	--	3.00	17.36	88.89	22.22%	--	3.03M	--	--	--
10) EXACTECH INC	--	7.00	16.53	71.43	14.29%	2.83	482.14k	--	--	--
10) TELLEFLEX INC	--	4.00	14.05	90.00	30.00%	6.00	6.05M	--	--	--

ESG Performance and peer comparisons including ESG scores



# STRATEGIC MANAGEMENT OF ESG

## CASE STUDY: GENERAL MOTORS

GENERAL MOTORS  
2017 SUSTAINABILITY REPORT

[CDP](#) [GRI](#) [UNGC](#) [UNSDG](#) [SASB](#) [TCFD](#) [Data](#) [Policies](#) [Downloads](#) [Contact](#)



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### ESG Data Center



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SAFETY



PRODUCTS



PERSONAL MOBILITY



WORKFORCE



GOVERNANCE



ENVIRONMENTAL



COMMUNITY





# Examples of SASB Metrics and References Tables

Facilitates access to data for investors



## SASB INDEX

This report marks the first time we have reported under the Sustainability Accounting Standards Board (SASB) standards. We have included the below disclosures related to the three sectors that are most closely aligned to our mix of businesses: Asset Management & Custody Activities, Investment Banking & Brokerage and Commercial Banks. Disclosures that appeared in more than one of these sector standards are included in a separate section on this page. Unless otherwise noted, all data and descriptions apply to our entire firm, not just the businesses relevant to that sector. We do not currently disclose all metrics included in the standards for these three sectors, but we will continue to evaluate them in the future. All data is as of or for the year ended December 31, 2018 unless otherwise noted.

Topic	Accounting Metric	Category	Code	Response
<b>Disclosures Included in Multiple Sectors' Standards</b>				
<b>Diversity &amp; Inclusion</b>	Percentage of gender and racial/ethnic group representation for: (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Quantitative	FA-AC-230a.1 FA-ID-230a.1	<a href="#">U.S. Workforce Demographics</a> As part of our commitment to improving diversity at the firm we have also published diversity goals <a href="#">here</a> .
<b>Business Ethics</b>	Description of whistleblower policies and procedures	Discussion and Analysis	FA-AC-510a.2 FA-ID-510a.2 FA-CB-510a.2	<a href="#">Raising Integrity Concerns</a> <a href="#">Code of Business Conduct and Ethics</a>
<b>Systemic Risk Management</b>	Global Systemically Important Bank (SIB) score, by category	Quantitative	FA-ID-550a.1 FA-CB-550a.1	As a US G-SIB, we are required to calculate the G-SIB buffer under two methodologies and are bound by the higher of the two. "Method 1" is based upon the Basel Committee's methodology, which, among other indicators, relies upon measures of the size, activity and complexity of each G-SIB. "Method 2" uses similar inputs, but it includes a measure of reliance on short-term wholesale funding and applies only to US G-SIBs. Further information about Method 1 can be found on the <a href="#">Bank for International Settlements'</a> website and further information about Method 2 can be found on the <a href="#">Federal Reserve Board's</a> website.  We are bound by Method 2 and our applicable G-SIB buffer is 2.5%. Please see pages 8-9, 11 and 105-106 of our <a href="#">2018 Form 10-K</a> for further information. Further information about the indicators that factor into the calculation can be found in our <a href="#">FR 9-15</a> filing, which can be accessed <a href="#">here</a> .
	Total amount of monetary losses as a result of legal proceedings associated with: • Marketing and communication of financial product-related information to new and returning customers; • Fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, mispractices, or other related financial industry laws or regulations; and • Professional integrity, including duty of care	Quantitative	FA-AC-270a.2 FA-AC-510a.1 FA-ID-510a.1 FA-ID-510a.2 FA-CB-510a.1	During 2018, our total net provisions for all litigation and regulatory proceedings were \$949M.



## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

SASB is an independent, private sector standards-setting organization dedicated to enhancing the efficiency of the capital markets by fostering high-quality disclosure of material sustainability information that meets investor needs. The table below cross-references the SASB accounting metrics with where that information can be found in NIKE's FY16/17 Sustainable Business Report (SBR) and Sustainability Website.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE
<b>MANAGEMENT OF CHEMICALS IN PRODUCTS</b>	Description of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	N/A	EN2001-01		<ul style="list-style-type: none"> <li>SBR: Chemistry (Measure: 100% compliance with REACH (EU))</li> <li>Approach to Chemistry</li> <li>Chemistry Products</li> </ul>
	Description of processes to assess and manage risks associated with chemicals in products	Discussion and Analysis	N/A	EN2001-02		<ul style="list-style-type: none"> <li>SBR: Chemistry (Target: Enable Zero Discharge of Hazardous Chemicals)</li> <li>Approach to Chemistry</li> <li>Chemistry Products</li> </ul>
<b>RAW MATERIAL SOURCING &amp; INNOVATION</b>	Discussion of environmental and social risks associated with sourcing priority materials	Discussion and Analysis	N/A	EN2001-03		<ul style="list-style-type: none"> <li>SBR: Materials (Target: Increase use of more sustainable materials in footwear and apparel)</li> <li>Sustainable Materials</li> <li>Sustainable Materials Principles</li> </ul>
	Percentage of raw materials that are certified to an environmental or social sustainability standard, by standard	Quantitative	Percentage (%) by weight	EN2001-04	Materials (FY17) <ul style="list-style-type: none"> <li>Organic: 8%</li> <li>Recycled: &lt;1%</li> <li>BCI: 46%</li> </ul> Products <ul style="list-style-type: none"> <li>Recycled: 14%</li> </ul> Apparel <ul style="list-style-type: none"> <li>Environmentally preferred cotton: 98%</li> </ul> Foot <ul style="list-style-type: none"> <li>Recycled EVA foam: &lt;1%</li> </ul>	<ul style="list-style-type: none"> <li>SBR: Materials (Target: Increase use of more sustainable materials in footwear and apparel)</li> <li>Sustainable Materials</li> <li>Sustainable Materials Principles</li> </ul>
<b>LABOR CONDITIONS IN THE SUPPLY CHAIN</b>	Percentage of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1 that have been audited by a labor code of conduct, percentage conducted by a third-party auditor	Quantitative	Percentage (%)	EN2001-05	100% of Tier 1 suppliers audited to Code of Conduct, which includes environmental and social criteria • 4% audited by third-party auditor Suppliers beyond Tier 1 audited to Code of Conduct • N/A. We disclose a number of strategic material suppliers (Tier 2) on our Manufacturing Map along with material goods factors.	<ul style="list-style-type: none"> <li>SBR: Sustainable Sourcing (Target: Source 100% from factories that meet our definition of sustainable)</li> <li>NIKE's Sourcing and Manufacturing Standards</li> </ul>
	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	Rate	EN2001-06	In FY17, 9.1% of audits were rated below (Grade non-conformance)	<ul style="list-style-type: none"> <li>SBR: Sustainable Sourcing (Target: Source 100% from factories that meet our definition of sustainable)</li> <li>NIKE's Sourcing and Manufacturing Standards</li> </ul>



# Questions ?

***Submit your questions in  
the Q&A chat window***

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# Efficient and Cost-Effective Disclosures

SASB provides a cost-effective way to report on material sustainability topics

**SASB standards average 6 topics and 13 metrics (74 percent quantitative) per industry.**

**SASB metrics are aligned with over 200 existing frameworks, regulations, and certifications.**

## Biotechnology & Pharmaceuticals Industry

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Safety of Clinical Trial Participants	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	Discussion and Analysis	n/a	HC-BP-210a.1
	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	Quantitative	Number	HC-BP-210a.2
	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries <sup>1</sup>	Quantitative	Reporting currency	HC-BP-210a.3
Access to Medicines	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	Discussion and Analysis	n/a	HC-BP-240a.1
	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Discussion and Analysis	n/a	HC-BP-240a.2
Affordability & Pricing	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	Quantitative	Number	HC-BP-240b.1
	Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year	Quantitative	Percentage (%)	HC-BP-240b.2



# Increasing Signs of Corporate Adoption (YTD Apr.)

SASB standards used in public reports\*

See the disclosures and more:

(YTD Apr.)

[sasb.org/company-use](https://sasb.org/company-use)



\* Reports published between 2015 and 2019; Includes partial use of standards