



Environmental Social Governance

Presented to the BIA of NH – Energy Symposium

December 1, 2020

Renewable Energy Consulting

Delivering energy procurement and cost management solutions

- ▶ We're part of **NextEra Energy Resources**
 - Part of the largest electric utility company in the U.S. by market capital
 - Largest producer of wind and solar energy
 - World class energy expertise
- ▶ Serving nearly **3,000 clients** in 24 states
- ▶ Manage over **4 billion kWh** of electricity
- ▶ Manage **13 bcf** of gas



Agenda

Questions we will answer

- ▶ What is ESG?
- ▶ Why do investors care about and how does the investment community value ESG?
- ▶ How are companies differentiating themselves with it?
- ▶ What are the critical energy components of an ESG plan?
- ▶ How would you approach them without disrupting operations or your financial goals?

What is ESG?

Examples of ESG factors

Environmental



- ▶ Natural resource use
- ▶ Carbon emissions
- ▶ Energy efficiency
- ▶ Pollution/waste
- ▶ Sustainability initiatives

Social



- ▶ Workforce health & safety
- ▶ Diversity/opportunity policies
- ▶ Employee training
- ▶ Human rights
- ▶ Privacy/data security
- ▶ Community programs

Governance



- ▶ Board independence
- ▶ Board diversity
- ▶ Shareholder rights
- ▶ Management compensation policy
- ▶ Business ethics

1) Adapted from: BofA Merrill Lynch US Equity & Quant Strategy

Why ESG?

Strong ESG Outcomes Create Potential Business Value

- ▶ **Increased revenue growth**
 - Attracting customers with sustainable products
 - Better access to resources
- ▶ **Lower costs**
 - Reduced water and energy consumption
- ▶ **Reduced regulatory costs**
 - Less exposure to environmental risk events
- ▶ **Investment optimization**
 - Choosing more sustainable equipment
 - Avoiding investments likely to be exposed to long-term environmental issues

48%

of consumers would “**definitely** or probably **change their consumption habits** to **reduce their impact on the environment**”

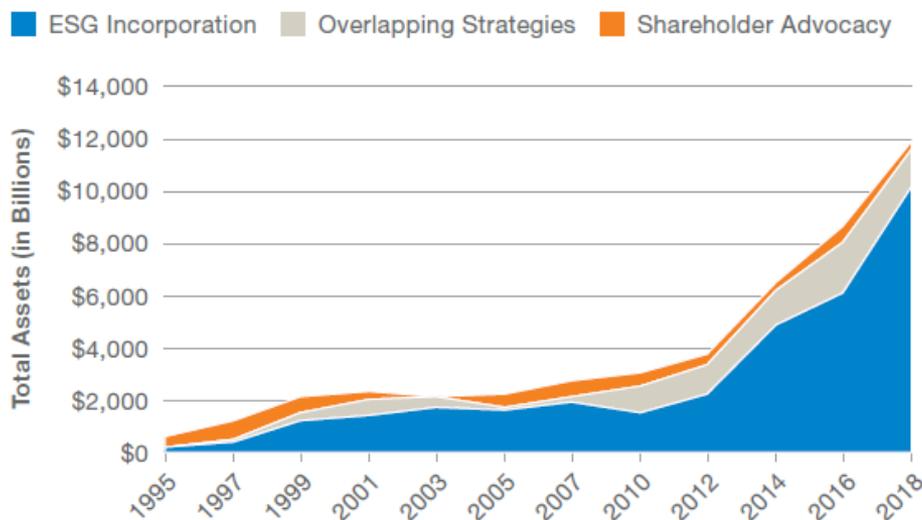
Growth of ESG Investing

Over the past 5 years US investors have become increasingly interested in the ESG profile of companies

- ▶ At the start of 2018, about \$12 billion (roughly 26%) of US assets under professional management were managed pursuant to ESG criteria
- ▶ ESG issues are now viewed as mainstream. Investors are analyzing material ESG issues in terms of impact to financial value
- ▶ Good performance on ESG factors translates into positive financial performance

FIGURE A

Sustainable and Responsible Investing in the United States
1995–2018



Between 2016 and 2018, investments in such companies surged with **38% growth** and now total \$12 trillion

1) Source: US SIF Foundation report "US Sustainable, Responsible and Impact Investing Trends 2018"

SASB Sustainability Framework

Sustainability Accounting Standards Board (“SASB”) has published standards, but no government body is mandating standards



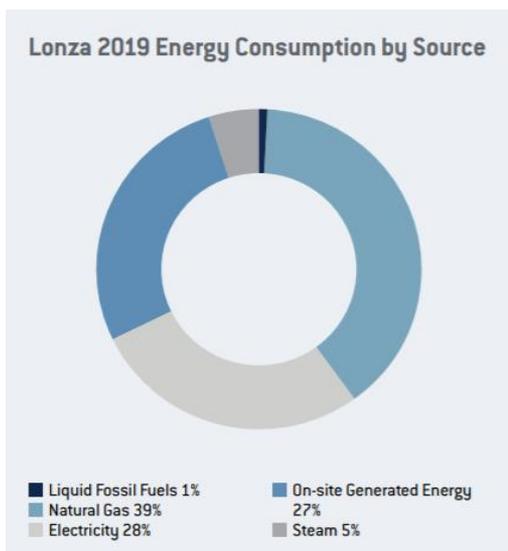
1) Sustainability Accounting Standards Board

ESG Report Highlights

Many companies report their ESG performance and stated goals in a Sustainability Report



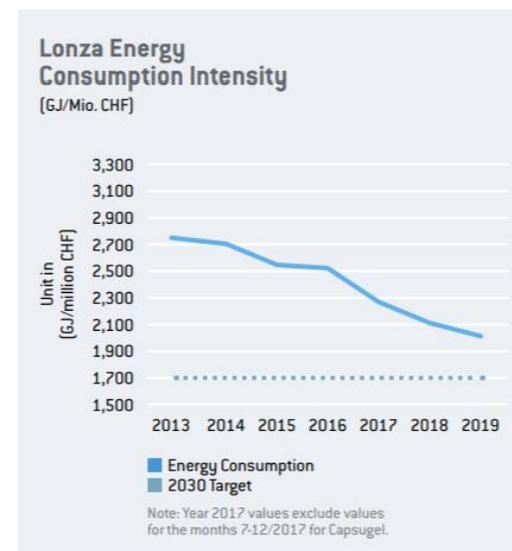
- ### Environmental
- Energy Conservation and Efficiency
 - GHG Management
 - Waste and Recycling
 - Environmental Compliance
 - Innovation



Lonza 2019 Total Energy Consumption

Total Energy Consumption (GJ)

Diesel	3,787
Fuel Oil	45,650
Gasoline	3,097
LPG	8,081
Natural Gas	4,692,357
Purchased Electricity Non-renewable	2,912,495
Purchased Electricity Renewable	601,620
Renewable Electricity (On-site)	2,758
Self-generated Energy (Waste Processes)	3,377,814
Steam	611,721
Total	12,259,381



1) Lonza Sustainability Report - 2019

How to Approach the “E” in ESG

Our 4-Step Process



ANALYZE

how you compare to your peers and opportunities for improvement



DEVELOP

customized energy strategies and solutions to meet your objectives



EXECUTE

your strategy by sourcing the best cost solutions



EVALUATE

the outcomes, measuring and verifying reductions

How to Approach the “E” in ESG

ENERGY-RELATED SOLUTIONS

Onsite solar and storage

Community solar (group net metering)

Grid scale renewable contracts

RECs (Renewable Energy Credits)

Energy Efficiency (Lighting, HVAC, etc.)

Monitoring and insight systems with measurement and verification

Demand management

EVs

Sustainable Water

Your Team



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"It's up to me to piece together the right mix of talent, information, services, and options that result in a custom energy strategy that gets the client where they want to be."



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"I've spent the last decade helping customers understand how solar and renewable energy can provide clean, reliable energy while protecting the bottom line. My favorite part of the day is talking with clients and learning about their unique sustainability needs."

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