Trends in Investor Communications **Communicating Board Climate Responsibility in Light of Ceres and The B Team's Recommendations**



Trends in Investor Communications – Communicating Board Climate Responsibility in Light of Ceres and The B Team's Recommendations

In recent years, calls for enhanced disclosure around climate change have grown louder, and not just in the form of shareholder proposals. Institutional investors are increasingly asking companies to set out the risks and opportunities they face as a result of climate change, and how their boards are dealing with these issues.

Getting Climate Smart: A Primer for Corporate Directors in a Changing Environment, a recent report co-authored by Ceres and The B Team, notes:

"As more businesses in more sectors are materially impacted, major investors are engaging with their portfolio companies on climate change. BlackRock, State Street Global Advisors and Vanguard are calling for boards to address climate change as a part of their long-term sustainable value creation strategies."¹

The report goes on to describes how directors can get climate smart by building climate competency into their board. Specifically, it advocates that boards:

- 1. Drive the assessment of whether and how climate risk is material to the business;
- 2. Formalize climate change in the board structure;
- 3. Recruit climate-competent directors;
- 4. Educate the whole board on climate change;
- 5. Integrate climate change into strategic planning and risk oversight;
- 6. Tie executive compensation to climate change; and
- 7. Promote robust disclosure of climate change.

In this Thought Piece, we highlight disclosures that align with Ceres and The B Team's recommendations on building climate-competent boards.

¹ Ceres & The B Team, *Getting Climate Smart: A Primer for Corporate Directors in a Changing Environment 3* (2018). Available at https://www.ceres.org/climatesmartboards.

Featured Reports



Alcoa 2018 Proxy Statement



Barrick Gold 2018 Information Circular 2017 Annual Report



2018 Proxy Statement



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General Motors 2018 Proxy Statement



International Paper 2018 Proxy Statement



JetBlue 2018 Proxy Statement



Newmont Mining 2018 Proxy Statement 2017 Proxy Statement



Nike



PG&E 2018 Proxy Statement



Prudential 2018 Proxy Statement 2017 Annual Report



Shell



Southern Company



Xcel Energy 2018 Proxy Statement 2018 Proxy Statement 2018 Proxy Statement



Argyle



Drive the Assessment of Whether and How Climate Risk is Material to the Business

From the Getting Climate Smart report:

"Climate change poses foreseeable risks to businesses. Directors should have management assess whether climate change has a material impact on the unique circumstances of their business and, if so, how this should be integrated into corporate strategy and enterprise risk. This assessment should consider whether critical stakeholders, such as investors, consider climate change to be relevant, for instance, as a part of their stated priorities or through investor engagement, including shareholder resolutions. The assessment should also consider how climate change could affect the creation of shareholder value, including in the long term."

We looked for:

Presentations of how boards lead assessments of climate risk materiality



PG&E 2018 Proxy Statement

PG&E outlines how the Board oversees climate change resilience and other sustainability commitments. They also address their sustainability strategy in the context of their key stakeholders.



http://s1.q4cdn.com/880135780/files/doc_ financials/2017/annual/2018-Proxy-Statement-Final.pdf

BOARD OVERSIGHT	
Compliance and Ethics	
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Edison International 2018 Proxy Statement

Edison uses a letter co-signed by the Chair and the President and CEO to explain the Board's role in overseeing their strategic transformation towards a low-carbon future. They go on to highlight specific areas of Board oversight over ESG-related issues that significantly impact the business.



https://www.edison.com/content/dam/eix/documents/investors/ corporate-governance/2018-eix-sce-proxy-statement.pdf



Prudential 2018 Proxy Statement

On the inside front cover, Prudential acknowledges the potential impact of climate risk on their business and explicitly identifies climate risk as contributing to reputational risk. The description of the Corporate Governance and Business Ethics Committee's responsibilities includes oversight of strategy and reputation regarding environmental stewardship and sustainability.



http://www3.prudential.com/annualreport/report2018/ proxy/images/Prudential-Proxy2018.pdf

Prudential			
Environmental		Social 🦪	
Prough our sustainability policies and practi- ale a laudership position by proactive engage with employees, customers, vendors, investo invironmental groups, and industry officials. These initiates were developed to minimize the emic match are global without the minimizer of the practical are global without the second second LIMPE DISK.	pement in rs, fo Bi nmental Ci	Productial, creating both business and social pact has been core to our shrategy since our another than 540 years ago. Inversing more than 540 years ago. Inversing Prudematal's fail treatest of business patients, was and also be created patients for expone to achieve financial and social mobility in indiatives such as:	
Our Environmental Commitment acknowledges the o between climate risk and the possible impact to the o our clients and our neighbors. DNVROMMENTAL STEWARDSHIP	ampany.	tor committeent to support Financial Wellness by announcing multi-year partnership with the Aspen Institute and tearching solit and resources to help employers enhance their workforcels marchal health.	
The U.S. Green Building Council asserted Prodential Minnesota data-center "LakD Gold" centecation. Our Winder Code of Conduct and Terms of Engagement		npact investment assets under management exceeded \$715 silion, putting Prudential well on its way to achieving its goal of	Prudential Corporate Constrance
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Committee M	nn H. Strangeld eletine K. Poon (Chair) ndra Planalla Ichael A. Tadman	The Finance Committee oversees, takes actions, and approves policies with respect to capital liquidity, borrowing levels, reserves, market risk and majoraphia experiors.	
Committee Constitution Committee Constitution Constitutio	onse J. Baltineuw (Chair) for P. Lights indice A. Poon onse J. Baltineuw (Chair) bert F. Canellan art B. Care ri J. Kopok indice A. Poon	The investment Committee contenses and balan actions with respect to the comparison, management and chaptered of leveled analysis reveals the investment performance of the periodic plan and funds employee barreling performance of products and accounts managed on sheard of their parket, performance of products and accounts managed on sheard of their parket, performance of products and accounts managed on sheard of their parket, and accounts performance of significant content of their parket, entropela, accutang by considering the rick comparise functions of accide the accumities and accent plant matcase are appropriately elevation of the function of the functions of the product of the function of the functions of the accident of the function of the function of the functions of the product of the function of the functions of the second of the function of the function of the functions of the function of the second of the function of the functions of the function of the second of the function of the functions of the second of the function of the function of the functions of the second of the function of the function of the functions of the function of the function of the function of the functions of the function of the function of the function of the function of the functions of the function of the functions of the function of the function of the function of	jan,
Meetings in 2017-6	ragias A. Scolarmer mittee meetings, the Bo	ard held nine meetings in 2017.	- Mayle

Formalize Climate Change in the Board Structure

From the Getting Climate Smart report:

"When material, directors should formalize climate change oversight as a part of the board structure. For instance, they could incorporate it into the charter of relevant board committees. Once it is formalized, climate change will be regularly included in board agendas and considered systematically as a part of board deliberations, including on strategy, expenditures and risk."

We looked for:

06

Presentations of how boards integrate climate change risk and environmental sustainability policies into board structure



International Paper 2018 Proxy Statement

International Paper incorporates sustainability policies under the Public Policy and Environment Committee.

Q

https://s1.q4cdn.com/597881801/files/ doc_financials/2017/Annual/ 2018-Proxy-Statement-FINAL.pdf

Current Members • David J. Bronczek (Chairman) • William J. Burns • Ahmet C. Dorduncu J. Jacqueilee C. Himman • Cinton A. Laws, Jr. • Kathryn D. Suldwapmdent All Members are Independent Meetings in 2017: • Attendance Rate: • 225)	Meetings Meeting agendas are developed by the Public Policy and Env Jament Committee chair in consultation with committee members and senior headers, who regularly attend the meetings. Responsibility The Public Policy and Environment Committee has overall responsibility for the review of contemporary and energing public policy issues, as well as technology issues pertaining to the Company. The committee nerviews the Company health and safety policies, as well as environmental Policies, including the Office of Sustainability policies, to ensure continuous implovement and compliance. The committee late previews the Company's policies and procedures for complying with its legal and regulationy obligations, including or Code, and chartable and policid contribution
Executive Committee Current Members • Mark S. Sutton (Chairman) • David J. Bronczek • Ilene S. Gordon • Jay L. Johnson • J. Steven Whisler	Executive Committee The Executive Committee may act for our Board, to the extent permitted by law, if Board action is required and a quorum of our full Board cannot be convened on a timely basis in person or telephonically. The Charman of our Board, the independent Presiding Director, and the chair of each Board committee are members of the Executive Committee.
Meetings in 2017:	



Nike 2017 Proxy Statement

Nike incorporates responsibility for sustainability under a dedicated Corporate Responsibility and Sustainability Committee.

https://materials.proxyvote.com/ Approved/654106/20170721/NPS_331212/ images/NIKE-Proxy2017.pdf

Environmental, Social, and Governance

Highlights



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РВОХҮ

e oversees financial matters access to capital, capital dep nov risk, and hecking progr ind rake relating to syment, acquisitons res, and significant

ode of Business Conduct and Ethics



Citigroup 2018 Proxy Statement

Citi incorporates climate change oversight into the responsibilities of their Nomination, Governance and Public Affairs Committee and includes an overview of their sustainability governance structure in the ESG highlights of their proxy summary.



citi/investor/quarterly/2018/ar18p.pdf



PROXY

Recruit Climate-Competent Directors

From the Getting Climate Smart report:

"Board nominating committees should recruit corporate directors who have the appropriate skills, background and aptitude to make thoughtful decisions on climate risks and opportunities. Committees should cast a wide net through the nominating process so they can consider candidates with diverse backgrounds."

We looked for:

Boards with climate-competent directors and that actively recruit for environmentally knowledgeable candidates

	Ex∕onMobi
	April 12, 2018
Dar Danholer	
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ExxonMobil 2018 Proxy Statement

In 2017, ExxonMobil's Board nominated Susan K. Avery, President Emerita of the Woods Hole Oceanographic Institution. In addition, the Board includes "Scientific/Environmental/Technical" as a competency considered for director nominees.



http://cdn.exxonmobil.com/~/media/global/files/ investor-reports/2018/2018-proxy-statement.pdf ten 1 - Election of Directors The Based of Director has nonnaned the director candidates named on the following pages. Personal information and share of the parts (including palatic canage), directorships during the part flow years, it provided. Alia on a web particular appendirector, adhibitiona, and bial de and. Based on conclude that using parts in black the Based on the Company of the conclude that using parts in the last last black the Based on the Company of the conclusion of the United parts and the conclusion of the Company of the conclusion of the conclusion

except you pray abrocas in people names as process to your or a replacement normal to be boar one. Alternatively, the Board may reduce its size to equal the number of remaining nominees.

Avery



tht Science and Technology ientific and environmental affiliations: Consortium for Ocean Leadership inferflow), American Geophysical Union, American Metoorological Society Ilow) American Association for the Advancement of Science (fellow), and state of Electrical and Electronics Engineers at public company directorships: None

	Director Attributes
	(Percent of Director Norvinees with Noted Atolicate)
	Bild Management 100%
	Prevail 82%
	Large Carryles Dipariostans
	Edular Reviews 80%
	Examples Environmental/Technical 40%
	Operations 70%
	Cyclinal Community Business 2000
	Current/Terrer CED 100%
	Nole Company Esset Generators 92%
	Gande Diversity 20%
	Réva Duesty 2000
	Independent 90%
	ard Succession noted in the committee information on pages 11 and 12, the Board Affairs Committee is responsible for identify
'n	ector candidates. The Committee seeks new candidates in several wave:
	Recommendations made by the non-employee directors. These recommendations are developed based on the directors' own knowledge and experience in a variety of fields and on the research conducted by ExcenMobil staff at the Committee's direction.
	Engagement of an executive search firm. The firm brings forward potential director candidates for the Committee to consider and helps research candidates identified by the Committee.
	Recommendations made by employee directors, shareholders, and others.
eÌ	recommendations, regardless of the source, are evaluated on the same basis against the criteria contained in th action Guidelines. The Committee has also instructed its executive search firm to include diversity as part of the ridide search criteria.
h	weholders may send recommendations for director candidates to the Secretary at the address given under Cont smation on page 4. A submission recommending a candidate should include:
	Sufficient biographical information to allow the Committee to evaluate the candidate in light of the Selection Guidelines;
	Information concerning any relationship between the candidate and the shareholder recommending the candidate; and
	Material indicating the willingness of the candidate to serve if nominated and elected.
	e procedures by which shareholders may recommend nominees have not changed materially since last year's pro tement.
	e Company seeks to have a diverse Board representing a range of backgrounds, knowledge, and skills relevant to



Newmont Mining 2018 Proxy Statement

Since 2011, Newmont's Board has included Jane Nelson, Founding Director of the Corporate Responsibility Initiative at Harvard Kennedy School. The Board also includes "Environmental & Social Responsibility Experience" as a competency considered for director nominees.



https://s1.q4cdn.com/259923520/files/doc_ financials/annual/2017/2018-Newmont-Proxy-Statement-and-Notice-Web-Posting-Bookmarked-PDF.pdf





Southern Company 2018 Proxy Statement

This year, Southern Company's Board nominated Ernest J. Moniz, former U.S. Secretary of Energy, and Cecil and Ida Green Professor of Physics and Engineering Systems, Emeritus, at MIT. The Board also includes "Environmental Regulation and Policy" as a competency considered for director nominees.



https://s2.q4cdn.com/471677839/files/doc_ downloads/2018/2018-Proxy-Statement.pdf

Argyle

Educate the Whole Board on Climate Change

From the Getting Climate Smart report:

"Many companies require that their board stay current on the latest issues, trends and developments that could affect the company through formalized continuing education programs. Board Governance Committees could expand these efforts to include focused training programs that bring in independent climate experts to provide ongoing education. Another option is to create the capacity for ongoing advice on climate issues, for instance by establishing advisory boards of external stakeholders or experts to inform and engage company leadership and the board on the connections between climate change, among other sustainability issues, and corporate strategy."

We looked for:

Presentations of how boards are increasing their knowledge of climate change, the environment, and sustainability



General Motors 2018 Proxy Statement

General Motors includes sustainability education as part of new director orientation. They also regularly engage with external sustainability stakeholder groups, including Ceres, to inform their sustainability strategy.



http://media.gm.com/static/proxy-statement/ images/General_Motors-Proxy2018.pdf

Annual Evaluation of CEO



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Notice of 2018 Annual Meeting	
of Shareowners and	
Proxy Statement	
Thursday, May 10, 2018 800 a.m. Estens Time Minarda Part Wittingen, Schware	
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UPS 2018 Proxy Statement

UPS' Board is regularly briefed on issues of concern to stakeholders-including environmental topicsand receives reports from the chief sustainability officer on sustainability issues.

http://media.corporate-ir.net/media files/ IROL/62/62900/UPS_NPS_Web_Ready_ Bookmarked.pdf

rea	Purpose	FY2017 activity		
riefings	Provide each Director with a deeper understanding of the activities, environment, key issues and direction of the assets along with HSEC and public policy considerations.	Operating Model Technology update Petroleum strategic review		
Development sessions	Specific topics of relevance.	Climate change Shareholder activism		
Site visits	Bindings on the assets, operations and other relevant issues and meetings with key personnel.	Olympic Dam, Copper, Australia Nickel West, Nick, Australia Western, Australia Iono, Tore, Iono Tore, Australia BMM, Metallungico Cal, Justralia Jamen Project, Forash, Canada Singapore, Markeling and Sizgab yolfico, Singapore Ruala Lumpur, Global Asset Barviess Centre, Malyaia Guil of Mexico, Parolean, United Starviess Centre, Malyaia Guil of Mexico, Coco Coco, Colombia		
External speakers	Addresses by experts to provide insight into current geopolitical, economic or social themes.	From various external experts, the Board received insights on broad macro-economic themes and the rise of populism, insights into geopolitics, with a particular focus on Chile, and insights into climate change and social policy.		

Strategic Report Governance at BHP Remuneration Report Directors' Report Financial Statements Additio

2.9 Director induction, training and development

The development of industry and Group knowledge is a continuous and ongoing process. The Board's development activity reflects the diversification of the portfolio through the provision of regular updates to Directors on BHP's assets, commodities, geographies and markets, and on the changing external environment, to enable the Board to remain up-to-date.

Upon appointment, each new Non-executive Director undertakes an induction program specifically tailored to his or her needs.

A copy of an indicative induction program is available online at bhp.com/governance.

Following the induction program, Non-executive Directors participate in continuous improvement activities (Training and Development Committes. The Training and Development Program covers a range of matters of a business nature, including environmental, social and governance matters. Programs are designed to maximise the effectiveness of the Directors throughout their tenure and reflect their individual performance evaluations.

These sessions and site visits also allow an opportunity to disc These sessions and site visits also allow all opportunity to tactual in detail the changing risk environment and the potential for impacts on the achievement of our corporate purpose and business plans. For information on the management of principal risks, refer to sections 1.8.3 and 2.14.

buildines plants. For intromution of the management of principal misks, refer to accimise 18.2 and 21.2 was development areas with each Director. Board committees in turn review and agree their training needs. The benefit of this approach is that induction and learning opportunities can be tailored to Directors' committee succession planning. Board nerway, training and development and committee composition, which are all relevant to the Nomination and Governance Committee role in securing the supply of talent to the Board. Each Board committee provides a standing invitation for any Non-executive Director to attend committee meetings (rather han just limiting attendance to be considered by the committees and any Director can elect to attend meetings where appropriate.



BHP Billiton 2017 Annual Report

BHP's Training and Development Program includes director education on environmental matters. They go on to list specific activities under the program, which include development sessions and external speakers on the subject of climate change.

(5 Contents #

UPS also files a Act Report each associated with i with any membe any covered exer disclosure on exp etc is or gratical entoines. We public a some of and append and spectra and an associated with interacting legislation through common association with informating legislation through common associated with interacting legislatio th to trade associations that receive \$50,000 or som UPS and that see a portion of the payment for contributions, as reported to the top-constraints which are also publicly available.

. .

Lobbying and Trade Association VPF Public Affairs is responsible for coordinating out labbying activities, including engagements with federal, state, and local governments. UPS is member of a varienty of tude associations and other tax exempt organizations that engage in lobbying the Company may paticipate in lobbying activities when involvement is consistent with specific UPS business objectives. Those decisions are subject to badd overright and are engalarly. to board oversight and are regularly ting and Corporate Governance

hese decisions are subjec rviewed by the Nomi ommittee.

ansparency

Sustainability

are one of the workf's largest private employers. We serve lions of customera areand the workf, we opende in more n 220 counties and heritosite, and many investors include shares in their pottfelies. Our success depends on economic liby, gobal takes and a society frawincrome spoptrum/s; understand the importance of acting responsibly as a lines; an employer and a copasite fractione.

ment on sustainability issues is important to our alders. Our board delegates authority for day-to-day ement of ecenomic, environmental, and social topics to anagement. The board oversees economic, environmental



bhpannualreport2017.pdf?la=en



Integrate Climate Change into Strategic Planning and Risk Oversight

From the Getting Climate Smart report:

"Directors should ensure that management is taking the business impacts of climate change into account at every level of the company as a part of existing and new strategic planning and enterprise risk management frameworks. Board audit and risk committees play a critical role in creating the right connections.

Scenario planning for climate impacts can be an effective tool for gathering insight into strategic plans and enterprise risk management programs. That can help a company be more resilient to climate change and pinpoint climate-related opportunities it can leverage."

We looked for:

Presentations of how boards formalize climate change risks into strategic planning and oversight



ConocoPhillips 2018 Proxy Statement

ConocoPhillips' Public Policy Committee utilizes scenario planning in its strategic planning process to help manage climate risk. They have also set a target to reduce GHG intensity.



http://static.conocophillips.com/files/resources/ conocophillips-2018proxy.pdf





Solar as Girl badge; Quick-rub claim's and Mobile Claim's Centers, which expedited Valsate's catastrophe response.
 Addressing the risk of loss from catastrophes by continuing to purchase reinsurance for specific states and countrywide for its personal lines property insurance.
 Active participation in shaping federal legislation for the Write Your Own Flood Insurance Program.
 Being selective with personal homeowners insurance new business underwritings in certain coastal areas, as well as other deductibles or exclusions where appropriate.

 Assisting customers in mitigating their carbon footprint through an endorsement that allows customers to replace covered, damaged, or destroyed items with more energy efficient ones. ©Alistate

Allstate 2018 Proxy Statement

Allstate's Risk and Return Committee oversees enterprise risk and return management practices and regularly reviews risk exposure. Material risks, including climate risk, are identified and reported to management and the full Board. They go on to highlight management, pricing, modeling, and underwriting practices related to climate risk.



https://allstateproxy.com/media/2388/2018-annualmeeting-materials-full-report.pdf



		BOARD OVERSIGHT		
Audit Committee	Risk Committee	Corporate Responsibility Committee	Compensation Committee	Corporate Governance & Nominating Committee
Scope of risks overseen: • Financial statements, systems, and reporting • Internal controls over financial reporting • Compliance	Scope of risks overseen: Enterprise risks and risk management framework Financial risk Cybersecurity Key operational risks	Scope of risks overseen: Environmental Safety and health Corporate social responsibility Security Human rights	Scope of risks overseen: Alignment of executive compensation with strategic priorities Ensuring that compensation plans do not encourage excessive risk-taking	Scope of risks overseen: Corporate governance Board and management succession planning

Climate Change

Barrick Gold 2018 Information Circular

Barrick's Corporate Responsibility Committee is responsible for overseeing programs related to climate change and works with the managementlevel Climate Change Committee to perform a climate change risk assessment and set GHG reduction targets.



https://barrick.q4cdn.com/788666289/files/agm/ Barrick-2018-Information-Circular.pdf Barrick considers climate change to be a company, community, and global concern. In developing Barrick's climate change strategy, we have aligned it with our overall business strategy to grow free cash flow per share through safe and responsible mining. In 2017, we affirmed our commitment to support the voluntary recommendations of the industry-led Financial Stability Board TCFD and will seek to implement the full recommendations of the TCFD over the next two years. Governance over climate-related risks and opportunities is provided at both the Board and management tevel. The Board's Corporate Responsibility Committee meets at least quarterly and is responsible for overseeing Barrick's policies, programs, and performance relating to climate change. Where appropriate, this Committee Toel Committee is chared by our Chief Sustainability Officer and is comprised of senior members of our management team including our Chief Innovation Officer, Chief Investment Officer; Executive Vice President and Chief Financial Officer, and Senior Vice President, Operational and Technical Excellence. Our Climate Change Committee is charge. Our Climate Change Committee provides strategic oversight and governance over key decisions related to



Tie Executive Compensation to Climate Change

From the Getting Climate Smart report:

"Once climate change is integrated into business strategy and goals are set, Board compensation committees can tie short and long-term executive compensation to climate outcomes. For example, executive compensation can be tied to a company's progress on GHG emissions reduction goals, creating meaningful incentives."

We looked for:

Presentations of how companies link executive compensation to the business' impact on climate change



Xcel Energy 2018 Proxy Statement

Xcel Energy ties 30% of its long-term incentive pay to reductions in CO_2 emissions over a three-year performance period.

http://investors.xcelenergy.com/Interactive/ NewLookAndFeel/4025308/Xcel_Energy_Inc-Hosting_Page_2018_ClientDL/proxy/images/Xcel_ Energy-Proxy2018.pdf

Results-Driven	•							
		ince based and market of ir shareholders and cus		ning incentive opp	portunities			
Performance Based	Ē	Market Competitive		Equity-back Incentive	ased			
Majority of executive is at risk, and pay in performance Motivates achiever financial, operation price performance	s aligned with nent of al and stock	Enables us to attract an talented leaders Compares us to a 21-m industry peer group		those of share	alue ve interests with	-		
Annual Incenti	ve Pay					-	Æ	_
Customer			Reliability	Employee				
60%			20%	20%				
Customer S and Loyalty	afety, Affordability		Grid Reliability	Employee Safety				
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al Shareholder Retur	'n	Enviro	nment		Leadershi	p Continuity		
%		30%						
ative to Peer npanies		Reduc Emiss	tion in CO ions		Continued Timeframe			_
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Alcoa 2018 Proxy Statement

Alcoa links 5% of its annual incentive compensation to CO₂ emissions reductions (as well as linking a further 10% to diversity).



documents/2018-proxy-statement.pdf



2017 annual bonus outcome (audited)						
Mensures	Weight	Threshold	Target	Outstanding	Result	c (0.0)
	(% of scorecard)		set			Score (0-2)
Cash flow from operating activities (\$ billion) [A]	30%	28	34	40	36	1.32
Operational excellence	50%					1.11
Production (kboe/d)	12.5%	3,576	3,687	3,798	3,664	0.79
ING liquelaction volumes (mtpa)	12.5%	31.1	32.1	33.1	33.2	2.00
Refinery and chemical plant availability (%)	12.5%	90.7	92.7	94.7	90.7	0.00
Project delivery on schedule (%)	6.25%	60	80	100	86	1.30
Project delivery on budget (%)	6.25%	105	100	95	93	2.00
Sustainable development	20%					0.89
Total recordable case frequency (injuries/million hours)	5%	1.1	0.9	0.7	0.8	1.50
Operational Tier 1 and 2 process safety events (number)	5%	163	130	97	166	0.00
Refining GHG intensity (tonnes CO2 equivalent per Solomon's Utilized						
Equivalent Distillation Capacity (UEDCTM))	4%	1.21	1.15	1.09	1.14	1.17
Chemicals GHG intensity (tonnes CO2 equivalent per tonne of production)	3%	0.50	0.45	0.40	0.46	0.80
Jpstream flaring (million tonnes CO2 equivalent)	3%	10.1	8.1	6.1	8.0	1.05
	100%			6969.X		
Mathematical scorecard outcome				10		1 13

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will monitor individual progress and retains the ability to adju guideline in special circumstances on an individual basis.

PERFORMANCE MEASURE AND WEIGHTING	LINK TO OPERATING PLAN
ash flow from perating activities 30%)	This reflects our business performance.
Operational excellence (50%)	Project delivery: indicator of our ability to deliver projects, on time, and on budget.
	Operations: Maximising oil and gas production, UNG liquefaction volumes, and the availability of refineries and chemical plants are indicators of the full and effective use of our resources; which in turn generate cash flow.
Sustainable development (20%)	Safety and environmental performance are both core to how we operate.
	Safety: Is implicit in all our activities. A safe work environment has been, and will always be, an important indicator of Shel's commitment to its employees and contractor staff.
	Environmental performance: We are managing Shell's carbon intensity as part of the long-term transition to a lower carbon energy system. Therefore greenhouse gas measures are now included.



2017 Annual Incentive Compensation

We based annual cash incentive opportunities for 2017 on the following parameters:

80% financial targets, equally weighted as adjusted free cash flow (40%) and adjusted EBITDA (40%) metrics, as more fully described below; and

20% non-financial targets, consisting of safety (5%), environmental (5%), and diversity (10%) metrics, each as more fully described below.

The below chart describes the specific 2017 metrics and results for Alcoa's annual incentive compensation awards

Performance Metrics(1)	Metric Weight	Minimum	Performance Target (100%)	Performance Maximum (200%)	Performance Results	Achievement %	Weighted Result
Financial Metrics (80%)							
Adjusted Free Cash Flow (\$M) ⁽²⁾	40%	(329)	21	671	523	179%	71.5%
Adjusted EBITDA (\$M) ⁽²⁾	40%	1,157	1,482	1,982	1,247	30%	12.0%
Non-Financial Metrics (20%)							
Safety FSI-Actual (count) ⁽³⁾⁽⁵⁾	5%	4	3	2	5	0%	0.0%
Environmental CO ₂ Emissions Reduction (KTons) ⁽⁴⁾⁽⁵⁾	5%	100.2	163.7	227.1	-59	0%	0.0%
Diversity Global Women %(5)	10%	14.2%	14.5%	14.8%	14.6%	127%	12.7%

The maximum payout for each financial and non-financial metric is 200% Please see "Additional Information Regarding Financial Measures" to calculated from Alcoa's consolidated financial statements. : consolidated financial statements. ses on reducing the number of fatal and serious injuries/illnesses that are life-altering or life-ending. ric relates to a reduction of carbon dioxide emissions in 2017. for each non-financial measure is 50%. (3) The safety metric for





Shell 2017 Annual Report

At Shell, 20% of the annual bonus is determined using sustainable development metrics, including 7% coupled with reductions in GHG intensity.



2017/servicepages/downloads/files/ shell_annual_report_2017.pdf

Argyle

Promote Robust Disclosure of Climate Change

From the Getting Climate Smart report:

"Directors should promote robust disclosure of climate change in financial filings, including meaningful discussion of climate oversight, risk, opportunities and business strategies. Without robust disclosure, investors and other stakeholders cannot analyze the quality of a company's strategic response to this key risk and its capacity for capturing the value of relevant opportunities. The [Financial Stability Board's Task Force on Climate-related Financial Disclosures] TCFD framework provides guidance on disclosure that is intended to help markets price climate risk accurately and make informed investment recommendations."

We looked for:

Presentations of commitment to increased disclosure and accountability around climate change through participation in the TCFD framework



Bank of America 2018 Proxy Statement

Bank of America mentions their participation in the TCFD framework under a list of governance enhancements informed by stockholder input.

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http://media.corporate-ir.net/media_files/ IROL/71/71595/BOAM_2018_Proxy.pdf





JetBlue 2018 Proxy Statement

JetBlue states their adherence to the TCFD framework and points readers towards their website for more information.



http://investor.jetblue.com/~/media/Files/J/ Jetblue-IR-V2/Annual-Reports/proxy-statementfor-2018-annual-meeting-of-stockholders.pdf



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JETBLUE AIRWAYS CORPORATION - 2018 Proxy Statement 16

rcial disclosure

Our climate-related financial disclosure

As an international insurance group¹, our sustainability and financial strength is underpinned by an effective risk management system. Our business will be directly impacted by the effects of

As an international insurance group¹, our sustainability and financial strength is underpinned by an effective risk management system. Our business will be directly impacted by the effects of climate change and therefore we need to build resilience to and mitigate the risk of the impact of climate change for our customers and investors.

We believe unmitigated climate change presents a real threat to financial stability over the coming decades, both at a governmental and corporate level, to the point where it will permanently impair total asset value.

We have been reporting on climate change in our Annual report and accounts since 2004. This disclosure builds on our 2016 initial response and takes into account the final version of the Taskforce on Climate-related Financial Disclosure (TCFD) recommendations published in July 2017.

These pages, along with an expanded version (available at www.aviva.com/TCFD) are Aviva plc's second annual response to the TCFD framework in our multiple roles as an asset owner, insurer investor and asset manager.

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ation, assessment and management e need to think long term, since many in the future. This means we need to be r investments. Within these constraints in low carbon projects around the surance sector could be impacted by complex and uncertain. However, for

S climate change strategy relates to the entire Group, sets that from Arvie work to different khonizons. For emeral insurance (GI) has primarily an 18 menth outlook recognising there are lenger term riskland and Socures on al impacts of climate change. As all foi insurer and pension al abo make investments. This is, first and foremost, to

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Annual report and accounts 2017

Aviva 2017 Annual Report

Aviva dedicates a section of their strategic report to information about their climate-related financial disclosure and reaffirms their commitment to the most updated standards of the TCFD framework.



https://www.aviva.com/content/dam/ aviva-corporate/documents/investors/ pdfs/reports/2017/Annual_Report_and_ Accounts_2017.pdf



About Argyle

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