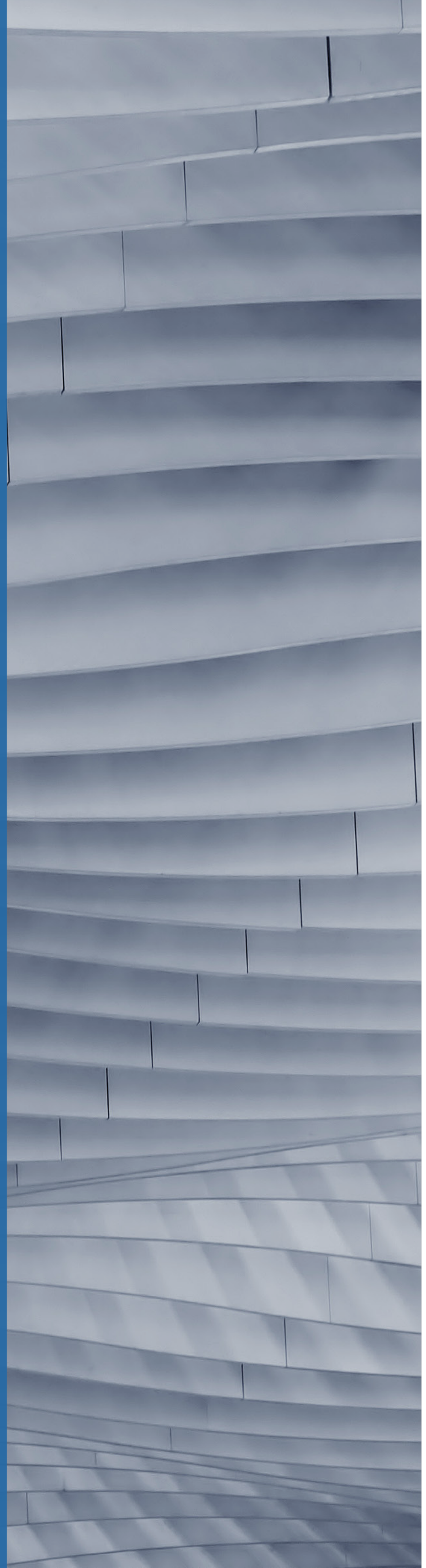
Teneo
The Global CEO Advisory Firm

We Are Living in a Material World

The State of U.S. Sustainability Reporting

September 30, 2021

Contents



Executive Summary

The significant events of 2020 have caused companies, institutional investors and regulators to re-energize their efforts towards sustainability initiatives. Institutional investors have dramatically enhanced their focus on issues relating to climate, diversity, human capital management and board governance (collectively, "ESG").

Under the Biden Administration, U.S. regulators are on the verge of mandating greater transparency from all companies on their sustainability initiatives. While many companies have a long history of focusing on sustainability issues, communicating those initiatives to stakeholders is a relatively new endeavor. And stakeholders are evolving their demands for company sustainability disclosure faster than ever before, especially on critical issues like climate change and diversity. **There has never been a more important time to ensure that company sustainability disclosure is robust, clear and credible - while also keeping pace with the rapidly evolving demands of stakeholders.**

Yet, unlike proxy statements and other company documents, there is no clear disclosure framework for company sustainability reports. And despite ongoing initiatives from the U.S. Securities & Exchange Commission and the International Financial Reporting Standards Foundation, **a uniform global sustainability reporting framework seems unlikely to emerge in the near-term.** So how are companies evolving their sustainability reporting to meet the increased demands from stakeholders? What should the title be? And how many pages should it include? In short, what does a "good" sustainability report look like?

To help companies answer these and other important questions about future sustainability reports, we analyzed 200 sustainability reports from S&P 500 companies published between January 1, 2021 – June 30, 2021 ("Sustainability Reports").

In this report, we have included market statistics for many common formatting and content elements of 2021 Sustainability Reports, as well as examples that we believe are particularly well communicated. In addition, we have included the following callouts:

- Ten Practical Considerations for 2022 Sustainability Reporting;
- Unique Naming Conventions of 2021 Sustainability Reports;
- Essential Design Considerations for 2022 Sustainability Reports; and
- Key Statistics of 2021 Sustainability Reports (Appendix)

We hope that this report is a helpful, practical tool to aid all U.S. companies in their 2022 Sustainability Report strategies.

Ten Practical Considerations for 2022 U.S. Sustainability Reporting

1. **There is No "I" in ESG:** No one person can be an expert in "E," "S" and "G." Assembling a cross-functional team that includes representation from key business units can help ensure all stakeholder views on ESG issues are being represented. Disclosing this collaborative approach can also signal that your company's sustainability strategy is not being managed in isolation.

2. **Keep Your Eyes on Other People's Paper:** While every company's sustainability story is unique, benchmarking recent sustainability reports from peer companies, as well as those companies generally considered "best-in-class" can help gauge your company's ESG disclosure progress and inform future sustainability reports.

3. **Understand Your ESG Report Card:** We understand they can be confusing. But reviewing your company's primary ESG ratings reports for any alleged deficiencies can help inform your sustainability strategy and potentially enhance your company's ESG rating. Remember that you can download a copy of your MSCI and Sustainalytics ESG rating reports via their online portals free of charge at any time, as well as submit feedback.

4. **It's a Matter of Trust:** Sustainability disclosure is now included in a variety of company documents, including sustainability reports, proxy statements and 10-Ks. Consistent narratives and a commitment to transparency within these and other corporate communications can help a company further build trust with its stakeholders.

5. **Ask and You Shall Receive Feedback:** Routine engagement with shareholders, employees and other stakeholders is a great opportunity to solicit feedback on your sustainability report. Include specific questions in your employee surveys and/or shareholder engagement materials, track any feedback and report it to your internal ESG team.

6. **Aim to Make it Easy for Investors:** Many investors have expressed frustration over not being able to easily locate a company's sustainability data. Incorporating a downloadable ESG table that includes all relevant ESG data and multi-year trends to show progress can alleviate this frustration and build goodwill with investors.

7. **Don't Let Perfection Be the Enemy of the Good:** Begin reporting to the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) disclosure frameworks even if you are not ready to disclose all elements of those frameworks. Investors and other stakeholders are likely to give companies latitude if they are making continued and meaningful progress on their sustainability disclosures.

8. **Investors May Trust, but Will Want to Verify:** Investors and other stakeholders are increasingly focused on the reliability of sustainability disclosures. Internal and external audits can help ensure the integrity of sustainability reports to the highest assurance level possible.

9. **Allocate Appropriate Time for ESG Education:** The world of ESG ratings, rankings, indexes and frameworks is complex and evolving rapidly. These terms can also be counterintuitive. Understanding the nuances of these similar yet distinct initiatives helps set clear priorities and allocate company resources appropriately.

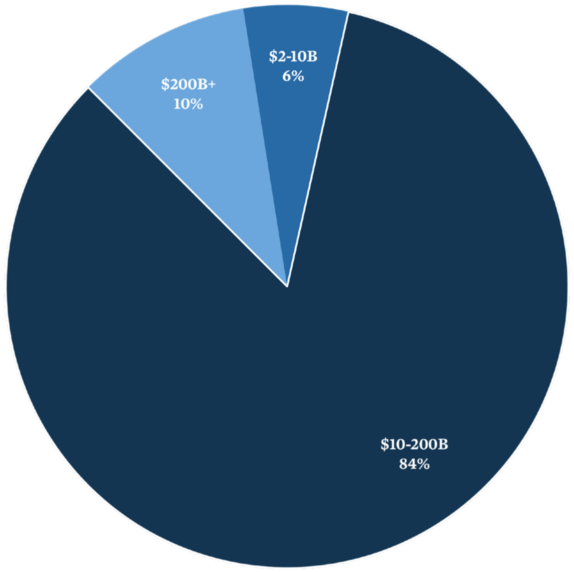
10. **Remember That You Can't Be Everything to Everyone**: No company can tackle every ESG issue. Including a "materiality matrix" in sustainability reports is an effective way to signal to stakeholders which ESG issues are a priority for the business (and which issues are not). If using the term "material" causes legal concerns, then substituting the term "priority" or something similar may help.

Research Background

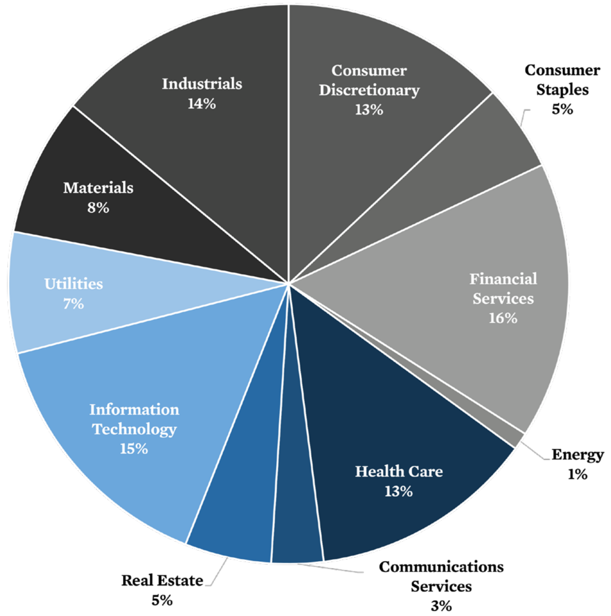
We analyzed 200 sustainability reports of S&P 500 companies published between January 1, 2021 – July 31, 2021 ("Sustainability Reports"). For the purposes of this report, all references to "Sustainability Reports" include any annual company disclosure relating to ESG issues – regardless of the report's actual naming convention.

As to be expected from a review of S&P 500 companies, a large majority of sustainability reports included in this report were published by large-cap companies.

Percentage of sustainability reports published by large-cap companies



Our review also included a very broad scope of eleven distinct industries[1]:



[1] Based on the Global Industry Classification Standard (GICS®)

2021 Sustainability Reports: Format

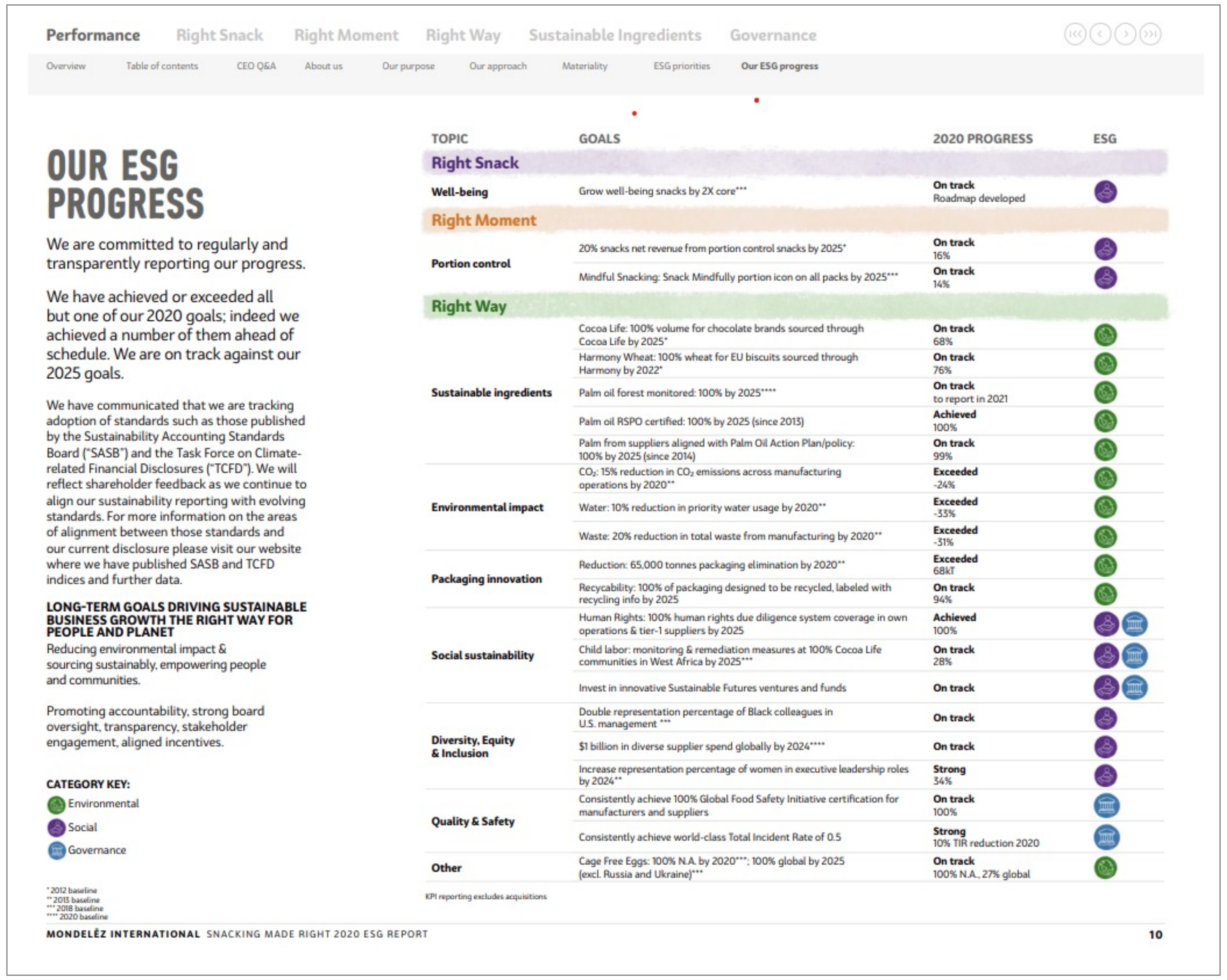
The naming conventions of 2021 Sustainability Reports are quite varied. In fact, we found 18 distinct ways in which companies titled their reports. "Sustainability" was the most commonly used term in report titles (43%), while "CSR" and "ESG" appeared in the report title 24% and 23% of the time, respectively. Regardless of what your company's sustainability report is titled, **companies should be consistent with how they refer to their sustainability initiatives in all of their company communications – including press releases, proxy statements and investor presentations.**

Unique Naming Conventions of 2021 Sustainability Reports

1. "Business & Sustainability Report"
2. "Citizenship and Sustainability Report"
3. "Corporate Citizenship Report"
4. "Corporate Responsibility Report"
5. "Corporate Social Responsibility Report"
6. "Environmental, Social and Governance (or ESG) Report"
7. "Global Citizenship Annual Report"
8. "Global Citizenship & Sustainability Report"
9. "Global Environmental & Social Impact Report"
10. "Global Impact Report"
11. "Global Responsibility Report"
12. "Impact Report"
13. "Integrated Sustainability Report and Annual Report"
14. "Responsible Business Report"
15. "Social Impact and Sustainability Report"
16. "Stakeholder Sustainability Report"
17. "Sustainability Report"
18. "Sustainable Impact Report"

The average length of a 2021 Sustainability Report was 70 pages, ranging from a low of 12 pages to a high of 243 pages. 26% of the 2021 Sustainability Reports that we reviewed also published a summary or "highlights" version of its sustainability report (see Figure 1 for an example). While there is no "right" length of a sustainability report, **producing a summary or "highlights" version can provide stakeholders with an efficient means to assess a company's sustainability initiatives.** This can be especially helpful when updating stakeholders on a company's progress towards sustainability goals.

Figure 1: Mondelēz International 2020 ESG Progress Report



Performance | Right Snack | Right Moment | Right Way | Sustainable Ingredients | Governance

Overview | Table of contents | CEO Q&A | About us | Our purpose | Our approach | Materiality | ESG priorities | **Our ESG progress**

OUR ESG PROGRESS

We are committed to regularly and transparently reporting our progress.

We have achieved or exceeded all but one of our 2020 goals; indeed we achieved a number of them ahead of schedule. We are on track against our 2025 goals.

We have communicated that we are tracking adoption of standards such as those published by the Sustainability Accounting Standards Board ("SASB") and the Task Force on Climate-related Financial Disclosures ("TCFD"). We will reflect shareholder feedback as we continue to align our sustainability reporting with evolving standards. For more information on the areas of alignment between those standards and our current disclosure please visit our website where we have published SASB and TCFD indices and further data.

LONG-TERM GOALS DRIVING SUSTAINABLE BUSINESS GROWTH THE RIGHT WAY FOR PEOPLE AND PLANET

Reducing environmental impact & sourcing sustainably, empowering people and communities.

Promoting accountability, strong board oversight, transparency, stakeholder engagement, aligned incentives.

CATEGORY KEY:

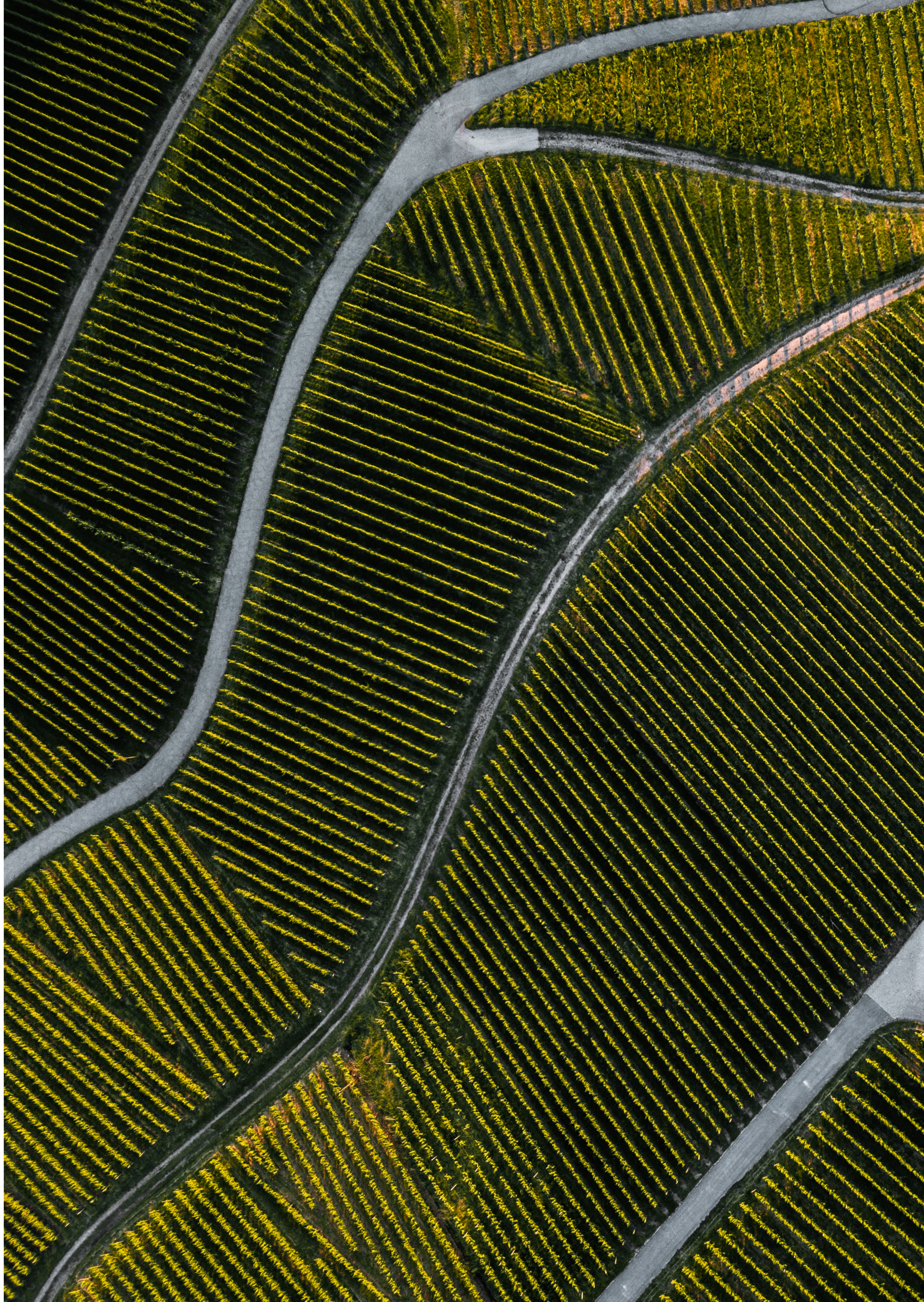
- Environmental
- Social
- Governance

TOPIC	GOALS	2020 PROGRESS	ESG
Right Snack			
Well-being	Grow well-being snacks by 2X core***	**On track** Roadmap developed	Social
Right Moment			
Portion control	20% snacks net revenue from portion control snacks by 2025*	**On track** 16%	Social
	Mindful Snacking: Snack Mindfully portion icon on all packs by 2025***	**On track** 14%	Social
Right Way			
Sustainable ingredients	Cocoa Life: 100% volume for chocolate brands sourced through Cocoa Life by 2025*	**On track** 68%	Environmental
	Harmony Wheat: 100% wheat for EU biscuits sourced through Harmony by 2022*	**On track** 76%	Environmental
	Palm oil forest monitored: 100% by 2025****	**On track** to report in 2021	Environmental
	Palm oil RSPO certified: 100% by 2025 (since 2013)	**Achieved** 100%	Environmental
	Palm from suppliers aligned with Palm Oil Action Plan/policy: 100% by 2025 (since 2014)	**On track** 99%	Environmental
Environmental impact	CO_2: 15% reduction in CO_2 emissions across manufacturing operations by 2020**	**Exceeded** -24%	Environmental
	Water: 10% reduction in priority water usage by 2020**	**Exceeded** -33%	Environmental
	Waste: 20% reduction in total waste from manufacturing by 2020**	**Exceeded** -31%	Environmental
Packaging innovation	Reduction: 65,000 tonnes packaging elimination by 2020**	**Exceeded** 68kT	Environmental
	Recycability: 100% of packaging designed to be recycled, labeled with recycling info by 2025	**On track** 94%	Environmental
Social sustainability	Human Rights: 100% human rights due diligence system coverage in own operations & tier-1 suppliers by 2025	**Achieved** 100%	Social, Governance
	Child labor: monitoring & remediation measures at 100% Cocoa Life communities in West Africa by 2025***	**On track** 28%	Social, Governance
	Invest in innovative Sustainable Futures ventures and funds	**On track**	Social, Governance
Diversity, Equity & Inclusion	Double representation percentage of Black colleagues in U.S. management ***	**On track**	Social
	$1 billion in diverse supplier spend globally by 2024****	**On track**	Social
	Increase representation percentage of women in executive leadership roles by 2024**	**Strong** 34%	Social
Quality & Safety	Consistently achieve 100% Global Food Safety Initiative certification for manufacturers and suppliers	**On track** 100%	Governance
	Consistently achieve world-class Total Incident Rate of 0.5	**Strong** 10% TIR reduction 2020	Governance
Other	Cage Free Eggs: 100% N.A. by 2020***; 100% global by 2025 (excl. Russia and Ukraine)***	**On track** 100% N.A., 27% global	Environmental

KPI reporting excludes acquisitions

* 2012 baseline
** 2015 baseline
*** 2018 baseline
**** 2020 baseline

MONDELĒZ INTERNATIONAL SNACKING MADE RIGHT 2020 ESG REPORT 10



95% of 2021 Sustainability Reports were available to be downloaded in PDF format, while less than 5% were only available on the company's dedicated sustainability microsite. **Sustainability reports offered in web-only format generally do not provide stakeholders the ability to search for content with the same degree of ease as a downloadable Adobe® PDF.**

76% of 2021 Sustainability Reports were accompanied by a press release. The press releases typically included a quote from the CEO and/or sustainability lead as well as highlights from the sustainability report. **Companies can utilize the sustainability report's press release to also announce either the setting or achievement of sustainability goals, such as those relating to climate or diversity.**

June was the most popular month for the release of sustainability reports (32%), followed by April (27%) and May (22%). While it may be a challenge, **some companies are beginning to implement strategies to better align the release of sustainability reports with the filing of proxy statements and annual reports.**

For example, Prudential Financial released an ESG Summary Report in March alongside its annual report and proxy statement in order to provide investors with updated ESG information ahead of the company's annual shareholder meeting. Other companies are thinking about creative ways to deliver updates to sustainability initiatives beyond the annual cycle of sustainability reports, such as interim sustainability updates or issue-specific reports (e.g.; diversity).

Just over 75% of 2021 Sustainability Reports included some form of sustainability data table (see Figure 2 for an example). Sustainability data tables can help investors easily find the information most important to them. In addition, consider providing downloadable sustainability data tables to make it even easier for investors to utilize the data.

Figure 2: 2020 Dow ESG Report

Analyst Data Summary [1, 2]

ENERGY	UNIT	2018[3]	2019[4]	2020
Energy Intensity	Btu per lb of production	4,625	4,711	4,720
Purchased Natural Gas	Million GJ	344	373	394.4
Offgas from Feedstock	Million GJ	229	261	241.3
Purchased Electricity	Million GJ	120	38.4	37.5
Purchased Steam	Million GJ	28.5	41.1	20.2
Power and Steam Sold	Million GJ	28.0	29.0	47.6
Net Energy Use	Million GJ	693	684	645.8
Purchased Renewable Power Capacity - Total	MW	-	542	844
Wind	MW	-	375	375
Hydro	MW	-	147	147
Biomass	MW	-	17	0
Landfill Gas	MW	-	3	3
Solar	MW	-	0.5	319
Purchased Renewable Power - Consumption - Total	Million GJ	-	8.76	9.45
Wind	Million GJ	-	4.356	4.399
Hydro	Million GJ	-	4.222	4.69
Biomass	Million GJ	-	0.134	0
Landfill Gas	Million GJ	-	0.045	0.046
Solar	Million GJ	-	0.002	0.315
Purchased Renewable Steam - Consumption - Total	Million GJ	-	5.958	2.334
Biomass	Million GJ	-	5.958	2.334
Energy Consumption Outside of the Organization	Million GJ	-	2,173	1,930

[1] Our disclosures continue to expand, not all data is presented for all years
[2] Information relating to periods prior to the year-ended December 31, 2020, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information
[3] Values listed in the analyst summary table not included in the body of this report are as reported in the 2018 Sustainability report unless otherwise noted
[4] Values listed in the analyst summary table not included in the body of this report are as reported in the 2019 Sustainability report unless otherwise noted

Dow

2020 | Dow ESG Report 182

2021 Sustainability Reports: Content

Over 96% of 2021 Sustainability Reports included a letter from the CEO. CEO letters provide companies with the opportunity to appropriately signal to stakeholders that ESG is a priority for senior leadership. In a few instances, the CEO letter was penned together with the company's head of sustainability. **A newly appointed CEO can utilize the CEO letter to communicate his or her refreshed vision for the company and its sustainability strategy.**

Figure 3: CVS Health 2020 Corporate Social Responsibility Report

Dear Stakeholders,

Welcome to our 14th annual Corporate Social Responsibility (CSR) Report — a reflection of how CVS Health® has delivered on our purpose of helping people on their path to better health, in a year unlike any other.

In the face of incredible challenges, CVS Health emerged from 2020 a stronger, more resilient company, better positioned to improve health care for the millions of people who depend on us. More than two years since Aetna® joined CVS Health, we have demonstrated the ability of our combined enterprise to support people during every meaningful moment of health throughout their lifetimes.

The challenges of this year have shown us the critical importance of the community investments and partnerships we have built over the past decade. In this report, you will read more about how our CSR strategy — Transform Health 2030 — creates value for our stakeholders through four pillars: Healthy People, Healthy Business, Healthy Community and Healthy Planet. This year, our strategy is coming to life in new ways, as we announce a set of bold 2030 goals that will chart the next steps in our shared journey to better health for people, our company, communities and the planet.

As the pandemic continues to threaten the health of millions of Americans, we are stepping up to provide our unmatched services and expertise when it matters and for those who need it most. Located within 10 miles of 85 percent of the U.S. population, through our local touch points, we continue to accelerate our progress in creating a health system that is more accessible and easier to navigate — especially for at-risk populations. Over this last year, we established ourselves as the largest private provider of COVID-19 diagnostic testing services in the U.S., and we will continue to play a central role in helping to combat this virus and its impacts as a trusted and accessible provider of COVID-19 vaccines.

"As CVS Health's new president and CEO, I'm energized by the opportunity to lead our company and reimagine health care in this country. We will continue to build on our legacy of community investment and seek out opportunities to lead by example through our Transform Health 2030 strategy."

Karen Lynch,
President and CEO, CVS Health

In 2020, we also looked at how we could address the racial health disparities and injustices that persisted long before the pandemic and pose a grave threat to our nation's health. We undertook a deeper and more honest reflection of CVS Health's role in dismantling systemic racism, and we resolved to do more. Supported by an investment of nearly $600 million over the next five years, we will hold ourselves accountable in improving the experience of our diverse colleagues, business partners, customers, patients and members — with a deeper focus on improving health outcomes for Black Americans and other historically disenfranchised communities.

In addition to helping the communities we serve respond to the pandemic, we continued our commitments to increasing access to health care, addressing the social determinants of health (SDOH), and helping people manage chronic disease. Through our company, our foundations and other community investments, we invested nearly $180 million in 2020 to build healthier communities.

An extension of our work to build healthier communities is our commitment to a healthy planet. We know the two are inextricably linked. As a corporate leader in climate action, we continue to make meaningful progress to reduce our impacts, and we are proud to be recognized on the Dow Jones Sustainability World Index and the CDP A List.

Our work to transform health care would not be possible without our nearly 300,000 colleagues. They have reconfigured their lives and, in many cases, the lives of their families, to support our patients, members and customers in our stores, distribution and call centers, virtual offices and communities. As a result of their commitment and compassion, we are humanizing health care, showing up for people in their most vulnerable moments to offer an empathetic ear, sound advice and trusted support.

We are excited for you to join us on our journey to Transform Health over the next decade and beyond.

Sincerely,

Karen S. Lynch
President and Chief Executive Officer

David W. Dorman
Chair of the Board

Less than 15% of companies included either a combined letter from the CEO/board or a separate letter from the board (see Figure 3 for an example). A few companies such as Walgreen's Boots Alliance also included a Q&A with a board member. **Including messaging from the board of directors can help signal to stakeholders that directors are engaged and actively working with management to oversee the company's sustainability strategy.**

Stakeholders increasingly want to know how the company's sustainability strategy is managed internally. A majority of companies included a description of internal oversight in 2021 Sustainability Reports, typically in the form of cross-functional sustainability or ESG committees led by senior executives. **Internal sustainability committees typically include representatives from key business units, such as investor relations, legal, corporate communications, human resources and risk, and regularly report to senior management and/or the board of directors.**

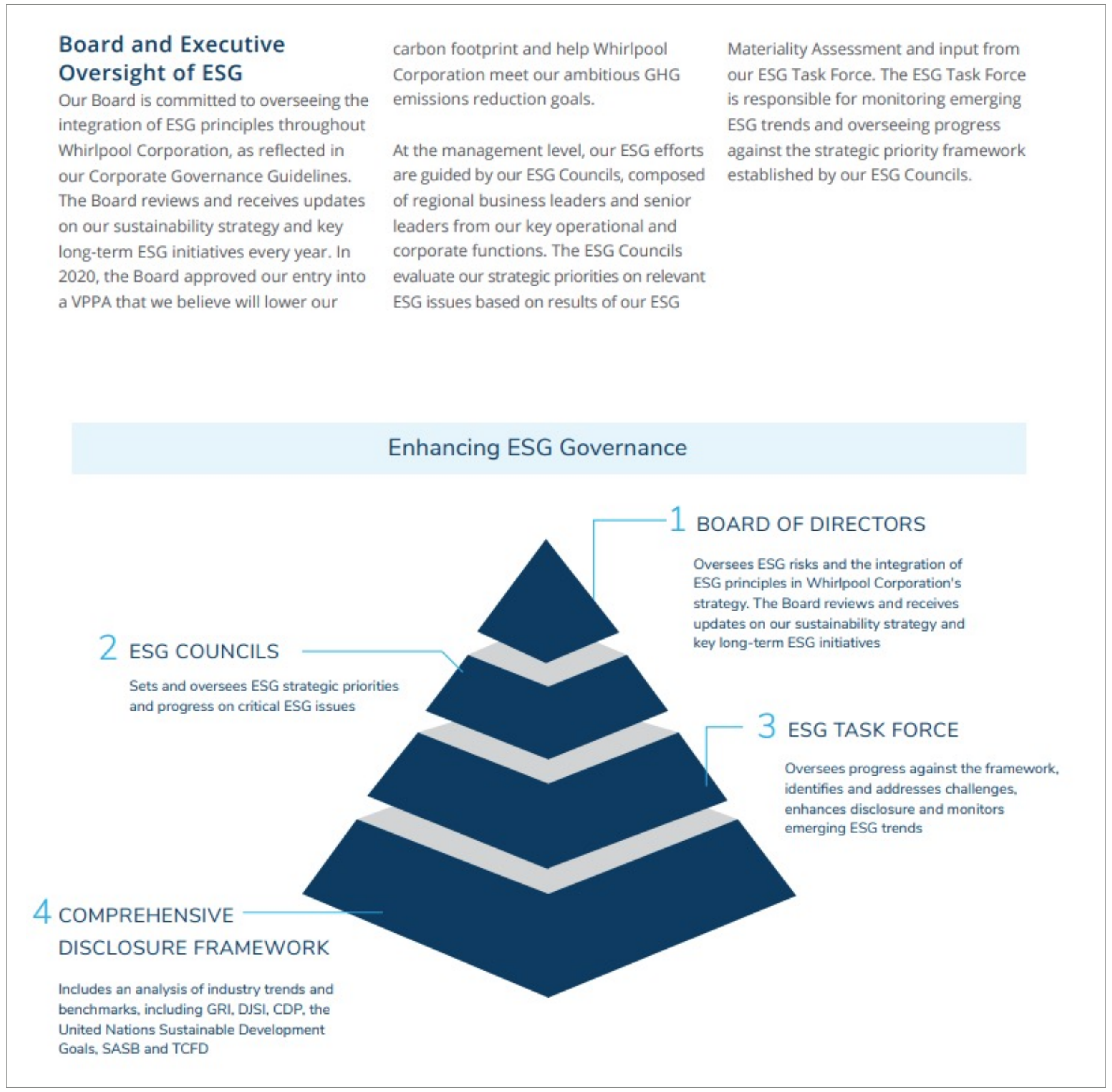
Similarly, a majority of companies included a description of how the board of directors oversees the risks associated with sustainability issues (see Figure 4). Some boards utilize their committee structure to oversee sustainability risks, while others utilize the full board of directors. Regardless of how a board oversees a company's sustainability risks, **it is imperative to describe the formal mechanisms the board utilizes in order to provide investors and other stakeholders with the appropriate level of transparency.**

"Boards have become increasingly engaged on companies' ESG initiatives in recent years, particularly in regard to climate and human capital management," said Patricia F. Russo, Senior Advisor to Teneo, Chair of Hewlett Packard Enterprise and board member of General Motors, Merck and KKR Advisors. "But this can't really be done on an ad hoc basis. Establishing formal oversight mechanisms is critical for the board and its committees to effectively oversee ESG initiatives and ensure they are appropriately integrated into the company's overall strategy."

"The best CEOs with whom I have worked understand that focusing on all key stakeholders is necessary for a company to be most successful and impactful for all those stakeholders – employees, customers, shareholders, and the communities in which companies work and live."

- Patricia F. Russo
Senior Advisor to Teneo

Figure 4: Whirlpool Corporation 2020 Sustainability Report



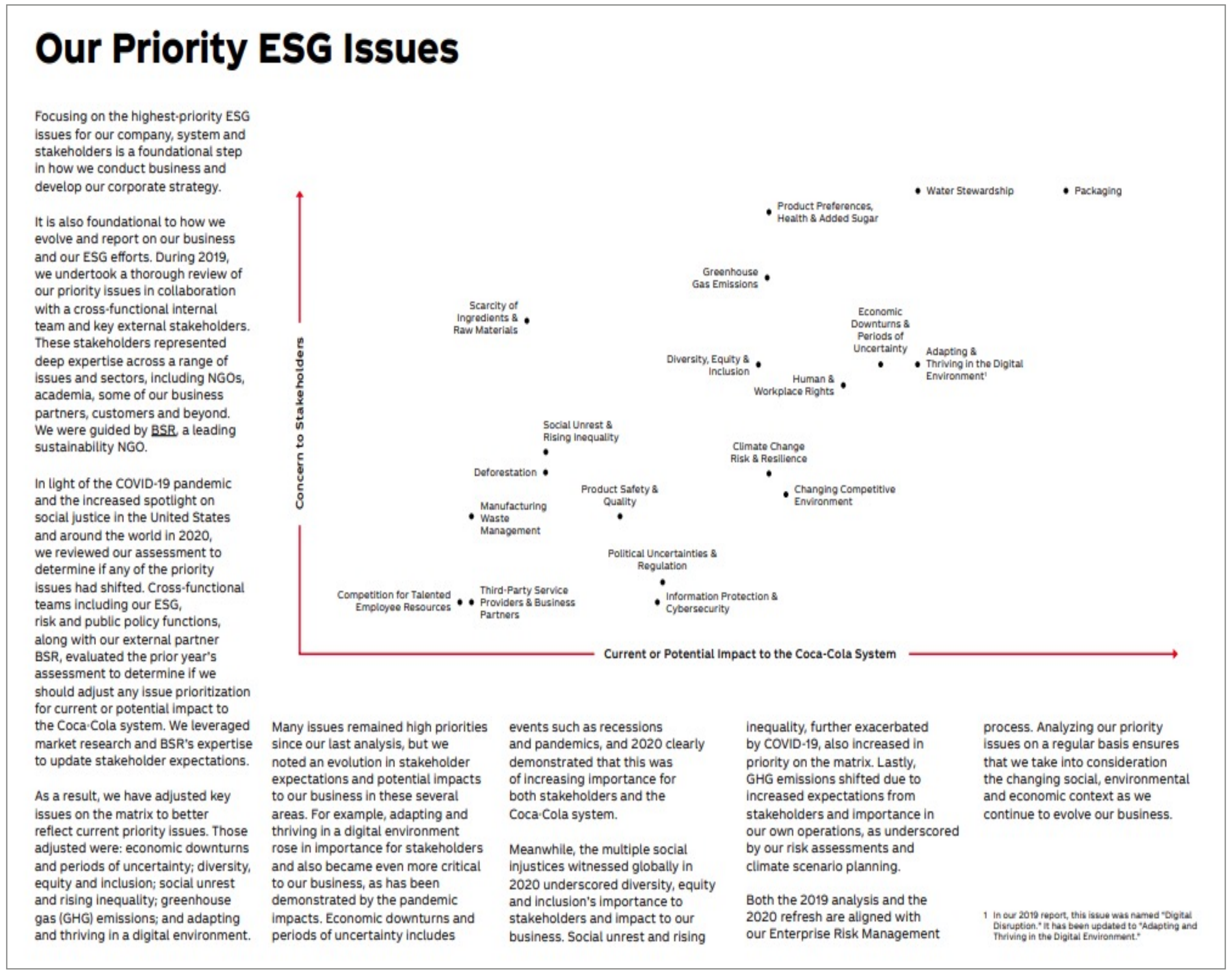
Board and Executive Oversight of ESG

Our Board is committed to overseeing the integration of ESG principles throughout Whirlpool Corporation, as reflected in our Corporate Governance Guidelines. The Board reviews and receives updates on our sustainability strategy and key long-term ESG initiatives every year. In 2020, the Board approved our entry into a VPPA that we believe will lower our carbon footprint and help Whirlpool Corporation meet our ambitious GHG emissions reduction goals.

At the management level, our ESG efforts are guided by our ESG Councils, composed of regional business leaders and senior leaders from our key operational and corporate functions. The ESG Councils evaluate our strategic priorities on relevant ESG issues based on results of our ESG Materiality Assessment and input from our ESG Task Force. The ESG Task Force is responsible for monitoring emerging ESG trends and overseeing progress against the strategic priority framework established by our ESG Councils.

A majority of companies utilized a "materiality matrix" to highlight which sustainability issues are most important to their business, as well as their stakeholders (see Figure 5). These materiality matrixes can be a very useful tool for stakeholders to gain insight into how the company determines its sustainability strategy. There is also a growing interest in "dynamic materiality" – a belief whereby a company's most important sustainability issues may change over time. Stakeholder engagement, another common component of sustainability reports, is the primary mechanism to ensure that the company is focusing on the most important sustainability issues. While the term "materiality" can be a concern for many companies given its legal connotations, **it is critical to describe to stakeholders which sustainability issues are most important to your company.**

Figure 5: Coca-Cola Company 2020 Business & ESG Report



Our Priority ESG Issues

Focusing on the highest-priority ESG issues for our company, system and stakeholders is a foundational step in how we conduct business and develop our corporate strategy.

It is also foundational to how we evolve and report on our business and our ESG efforts. During 2019, we undertook a thorough review of our priority issues in collaboration with a cross-functional internal team and key external stakeholders. These stakeholders represented deep expertise across a range of issues and sectors, including NGOs, academia, some of our business partners, customers and beyond. We were guided by BSR, a leading sustainability NGO.

In light of the COVID-19 pandemic and the increased spotlight on social justice in the United States and around the world in 2020, we reviewed our assessment to determine if any of the priority issues had shifted. Cross-functional teams including our ESG, risk and public policy functions, along with our external partner BSR, evaluated the prior year's assessment to determine if we should adjust any issue prioritization for current or potential impact to the Coca-Cola system. We leveraged market research and BSR's expertise to update stakeholder expectations.

As a result, we have adjusted key issues on the matrix to better reflect current priority issues. Those adjusted were: economic downturns and periods of uncertainty; diversity, equity and inclusion; social unrest and rising inequality; greenhouse gas (GHG) emissions; and adapting and thriving in a digital environment.

Many issues remained high priorities since our last analysis, but we noted an evolution in stakeholder expectations and potential impacts to our business in these several areas. For example, adapting and thriving in a digital environment rose in importance for stakeholders and also became even more critical to our business, as has been demonstrated by the pandemic impacts. Economic downturns and periods of uncertainty includes events such as recessions and pandemics, and 2020 clearly demonstrated that this was of increasing importance for both stakeholders and the Coca-Cola system.

Meanwhile, the multiple social injustices witnessed globally in 2020 underscored diversity, equity and inclusion's importance to stakeholders and impact to our business. Social unrest and rising inequality, further exacerbated by COVID-19, also increased in priority on the matrix. Lastly, GHG emissions shifted due to increased expectations from stakeholders and importance in our own operations, as underscored by our risk assessments and climate scenario planning.

Both the 2019 analysis and the 2020 refresh are aligned with our Enterprise Risk Management process. Analyzing our priority issues on a regular basis ensures that we take into consideration the changing social, environmental and economic context as we continue to evolve our business.

1 In our 2019 report, this issue was named "Digital Disruption." It has been updated to "Adapting and Thriving in the Digital Environment."

The "S" of ESG covers a comprehensive set of important issues, from labor and human rights (employee safety training and child labor policies) to product-related issues (fair-trade policy and obesity risk) and community impact (philanthropic giving). For this report, we primarily focused on diversity, equity and inclusion ("DEI") as it is one of the most detailed and evolving disclosure topics within sustainability reporting.

93% of 2021 Sustainability Reports disclosed employee demographic data, with the vast majority including employee data on both gender and racial/ethnic representation. 64% of reports disaggregated the data into individual racial/ethnic groups, while the remaining 23% reported on racial/ethnic minorities in aggregate. **It is clear that disclosing employee demographic data, particularly female and racial/ethnic minority representation, is no longer viewed as optional.**

But while companies now provide greater diversity disclosure, there is a lack of uniformity in how the data is presented. For example, classifications of job functions, executives and even ethnicities can vary greatly, making it challenging for stakeholders to track and compare data across companies. As a result, many institutional investors and other stakeholders have called for U.S. public companies to disclose their complete EEO-1 Report as filed with the Equal Employment Opportunity Commission.

The EEO-1 Report offers greater uniformity with regard to a company's demographic data, including gender (2 defined categories), race/ethnicity (8 defined categories) and job function (10 defined categories). As a result of pressure from investors, 33% of companies disclosed their unabridged EEO-1 Report in 2021[2], and we expect that number to continue to grow as more large investors state that they will vote against board members if the company does not disclose its EE0-1 Report (see Figure 6). **Companies that are concerned that their EEO-1 Report does not accurately reflect the level of diversity within the organization can supplement the EEO-1 Report disclosure with additional narrative and data using company-specific job categories. They can also enhance disclosure by reporting recruiting, promotion and retention rates of diverse employees.**

[2] Includes EEO-1 Reports that were disclosed separate from 2021 Sustainability Reports.

Figure 6: Allstate Insurance Company EEO-1 Report

EEO-1 Report

Inclusive diversity & equity (IDE) is one of the values included in Allstate's Our Shared Purpose. We hold each other accountable to encourage and embrace our collective differences and to provide an inclusive, equitable environment for all. IDE contributes to employees' sense of belonging with the company, engagement, retention, innovation, problem-solving ability, and community involvement.

The information below on the diversity of Allstate Insurance Company's workforce mirrors the annual submission to the U.S. Equal Employment Opportunity Commission (EEOC) and reflects the demographics as of December 31, 2020. The EEOC report speaks as to a single point in time and mandates the use of specific job categories, which do not reflect how Allstate organizes its workforce.

Although it is not possible to understand Allstate's IDE story in a single chart or at a single point in time, we disclose this information because we want to be transparent about our workforce diversity. To learn more about our IDE strategy and initiatives, please see www.allstatesustainability.com

Equal Employment Opportunity

Allstate Insurance Company - 2020 Employer Information Report

	Hispanic or Latino		Non-Hispanic or Latino												Overall Total
			********Male*********						********Female*******						
	Male	Female	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or more Races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or more Races	
Exec/Sr Level Officials & Mgrs	4	1	108	5	0	7	0	2	51	4	0	2	0	0	184
1st/Mid Level Officials & Mgrs	216	204	2251	201	2	213	9	40	1668	282	2	156	8	36	5288
Professionals	784	852	6077	871	14	771	27	167	5191	1641	19	657	27	217	17315
Technicians	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative Support	553	1053	1408	563	9	83	11	93	3255	2105	14	127	31	233	9538
Craft Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laborers & Helpers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1557	2110	9844	1640	25	1074	47	302	10165	4032	35	942	66	486	32325
Previous Report Total	1534	2194	10284	1665	24	994	50	295	10686	4245	43	923	66	480	33483

Over one-third of 2021 Sustainability Reports included at least some information on employee pay gaps. 30% reported both the gender pay gap for employees globally and the ethnic/racial pay gap in the U.S.[3] Only 8% of companies reported their global gender pay gap. **Showing progress against pay inequity can help signal the company's overall commitment to DEI.** A small but growing number of companies disclose both the adjusted and median pay gap[4], starting with Citibank in 2019. These two data points can offer a more complete assessment of pay disparities among roles with "equal work" and across the company.

In addition to the disclosure of diversity data, companies are also setting measurable and time-bound DEI targets. Over half of 2021 Sustainability Reports included at least one demographic target, with 42% of companies including both gender and racial/ethnicity goals. The scope of these goals varies, covering the employee population as a whole or focusing on subsets like diversity within senior ranks or client-facing roles.

[3] Some U.S. companies are subject to UK regulations mandating gender pay gap disclosure. These mandated disclosures are not reflected in the statistics.

[4] Median pay gap (also known as the raw or unadjusted pay gap) measures the difference between the median total compensation of two groups, while the adjusted pay gap accounts for factors like job function, level, tenure and geography.

In addition to diversity data and targets, sustainability reports can illustrate a holistic approach by outlining action to drive equity and inclusion within the company, its community and supply chain.

Figure 7: Delta Air Lines 2020 Corporate Responsibility Report

DELTA 2020
SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

TOPIC	METRIC	CODE	RESPONSE
ACTIVITY METRICS	Available seat kilometers (ASK)	TR-AL-000.A	134,339 million (Available Seat Miles)
	Passenger load factor	TR-AL-000.B	55%
	Revenue passenger kilometers (RPK)	TR-AL-000.C	73,412 million (Revenue Passenger Miles)
	Revenue ton kilometers (RTK)	TR-AL-000.D	9,175 million (Revenue Ton Miles, includes Cargo)
	Number of departures	TR-AL-000.E	2,880 average daily departures; 1,051,194 total flights
	Average age of fleet	TR-AL-000.F	12.5 years (mainline); 13.4 (mainline + regional carriers)
TOPIC	**METRIC**	**CODE**	**RESPONSE**
GREENHOUSE GAS EMISSIONS	Gross global Scope 1 emissions	TR-AL-110a.1	17,549,100 metric tons CO_2e
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR-AL-110a.2	See section on Protecting the Environment
	(1) Total fuel consumed	TR-AL-110a.3	16,031,893 metric tons CO_2e (mainline)
	(2) Percentage alternate fuel	TR-AL-110a.3	<1%
	(3) Percentage sustainable fuel	TR-AL-110a.3	<1%
LABOR PRACTICES	Percentage of active workforce covered under collective bargaining agreements	TR-AL-310a.1	23%
	(1) Number of work stoppages	TR-AL-310a.2	0
	(2) Total days idle	TR-AL-310a.2	0
COMPETITIVE BEHAVIOR	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TR-AL-520a.1	N/A
ACCIDENT AND SAFETY MANAGEMENT	Description of implementation and outcomes of a Safety Management System	TR-AL-540a.1	See section on Health and Safety Above All Else
	Number of aviation accidents*	TR-AL-540a.2	4 out of 1,051,194 flights in 2020
	Number of governmental enforcement actions of aviation safety regulations**	TR-AL-540a.3	1***

56 DELTA AIR LINES, INC | 2020 ESG REPORT |

The use of third-party ESG disclosure frameworks increased dramatically this year as a vast majority of companies referenced the SASB and TCFD. This is a result of many large institutional shareholders essentially mandating that companies report to these disclosure frameworks (see Figure 7) or risk losing their support for certain incumbent directors at the next annual shareholder meeting.

Not all SASB or TCFD disclosures looked the same, as some companies did not disclose every component within the TCFD and SASB frameworks. And while cross-referencing SASB and TCFD indexes in other company disclosures is common, investors and other stakeholders may prefer to have the substance of TCFD and SASB disclosures included directly in the indexes. At the very least, companies that produce TCFD and/or SASB indexes outside the sustainability report run the risk of investors not being able to find such indexes and concluding that the company is not disclosing the information. Regardless, **all companies that have not yet disclosed to the TCFD and/or SASB disclosure framework should begin to do so next year.**

External assurance of sustainability reports is going to be one of the most important sustainability reporting developments in the coming years. In our review, 53% of 2021 Sustainability Reports included at least some degree of external assurance (see Figure 8 for an example). But just as with sustainability reports themselves, there is not yet a universally agreed framework or methodology for the external assurance of sustainability information. This is likely to change given the rapidly increasing interest from investors and other stakeholders on the reliability of sustainability information.

"Investors, regulators and raters want assurance that sustainability disclosures are made with the proper processes and controls in place and that the information provided is accurate and reliable," said Mark A. Weinberger, Senior Advisor to Teneo and former Global Chairman and CEO of EY. "As a result, assurance standards are likely to evolve to a more rigorous examination of the information and assertion that it is free of material misstatement." And with so many boards and executives elevating sustainability on their agenda, external assurance of sustainability information is quickly becoming an important component of a company's sustainability reporting journey.

"External assurance gives extra credibility and confidence to processes and increases the likelihood that disclosures are free of omissions and errors. Assurance adds value and will become a must-do."

- Mark A. Weinberger
Senior Advisor to Teneo

Figure 8: Salesforce FY21 Stakeholder Impact Report

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Independent Accountants' Review Report

To the Board of Directors and Management of salesforce.com, inc.

We have reviewed salesforce.com, inc.'s ("Salesforce") accompanying schedules (the "Subject Matter") noted in the table below and included in Appendix A for the periods indicated in the table below in accordance with the criteria set forth in Appendix A (the "Criteria"). Salesforce's management is responsible for the Subject Matter as presented in Appendix A, in accordance with the Criteria. Our responsibility is to express a conclusion on the Subject Matter based on our review.

Subject Matter	Reporting Period:
Schedule of Select Environmental Metrics	For the fiscal year ended January 31, 2021
Schedule of Adjusted "Net Zero Operations" GHG Emissions	For the fiscal year ended January 31, 2021
Schedule of Adjusted "Carbon Neutral Cloud"	For the fiscal year ended January 31, 2021
Schedule of Select Diversity and Equality Metrics	As of November 2, 2020

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to the Subject Matter in order for it to be in accordance with the Criteria. A review consists principally of applying analytical procedures, making inquiries of persons responsible for the subject matter, obtaining an understanding of the data management systems and processes used to generate, aggregate and report the Subject Matter and performing such other procedures as we considered necessary in the circumstances. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter is in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. A review also does not provide assurance that we became aware of all significant matters that would be disclosed in an examination. We believe that our review provides a reasonable basis for our conclusion.

In performing our review, we have also complied with the independence and other ethical requirements set forth in the Code of Professional Conduct and applied the Statements on Quality Control Standards established by the AICPA.

As described in the footnotes accompanying the schedules in Appendix A, the Subject Matter is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Based on our review, we are not aware of any material modifications that should be made to the schedules noted in the table above and included in Appendix A for each of the periods indicated in the table above, in order for the schedules to be in accordance with the Criteria.

Ernst + Young LLP

March 4, 2021

The Future of U.S. Sustainability Reporting

While we have hopefully established some clear and informative trends and considerations from 2021 Sustainability Reports, many important questions still remain unanswered. How should "material" issues be defined – how sustainability issues impact the company or how the company impacts society? Is reasonable external assurance of sustainability reports achievable in the short-term? Will a standardized global sustainability reporting framework eventually emerge, and will it be successful? How will pending disclosure regulations in the U.S. and Europe impact a company's sustainability reporting moving forward? And many more.

But we believe a few things are certain. Global regulators will continue to push for mandatory sustainability disclosure from companies and shareholders. Institutional investors will continue to advocate for more robust sustainability disclosure beyond any regulatory requirements, including clear narratives and explanations around any required ESG data. The sustainability ecosystem of ESG ratings, rankings, indexes and disclosure frameworks will continue to expand given the intense demand for sustainability risk analysis on a company-by-company basis. So in our view, **it is critical that companies ensure that they are providing stakeholders with robust, clear and credible sustainability disclosure that aligns with the company's overall strategy.** And such disclosure should be consistent among the various corporate communications documents, including the company's proxy statement, annual report and website. We hope this report is a useful tool to help companies continue to make progress towards that goal.

Essential Design Considerations for 2022 Sustainability Reports

Today's time-challenged audiences have very little time to read and digest information. A powerful design is required to deliver information in an easily digestible format, tailored to engaging audiences with the content.

1. **Know Your Stakeholders: One Size Does Not Fit All**
   - Before heading into design, conduct a stakeholder mapping exercise that helps prioritize your information by audience.
   - Develop an annual stakeholder engagement plan to track and gather feedback on your sustainability initiatives and incorporate the feedback into your design process.

2. **Reporting Style & Content: Storytelling is Critical**
   - While every company's sustainability story is unique, benchmarking recent sustainability reports from peer companies, as well as those companies generally considered "best-in-class" can help gauge your company's ESG disclosure progress and inform future sustainability reports.
   - Apply an editorial design approach that helps bring company initiatives to life. Consider adding a theme line on the cover or inside front cover of the report. Having a theme begins the storytelling narrative, captures your readers' attention and leads them into the report where it acts as a tether to tie the story together visually and contextually.
   - Internal and external stories bring context to your initiatives and create a humanized view to your reporting. Try to incorporate at least one relevant story for each section of your report.
   - Create bespoke visuals (data visualizations, infographics, illustrations, original photography, etc.) to distinguish your report from peer reports. As stock agencies have become all too prevalent, utilizing visuals that do not feel trite or dated is more important than ever. Reports that create custom visuals and use original photography (i.e.; using real employee images for the DEI section) conveys authenticity and transparency.
   - Utilize effective wayfinding to help readers navigate and move through the report. Applying proper UX design and hierarchy of content will help your stakeholders find the information that is most relevant to them.

3. **Design Format and Style: Digital First**
   - Apply a digital first design approach that elevates the content across various digital devices.
   - Deliver content in a format and through channels that are most relevant to target stakeholders. Think beyond the printed book and provide rich content in multiple formats such as sustainability microsites, films and animations, digital flipbooks and infographics.
   - Leverage design to serve multiple purposes, including internal communications, sales/marketing and employer branding/recruiting activities.

Appendix: Key Statistics of 2021 Sustainability Reports

Report Title: 43% of 2021 Sustainability Reports included the word "sustainability" in the title, 23% included the term "ESG" in the title and 24% of reports included the term "CSR" or "Social Responsibility" in the title.

Report Length: The average length of 2021 Sustainability Reports was 70 pages, ranging from 12 pages to 243 pages.

Release Date: The publishing date* of 2021 Sustainability Reports was as follows:

- January (3%)
- February (6%)
- March (10%)
- April (27%)
- May (22%)
- June (32%)

Press Release: 76% of 2021 Sustainability Reports were accompanied by a press release.

Summary/Highlights: 26% of 2021 Sustainability Reports were accompanied by a separate "Summary" or "Highlights" version of the report.

CEO and/or Board Letters: 96% of 2021 Sustainability Reports included a letter from the CEO and 14% included a letter from a board member/full board.

Internal/Board ESG Oversight: A vast majority of 2021 Sustainability Reports described (i) how ESG is overseen internally; and (ii) the board's oversight of ESG.

Materiality & Stakeholder Engagement: 52% of 2021 Sustainability Reports included a "materiality matrix" (or something similar) and 90% included a description of the company's stakeholder engagement.

Diversity Data: 33% of 2021 Sustainability Reports included the company's U.S. Equal Opportunity Commission's EEO-1 Report; 38% disclosed the company's pay gap data (gender or racial); and 51% included specific diversity goals.

Disclosure Frameworks: 88% of 2021 Sustainability Reports referenced SASB; 73% referenced the Global Reporting Initiative (GRI); 65% referenced the United Nations Sustainable Development Goals (UN SDGs), 61% referenced the TCFD, 7% referenced the World Economic Forum and 2.5% referenced the International Integrated Reporting Council.

External Assurance: 53% of 2021 Sustainability Reports included at least some level of external assurance - 38% of those reports included limited external assurance and 15% included some degree of "reasonable" assurance.

* Our review included sustainability reports published between January 1 and June 30, 2021 only.

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With special thanks to Patrick Smith, Cole Magoon and Citlaly Fierro for their contributions.

Publication Date

September 30, 2021

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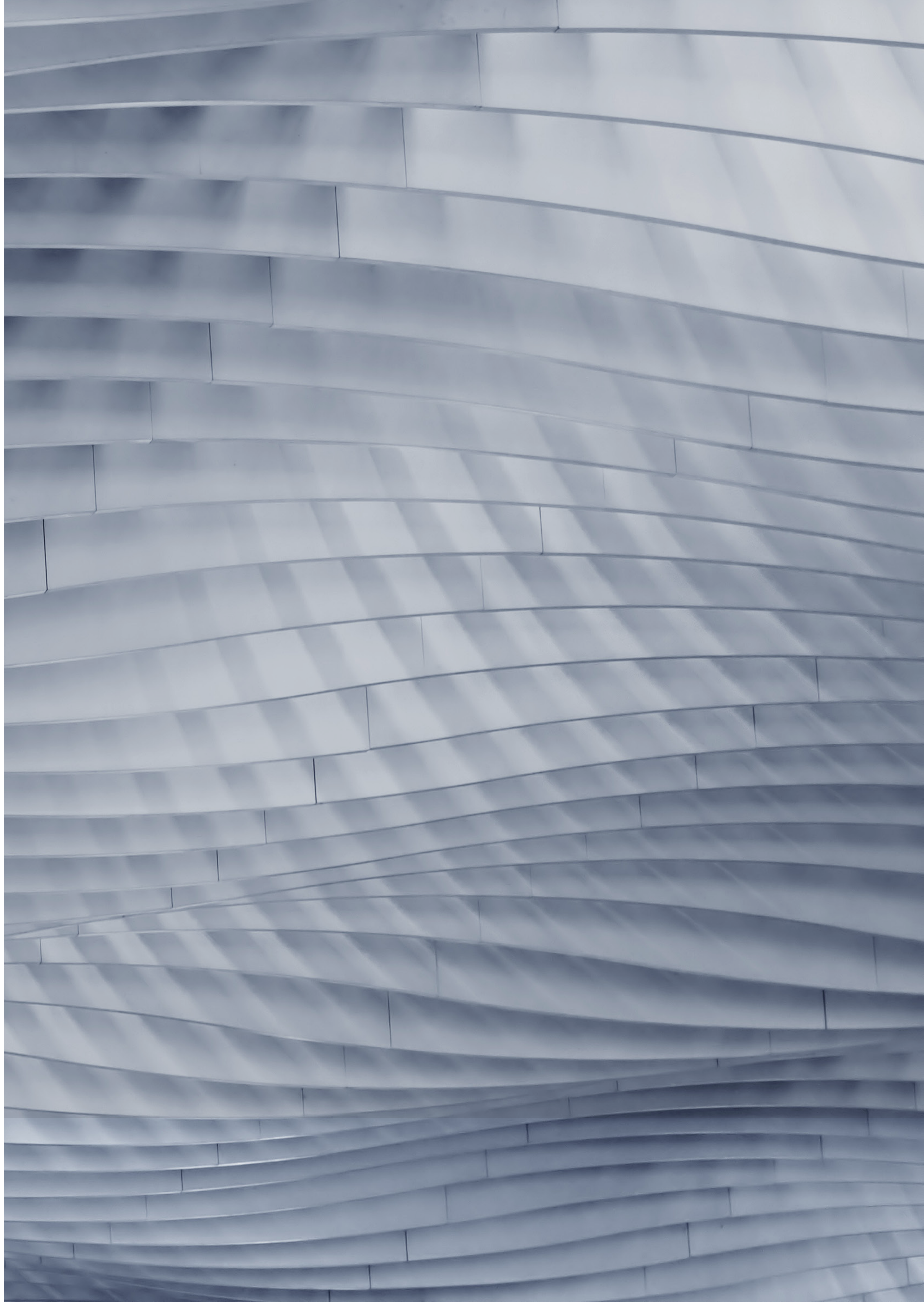
Working exclusively with the CEOs and senior executives of the world's leading companies, Teneo provides strategic counsel across their full range of key objectives and issues. Our clients include a significant number of the Fortune 100 and FTSE 100, as well as other corporations, financial institutions and organizations.



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