

4th Annual Corporate Working Group On Stakeholder Engagement

Energy and Stakeholder Activism

November 12 & 13, 2013

Agenda



The Woodlands Resort and Conference Center
2301 North Millbend Drive
The Woodlands, TX

Facilitated by AHC Group, Inc. and Future 500



Welcome

Energy and Stakeholder Activism: The Top 10 Issues and the Battle over “Unburnable Carbon”

The AHC Group and Future 500 welcomes you to their 4th Annual Corporate Working Group on Stakeholder Engagement. This year’s meeting focus will be energy issues and the impacts of these issues on energy companies, utilities and consumers.

No longer are energy controversies solely about a single project or fuel type. The battles over the Keystone XL pipeline, hydraulic fracturing, deep water drilling, coal, and renewable portfolio standards are increasingly placed in a larger frame: an effort to remove all fossil fuels from the market. The impact of this increased pressure to move to renewables may well have a significant impact on utility capital budgets and the cost of electricity.

Another good example of this new trend is the growing attention being paid to “unburnable carbon.” Put simply, some argue that if electric utilities aren’t compelled to shift toward 100% renewables, through RPS, net metering and other standards, and if oil companies are able to develop all of their “proven” reserves, the amount of carbon released to the atmosphere will result in a “carbon bomb” that will push the environment over the edge and insure “cataclysmic climate change”. This new argument has been referred to as part moral crusade, part carbon science and part economics. It has caught the attention of college campuses, socially responsible investors, oil company executives worried about devaluation of their reserves, brand leaders attacked for their fuel sourcing and concerned about threats to food and water supplies, and most importantly, the media.

But does the carbon math stand up to scrutiny? Does it make sense to keep current reserves in the ground, given increasing energy needs? Is it fair to focus on this one aspect of the complex carbon issue to the exclusion of other important factors? Surprisingly, the energy industry has yet to develop a persuasive response to these assertions, and the technical discussions that have occurred are frequently mired in detail non-experts cannot understand. This event will help explore potential responses and engagement paths.

Tuesday, November 12

12:00 – 5:00 pm _____ Room

12:00 pm: Lunch -Introductions and Plans for the Meeting

1:00 – 5:00 pm: Setting the Stage

Tom Burke, former Friends of the Earth Executive Director and Director of the Green Alliance and now Special Policy Advisor to several companies, including BP, Rio Tinto, Shell and Unilever. Tom will frame the Political and Social Context Driving Global Energy Issues and discuss how to manage these issues in today's rapidly changing and often institutionally dysfunctional world.

Bill Shireman and Erik Wohlgemuth, President and COO of Future 500, will discuss what the Top 10 Energy Issues are that will likely drive Stakeholder Activist Groups Groups in 2014 and beyond. Bill and Erik will also discuss who the key NGO players are and how to engage them.

John Wilson, former Sustainable Investment Manager at TIAA-CREF. John will outline the Investment Community's Increasing Scrutiny of Traditional Fossil Fuel Business Models and the Implications for Energy Suppliers and Buyers.

Group Discussion

7:00 pm: Cocktails and Dinner

Dinner Speaker -- Stephen Kretzman, Executive Director, Oil Change International, will discuss the NGO perspective on current energy issues.

Wednesday, November 13

8:00 am – 2:30 pm _____ Room

8:00am: Continental Breakfast

9:00am -12:00pm: Management Planning Around The Key Issues

Gerry Bresnick, AHC Group Senior Associate and Former VP of EHS and Sustainability at Hess Oil. Gerry will discuss energy issues from a business perspective—what global energy demand is likely to be/what supply options are available to meet this demand/ what energy prices are likely to be/ how fast can we expect renewables to play a larger role?

David Hampton, Principal, Irbaris Consultants. As expert on carbon issues, David will discuss the IPCC's recently announced "Carbon Budget"—how much total CO₂ can be emitted while still keeping global average temperatures from rising more than 2° C. David will also discuss whether the Carbon Math argument make sense and what it is likely to mean for natural resource companies.

Pete Trelenberg, Manager—Environmental Policy and Planning/Corporate Strategic Planning, ExxonMobil Corporation. Pete will talk about *An Energy Industry view on Carbon Math*.

Ken Strassner, AHC Group Senior Associate and Former VP of EHS and Energy at Kimberly-Clark, will discuss how large energy consumers, from tech companies to brands with large fleets, should manage the key energy issues identified.

12:00 pm: Lunch

1:00pm: Reports Back from Working Groups

1:30pm: Ken Strassner/Gerry Bresnick/Bill Shireman/Erik Wohlgemuth will summarize meeting learnings and next steps.

2:00pm: Group Discussion

2:30pm : Meeting Close

AHC Group Services

Since 1981, the AHC Group has been active in assisting organizations and individuals in the field of environmental and management strategy.

We provide management strategy, product, corporate governance, energy strategy, and environmental strategy and implementation consulting around the development of sustainable business value.

We have done this through multi-year assignments for major firms and Corporate Affiliates. In recent years we have facilitated corporate growth in firms as diverse as Toyota, Agrium, and Warren Buffett's global flooring firm Shaw Industries.

Workshops: The Corporate Affiliates Program benchmarking workshops apply lessons from environmental strategy, corporate governance, and shareholder value casework. Combined with a strategic set of thirty-five multinational affiliates provides a confidential peer-to-peer leadership benchmarking workshop.



"I admire how you created an open forum, where folks asked real questions. You assemble the best leaders from the largest organizations, sharing on some of the largest challenges"

- AHC Group Workshop Testimonial, June 2013

Personalized Benchmarking Workshops — Applying a strategic management strategy developed since 1990, based on the affiliate program model, we create highly driven and intensive benchmarking sessions to align intimate discussions in a sanctuary of premiere leaders who are at the top of their fields, based on your companies needs. Discretion and confidentiality are always of the highest priority.

Issues Management: Three-day focus groups combining traditional management strategy with environmental, health, and safety functions with new business development challenges. By integrating the diverse skills and services of our Senior Associates we bridge the gaps and find the potential for growth within your firm.

Future 500 Services

Future 500 has gained the trust of key stakeholder decision makers and change agents within corporations and NGOs, including many activists. Finding solutions to complex and often messy sustainability challenges can't be accomplished through formal 'one-size-fits-all' approaches. Engaging with stakeholders is a highly dynamic, sensitive process and relationships flourish best in informal settings. Creating those settings is core to our organization's methodology. Our approach is highly personal and customized to the specific needs of each company and stakeholder. Future 500 typically engages companies and stakeholders over a longer time period to build the lasting relationships that enable lasting change.

By pinpointing risks and opportunities for constructive engagement, we often help prevent years of wasted effort and dollars, for both companies and stakeholders.



Stakeholder Engagement Services:

- Inventory stakeholders, map relationships by social and environmental issue
- Identify strategic corporate and NGO stakeholders who can drive change
- Prepare strategic engagement plans for humanizing relationships, reducing risks and conflict
- Engage stakeholders to find common ground
- Insight on stakeholder dynamics
- Prepare tracking reports, issues that are “just around the corner”
- Strategic conference outreach and communications services
- Facilitate stakeholder meetings
- Provide briefings, trainings, and strategic planning sessions for corporate and NGO executives and leaders



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