GREEN FOR GREEN

Modernizing Our Buildings

- Onsite Solar
- Inflation Reduction Act
- ESG Compliance

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Melink™ Solar

AGENDA

How Onsite Solar Can Bring the Green

- Hedging Against Rising Electricity Prices
- Financing Options

Leveraging Tax Incentives for Green Buildings

- Inflation Reduction Act Implications
- ESG Compliance Happening Now!

Net Zero Energy Building Tour

CLARK SCHAEFER HACKETT
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Melink™ Solar

Speakers

MODERATOR

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Clark Schaefer
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Who We Are

Clark Schaefer Hackett is a results-driven advisory and accounting firm. Although we're among the largest CPA firms in the U.S., we are far more than a typical accounting firm. We are forward thinking. We are innovators and problem solvers, optimizing business results in financial, technology, workforce and operational areas. We are passionate about helping clients succeed—and strive to be a catalyst for growth and innovation.

MEMBER OF agn INTERNATIONAL

FOUNDED IN 1938

11 OFFICES

IN OHIO, NORTHERN KENTUCKY, MICHIGAN & MUMBAI

600 EMPLOYEES

TOP 100 FIRM

WE SERVE SMALL AND MEDIUM-SIZED BUSINESSES AS WELL AS PUBLIC COMPANIES

WHO WE ARE

SUSTAINABILITY IS OUR CORE

One Energy Mission to change the world one building at a time

Melink® T&B

- National HVAC Test & Balance Contractor
- 100% Self Performing NEBB Certified Technicians

Melink® Solar

- EPC Contractor
- Commercial Ground Mount, Roof Mount, & Parking Structures

PositiV

- Facility Health System
- Service Monitoring
- Temperature, humidity, building pressure and CO2

Intelli-Hood®

- Pioneer & DCKV Industry Standard
- Global Installation & Project Management

Melink® GEO

- Geothermal Developer
- Pre-Engineered Pump Package
- GHX Design, CX

MELINK

GREENEST CONTRACTOR

OUR NET-ZERO HEADQUARTERS

MELINK ELECTRIC BILLS

DUKE ENERGY® duke-energy.com 800.774.1202

Your usage snapshot - Continued

Choice Service ID [redacted]

Current Electric Usage

Meter Number	Usage Type	Billing Period
328933657	Actual	May 10 - Jun 8

Usage Values

Billed kWh	0.000 kWh
Actual kVA	27.478 kVA
Actual Demand-kW	47.040 kW
Billed Demand-kVA	27.478 kVA
Power Factor	89.822 %

Billing details - Electric

Billing Period - May 10 to Jun 08

Meter - 328933657

Net Metering - Credit	$-208.82
Duke Energy Delivery	
Service Delivery	
Distribution-Customer Charge	45.95
Delivery Riders	12.08
Generation Riders	0.11
Total Current Charges	**$-150.68**

Your Energy Bill

Page 1 of 3

Service address
MELINK PROPERTIES LLC
5130 RIVER VALLEY RD
MILFORD OH 45150

Bill date Jun 10, 2022
For service May 10 - Jun 8
30 days

Mail your payment at least 7 days before the due date or pay instantly at duke-energy.com/billing. Late payments are subject to a 1.5% late charge.

Amount due

$0.00

No payment is required at this time.

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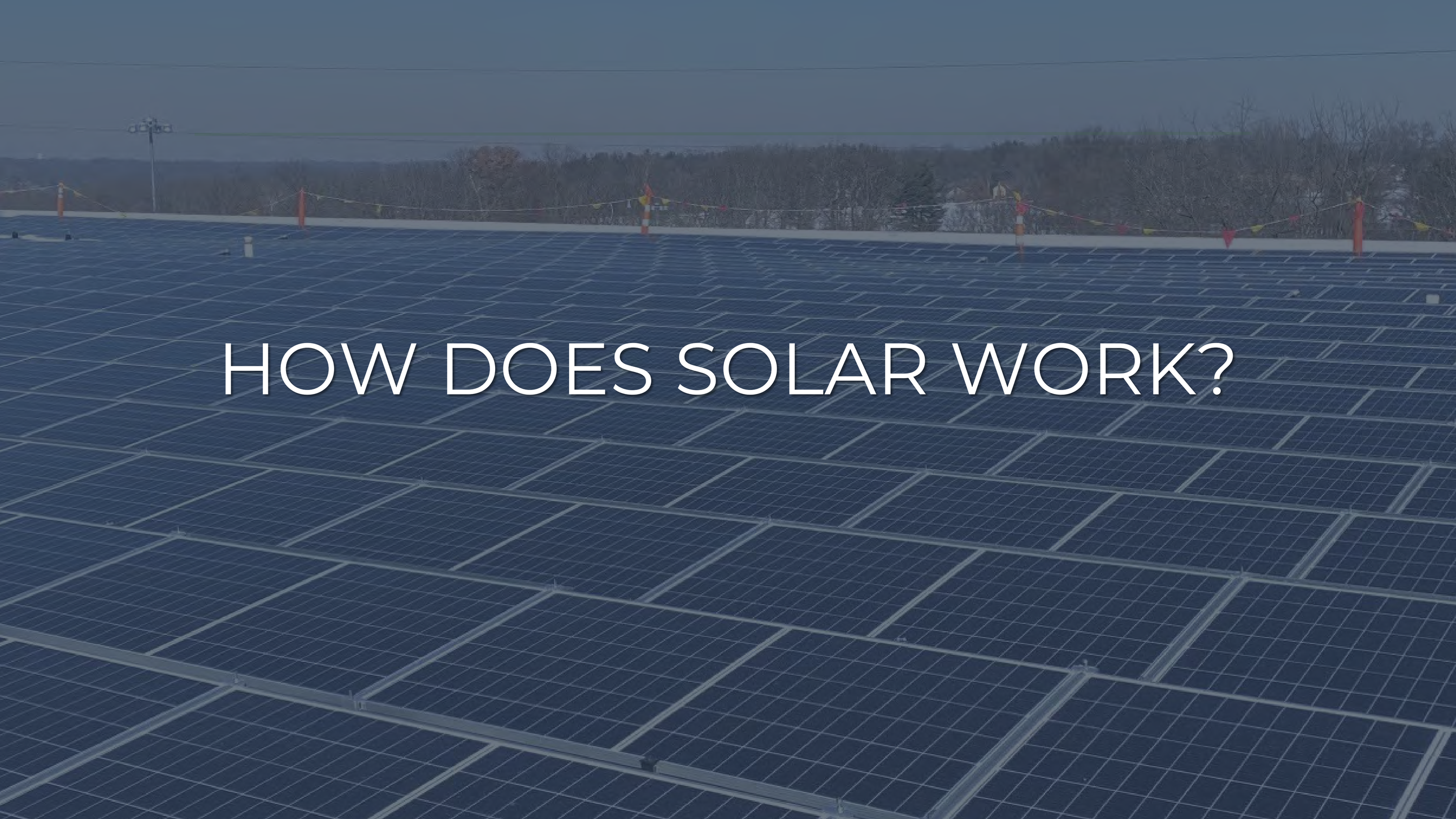
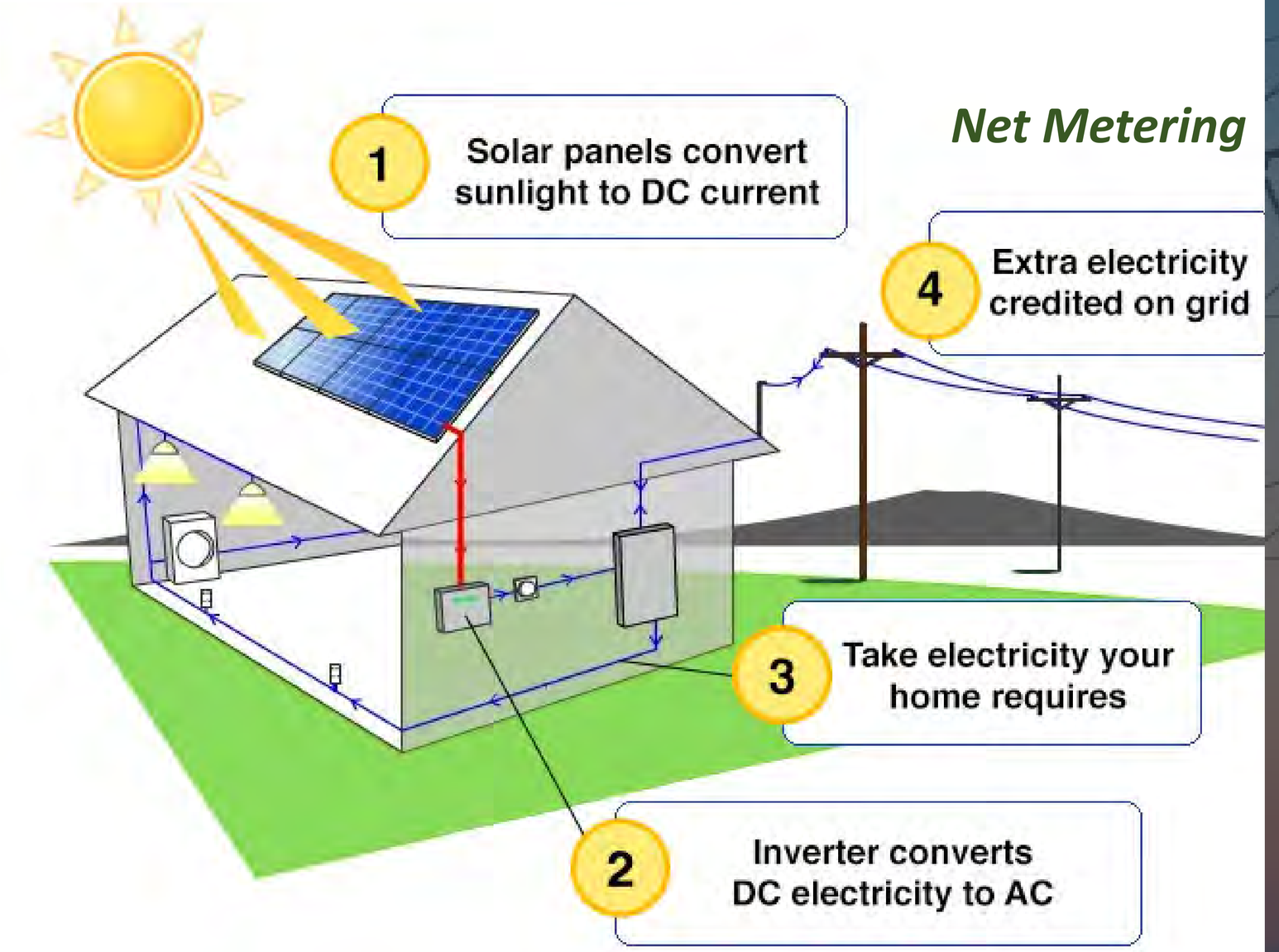


HOW DOES SOLAR WORK?

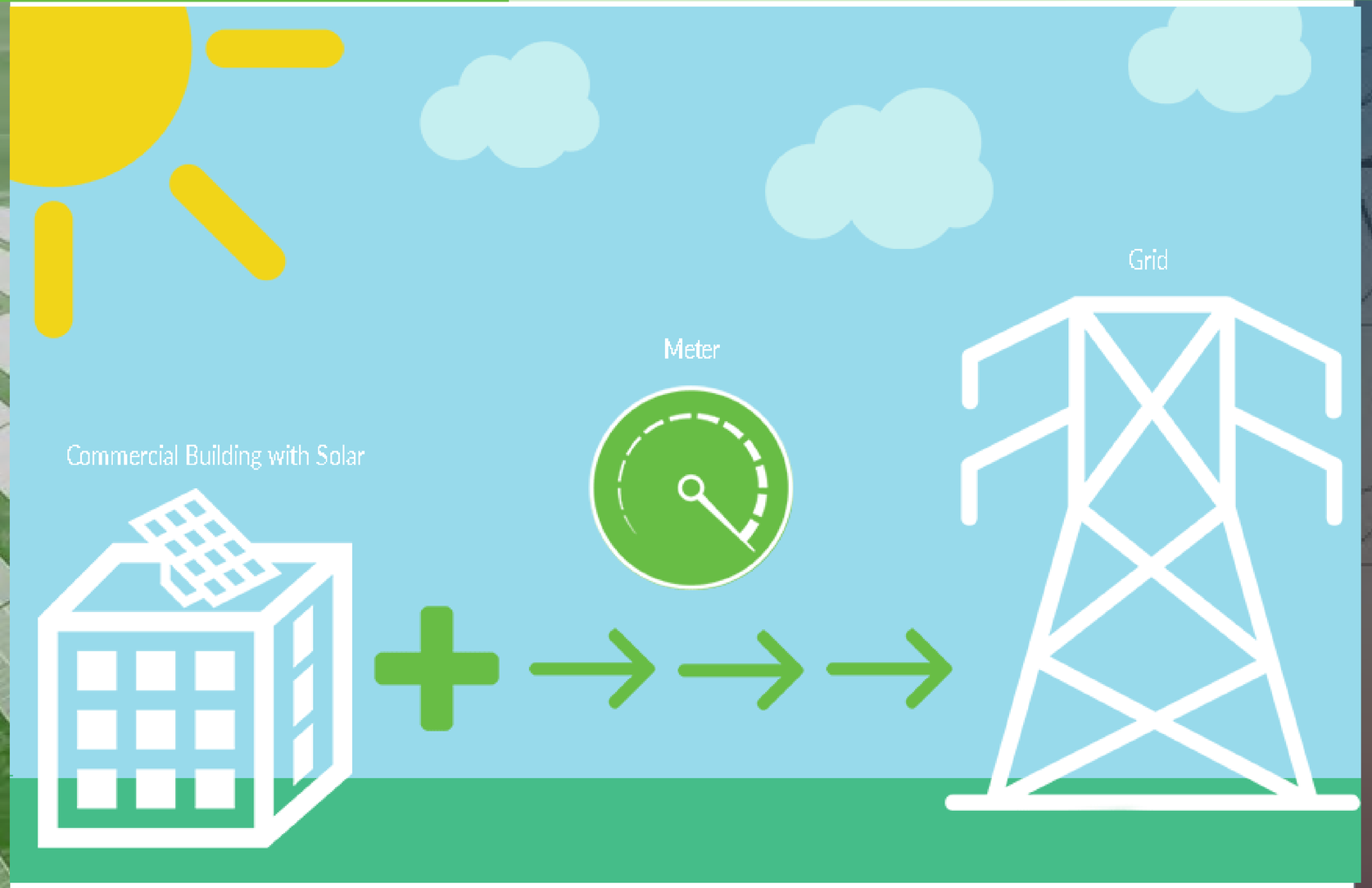
SOLAR PV DEPLOYMENT TYPES

	Onsite Solar	Virtual Net Metered	Financial PPA
Example			
Typical Project Size	<2 MWs	2-10 MWs	>20 MW
Deployment Type	Ground Mount Roof Mount Carport	Ground Mount	Ground Mount
Typical Project Costs	$1.75 - $3.00/W	$1.25 - $2.00/W	<$1/W
Typical PPA Rates*	$0.06 - $0.12/kWh	$0.05 - $0.10/kWh	<$0.05/kWh
Facility Benefits	Avoidance of generation costs, avoidance of T&D charges, demand savings	Avoidance of generation costs	Avoidance of generation costs, long term price hedging strategy
Typical Deployment Times	Weeks to Months	Months to Years	2+ Years
Best for	Facilities with significant usable area for solar and stable electricity load, credit, and certainty to be in same location for 20+ years Example: Walmart rooftop	Offtaker with multiple facilities within the same service territory, limited usable area Example: Cuyahoga County / Cleveland Public Power in CURP	Large energy users (>100M kWh per year) with stable long term energy needs Example: Apple data centers

PV = PHOTOVOLTAICS, BEHIND THE METER



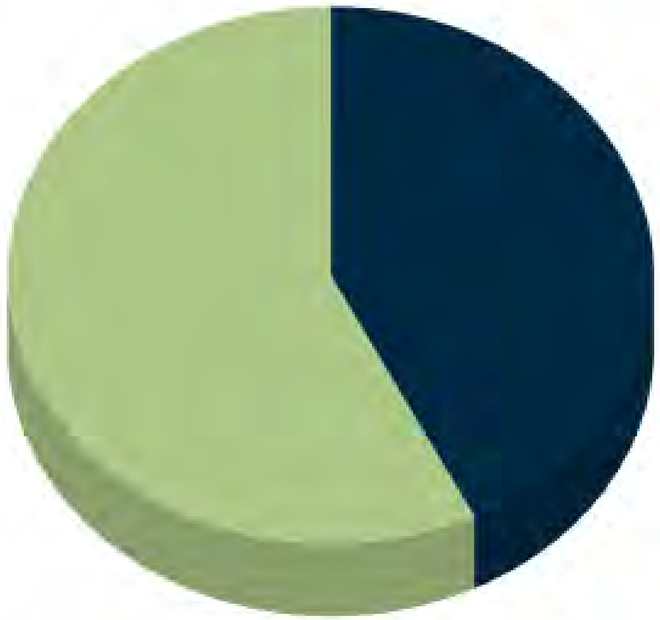
ONSITE SOLAR: NET METERING



1 MW Roof Mount Example

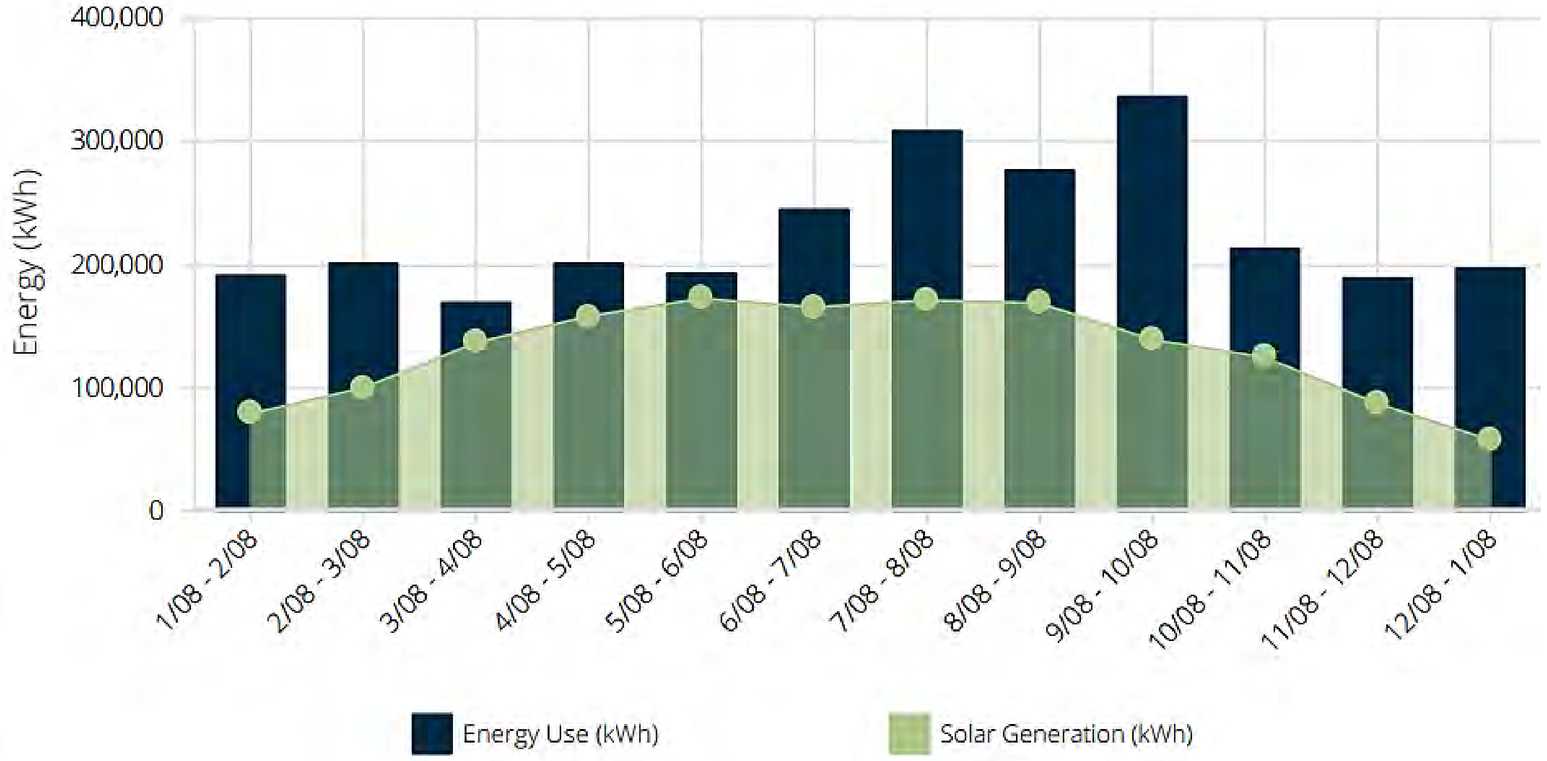
Energy Consumption Mix

Annual Energy Use: 2,719,910 kWh



Utility	1,160,462 kWh	(42.67%)
Solar PV	1,559,448 kWh	(57.33%)

Monthly Energy Use vs Solar Generation



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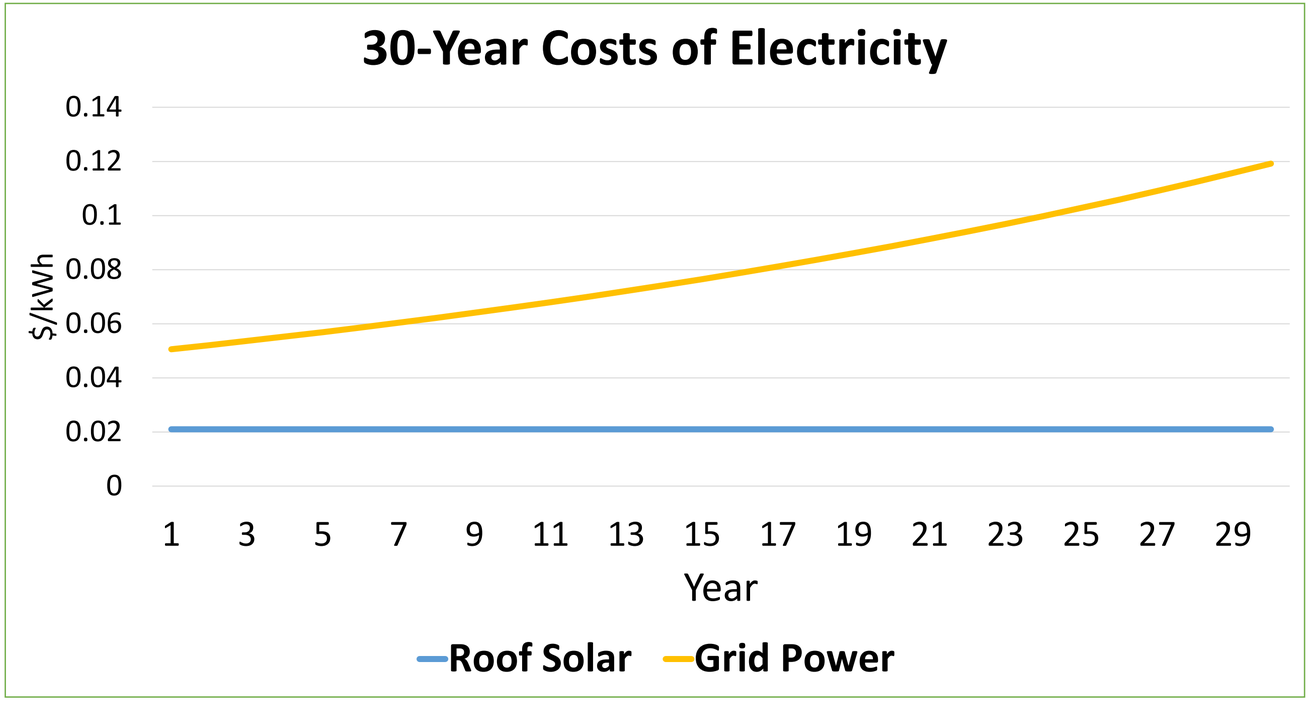
1 MW Roof Mount Example

Payment Options	Cash Purchase
Upfront Payment	$1,407,000
Total Incentives	$665,089
Net Payments	$741,911
Electric Bill Savings - Term	$3,368,188
IRR - Term	11.2%
LCOE PV Generation	$0.020 /kWh
Net Present Value	$808,959



- **With solar, <u>cut your kWh rate by more than half</u> over 30 Years.**

- **Compare to current kWh cost of $0.050, which will likely increase over time (inflation + trend)**

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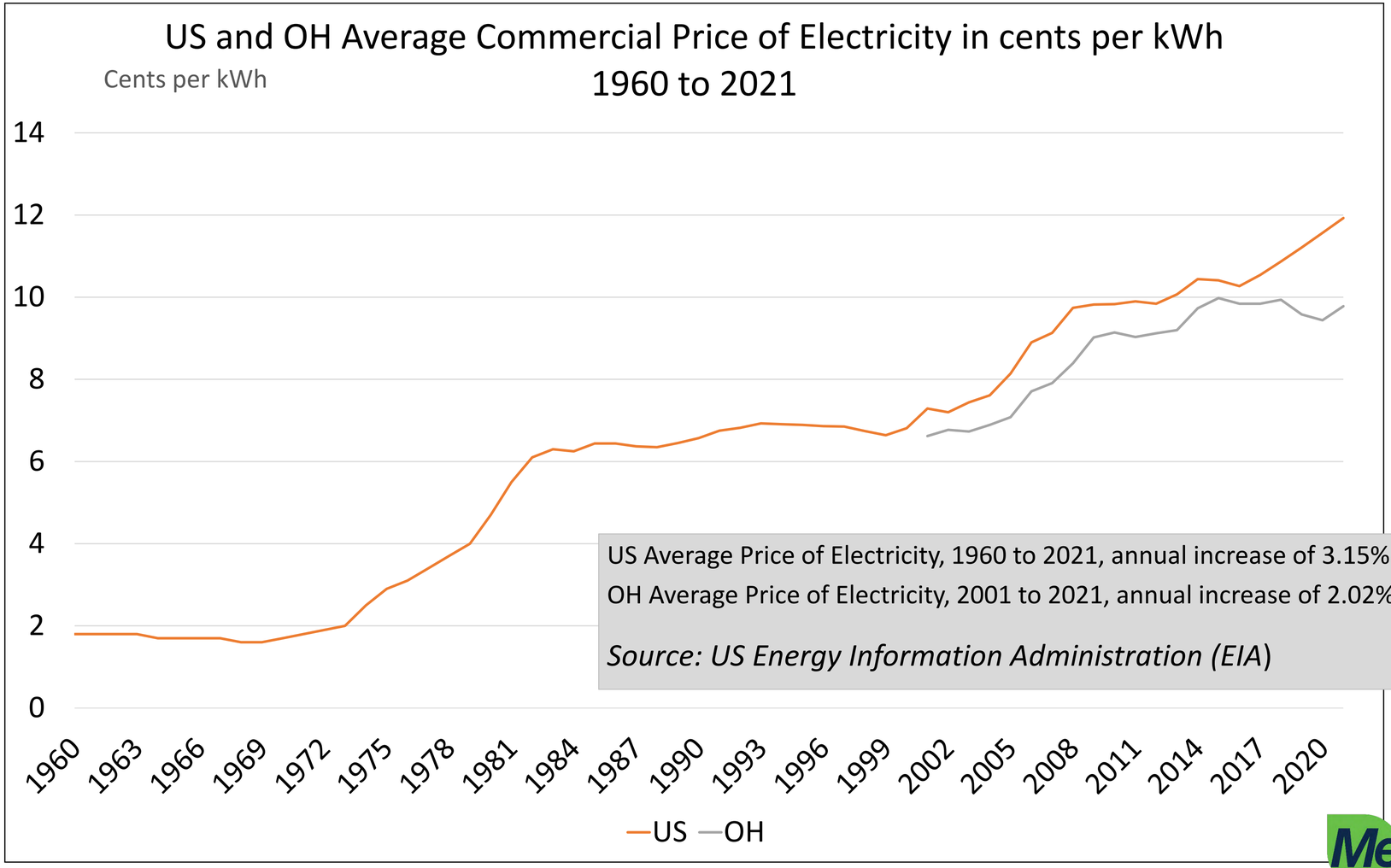
COST OF GRID POWER

Increasing Electricity Price Trends

National average increase of 3.15% PER YEAR between 1960 and 2021



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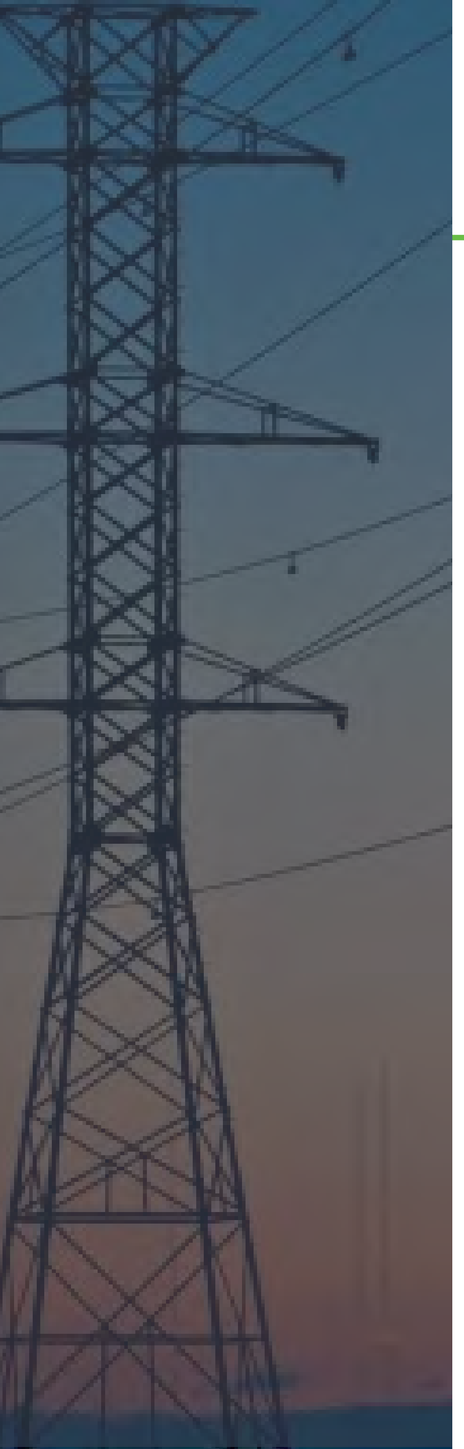
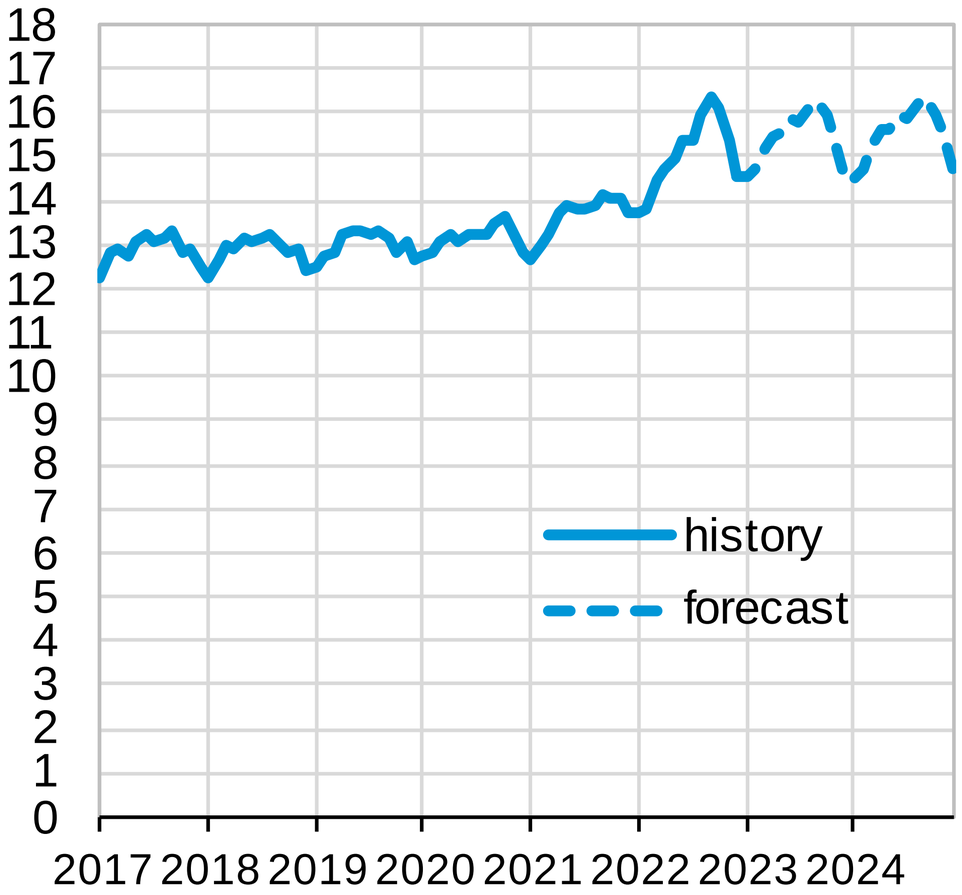
Recent Spikes and Short Term Forecast



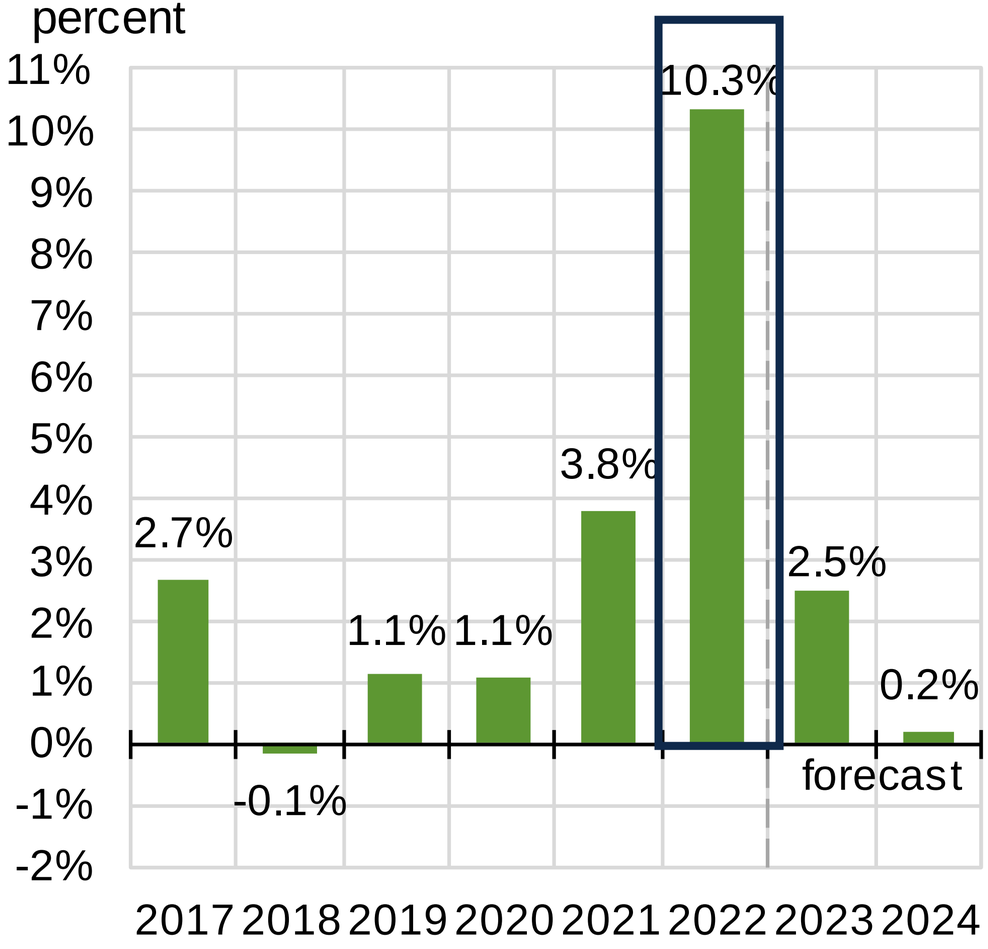
U.S. monthly nominal residential electricity price

cents per kilowatthour



Annual growth in nominal residential electricity prices

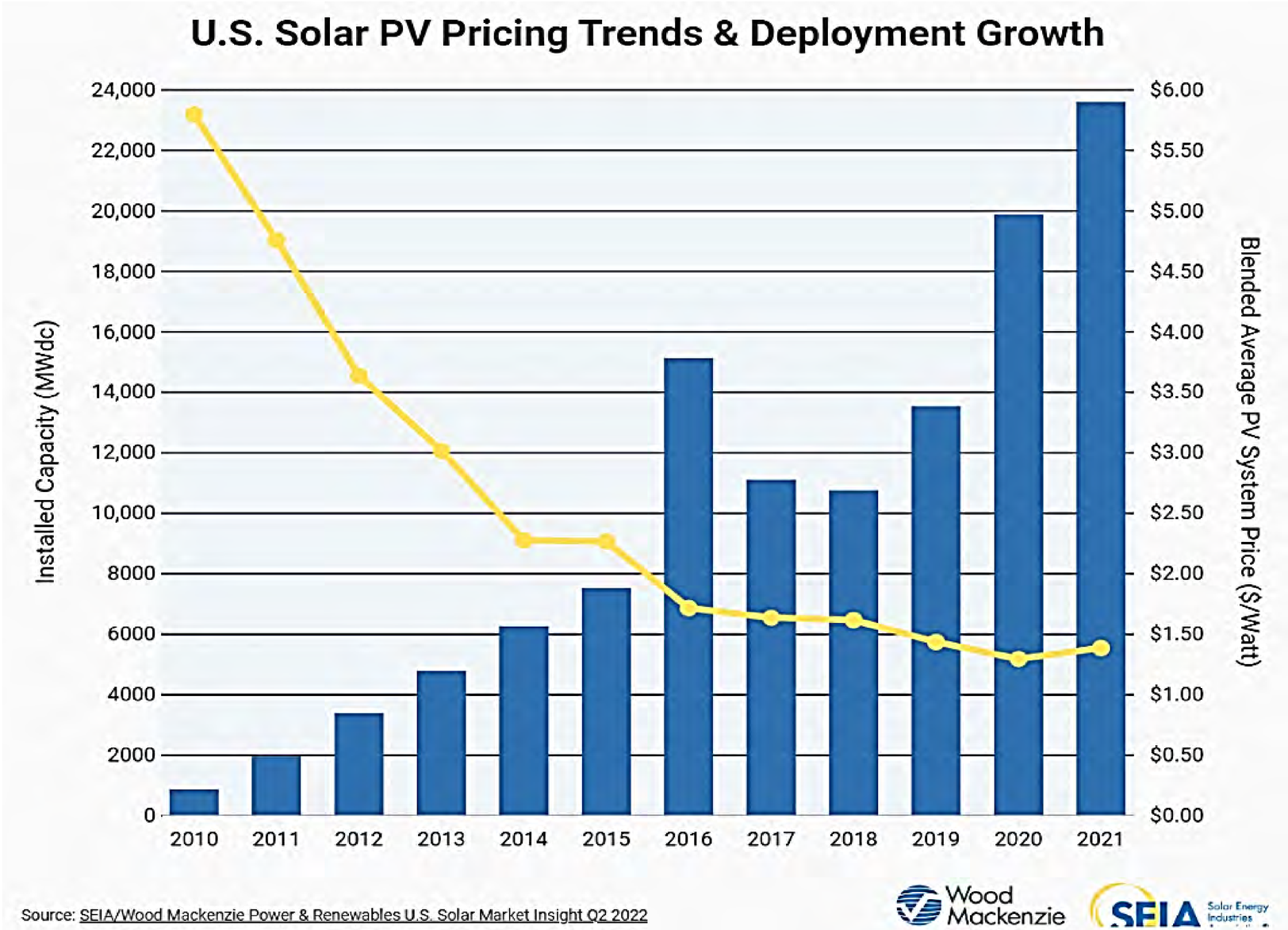
percent



Source: US Energy Information Administration (EIA)

COST OF SOLAR

Historic Price Decreases...Now Leveling Off



Source: SEIA/Wood Mackenzie Power & Renewables U.S. Solar Market Insight Q2 2022

Wood Mackenzie

SEIA Solar Energy Industries

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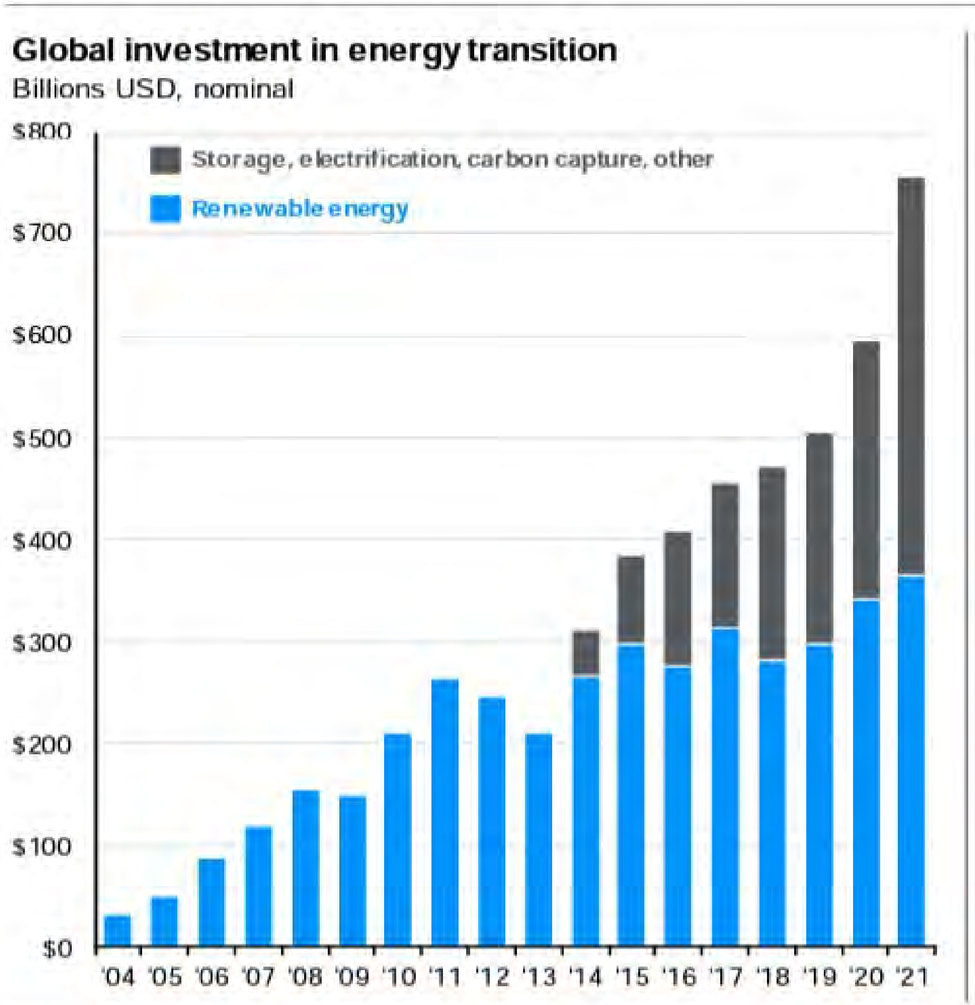
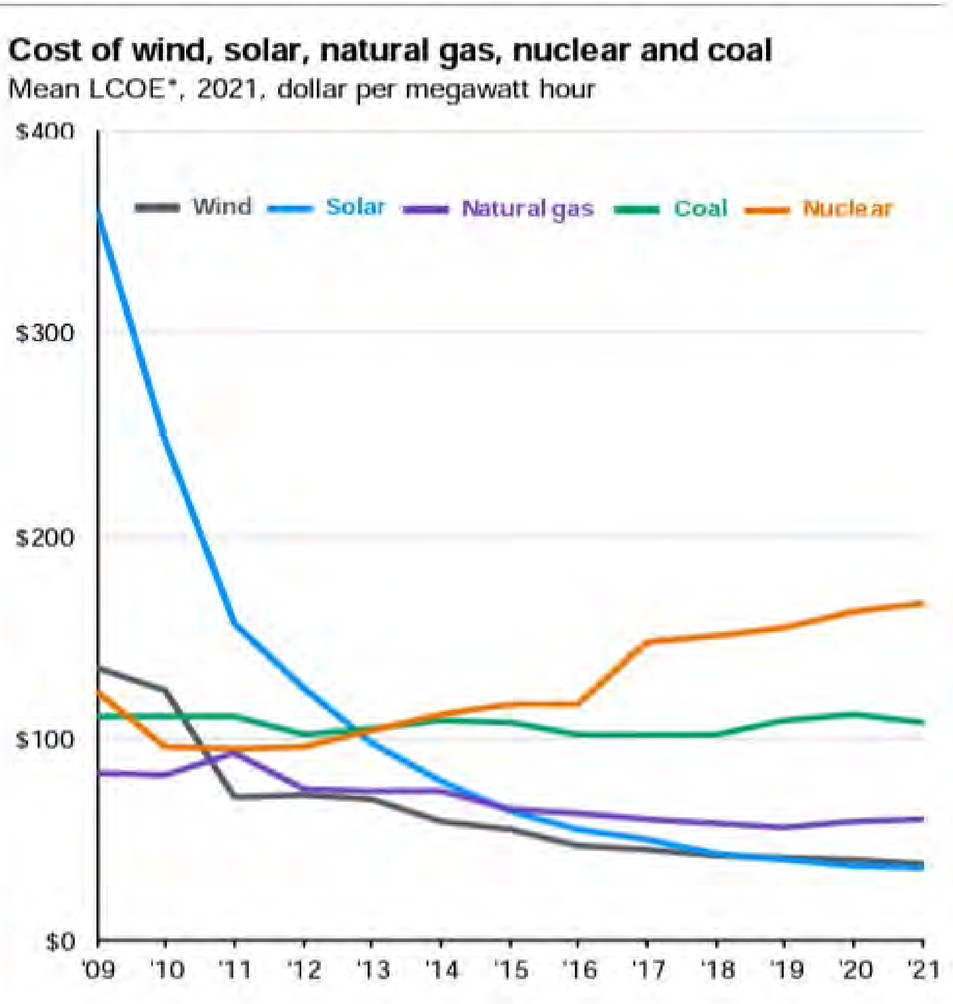
Global Energy Transition to Renewables





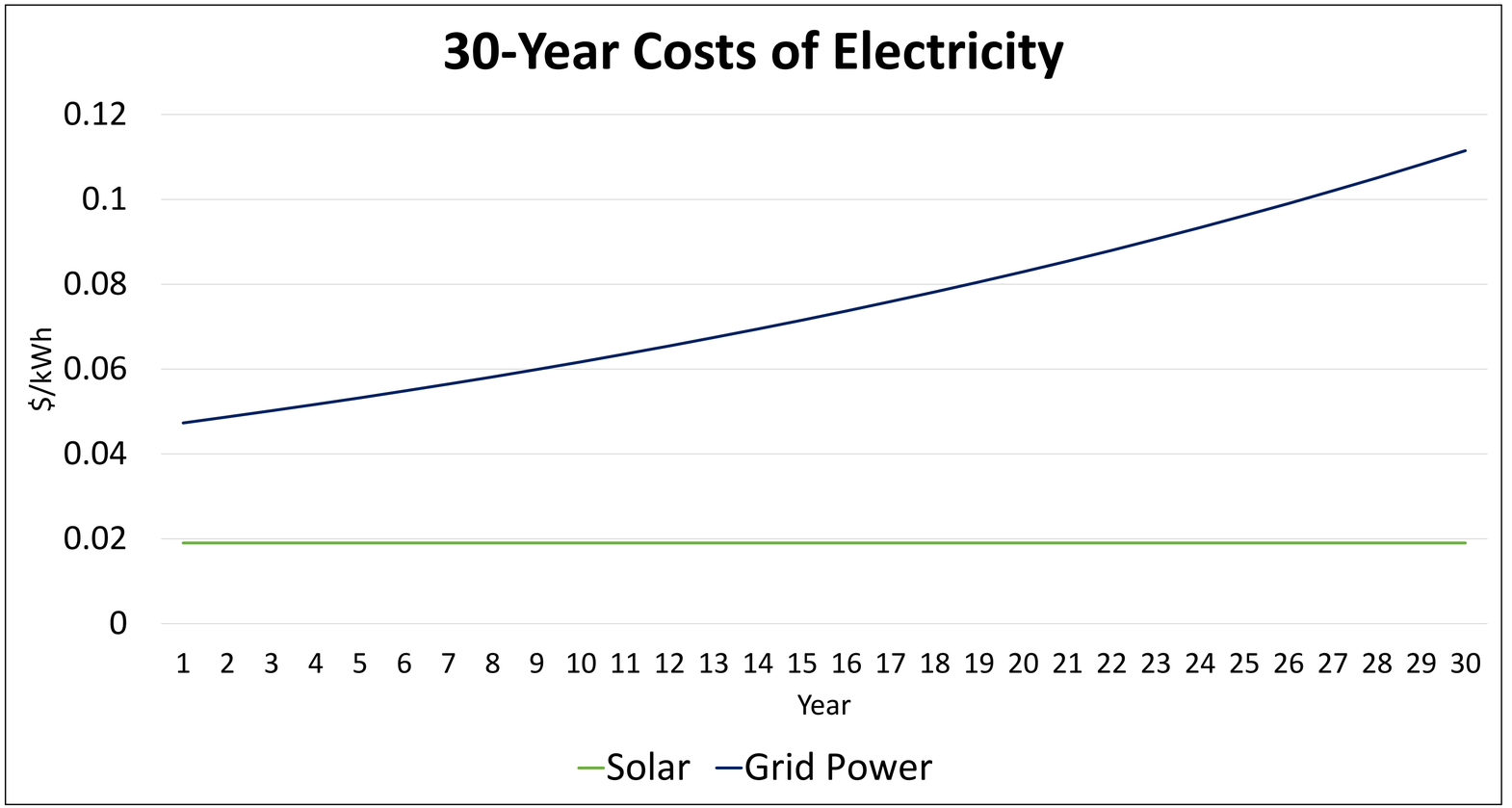
Source: Bloomberg NEF, BP Statistical, Eurostat, Lazard, METI, J.P. Morgan Asset Management; (Left) Storage, electrification, other includes hydrogen, carbon capture and storage, energy storage, electrified transport and electrified heat; (Right) *LCOE is levelized cost of energy, the net present value of the unit-cost of electricity over the lifetime of a generating asset. It is often taken as a proxy for the average price that the generating asset must receive in a market to break even over its lifetime; Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.
Guide to the Markets – U.S. Data are as of December 31, 2022.

J.P.Morgan
ASSET MANAGEMENT

LCOE EXAMPLE: Solar vs. Do Nothing

***Current Cost: $0.047/kWh**

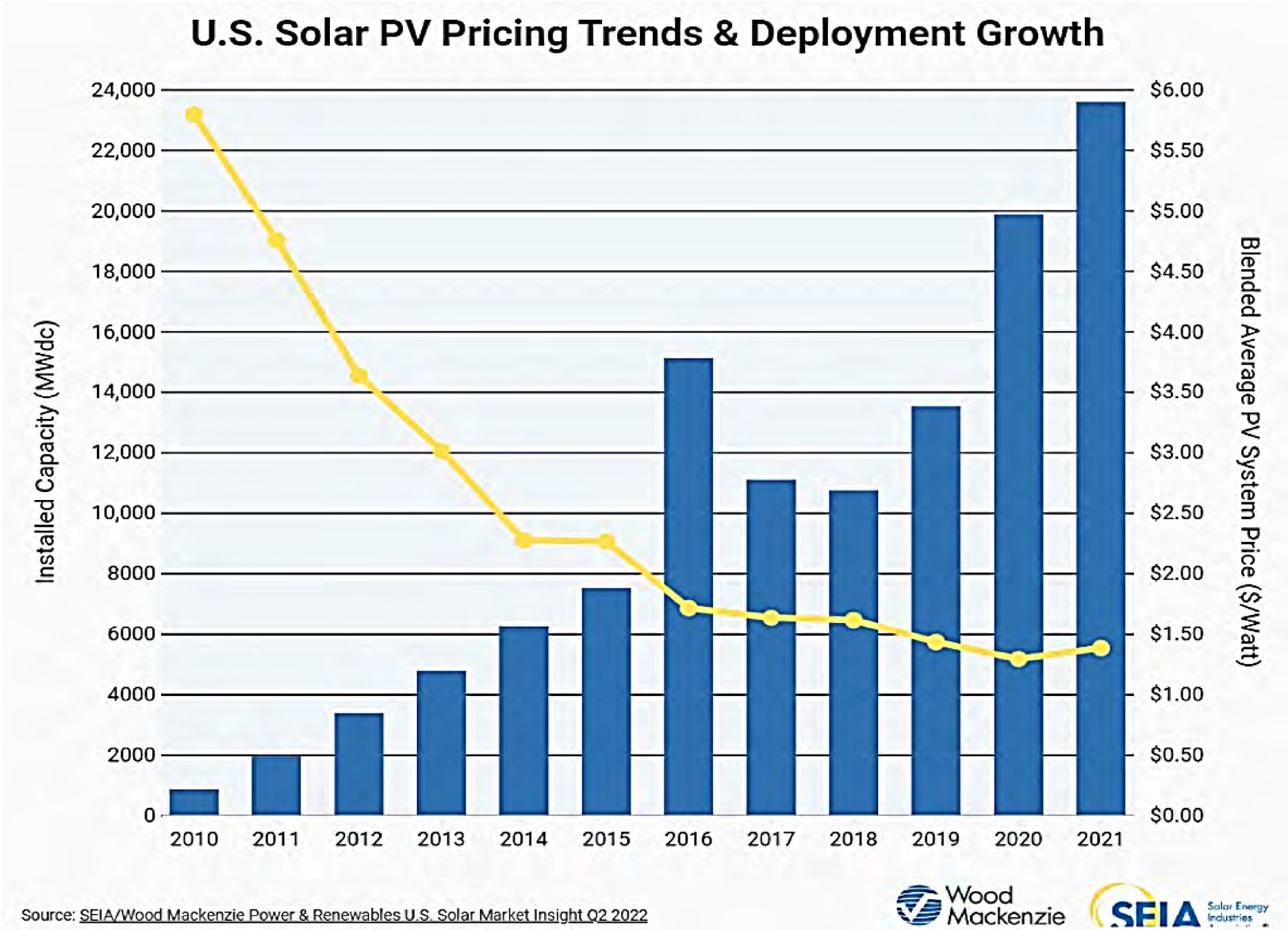
***Solar: $0.020/kWh**



- **With ground mount solar, reduce your kWh rate to $0.020/kWh** over its 30 Year lifetime
- **Compare to current kWh cost of $0.047,** which will likely increase over time (inflation + trend)

WHY SOLAR NOW?

Price of Solar Drops by 80% Over Last Decade



Source: SEIA/Wood Mackenzie Power & Renewables U.S. Solar Market Insight Q2 2022

Wood Mackenzie

SEIA Solar Energy Industries

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Inflation Reduction Act and Project Impacts

IRA provisions for full 30% ITC:

① <1 MWac system size OR
② Start construction less than 60 days after Treasury guidance OR
③ Meet prevailing wage AND apprenticeship requirements

✓ Projects ideally qualify under #2 above if we start construction/safe harbor soon

IRA provisions for bonus 10% ITC for domestic content:

① 100% US steel in project and
② Minimum 40% of equipment cost from US manufacturers

✓ Project meets #1 via current suppliers of racking
✓ Need to evaluate options on equipment to meet #2; *unlikely* given limited US suppliers

IRA "bonus" language includes additional 10% tax credits for:

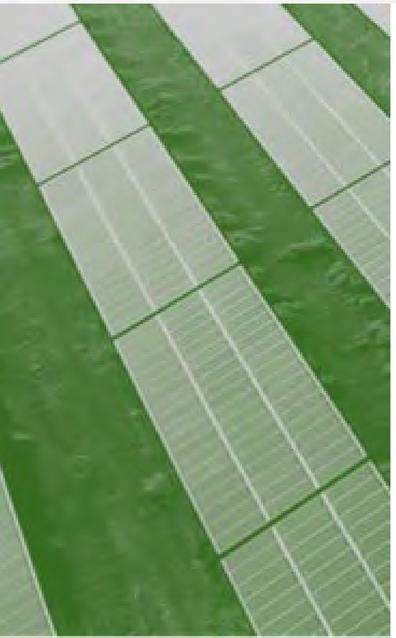
① Qualified energy communities OR
② Low income areas

✓ Dependent on project location

Direct pay option: Non-profits now qualify for a "direct pay" option of the ITC (e.g., instead of credit against taxes owed, non-profits can be paid by the US Treasury for the value of the ITC); however, the accelerated depreciation and other tax benefits would be stranded. Additionally, under the direct pay option, projects cannot obtain the additional 10% bonus ITC for domestic content (direct pay will require meeting domestic content minimums in 2024 and later).

Federal Incentives: BEFORE and AFTER IRA

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Credit Prior to IRA	26%	22%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Credit Under IRA	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	26%	22%	0%



NOW, the IRS will directly pay <u>non-profit entities the amount of tax credit</u> earned by solar electricity projects, starting at the base amount of 30%.

- **Exception: Accelerated Depreciation**

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Companies Prepare for Zero Emissions

P&G'S AMBITION TO NET ZERO

Including 2030 science-based targets for Scope 1, 2, and 3 emissions to accelerate progress.

IT'S OUR HOME | NET ZERO 2040

Path to Net Zero by 2040

2010

ACHIEVING INITIAL GOALS

- Reduced operations emissions 52%*
- Reduced truck miles 25% per unit of production
- Avoided 200,000+ tons of plastic through package redesign
- Doubled use of recycled plastic resin
- 100% certified wood pulp in P&G brands
- 100% certified palm ingredients in P&G brands
- 15 million tons of CO_2 reduced through consumer cold water washing

2021

ACCELERATING ACTION

OPERATIONS — Carbon Neutral for the Decade

- Reduce operations emissions, balance remaining emissions via natural climate solutions
- Purchase 100% renewable electricity in global operations by 2030, already at 97%

MATERIALS & PACKAGING

- Reduce supply chain emissions by 40% per unit of production†††
- Reduce virgin petroleum plastic in packaging 50%

TRANSPORTATION

- Reduce finished product freight emissions intensity by 50%†

2030

SCALING SOLUTIONS

- Scale renewable thermal energy innovation
- Scale renewable carbon, recycled carbon, and captured carbon technologies
- Grow rail and shipping while increasing renewable fuels and energy sources for transportation

Aligned with 1.5°C ambition

2040

OUR AMBITION

NET ZERO

ACROSS OPERATIONS AND SUPPLY CHAIN EMISSIONS — FROM RAW MATERIAL TO RETAILER

- Cut most of our emissions
- Balance any remaining emissions that cannot be eliminated with natural or technical solutions that remove and store carbon

Reducing Consumer Use Through Product Innovation and Education

Avoid 30 million tons of CO_2 via cold water washing by 2030

Reducing Product End of Life

100% recycled or reusable packaging by 2030

Enable more recycling in homes and communities

Pilot and scale materials from recycled carbon

*Against a 2010 baseline.

†Against a 2020 baseline.

†††Inclusive of priority categories that account for over 90% of P&G's supply chain emissions.

WHY SOLAR NOW?

DECREASED COSTS: LEVELING PRICES

INCREASED FEDERAL INCENTIVES

FUTURE POTENTIAL POLICIES + ESG

IT’S THE RIGHT THING TO DO

FINANCING OPTIONS

Cash Purchase

	Purchase
Upfront Cost	$$$
Tax Benefits:	Owner
Payments	100% Upfront
Typical Term	N/A
Long Term Benefits	Best ROI
O&M	Owner

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Cash Purchase vs. PACE

	Purchase	Property Assessed Clean Energy (PACE)
Upfront Cost	$$$	Zero
Tax Benefits:	Owner	Owner
Payments	100% Upfront	Tax bill
Typical Term	N/A	20-30 years
Long Term Benefits	Best ROI	Cash flow neutral
O&M	Owner	Owner

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PACE Financing: Property Owner Benefits

No Down Payment
PACE covers 100% of the hard and soft costs of an energy project eliminating the need for up-front capital.

No Personal Guarantee
PACE financing is "guaranteed" by the Special Assessment added to the property's tax bill, therefore, no personal or business guarantees are needed.

Off Balance Sheet Treatment
Because PACE financing is solely repaid via a Special Assessment added to the property's tax bill, "off balance sheet treatment" is recommended by some accountants because the repayment "runs with the land" and not the business.

Fixed Rate / Fixed Payment
PACE financing rates and terms are fixed for the life of the PACE loan.

15-25 Year Term
Repayment terms can be extended to match the useful life of the eligible improvement.

Triple Net Lease Pass-through
Because repayment of PACE funding is via a Special Assessment on the property's tax bill and is technically an increase in property taxes, the property owner can seamlessly share the PACE-financed improvement costs (and energy savings) with the tenant under some lease structures such as "triple nets".

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Cash Purchase vs. PACE vs. PPA

	Purchase	Property Assessed Clean Energy (PACE)	Power Purchase Agreement (PPA)
Upfront Cost	$$$	Zero	Zero
Tax Benefits:	Owner	Owner	Third party investor
Payments	100% Upfront	Tax bill	Monthly
Typical Term	N/A	20-30 years	20-30 years
Long Term Benefits	Best ROI	Cash flow neutral	Fixed rate for 30-years
O&M	Owner	Owner	Third party investor

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Other Debt and Funding

- Some projects are able to tap into lower cost loans, loan guarantees, and grants; these are generally location-specific for availability and include:
  - USDA Rural Energy for America Program (REAP) loans and grants
  - DOE Loan Program Office (LPO) loans
  - DOE Tribal loan programs
  - Etc.
  - While not a focus of this presentation, layering of these benefits can improve project economics
- Tax exempt bonds can be utilized for project finance but will impact the ITC basis

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SREC: Solar Renewable Energy Credit

- Renewable energy generation projects create renewable energy credits (RECs)
  - Each MWh of generation has an associated REC
- RECs can be retired (e.g., used by the facility) to substantiate renewable electricity use claims
- Many states have liquid markets for RECs and some states have specific incentives for solar RECs (SRECs)
  - For example, IL Shines Adjustable Block Program currently will pay projects $40.90 per REC ($0.0409/kWh) for 15-years of utility purchased RECs
- Projects can either:
  - Keep the SRECs and retire
  - Sell the more valuable SRECs and purchase lower cost (wind) RECs to retire
  - Most PPA providers will keep more valuable SRECs and provide the host facility with replacement RECs: this enables lower PPA rates for projects

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PROJECT TYPES


Clean
STOP
STOP
Melink Solar


FedEx
Melink Solar


Melink Solar

Melink Solar

CANOPIES: LINKEDIN MIDWEST CORPORATE HQ

BARNSTABLE, CAPE COD SOLAR + STORAGE

Melink® Solar

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GREEN FOR GREEN

Modernizing Our Buildings

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BUSINESS ADVISORS

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Inflation Reduction Act (IRA), Implications for the Building, Construction and Development Industry

Christopher Peer

Senior Manager

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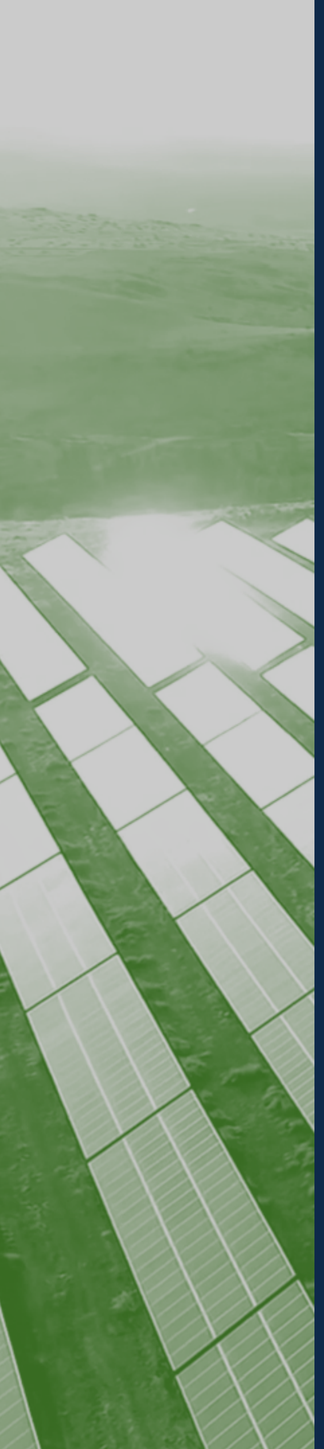

Inflation Reduction Act

OVERVIEW

In August 2022, President Biden signed the Inflation Reduction Act of 2022. The legislation includes components of the former Build Back Better Act and addresses energy, health, and targeted tax policies aimed at fighting inflation, increasing domestic energy production and reducing US carbon emissions by 40 percent by the year 2030.

To meet the aggressive energy conservation and climate-focused goals laid out in the IRA, existing energy efficiency tax incentives were expanded and extended to motivate the building industry to implement energy efficiency measures for new construction or for renovation of existing property.

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Energy Efficient Commercial Building Property Deduction Standards

Updated IRC §179D

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Pre-IRA

Federal tax deductions available for the installation of energy efficient commercial building property located in the United States.

PRIVATE

- Building owners or tenants (if they make the construction expenditures).
- The tax deduction functions like an accelerated deduction.
- Currently can only use it once per building.

PUBLIC

- Allocated to designer/architect.
- Must secure an allocation letter allowing the government entity to transfer the benefit to the taxpayer.
- The tax deduction can be taken w/ no basis offset.

Made permanent by the Consolidated Appropriations Act of 2021.

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Pre-IRA

SUMMARY OF 179D TAX DEDUCTIONS

Compliance Path		Savings Requirement*	Tax Deduction**		
			taxable years before 2021	taxable year beginning 2021	taxable year beginning 2022
Fully Qualifying Property		50%	$1.80/ft^2	$1.82/ft^2	$1.88/ft^2
Partially Qualifying Property	Envelope	10%	$0.60/ft^2	$0.61/ft^2	$0.63/ft^2
	HVAC and HW	15%			
	Lighting	25%			
Interim Lighting Rule		25%–40% lower lighting power density (50% for warehouses)	$0.60/ft^2***	$0.61/ft^2***	$0.63/ft^2***

What is Changing?

- Deduction is determined on a sliding scale of benefit from $0.50/SF - $5.00/SF.
- Claim a higher deduction if prevailing wage and apprenticeship requirements for the duration of the construction of the project are met:

  Prevailing Wage: Taxpayer must ensure that any laborers & mechanics are paid prevailing wages during the construction of the project.

  Apprenticeship: Taxpayer must ensure that no less than the applicable percentage of total labor hours for the construction of the project are performed by qualified apprentices.

- Projects include those for government entities or those that use government funds (i.e. fire stations, schools)
- Lowered minimum required savings in total annual energy and power costs from 50% to 25%
- For property the construction of which begins after 12/31/22, ASHRAE 90.1-2019 will be the applicable reference standard for property placed into service after 12/31/26. For property the construction of which began before or on 12/31/22; or taxpayers who placed property into service after 12/31/14 and before 1/1/27, ASHRAE 90.1-2007 will be the applicable reference standard.

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What else is Changing?

- Expands allocations to all **tax-exempt building owners**, including charitable organizations, religious institutions, private schools or colleges, private hospitals, museums, tribal governments, and any other organization falling under IRC 501(c).

- The tax deduction can be recertified and claimed if additional energy improvements are made every 3 years for privately owned commercial buildings and every 4 years for tax-exempt or government owned commercial buildings (and can be allocated to the designer).

What is Changing?

		Key Relevant Changes- for EECBP Placed in service 1/1/2023		
Prevailing Wage will determine the starting point of the benefit		25% Reduction	Each additional % Point	50% or Higher
Prevailing wage & apprenticeship requirements	Meets	$2.50/SF	$0.10/SF	$5.00/SF
	Does not meet	$0.50/SF	$0.02/SF	$1.00/SF

What does this Mean?

PROJECTS TO LOOK FOR

- New construction
- Remodels
- Additions
- Build-outs

TRIGGERS

- Building has or will receive LEED certification or other energy rebates or certifications
- Utilizing or emphasizing “green” building designs

NEXT STEPS:

Perform a feasibility analysis

Discussions w/ designers of government & nonprofit buildings

- Will still need to get an allocation letter
- Need to have conversations earlier in the process
- Pre-design; not just pre-construction

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Energy Efficient Home Credit Standards

Updated IRC §45L

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Currently

The current version of 45L will remain in place for properties placed into service through 12/31/2022.

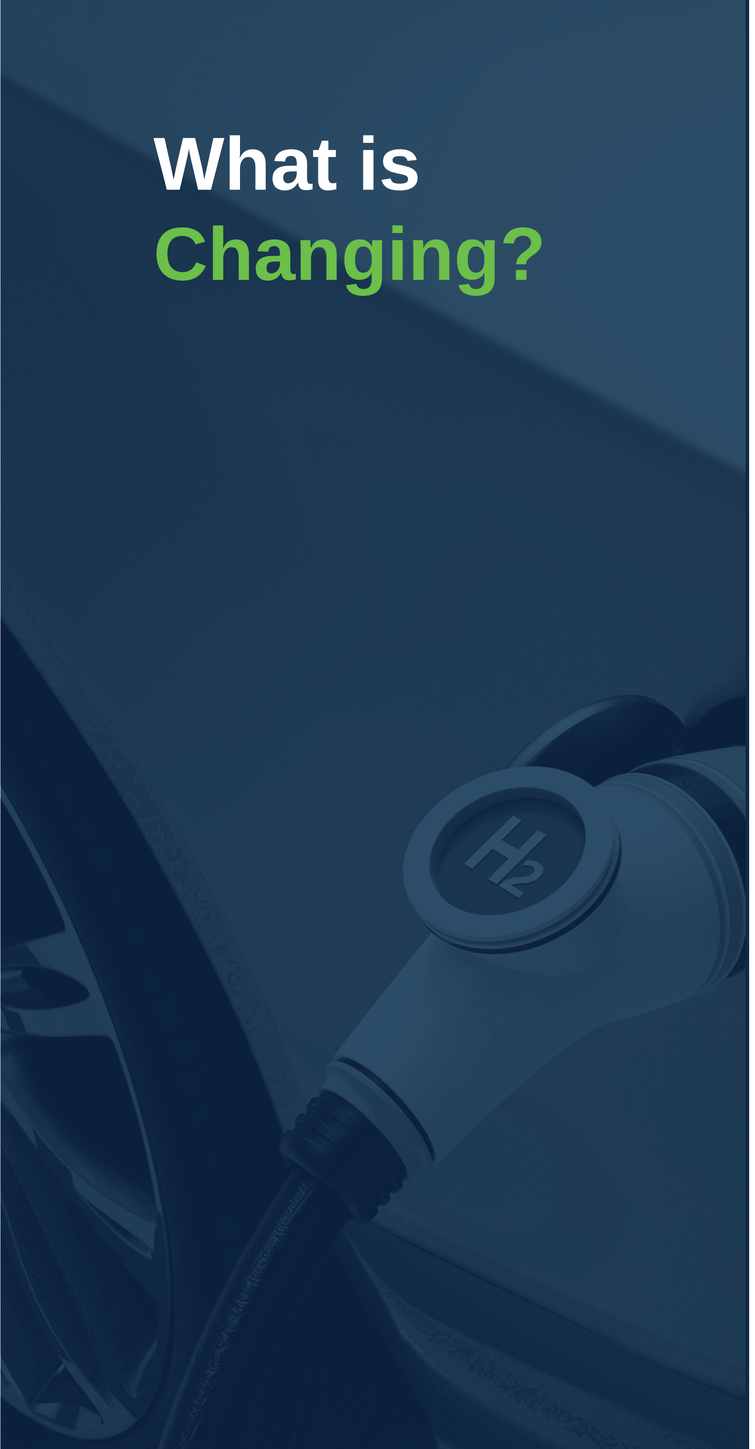
- Will use 2021 energy efficiency standards.

- $2,000 tax credit per each qualifying energy-efficient dwelling unit for eligible owners of **energy-efficient homes OR apartments** ($1,000 tax credit for certain manufactured homes).

- Requires certification by an independent Home Energy Rating System (“HERS”) rater.

- Only applies to buildings three stories above grade or less in height.

What is Changing?



- 45L is extended from 01/01/2022 through 12/31/2032 (see below).
- Energy Star & DOE Zero Energy Ready Home (ZERH) do not have story limitations (three stories above grade or less in height no longer applies).

Home Type	Qualification Requirement	Prevailing Wage Requirement	Credit Amount
Single Family*	EnergyStar	No	$2,500
Single Family*	ZERH	No	$5,000
Manufactured Home	EnergyStar	No	$2,500
Manufactured Home	ZERH	No	$5,000
Multifamily	EnergyStar	No	$500
Multifamily	ZERH	No	$1,000
Multifamily	EnergyStar	Yes	$2,500
Multifamily	ZERH	Yes	$5,000

What does this Mean?

PROJECTS TO LOOK FOR

- New homes
- New apartment buildings

NEXT STEPS

- Make our clients aware of these changes
- Have conversations during the pre-design phase or as soon as possible

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Solar Investment Tax Credit

(§48 ITC)

Solar Production Tax Credit

(§45 PTC)

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IRA Expansions

- **Prior to the Inflation Reduction Act qualifying costs were limited to only those used solely for energy producing equipment.**
  - Standalone energy storage projects incl. batteries and interconnection costs were excluded.

- **The Inflation Reduction Act expands the definition of energy property to include amounts paid for qualified interconnection property, defined as:**

  i. *“which is part of an addition, modification, or upgrade to a transmission or distribution system which is required at or beyond the point at which the energy project interconnects to such transmission or distribution system in order to accommodate such interconnection,*
  ii. *either-*
    - *which is constructed, re-constructed or erected by the taxpayer, or*
    - *for which the cost with respect to the construction, reconstruction, or erection of such property is paid or incurred by such taxpayer, and*
  iii. *the original use of which, pursuant to an interconnection agreement, commences with a utility.”*

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Eligible Costs

Costs now eligible include:

- ✓ Solar PV Panels, inverters, racking
- ✓ Installation costs and certain indirect costs
- ✓ Step-up transformers, circuit breakers, surge protectors
- ✓ Stand-alone energy storage
- ✓ If project is 5 Megawatts or less:
  - Includes interconnection property costs spent by the owner to distribute and transmit the electricity produced or stored by the system.

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Timeframes & Phase-downs

PRIOR TO THE INFLATION REDUCTION ACT

- For projects beginning construction after 2019 and before 2023**, the 30% ITC was reduced to 26%.**
- For projects beginning construction during 2023, **the ITC was reduced to 22%.**
- For projects beginning construction after 2023 or placed in service after 2025, **the ITC was reduced to 10%.**

AFTER THE INFLATION REDUCTION ACT

- For Projects beginning construction prior to 2025 and placed in service after 2021, **eligible for full 30% ITC of qualifying expenses.**
  - No longer subject to phase-down described above.

Solar Investment Tax Credit (ITC)

Federal Solar Investment Tax Credit reduces federal income tax liability for a percentage of the cost of a solar system that is installed during the tax year.

If the project meets prevailing wage and apprenticeship requirements the full credit is 30% of the total qualifying costs of a solar system.

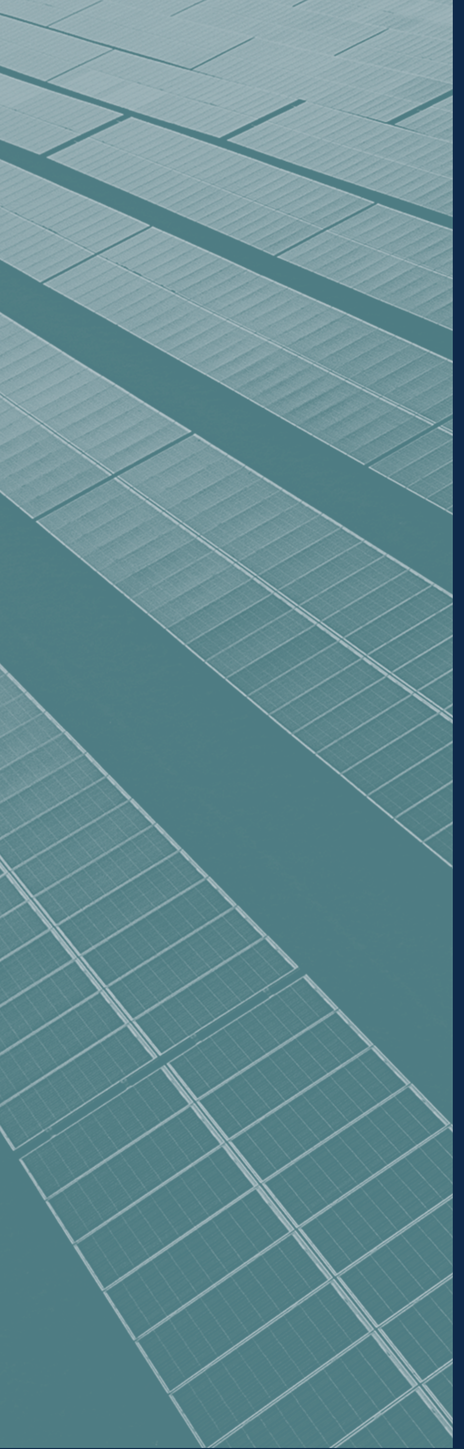
- If the project does not meet the prevailing wage and apprenticeship requirements, then the credit is limited to 6% of the total qualifying costs of a solar system.

Bonus credits for domestic content (manufactured products comprising the project are produced in the United States) as well as energy community (i.e., brownfield site).

- 10% each if project meets prevailing wage and apprenticeship requirements.
- 2% if project does not meet prevailing wage and apprenticeship requirements.

For solar photovoltaic systems installed in 2020 and 2021, the ITC tax credit will remain at 26%.

- **The Inflation Reduction Act extended the ITC and raised the credit amount.**
  - Tax credit available to homeowners who install designated solar energy systems between January 1, 2022, through the end of 2032 is equal to 30% of the cost of the system.
  - Tax credit will decrease to 26% for systems installed in 2033.
  - Tax credit will decrease to 22% for systems installed in 2034.
  - Tax credit expires in 2035 unless Congress renews it.



Solar Production Tax Credit (PTC)

Federal Production Tax Credit is a per kilowatt-hour tax credit for electricity generated by solar technologies for the first 10 years of the systems operation.

- Reduces federal income tax liability.
- Adjusted annually for inflation.

2.6 cents per kilo-watt per hour of electricity generation for projects that meet the prevailing wage and apprenticeship requirements.

- 0.5 cents per kilo-watt per hour of electricity generation for projects that do not meet the prevailing wage and apprenticeship requirements.

Domestic content bonus and energy community bonus available:

- 0.3 cents per kilo-watt per hour for projects that meet prevailing wage and apprenticeship requirements.
- 0.1 cent per kilo-watt per hour for projects that do not meet prevailing wage and apprenticeship requirements.

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Prevailing Wage & Apprenticeship

- Any laborers and mechanics employed in the construction of such facility and the alteration or repair of such facility, within 10 years of the facility originally placed in service, must be paid wages at rates not less than the prevailing rates for construction, alteration , or repair as most recently determined by the Secretary of Labor.

- During the construction of any qualified facility, the applicable percentage of total labor hours during construction, alteration, or repair must be performed by qualified apprentices.

  - Construction begins prior to January 1, 2023, 10%
  - Construction begins after December 31, 2022, and before January 1, 2024, 12.5%
  - Construction begins after December 31, 2023, 15%

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ESG is Happening Now

Sean McGrory
Shareholder

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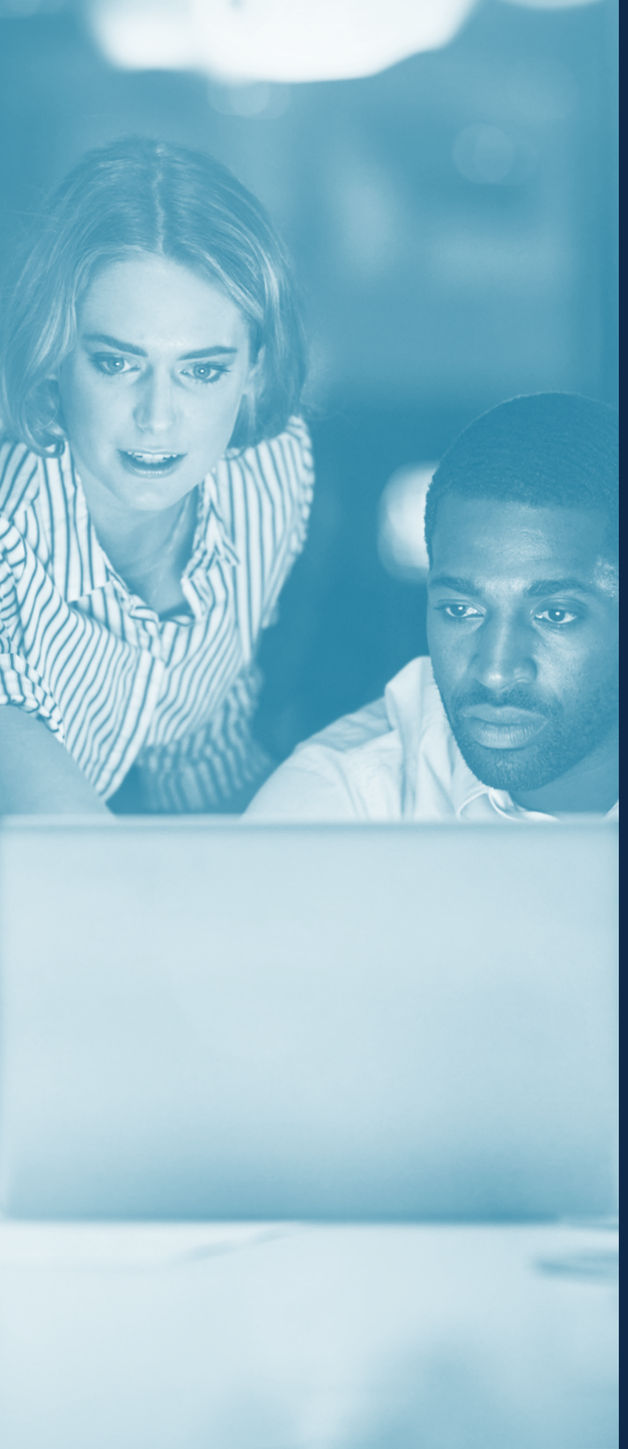

ESG Is Happening Now

WHAT IS ESG ....AND WHAT IT ISN'T

- ESG is a framework for evaluating and reporting on risks and opportunities across the three dimensions of Environmental, Social and Governance issues.
- The reporting attempts to measure some of the non-financial impacts on, and of the business.
- It is not a one-size-fits-all program, and it is not a one-and-done check-the-box activity.

RELEVANCE

- Companies can go down the path for one of two reasons:

1. What they want to do – the Stakeholder Capitalism model.
2. What they have to do – for customers, suppliers, employees and lenders.

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ESG Is Happening Now

CONTEXT

- Public companies are out front due to demands from the capital markets and the SEC.
- Examples: RFPs, Rating agencies
- “Network externalities” – Everyone else is doing it in your networks - e.g. supply chains, finance, labor, etc., and each needs data from the others. GHG Protocols, Scopes 1, 2 and 3 are examples.

RESOURCES

- Larry Fink’s 2022 letter to CEOs
- Alphabet soup of organizations and “standards setters”:

International Sustainability Standards Board (ISSB)
https://www.ifrs.org/groups/international-sustainability-standards-board/

International Accounting Standards Board (IASB)
https://www.ifrs.org/groups/international-accounting-standards-board/

Global Reporting Initiative (GRI)
https://www.globalreporting.org/

UN Global Compact
https://www.unglobalcompact.org/

Green House Gas (GHG) Protocol
https://ghgprotocol.org/

The Task Force on Climate-Related Financial Disclosures (TCFD)
https://www.fsb-tcfd.org/about/

Questions?

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Thank You!

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