Miller/Howard INVESTMENTS

How Can Miller/Howard Be an ESG Manager in the Energy Sector?

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Miller/Howard Investments

- **Miller/Howard's goal is to serve the interests of our clients and to work with energy and utility companies, pushing them to be better corporate citizens and sustainable businesses.**
- **Engagement moves industry to better practices, increased disclosure, and heightened transparency.**

Miller/Howard welcomes this conversation, buoyed by conviction and decades of experience in the engagement space. We focus on engagement, an effective mechanism of change through which we encourage companies to be better corporate citizens.

We speak from the perspective of realists who understand that, at such a critical time in our economy and world, we need all hands on deck.

We effect change now by engaging companies on difficult questions—moving the industry to better practices, increasing disclosure, and heightening transparency faster than regulators can. That happens with engagement.

Miller/Howard has learned that investor voices are powerful in dialogues with companies and in dialogues with regulators.

We ask companies to adhere to identified best practices, look at the long-term picture, utilize resources appropriately (including energy, water, and people), and be efficient and innovative. We work to foster working—not adversarial—relationships with company management, having found through experience and research that such an approach is best, even if the conversations can be difficult and the asks, tough.

Miller/Howard's goal is to serve the interests of our clients and to work with companies, pushing them to be better corporate citizens and sustainable businesses. We see it less as a question of "How can we be an ESG manager in the energy sector?" and more a question of "How can we not be?"

Miller/Howard's work intersects with the United Nations Sustainable Goals

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

MILLER/HOWARD'S EFFORTS WORK TO PROMOTE:

- ✓ Accountability and transparency to stakeholders (including investors and community members)
- ✓ Responsible, careful resource management

CAMPAIGNS

- ✓ Multi-year effort to increase pipeline integrity and company management of methane and GHG emissions
- ✓ Joined with other investors to support responsible public policy around methane

EXAMPLES OF SUCCESS

- ✓ A company began to report on its leak detection and repair processes.

Shareholder Advocacy & Engagements: Analysis Becomes Action in the Energy Sector

By means of letters, conversations, comparisons to peers, and submitting and/or supporting shareholder proposals, our work over the last year encompassed a variety of environmental, social, and governance issues.

RECENT ENGAGEMENTS

Highlighted Initiatives:

- More disclosure on **environmental management,** including policies, practices, and metrics
- Action supporting increased **board gender diversity** and improved governance
- Improved disclosure, management, and/or structure of **executive compensation plans**
- Other ESG issues, such as:
  - Disclosure of lobbying & political spending policies
  - Policy requiring an independent chairperson
  - Public support of reasonable methane regulations

Engaged Companies:

- AES
- Black Hills
- CenterPoint Energy
- CF Industries Holdings
- Cheniere Energy
- Concho Resources
- Continental Resources
- Devon Energy
- Dominion Energy
- Eaton Corporation
- EOG Resources
- ExxonMobil
- Kinder Morgan
- Marathon Petroleum
- National Fuel Gas
- Occidental Petroleum
- Oneok
- Pioneer Natural Resources
- PPL
- Tallgrass Energy

We also work as part of Climate Action 100+, "an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change."[i]

i Climate Action 100+ website

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