



Transitioning Companies Narrative Refinement & Exploration

ESG-ORIENTED FINANCIAL ELITES

In-depth Interview Findings

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Highlight this...

- **“Greening companies” over “transitioning companies”:** Saying “greening companies” quickly signals the sector we are focused on and the direction in which we are moving.
- **Transferable expertise and competitive advantage:** Yes, investors want to hear about how our long history in oil and gas applies to what we’ll do with new energy sources moving forward. But they are *more* interested in how we can leverage our knowledge, skills and expertise *right now* to have real impact. (i.e., some commented that our knowledge of offshore drilling could be used to make smart business decisions around offshore wind; others noted that oil majors are already better outfitted to embrace technologies like CCUS than bigger and riskier bets like solar.)
- **Small and major transformative efforts:** A single or discrete example of an investment in cleaner energy does not a greening company make. Sustained efforts and investments over time prove commitment. And clear benchmarking and reporting on goals, along with focused leadership and accountability are crucial to believing in change.
- **The business opportunity:** Investors are interested in their ROI and recognize that ESG ratings can impact the bottom line. Focus on the plan for driving green business outcomes without over emphasizing the moral implication of what a company “must” do.
- **The ‘so what?’:** The opportunities that greening companies offer are only important when directly tied to the outcome they can provide. Scale and reach is important, but only when coupled with examples of *how* we will leverage our size and expertise to achieve our goals. “Retention of attractive oil and gas returns” is meaningless without a clear connection to the impact on investing in cleaner energy sources.

Not this...

- **“Transitioning companies”:** This term immediately creates diverse takeaways, including assignment to multiple industries and various definitions (including some who connected the phrase to “gender transitions”). If using this term, always pair it with qualifiers about energy or climate change for clarity.
- **Net zero in a vacuum:** Investors are almost *too* familiar with the term “net zero.” Given the number of corporate commitments and goals related to achieving this (and key differences between “zero emissions” and balancing emissions created with emissions removed), the term means different things to different people. Instead of mentioning net zero on its own, explain what achieving net zero means *for bp* and how we will achieve it.



- **The role of customers, communities and consumers:** Some investors felt the mention of these other stakeholders, especially individual consumers, role in supporting greening companies unfairly pushed the burden of climate change away from the “Greening company.”
- **Moral implications:** Emphasizing that companies “must step up” felt exaggerated and insincere to investors who ultimately recognize that unless there’s a significant business reason to do so, companies won’t just “step up.”

Methodology

Purple Strategies conducted six (6) in-depth interviews among ESG-oriented financial elites between 28-31 January 2021. Findings are directional and not representative of the overall population. All respondents are currently active in the financial industry, have held or currently hold positions at one of the following investment firms, and represent over 47 combined years of experience in ESG-oriented investing.

Companies Represented (Current + Previous)	Positions Held
<ul style="list-style-type: none">• BNP Paribas SA• Caisse de dépôt et placement du Québec• Corex Resources Ltd.• ForgeGreen Bio, LLC• J.P. Morgan Chase & Co.• Legeis Capital, LLC• NovaPoint Capital, LLC• Pioneer Energy Services• Probe Holdings, Inc.• RBC Capital Markets• Rock Sustainable Strategies• Sheridan Capital Partners• Spinnaker Financial Advisors, LLC• Taussig Capital Ltd.	<ul style="list-style-type: none">• Board Member• CEO• Director• Founder• Managing Director• Managing Partner• Vice President