

Christol Bordovsky Interview

Length: 6:32

SPEAKERS

Christol Bordovsky, Ericka Kranitz

Ericka Kranitz 0:05

Hello, I'm Ericka Kranitz. I'm a professor at NC State. I'm director of the Risk and Analytics program. And I'm here today with Christol Bordovsky from Marathon Petroleum. Christol, why don't you tell us a little bit about yourself?

Christol Bordovsky 0:19

Thank you, Ericka, pleasure to be here. My name is Christol Bordovsky. I'm with Marathon Petroleum, and I am an ERM leader there.

Ericka Kranitz 0:27

Great. We're going to spend a few minutes just talking about managing risks to climate change developments. So let me start by talking about you know, everybody can appreciate there are growing interests in the marketplace surrounding climate change. And it's leading to a lot of challenges as well as opportunities for all types of organizations. So as the leader of ERM process at Marathon Petroleum, how are these developments intersecting with your ERM efforts?

Christol Bordovsky 0:56

You're exactly right. The climate change expectations are growing globally. And Marathon Petroleum, we're primarily based in the US but we do compete globally. And when I think about what does that mean, for our etrm process, there are a couple of intersections that come to mind. And one of those is as it relates to our risk community. At Marathon, we have a a group of risk leaders that support our overall errand program, part of that group includes members from our sustainability team and our climate reporting team. I'm fortunate that we have experts in these areas. And so we partner with them, along with other second line and along with other third line groups. And by having those experts part of that broader risk community, we make sure that as we evolve the risk process that their voices are heard. So it's really trying to understand the overall structure and all of the different risks that we face at Marathon. So that's one example there. And then another example I'd share when it comes to our ERM process is when you think about emerging risks, that's a big part of our ERM process. And I mentioned this risk community level, then that group also supports our very senior ERM Management Committee, where we also have experts in sustainability, climate reporting, so we're getting the involvement at the middle level, we're getting that involvement at the more senior level. And when you think about really trying to understand emerging risks, we're getting all of those voices together. So I would encourage other ERM, leaders, look at your internal processes, make sure you have some kind of voice from

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whether it's your ESG group or your sustainability group, and make sure they are part of your overall ERM effort.

Ericka Kranitz 3:11

Well, that's really interesting. And I think that that synergy of those different groups, as well as the support from the top is really critical. So let's talk about some of the challenges that you may see organizations trying to think about as they manage the marketplace expectations around climate change, as well as perhaps expectations for corporate disclosures.

Christol Bordovsky 3:35

I think, at Marathon we've, we've learned, we've had responsible business practices in place for years. Part of our opportunity is to really showcase that to a broader audience. So when you think about these broader stakeholders that are interested in ESG, and climate change, and Marathon produces two reports every year, we have a sustainability report. And we also have a climate report. And we've been producing that report for years ever since 2017. And then also when it comes to corporate disclosures, naturally, we're thinking about the forthcoming SEC climate disclosure. However, there there are other corners, where disclosures could come from. So sometimes state at the state level, they're pursuing disclosures. Internationally, there's other disclosures. So like I said, Marathon's primarily based in the US, but we really need to look globally and truly understand our disclosure filings across all of those avenues.

Ericka Kranitz 4:45

Well, and I think that's important for organizations to realize the alignment across all of those disclosures, because stakeholders will be looking at that. Yes. So finally, you know what climate change can be viewed as a risk, but there's also a lot of potential new avenues of opportunity. How are these shifting expectation viewed as potential strategic opportunities at Marathon Petroleum.

Christol Bordovsky 5:10

If you go to Marathon Petroleum website right now, you'll see the tagline, providing energy solutions. So we are not limiting ourselves to providing only oil and gas solutions. An example of an energy solution is we have converted two of our conventional refineries to renewable fuels facilities. We have one in North Dakota, we have one in Northern California. And these facilities are now producing renewable diesel. So in addition to what we're doing in the renewable space, we're also paying attention to our core business, in one area is looking at energy efficiencies. And in 2022, we were able to save over \$100 million because of the energy efficiency focus we've had. So by doing that, we're not only reducing our costs, but we're also reducing our emissions as well.

Ericka Kranitz 6:18

Well, that is wonderful. So I think this will be helpful for a lot of companies who are still trying to get their hands around this space as well as deal with some of the regulations. So Christol, thank you very much for your time and we appreciate your insights.

Christol Bordovsky 6:32

Appreciate being here. Thank you.