



THE ROLE OF EHS IN ESG

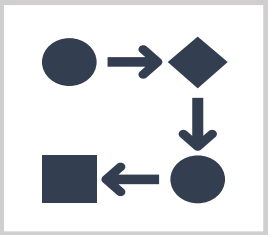
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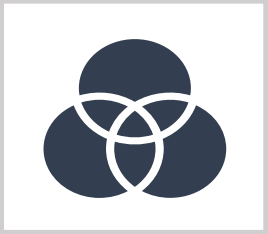
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ENVIRONMENTAL, HEALTH & SAFETY | ENVIRONMENTAL, SOCIAL & GOVERNANCE



What & Why



Who & How



Where & When

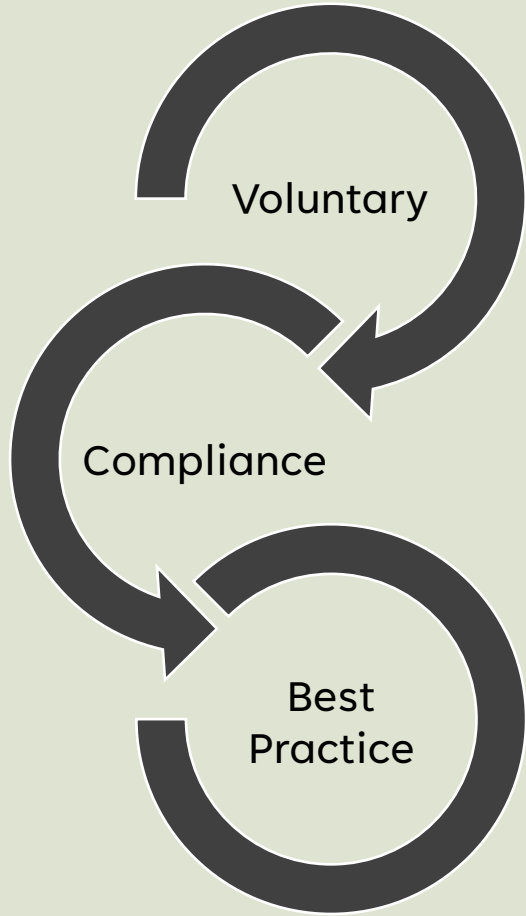


Lessons Learned & Help

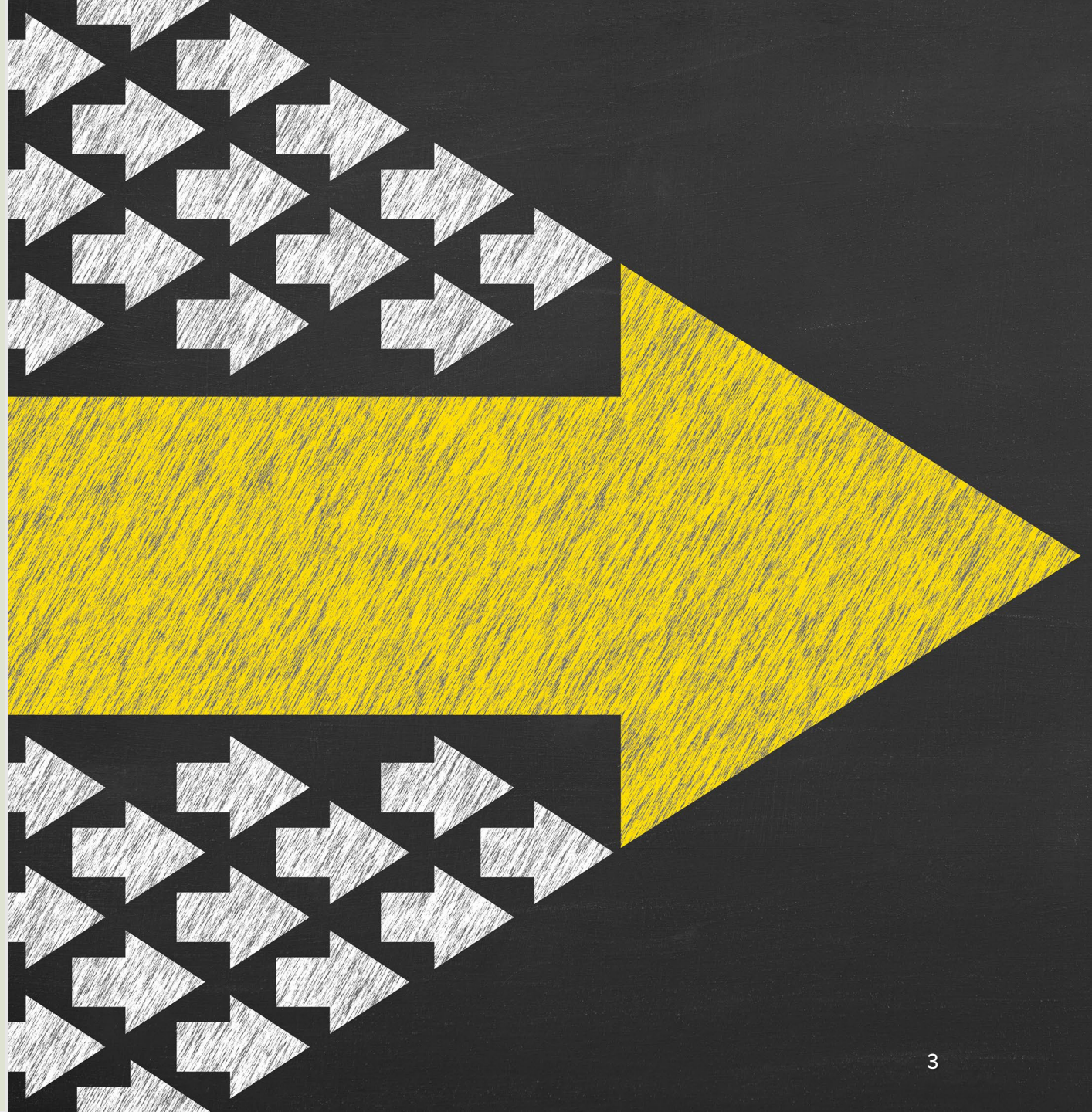


WHAT & WHY

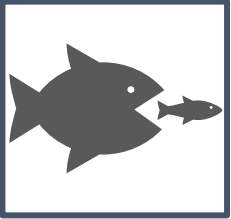
EHS



ESG



WHAT & WHY



Competitive Marketplace

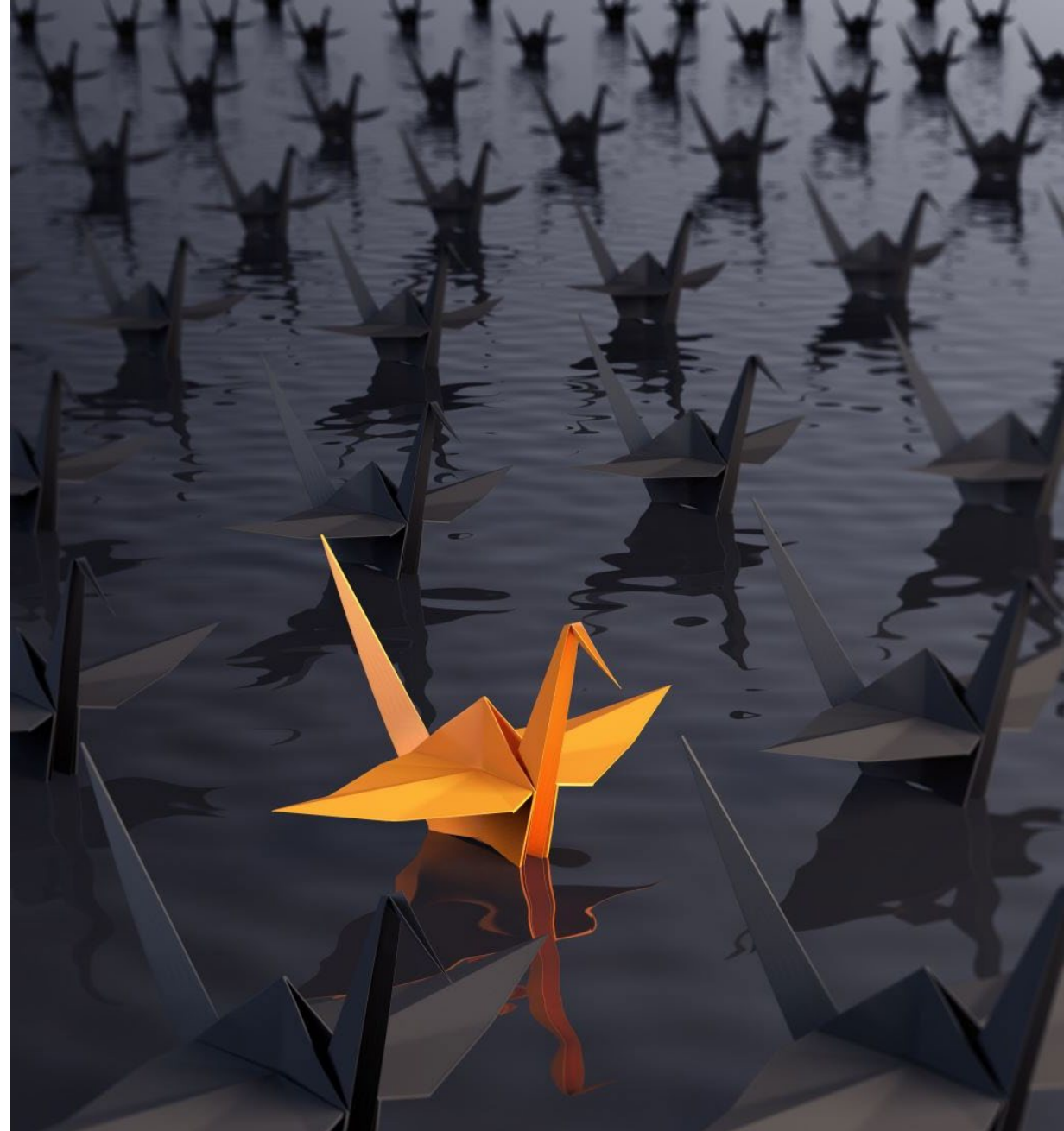


Stakeholder Interests

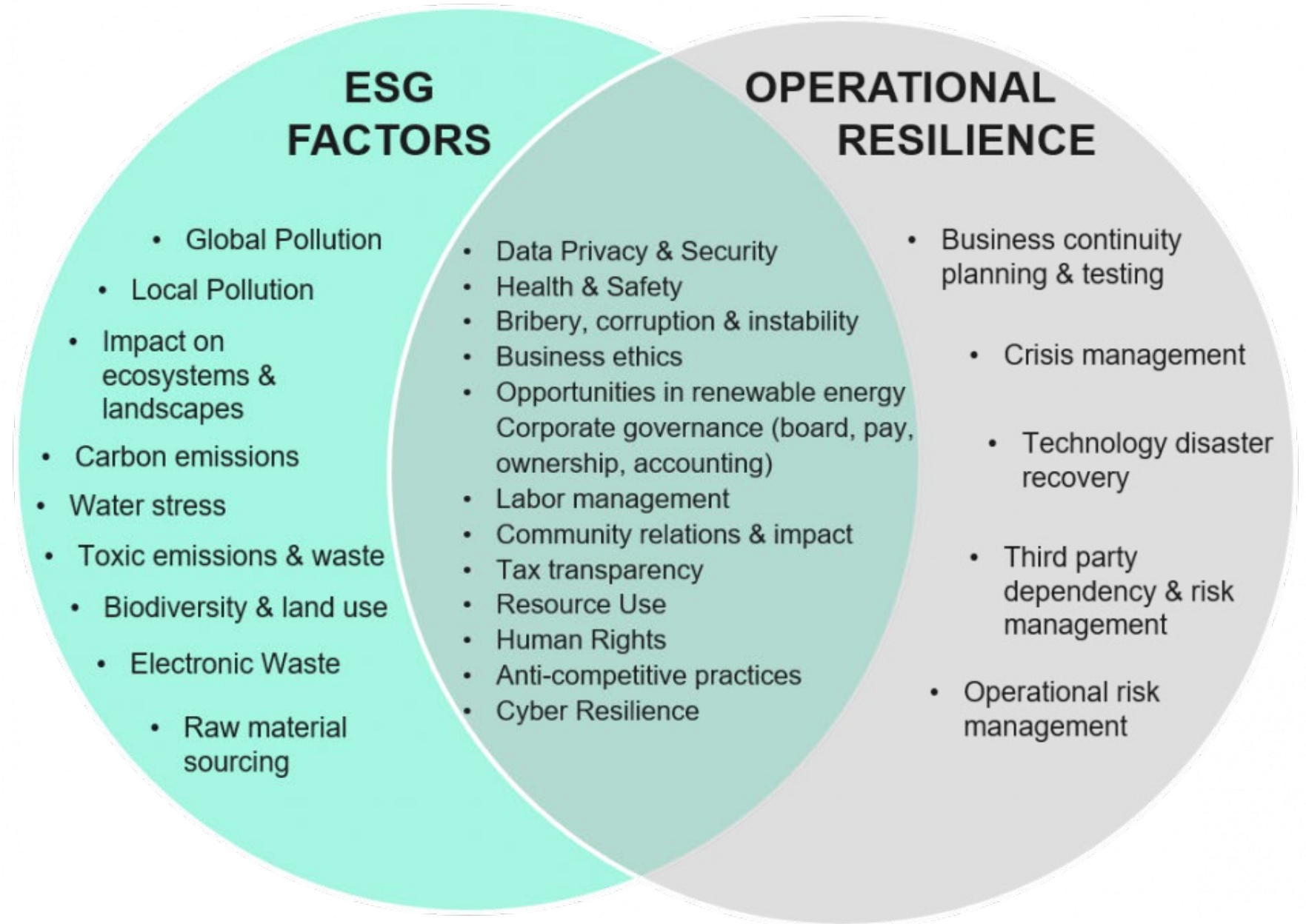


Sustaining & Successful
Business

44% of EHS Sr Exec. – EHS function would take full ownership of ESG over next two years*



WHAT & WHY



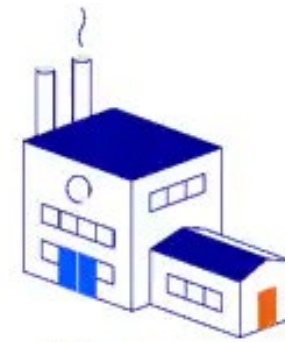


Climate

*Climate change
impact on company*



*Company impact on
climate change*



Company

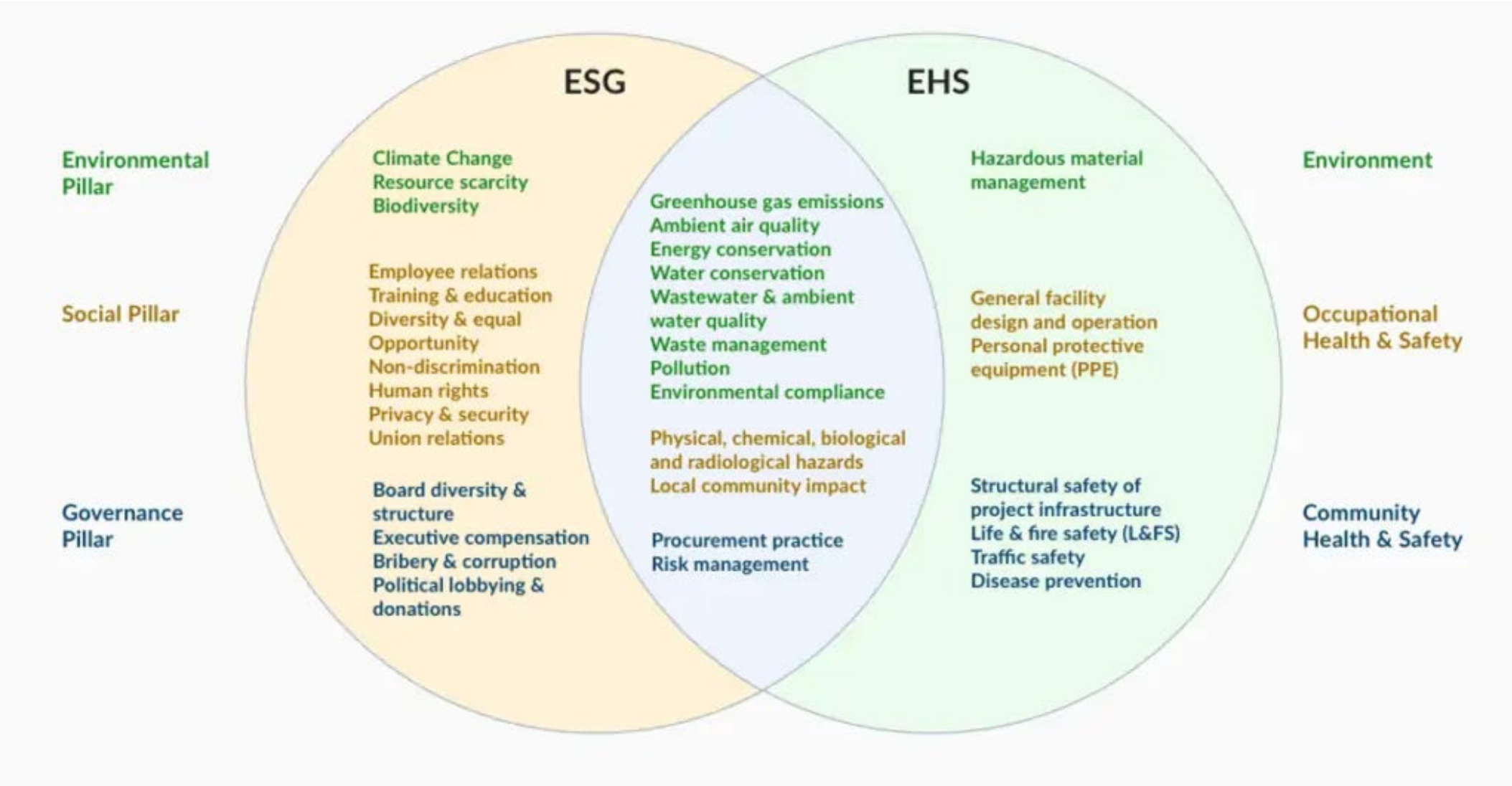
Environmental & Social Materiality

**Company impact on
climate can be
financially material**

WHAT & WHY

- **Financial materiality:** how climate impacts company
- **Environmental materiality:** how company impacts environment
- **Social materiality:** how company impacts people, communities, etc.

WHO & HOW: ESG & EHS



WHO & HOW: ESG & ISO

1 SYSTEM MANAGEMENT	2 STANDARDIZATION	3 INTEGRATION	4 ORGANIZATIONAL LEARNING	5 DEBUREAUCRATIZATION	6 CONTINUAL IMPROVEMENT
Engage management and leadership	Create controlled vocabulary and concepts	Integrate strategic, tactical and operational systems.	Engage staff in implementation and promote organizational learning	Eliminate duplication in documents, processes and procedures	Identify opportunities to reduce waste
Identify relationships between management systems	Standardize processes and documentation		Develop innovation and openness to change, multipliers and incentive systems	Reduce conflict between documents, processes and procedures	Exceed compliance
Identify and ensure human and financial resources	Develop internal communications and training	Conduct integrated audits	Establish information flow and seek expert technical advice if required	Standardize and simplify documentation	Integrate IMS with other systems or supply chain
Stakeholder consideration and buy-in		Develop training	Develop training	Merge documentation	

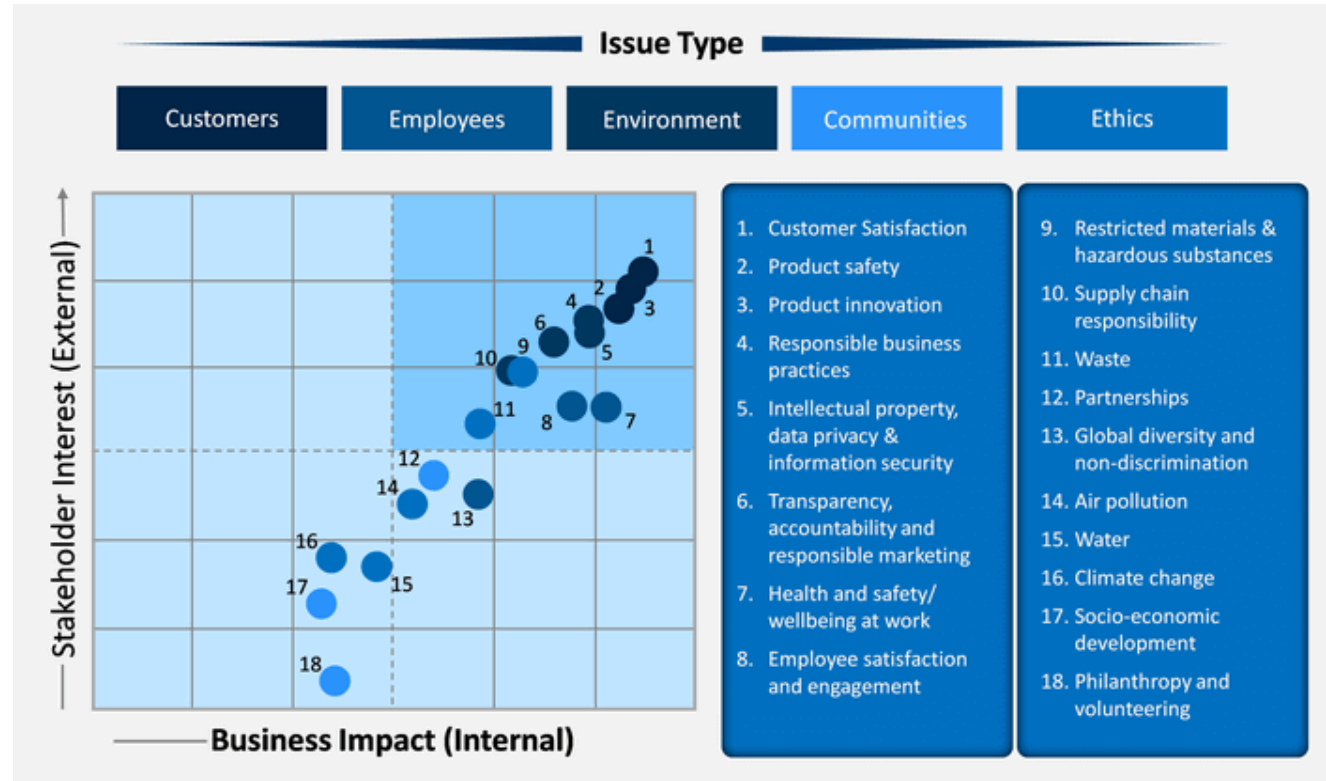
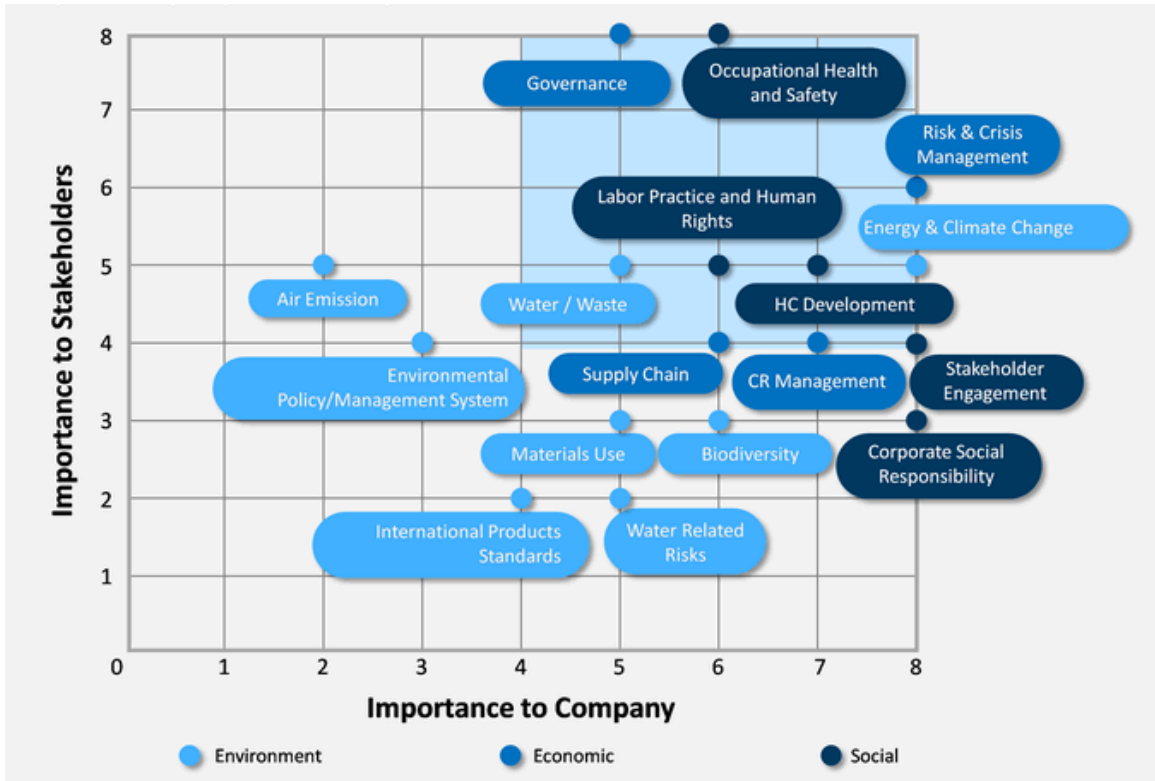
WHO & HOW: ACTION PLAN



WHO & HOW: TEAMWORK MAKES THE DREAMWORK



WHO & HOW: MATERIALITY ASSESSMENTS



WHO & HOW: TARGETS & METRICS

TARGET SETTING

- Specific
- Measurable
- Achievable
- Relevant
- Time-Bound

REDUCE & REUSE

Environmental Impact:

- Electricity
- Natural gas
- Fuels/chemicals
- Waste generation
- Wastewater discharge
- Air emissions
- Total GHG emissions

H&S Leading Indicators:

- IH studies
- Training completion
- Risk assessment completion
- Ergonomic assessment completion
- Corrective action completion

what are the scopes of carbon emissions?



scope 1

GREENHOUSE GAS EMISSIONS

Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles).

SOURCE: EPA.GOV

SCOPE 1
Direct Emissions from Reporting Company

scope 2

GREENHOUSE GAS EMISSIONS

Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling and are a result of the organization's energy use.

SOURCE: EPA.GOV

SCOPE 2
Indirect Emissions from Upstream Activities

scope 3

GREENHOUSE GAS EMISSIONS

Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

SOURCE: EPA.GOV

SCOPE 3
Indirect Emissions from

Upstream Activities
Purchased Goods & Services
Capital Goods
Fuel & Energy Related Activities
Transportation & Distribution
Waste Generated in Operations
Business Travel
Employee Commuting
Leased Assets
and...

Downstream Activities
Transportation & Distribution
Processing of Sold Products
Use of Sold Products
End-of-Life Treatment of Sold Products
Leased Assets
Franchises
Investments

WHO & HOW: PROGRESS CHECK



WHO, WHAT, WHEN, WHERE, WHY, HOW



WWW.GRESB.COM

Standard benchmarks of ESG performance of **real assets**.



WWW.CDP.NET

Formerly Carbon Disclosure Project. Manages global environmental disclosure system used by 8,400+ companies. Questionnaires: **climate change, forests, water security**.



WWW.UNPRI.ORG

United Nations Principles for Responsible Investment – encourage investors to implement **six sustainable investment principles**.



WWW.SASB.ORG

Track and communicate sustainability actions most financially-material to investors. SASB maintains 77 different **industry-specific standards**.

WHO, WHAT, WHEN, WHERE, WHY, HOW



WWW.GLOBALREPORTING.ORG

Three series – economic, environmental, social – of **34 topic-specific standards** to help companies report on material issues most important to investors & stakeholders.



WWW.FSB-TCFD.ORG

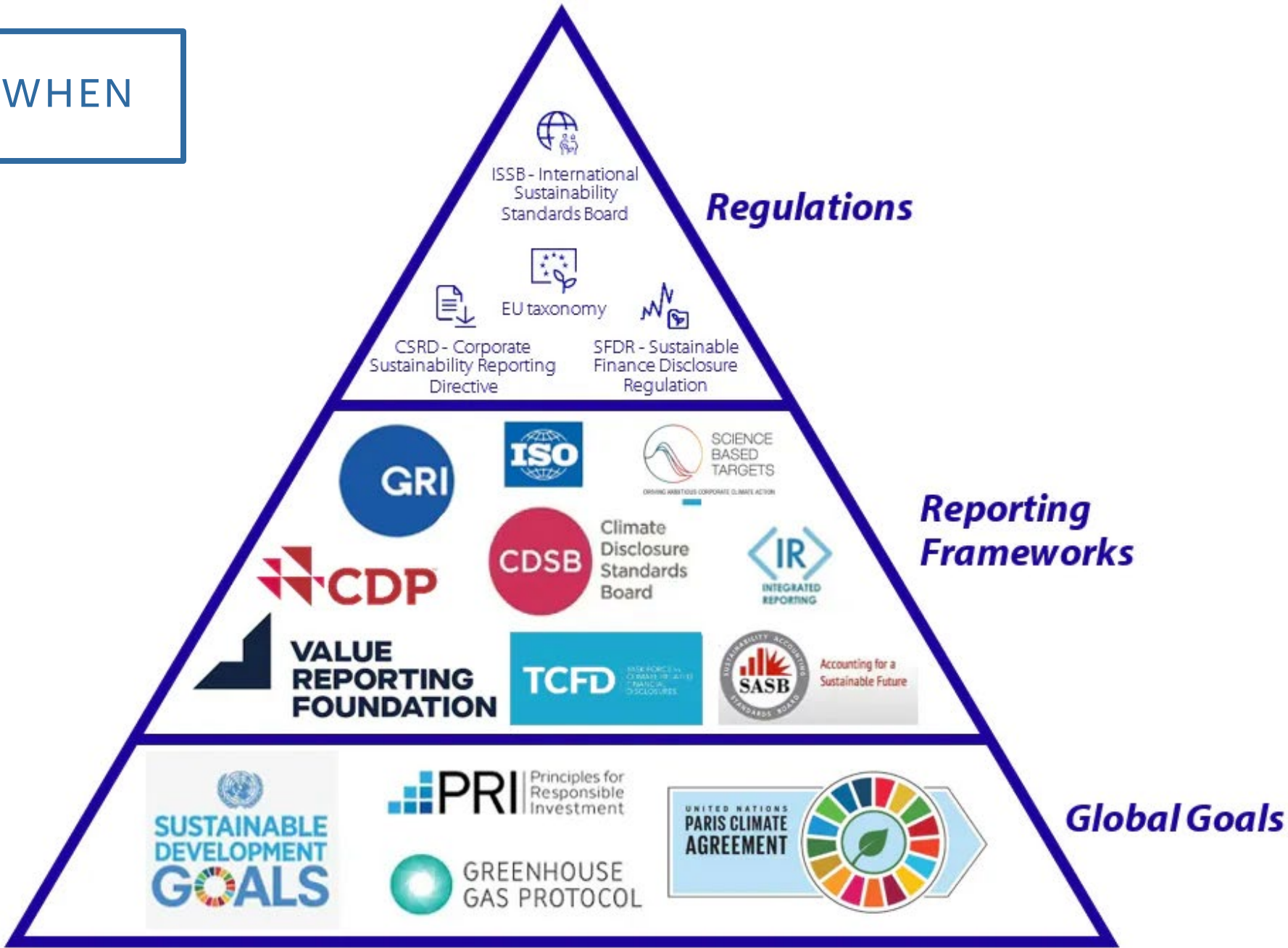
Guides companies on disclosing **climate-related financial risks** to investors, lenders, insurers, etc.



WWW.SPGLOBAL.COM/ESG/CSA

United Nations Principles for Responsible Investment – encourage investors to implement **six sustainable investment principles**.

WHERE & WHEN



LESSONS LEARNED

1. Leadership Commitment:

- ELT & Board buy-in
- Business impacts (RFPs, contracts)
- Forecasting regulatory requirements

2. Materiality Assessment:

- Siloed – not maintained
- Refresh w/ internal stakeholders & ERM

3. Set Goals & Targets:

- Establish GHG baseline (2019 – 2022)
- GHG Prioritization Matrix:
 - % GHG reduction
 - Cost
 - Timeline to implement
- Pending #6 commitments

4. Integrate:

- Pending #3
- Internal Stakeholder Mtgs

5. Establish Policies & Procedures:

- Data collection, calculation, validation
- Benchmark audit

6. Reporting & Transparency:

- Disclosure of Scope 1 & 2 emissions
- ESG annual report
- Pending #1 & #8

7. Engage Stakeholders:

- Meet them where they are – cost reduction, process optimization
- Building business cases & ROIs

8. Invest in ESG Capabilities:

- SaaS – streamline #5, improve accuracy, collaborative reporting platforms
- Personnel – communications, engineering

9. Foster Culture:

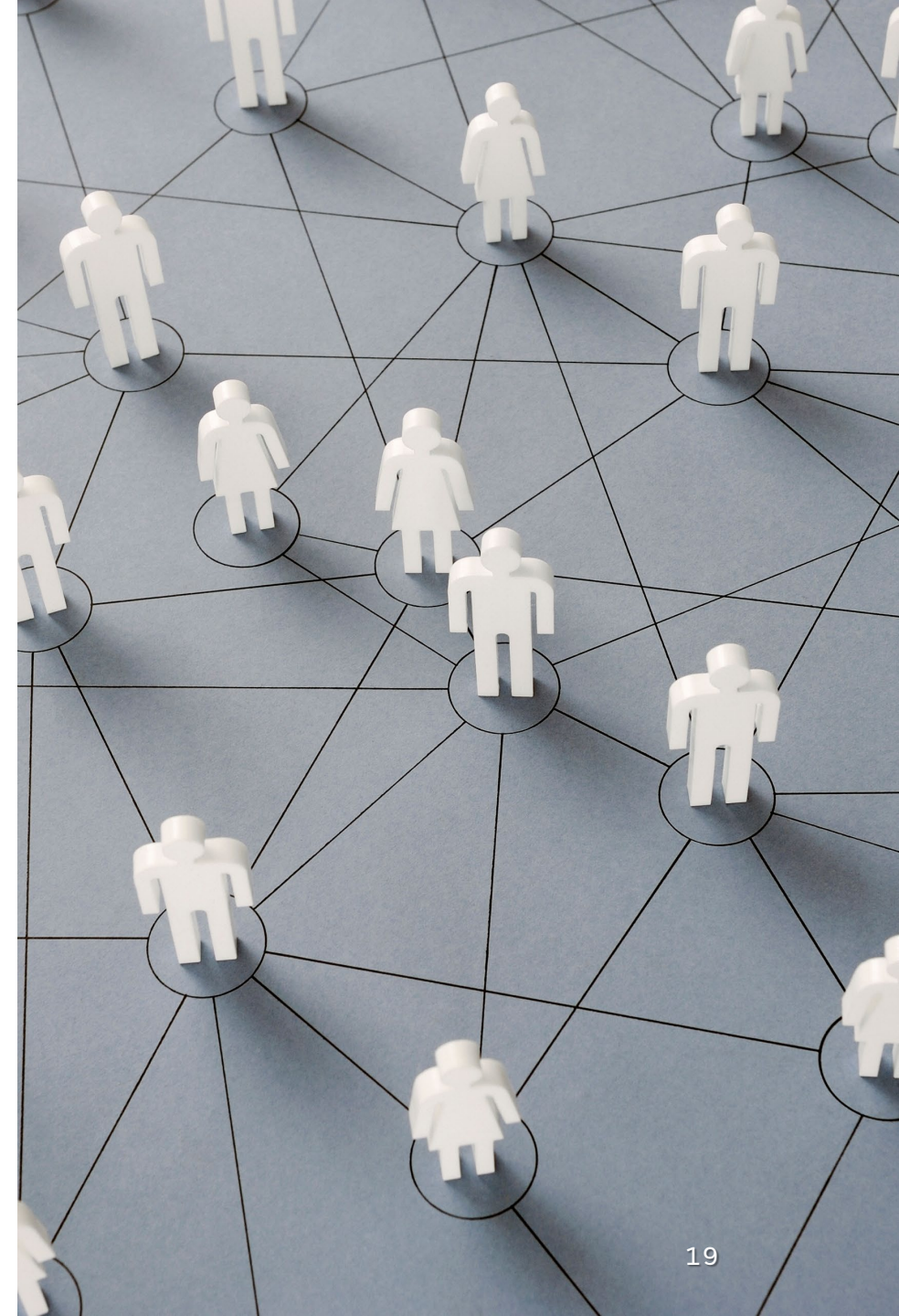
- Green Teams & Green Your Routine
- SharePoint

10. Continuously Improve:

- DAILY

HELP

World Business Council for Sustainable Development	WBCSD Implementation Guidance ISSB Standards and ESRS - World Business Council for Sustainable Development (WBCSD)
Nossa Capital (Nossa Data, via Medium.com)	What is the process for creating ESG data? by Nossa Capital Nossa Data Medium
Safety Stratus	The Advantage of ESG for EHS Professionals SafetyStratus
SIA Partners	The Intersection of Operational Resiliency and ESG Scores (sia-partners.com)
Verdantix	Global Corporate Survey 2022: EHS Budgets, Priorities And Tech Preferences (verdantix.com)
VelocityEHS	EHS to ESG: Starting the Journey VelocityEHS
Watchwire	An Update on the SEC Climate Disclosure Guidelines (watchwire.ai)
Conservice ESG	ESG reporting matrix: Understanding the alphabet soup of ESG (conservice.com)
SketchBubble	PowerPoint Templates, Graphics and Themes - PPT Slides SketchBubble
QSM Group	Integrated Management System Development and Implementation Guide (qsmgroup.com.au)
Crowe	5 steps to create a cross-functional ESG team Crowe LLP
Rabobank	An Introduction to the Sustainability Reporting Landscape - Rabobank
US EPA	GHG Inventory Development Process and Guidance US EPA
Green Worldwide	What are Scope 1, 2 and 3 Carbon Emissions? (greenworldwide.com)



THANK YOU

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