Environmental, Social and Governance (ESG) Data Management.

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▶ Thomas More College, NKY

▶ 32 years in EHS

▶ Broad experience in EHS Management Systems, safety training, risk management, industrial hygiene, environmental compliance, permitting, remediation, inspections and auditing, and sustainability.

▶ Worked 15 years in Cincinnati in consulting prior to joining the building materials manufacturing industry.

▶ Have served various roles serving various industries with EHS compliance and continuous improvement. Currently supporting manufacturing plants across North America.

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Presenters: Meghan Foley, Principal Consultant

Meghan Foley
Principal Consultant

Mobile: 248-672-5670
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▶ B.S. / M.S. Civil Engineering – University of Toledo

▶ 15 Years in Environmental Consulting

▶ Experience with broad variety of industries including manufacturing (automotive/aerospace, forgeries and foundries, other heavy industrial, and light industrial), chemical, refining, natural gas, power, pharmaceutical, etc.

▶ ESG-Related Experience:
- Life Cycle Analysis
- Corporate and external sustainability reporting
- Digitizing Sustainability Reporting
- Annual reporting data collection and validation
- GHG Calculations
- Life Cycle Analysis

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Agenda

1. **ESG Overview, Drivers, Frameworks**
   Targets and Scope 3 emissions
2. **Poll**
3. **Connection to Traditional EHS**
4. **Data Management Challenges and Solutions**
5. **Steps to Digitizing ESG**
6. **Best Practices and Lessons Learned**

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Audience Poll

How many have more than 10 people working on sustainability .

Vs whose corporation rather delegates and spreads the ESG workload to existing staff.

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Trinity Services Overview

Trinity Consultants

Started in 1974 by **one consultant** in Dallas, Texas serving clients' **air quality** regulatory compliance needs.

Today, we are **nearly 1,000 employees** in more than **70 locations** on **four continents.**

We help organizations overcome complex, mission-critical **EHS, engineering, and science** challenges through **consulting, technology, training, and staffing** support.

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Trinity Consultants International Presence

North America

Europe
England, UK | Dublin, IE

Victoria
Saskatoon
Seattle
Portland
Boise

Minneapolis
Georgetown
Boston
Milwaukee
Guelph
Toronto
Albany
Ann Arbor
Cleveland
New York City
Cheyenne
West Des Moines
Chicago
Pittsburgh
Princeton
Burlington
Columbus
Philadelphia
Salt Lake City
Washington, D.C.
Sacramento
Kansas City
Indianapolis
Charlottesville
Oakland
San Ramon
Denver
Covington
Mountain View
St. Louis
Roanoke

Bakersfield
Tulsa
Raleigh
Ventura
Charlotte
Irvine
Albuquerque
Borger
Little Rock
Amarillo
Oklahoma City
Phoenix
Birmingham
Atlanta
Jackson
DALLAS
Lake Charles
Baton Rouge
Orlando
Austin
New Orleans
Houston
Corpus Christi

Dublin
Liverpool
London
Hampshire

Asia
China | Singapore

Beijing
Hangzhou
Guangzhou
Hainan
Singapore

Australia
Queensland | New South Wales

Gladstone
Brisbane
Sydney

Legend
- EHS Consulting
- SafeBridge Regulatory Life Sciences Group
- Minnow Aquatic Environmental Services
- Ecological Assessment Services
- Advent Engineering Life Science Solutions
- Provenance Process Safety Management Services
- Vision Environmental
- WorkingBuildings
- AWN Consulting
- Sespe Consulting

Environmental Health & Safety Consulting Services

AIR QUALITY
Air quality permitting and compliance support with federal and state/local regulatory requirements.

CLIMATE CHANGE & SUSTAINABILITY
Comprehensive climate change and sustainability program support to companies across many industries.

EHS MANAGEMENT
Trinity's EHS Performance & Risk Management team assists in addressing EHS challenges from various perspectives - strategic planning, program evaluation, and systems development.

WASTE MANAGEMENT
Provides regulatory waste management support for industrial facilities.

CHEMICAL COMPLIANCE
Compliance support for chemical-related compliance and reporting requirements.

EHS LITIGATION SUPPORT
Provides technical support and expert testimony for legal issues regarding air quality, noise impact, industrial air quality and weather-related litigation.

HEALTH AND SAFETY
Support with OSHA, EPA, and local/state agencies regulations that protect the health and safety of workers and surrounding communities.

WATER QUALITY
Water quality permitting, compliance, and sampling.

Trinity's Climate & Sustainability Services

▶ **Enterprise Climate and Sustainability Strategy Development**

- Evaluating conformance with established reporting and disclosure frameworks
- Benchmarking corporate ESG performance and disclosure
- Developing sustainability and / or climate change policy, strategy, programs, and implementation plans
- Establishing key performance indicators, targets, and goals

▶ **Program Implementation & Management**

- GHG Emissions & Carbon Reduction Management
- Non-GHG Air Quality Management
- Energy Management
- Water & Wastewater Management
- Waste & Hazardous Materials Management
- Life Cycle Analysis (LCA) and Product Carbon Footprint

▶ **Disclosure & Reporting Services**

- Data Compilation for Various Disclosure Frameworks
- CDP Verification & Disclosure
- California 3rd-Party GHG Verification
- Internal Stakeholder Reporting Support

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Benefits of the Trinity Relationship

Decades of Air Quality
Established reputation for excellence in providing air quality and environmental management services for clients across a broad range of industrial sectors nationwide.

GHG Emission and Mitigation Expertise
In-depth understanding of GHG emission sources and calculation methodologies in broad range of manufacturing industries, including roofing manufacturing.

Strategic Approach
Subject matter experts with experience in developing climate strategies with prioritization of company goals and business objectives to ensure client satisfaction.

Regulatory Expertise
Expertise in staying abreast of and understanding the implications of emerging regulations and policies that impact our clients at the national and local/state level.

Technical Expertise
Demonstrated capabilities to perform engineering analyses to assess technical and economic feasibility of control/reduction options for emissions sources.

ESG Overview and Drivers

What is Environmental Social Governance (ESG)?
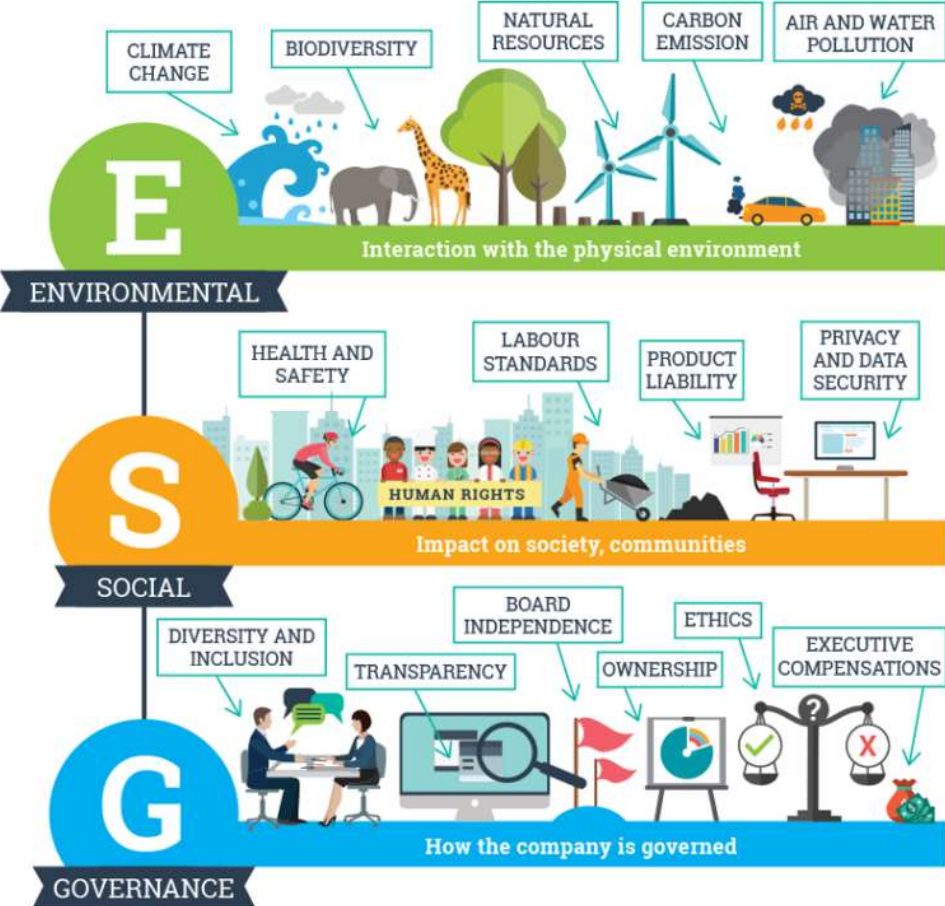
What kind of impact is your company having on the environment?

What kind of relationships does your company have with the people in its ecosystem?

How does the board of directors run the company?

Reference: The Impacter.

Drivers for ESG Reporting

Regulators

Pending SEC Requirements

Evolving Federal Climate Policy/Legislation

State Climate Regulation

ESG Reporting Drivers

Investors

Sustainable Investment

Risk/Opportunity Assessment and Climate Strategy

Customers

Commitments to drive value chain reduction

(e.g., supplier requirements)

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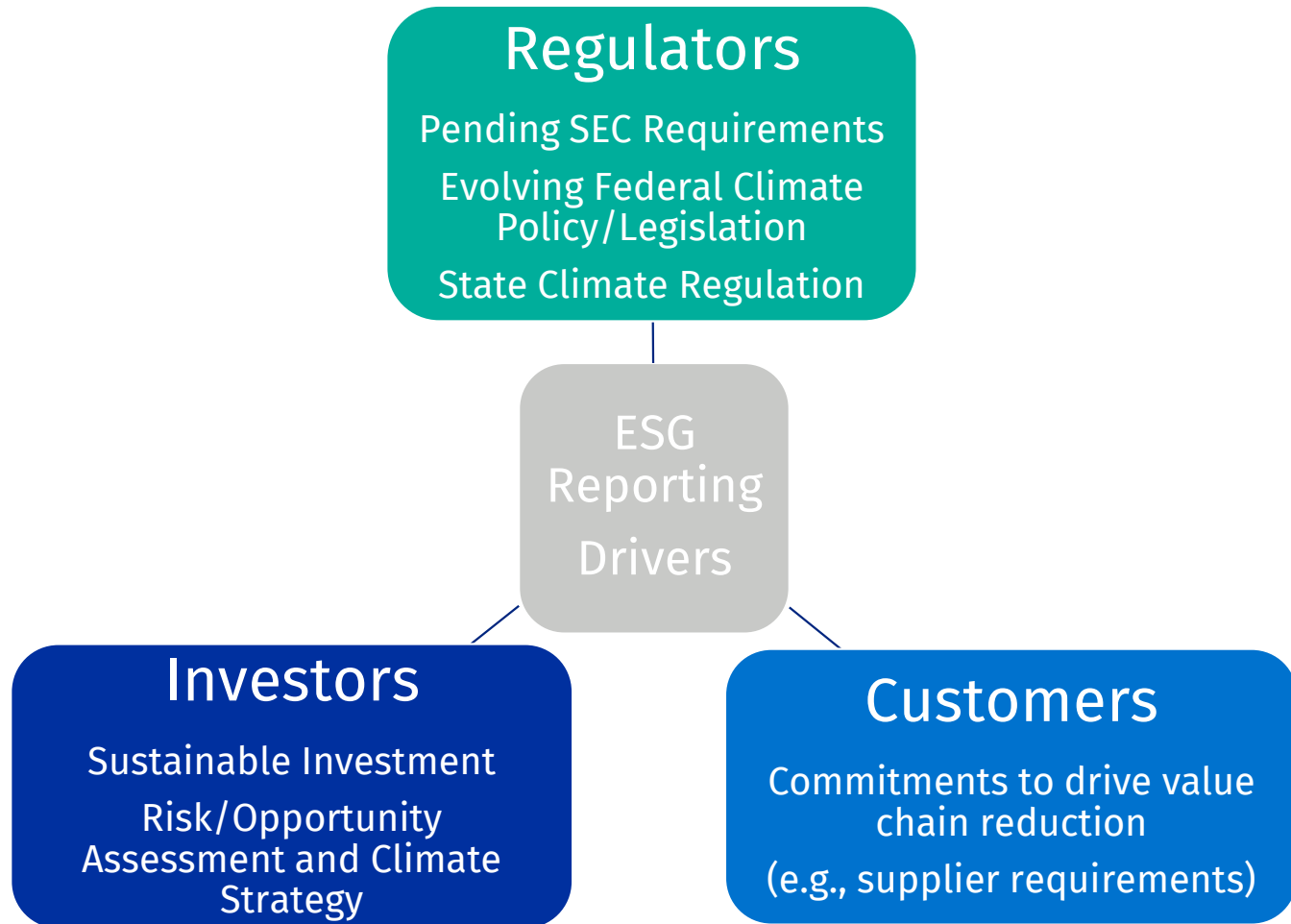
Customer Drivers Example: Ford Motor Company

Our Sustainability Aspirations

We are working to revolutionize mobility, fueled by new challenges and the
desire to help build a better world for everyone.

Climate Change
Achieve carbon
neutrality by 2050

Air
Attain zero emissions
from our vehicles
and facilities

Energy
Use 100 percent local,
renewable electricity
in all manufacturing
by 2035

Waste
Reach true zero waste
to landfill across
our operations

Eliminate single-use
plastics from our
operations by 2030

Water
Make zero water
withdrawals
for manufacturing
processes

Use freshwater only for
human consumption

Materials
Utilize only recycled or
renewable content in
vehicle plastics

Safety
Work toward a future
that is free from
vehicle crashes and
workplace injuries

Human Rights
Source only raw
materials that are
responsibly produced

**Diversity, Equity
and Inclusion**
Create a truly diverse
culture where everyone
feels like they belong

Access
Drive human progress
by providing mobility
and accessibility for all

Impacts to Ford's Value Chain

► Ford's *Supplier Code of Conduct* requires suppliers to:

► Protect and Respect Human Rights

► *Protect the Environment*

► Responsibly Source Materials

► Maintain Responsible Business Practices

Supplier Code of Conduct
For Third Parties Supporting Ford Motor Company

OUR SUPPLIERS:

Comply with or exceed Ford's environmental requirements and policies, including all relevant national, regional, environmental, and chemical legislation. All Tier 1 manufacturing, assembly, and Ford Customer Service Division suppliers must:

• Maintain an environmental management system certified to ISO 14001 through an accredited third-party registrar.

Minimize their impact on climate change aligned with the United Nations Framework Convention on Climate Change (Paris Climate Agreement), striving towards carbon neutrality. Our suppliers are required to:

• Report their Scope 1, 2, and 3 emissions and water usage data to Ford if requested.

• Establish science-based GHG reduction targets, action plans, and transparent reporting mechanisms.

What's New...and what is not.

- Data collected/Metrics are similar today

- Increased focus, attention, and sometimes funding

- Look for more rigorous data validation and verification
  - Last year trends – this year specific site data
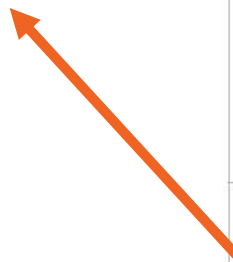 - Benchmarking
  - Ratios

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Audience Poll
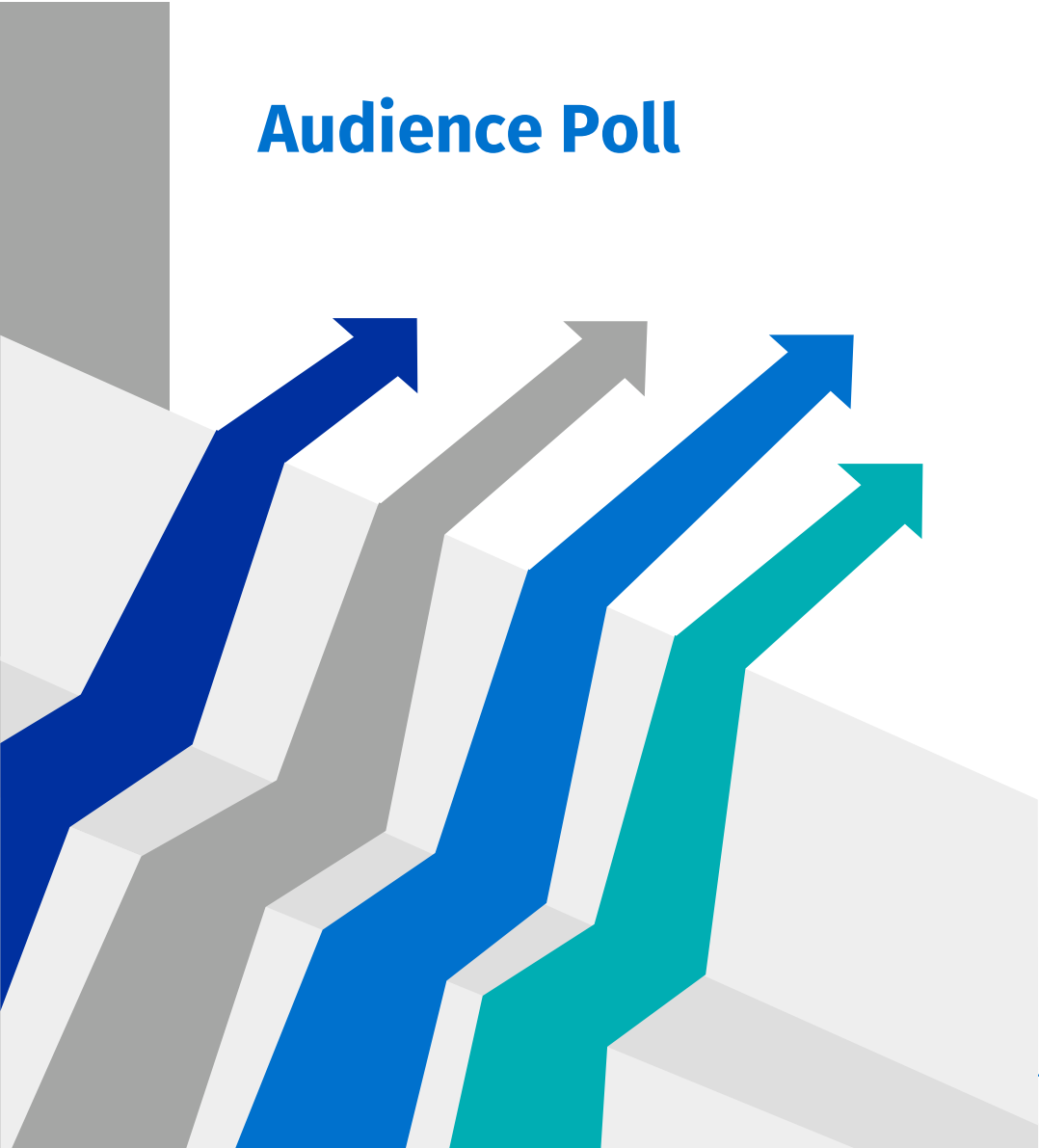
How many are familiar with ESG

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ESG Reporting Framework and Metrics

ESG Ratings, Frameworks, & More

Frameworks
GRI
CDP
SASB
TCFD
WDI
Climate Disclosure Standards Board (CDSB)
UN Principles for Responsible Investment (PRI)
UN Sustainable Development Goals (SDG)

ESG rating	A scored or graded evaluation of a company based on an assessment of its performance on ESG issues.
ESG index	A group of stocks tracked by ESG performance, used to research investments and create ETFs and other investment products.
ESG benchmark	An assessment of an organisation's ESG performance as compared to its peers and/or competitors, usually accompanied by recommendations for improving performance.
ESG ranking	A list of companies ordered or grouped based on relative ESG performance according to specified ESG metrics.
ESG framework	Standards used to guide the reporting and disclosure of ESG metrics by an organisation. Frameworks are created and maintained by various nonprofits, NGOs, and industry groups.

Reference: https://www.rio.ai/guide-esg-ratings; https://www.forbes.com/sites/betsyatkins/2020/06/08/demystifying-esgits-history--current-status/?sh=b58d3f42cdd3; https://corpgov.law.harvard.edu/2020/06/22/the-rise-of-standardized-esg-disclosure-frameworks-in-the-united-states/.

Overview of Scopes

| Emissions type	Scope	Definition	Examples
Direct emissions	Scope 1	Emissions from operations that are owned or controlled by the reporting company	Emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment
Indirect emissions	Scope 2	Emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company	Use of purchased electricity, steam, heating, or cooling
	Scope 3	All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions	Production of purchased products, transportation of purchased products, or use of sold products

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Saint-Gobain Targets

2025 Targets

2030 Targets
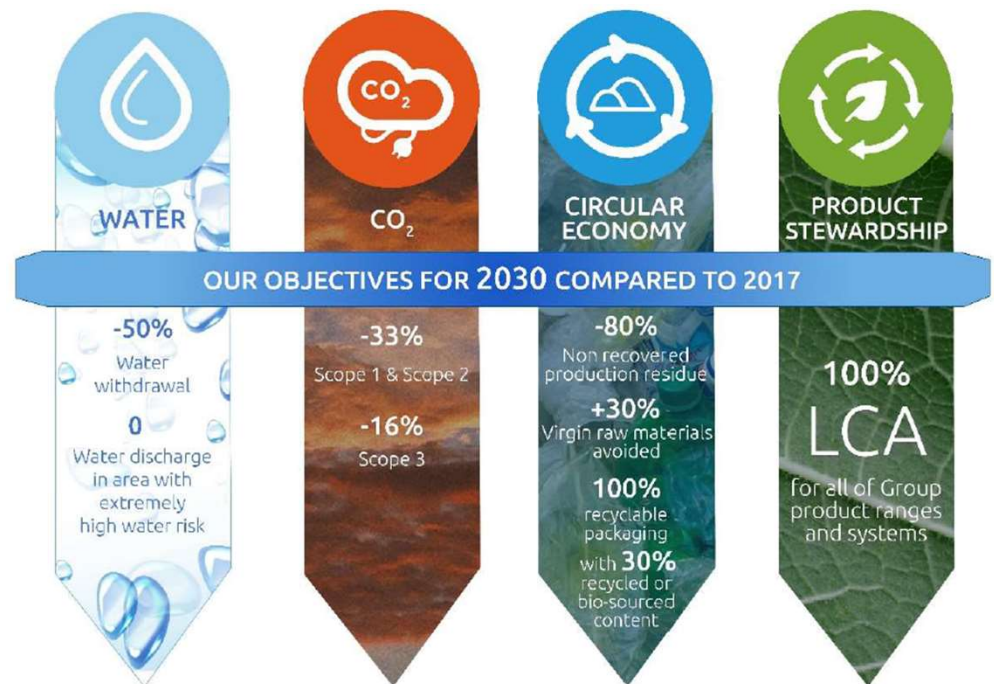
Example Carbon Neutral Targets

Amazon
- Net Zero Carbon by 2040
- 100% Renewable Energy by 2025
- 50% Shipment Zero by 2030

WalMart
- SBT – Reduction of 18% by 2025
- Zero Emissions by 2040 (without offsets)

AT & T
- Reduce absolute Scope 1 & Scope 2 GHG 26% by 2030
- Ensure 50% of suppliers set SBTs on Scope 1 & 2 by 2024
- Carbon Neutrality by 2035

Ford Motor Co.
- Reduce CO_2 from manufacturing by 30% per vehicle produced by 2025
- Carbon Neutrality by 2050

Boeing
- Carbon Neutral Growth from 2020
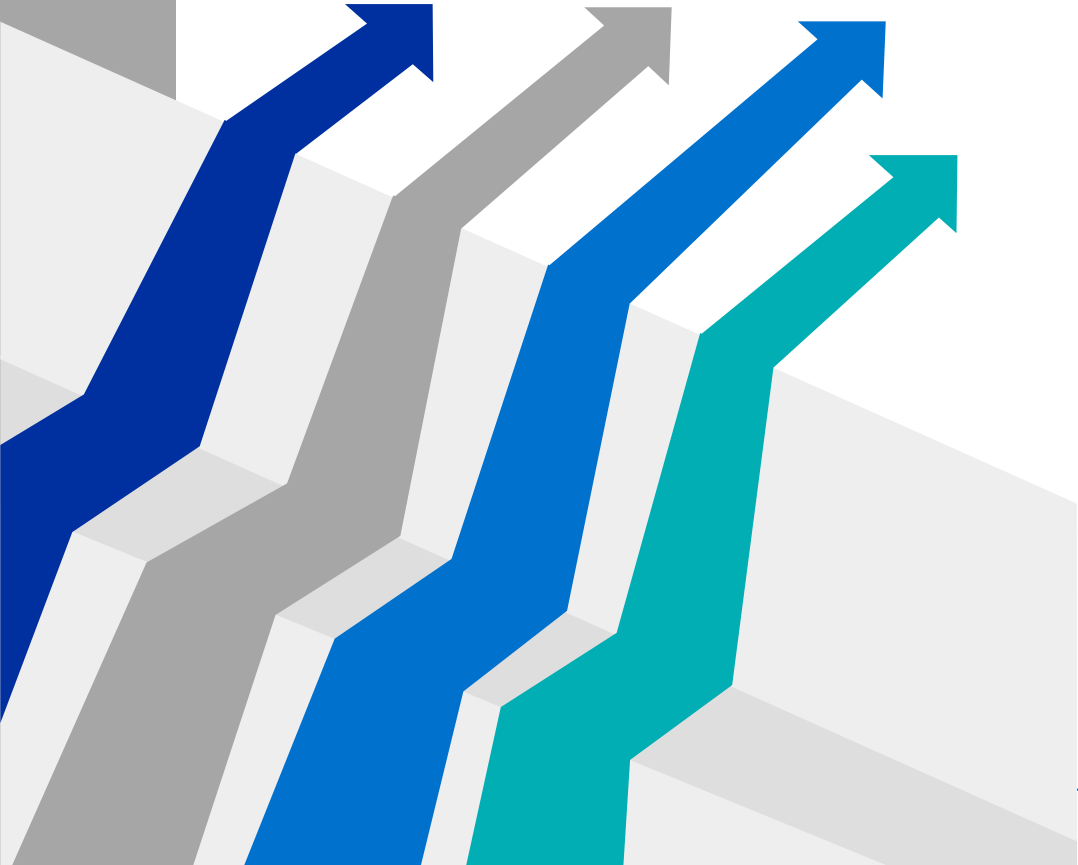- Reduce carbon emissions 50% over 2005 levels by 2050

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What does this mean for data collection and Management?

- Volume, Velocity, Variability

- Multiple calculation methods

- Data Validation / Verification Evidence

- Internal leaders interested in managing progress against targets

Audience Poll

How many have CSR officers their company

Data Management

Data Collection Challenges

- Who has the answers and what sources do we trust.
  - Electricity/Energy, Waste, Water usage etc.
- Definitions
- Units of measure
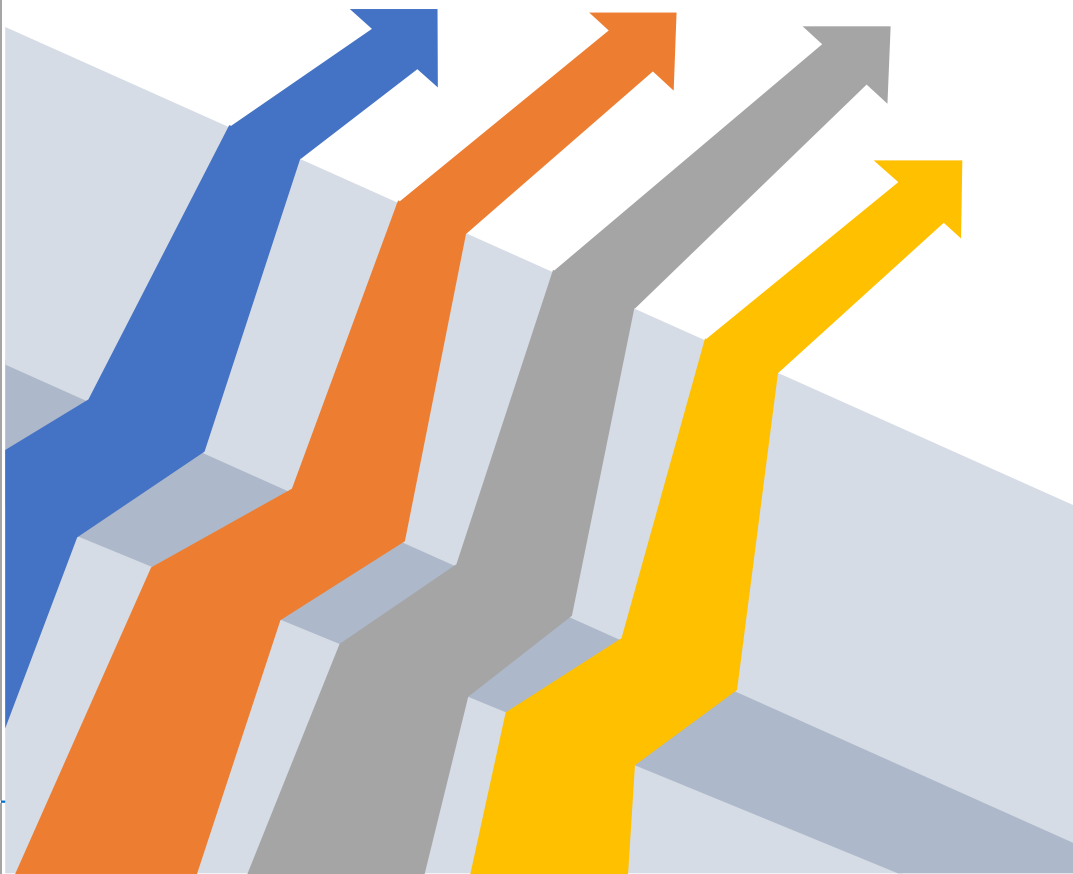- Data Management
- Emissions Factors
- Frequency of data

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What has Saint-Gobain Done Historically?

- Case Study on Need for Data Management
  - Lafarge
    - Enterprise-wide System, custom database
  - Continental Building Products
    - Quickbase program (Intuit) programmed to be a homegrown system for data collection and aggregation
    - Benchmark
  - Saint Gobain
    - Enterprise-wide Systems (Enablon, Benchmark)
      - Centralized system for collecting ESG data.
      - Manages ESG calculations there
      - Conversation etc. done by the Sustainability report.

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Data Management Solutions and Best Practices

- Data Management system with built in Conversions.
- Defined emissions factors
- Reference tools with training
- Site Specific Procedure
- Benchmarking ratios

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How Digital Tools Help Manage Sustainability Programs

DATA QUALITY ASSURANCE CHECKS
Automated quality checks of data to flag anomalies and address issues proactively

AUTOMATE DATA COLLECTION
Integrations and automated data pulls/pushes from existing systems eliminates duplicative data collection efforts and reduces risk of errors

DATA ANALYTICS
Advanced data analytics to provide meaningful and real-time insights into progress towards ESG related targets and goals

STANDARIZATION
Best practices for implementing digital tools encourages standardization which ultimately reduces organizational risk

VERIFICATION
Digital tools support standardization of data and ability to more easily verify data and audit ESG programs
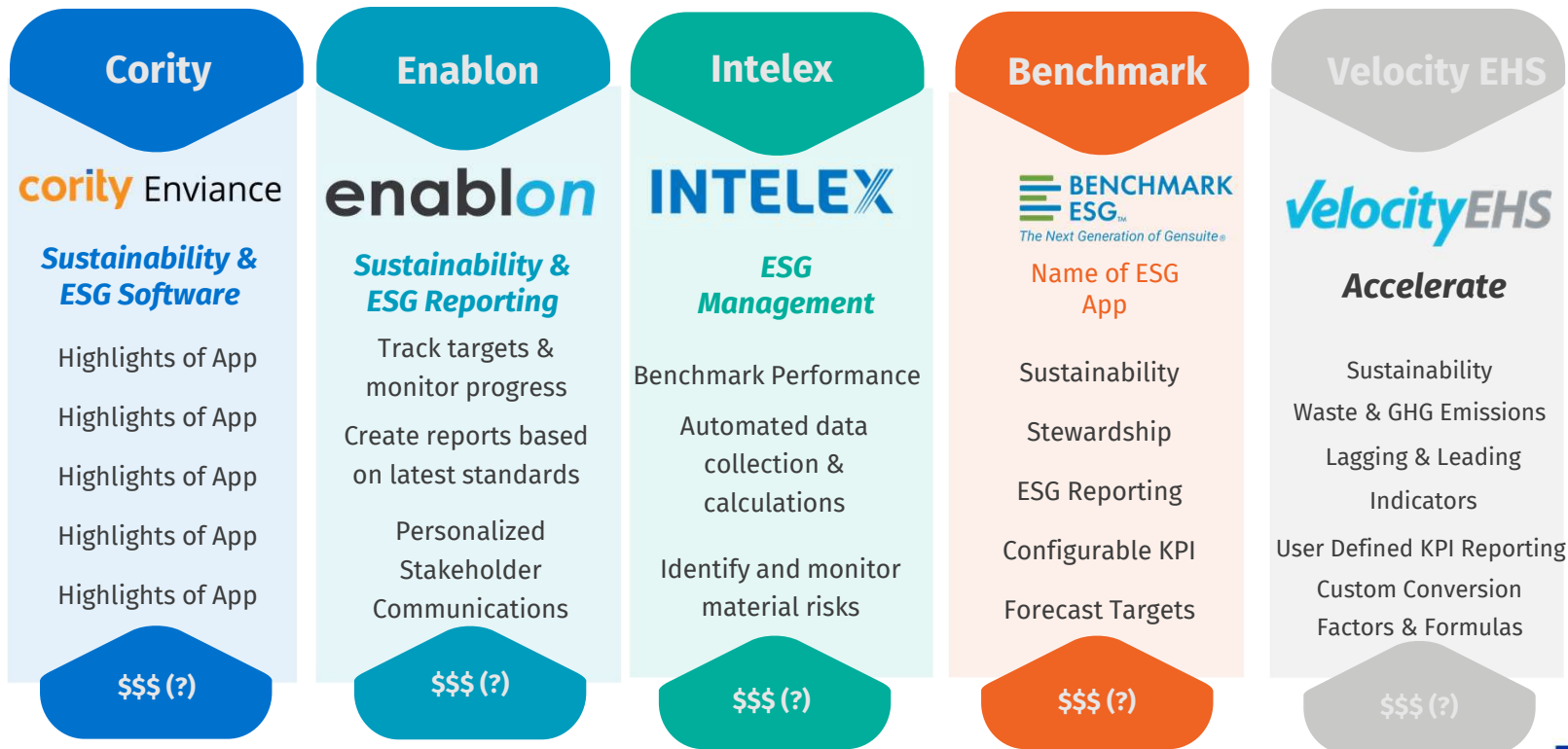
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Software Partnerships

Notable Mention

Tennaxia — *Providing sustainable performance*
ACCUVIO
enVIzI
Microsoft 365
WeSustain

Cority

cority Enviance

Sustainability & ESG Software

Highlights of App

Highlights of App

Highlights of App

Highlights of App

Highlights of App

$$$ (?)

Enablon

enablon

Sustainability & ESG Reporting

Track targets & monitor progress

Create reports based on latest standards

Personalized Stakeholder Communications

$$$ (?)

Intelex

INTELEX

ESG Management

Benchmark Performance

Automated data collection & calculations

Identify and monitor material risks

$$$ (?)

Benchmark

BENCHMARK ESG
The Next Generation of Gensuite®

Name of ESG App

Sustainability

Stewardship

ESG Reporting

Configurable KPI

Forecast Targets

$$$ (?)

Velocity EHS

VelocityEHS

Accelerate

Sustainability

Waste & GHG Emissions

Lagging & Leading Indicators

User Defined KPI Reporting

Custom Conversion Factors & Formulas

$$$ (?)
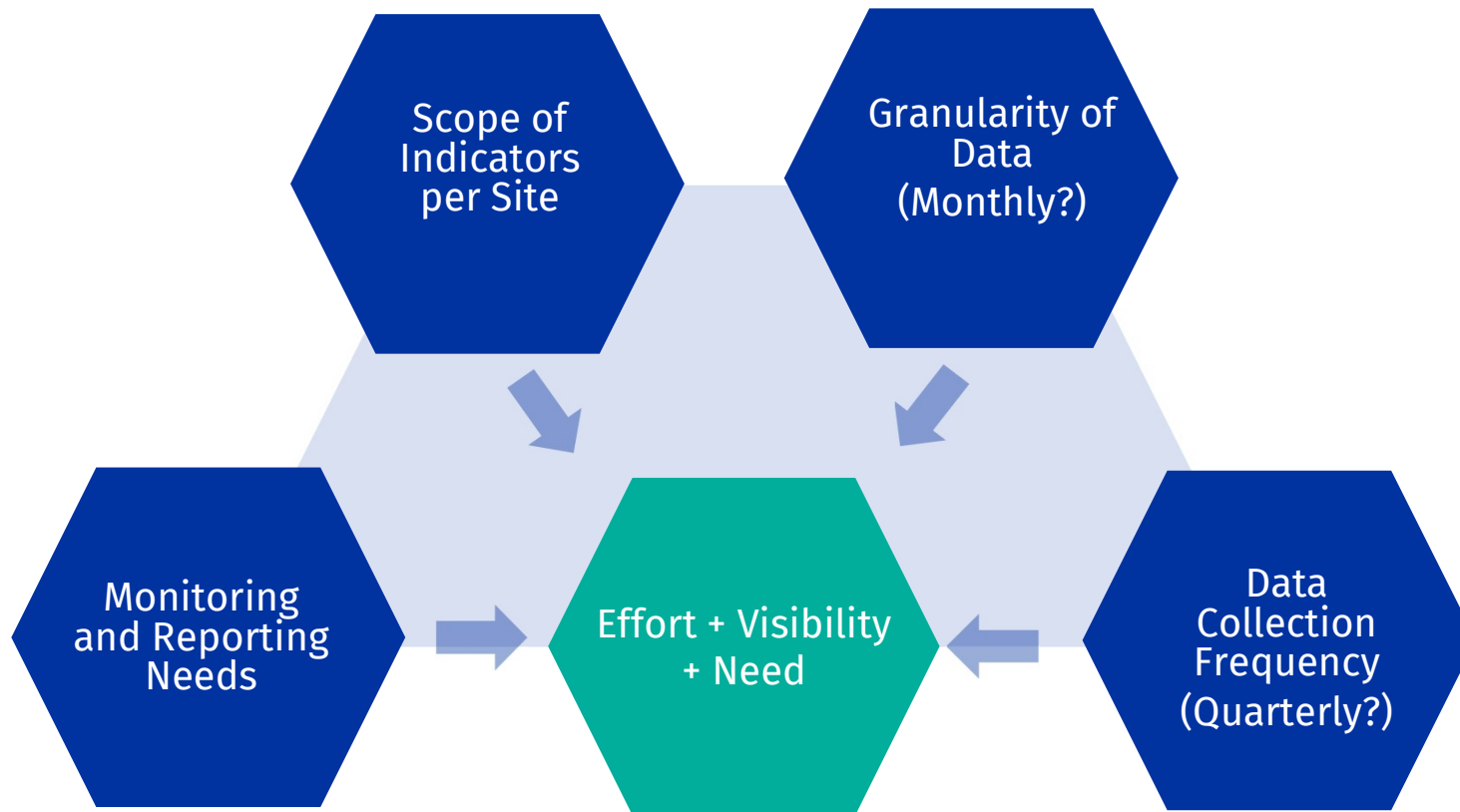
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Audience Poll

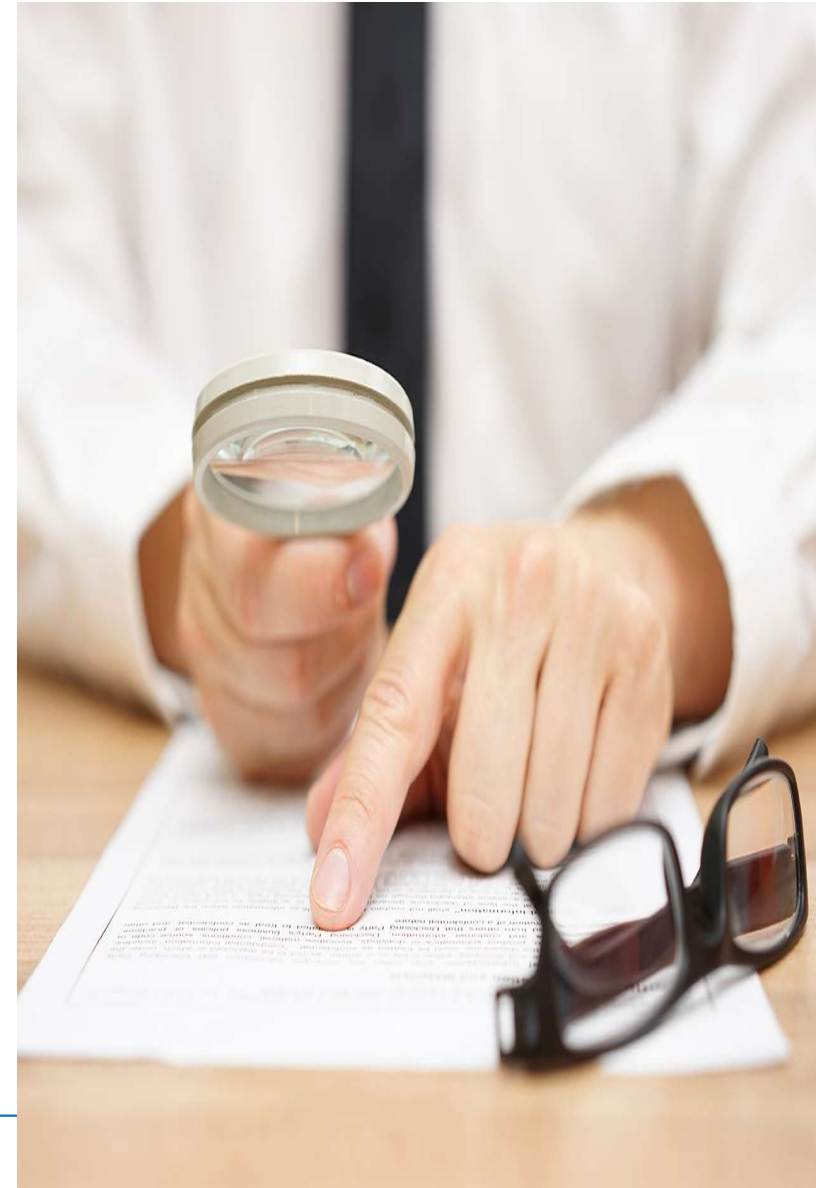How many have public internal dashboards for ESG/Sustainability?

Data Collection

Challenges and Experiences with Data Collection

Data Validation and Verification

▶ Validation processes

▶ Update / Edit processes for estimated or erroneous data

▶ Evidence/verification documentation
  • Uploads
  • Pictures
 • Integrations with Utility Management Software!

How to Start Digitizing

Trinity's technical approach for establishing GHG reduction targets includes the following steps:

- Establish Needs
- Evaluate and Streamline Processes
- Select Software
- Implement Software
- Analyze, Communicate, Revise

Digitizing ESG: Lessons and Best Practices

Experiences

Lessons Learned

Best Practices

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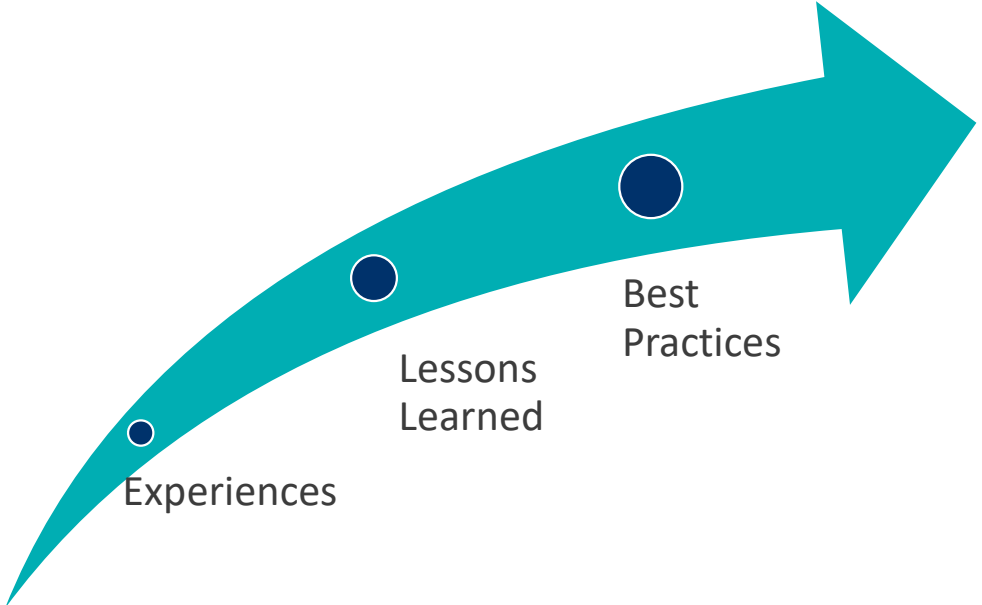
Key Take Aways

ESG Strategy and Targets

- ► ESG is Driven by Financial Sector
- ► Sustainability and ESG Data is under a microscope
- ► Scope 3 emissions are becoming a focus

Sustainability Data Management

- ► Volume, Velocity and Variability of ESG Data collection → ESG Software
- ► Data validation is more than double checking – it's documentation
- ► Managers can use Ratios and other figures to help sense check data across sites etc.

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Questions | Discussion

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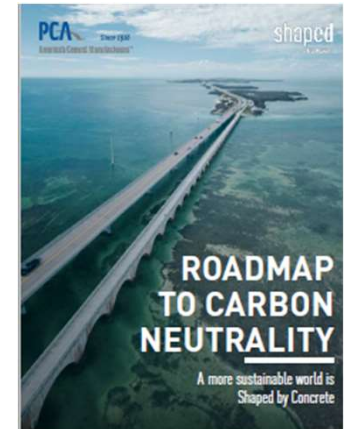
What are other industry groups doing?

What are other Industry Groups doing?

▶ Establishing Sustainability Committees

▶ Developing industry-level transition plans for low carbon economy

▶ Tracking evolving policy/legislation and providing comments

▶ Providing guidance to members for consistent reporting across the industry

▶ Developing industry-wide EPDs
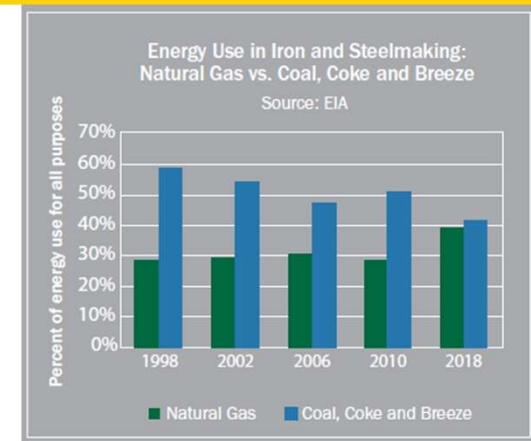
▶ Preparing messaging on Industry's Sustainable Practices

ROADMAP TO CARBON NEUTRALITY

A more sustainable world is Shaped by Concrete

American Iron and Steel Institute

FACTS ABOUT AMERICAN STEEL SUSTAINABILITY

Energy Use in Iron and Steelmaking: Natural Gas vs. Coal, Coke and Breeze
Source: EIA

INTERNATIONAL ALUMINIUM

ALUMINIUM SECTOR GREENHOUSE GAS PATHWAYS TO 2050

PARAMETERS

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Biographical Information

Meghan Foley, Principal Consultant
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Meghan Foley is a Principal Consultant with Trinity Consultant's Digital Solutions Group. She has 15 years' experience in EHS compliance and software implementation consulting. Meghan is a recognized leader in the EHS+ESG information software space, with a focus on Compliance Assurance and Performance Management. Meghan has worked in North America, and 11 different countries, delivering EHS regulatory compliance management and digital solutions. Her experience spans the automotive, manufacturing, pharmaceutical, chemical, oil and gas, and other sectors.

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Scott Walton (CSP, CHMM) is the Regional EHS Manager for Saint-Gobain North America and has 32 years of EHS experience. Scott has broad experience in EHS Management Systems, safety training, risk management, industrial hygiene, environmental compliance, permitting, remediation, inspections and auditing, and sustainability. He has spent 15 years in Cincinnati in consulting prior to joining the building materials manufacturing industry. He has served in multiple roles serving various industries with EHS compliance and continuous improvement. Currently supporting manufacturing plants across all of North America.