



Integrating EHS into Your Sustainability Strategy

March 5, 2024





Your Professional Community

- Benchmark
- Learn
- Connect

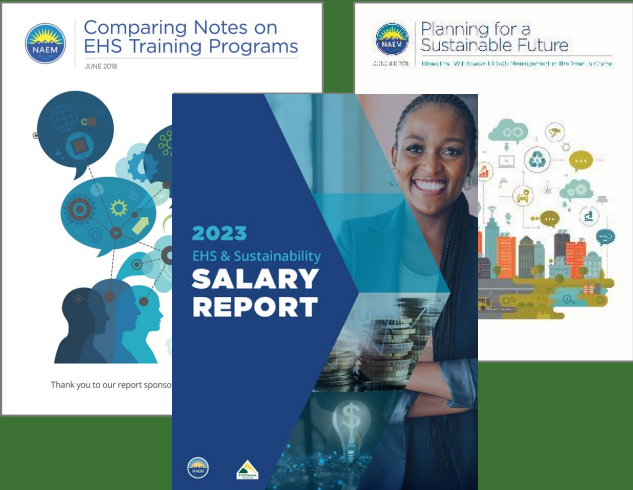
Get the solutions you need to make an impact!

Delivering Knowledge & Professional Wisdom

Peer Forums



Research Insights



Targeted Networking



Actionable strategies to empower EHS&S leaders to make an impact



NAEM Connects EHS & Sustainability Leaders

130

Corporate Members

4,200+

Individual Members

60

Affiliate Members

**Reaching a
community of Practice
25K+**



Meet Our Presenters



Richard Ragan

*Vice President of Global Facilities and
Environmental Health & Safety (EHS)*
American Axle & Manufacturing



Mary Foley

*Expert Services Strategy
Director*
Enhesa



Snapshot: Sustainability & ESG reporting

Current status

CSRD (Corporate Sustainability Reporting Directive)

- ESRS (European Sustainability Reporting Standards)
- EFRAG (European Financial Reporting Advisory Group)

ISSB (International Sustainability Standards Board)

- IFRS (International Financial Reporting Standards)
- S1 & S2 (General Requirements for Disclosure of Sustainability-related Financial Information & Climate Related Disclosures)

Frameworks including

- GRI (Global Reporting Initiative)
- SBTi (Science-Based Targets initiative)
- PRI (Principles for Responsible Investment)
- TCFD (Task Force on Climate-related Financial Disclosures)
- TNFD (Task Force on Nature-related Financial Disclosures)



CSRD: Implementation timeline

1st Jan 2024

First reports due in 2025

Applies to those already subject to NFRD (Non-Financial Reporting Directive)

6th July 2024

Member States (27) must transpose requirements into own legislative frameworks

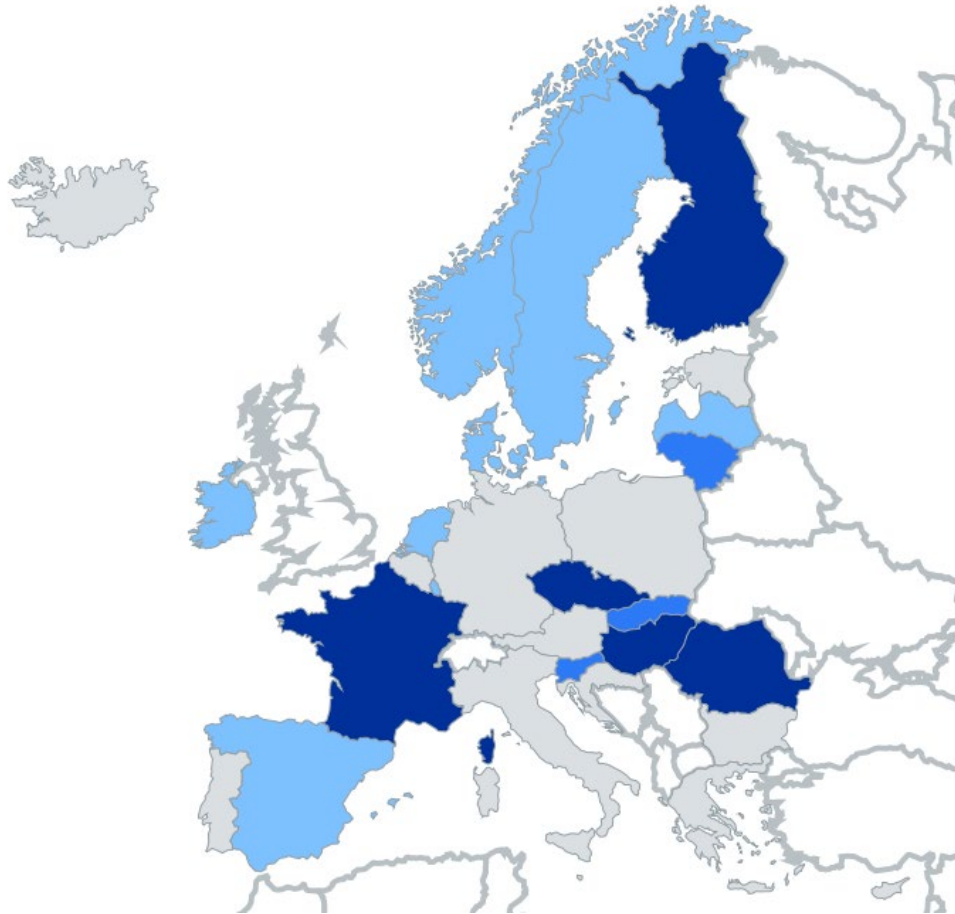
1st Jan 2028

Non-EU Companies. Publish information.

Separate Standards - Delegated Act June 2026



Transpositions of CSRD - from initiatives to instruments



-  5 Transposition instruments **approved** (France, Hungary, Finland, Romania, and Czech Republic)
-  9 Transposition instruments **introduced** (Lithuania, Slovakia, and Slovenia)
-  13 Consultations held / draft **proposals** issued (Norway, Sweden, Latvia, Ireland, Spain, Netherlands, Luxembourg)

<https://www.lexology.com/library/detail.aspx?g=56356d16-80fb-43b9-9453-160a45b9601>

ISSB and sustainability reporting

- **IFRS** (International Financial Reporting Standards)
- **S1** General Requirements for Disclosure of Sustainability-related Financial Information
- **S2** Climate Related Disclosures
- **Sector guidance**
- **Consultation papers next topics:** Agenda Priorities, Human Rights & Capital/Biodiversity & Ecosystems and Integration in Reporting
- **IOSCO** (International Organization of Securities Commissions 130 member jurisdictions) Australia, Japan, UK, Singapore, Nigeria



CSRD / ESRS & IFRS / ISSB: Differences

CSRD



Applicable in European Union
for those in scope

Mandatory standards

All stakeholders

Double materiality

Delayed sector-specific standards

Scope: 2 cross-cutting standards + 10 topic specific standards

ISSB



Applicable at international level

Voluntary standards

Investor company dialogue

Single materiality

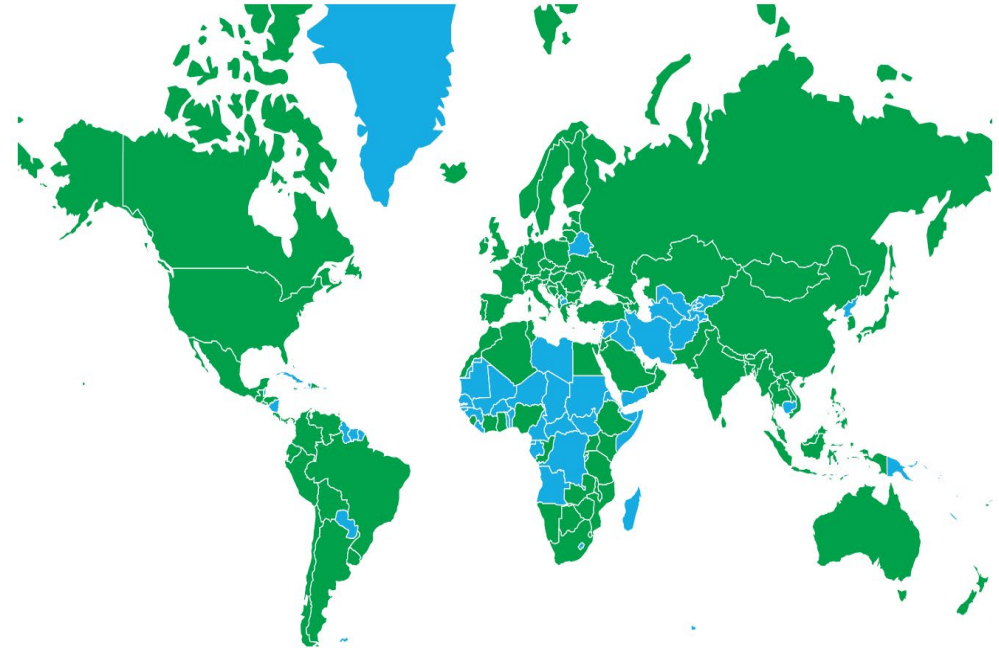
Sector-specific standards

Scope: 2 Standards

VS

Mapping of national sustainability reporting updates

- Some recent national legislations/proposals related to reporting matters:
 - USA (California): Legislation requiring large companies to prepare and disclose a **climate-related financial risk report** (7 October 2023)
 - EU (Spain): Proposal for listed companies and other large companies to report information on the **estimated financial impact of climate change-related risks** (14 April 2023)
- Transpositions of CSRD in progress July 2024



<https://www.carrotsandsticks.net/>



CSRD: European Sustainability Reporting Standards (ESRS)

DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

ESRS E1
Climate change

DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

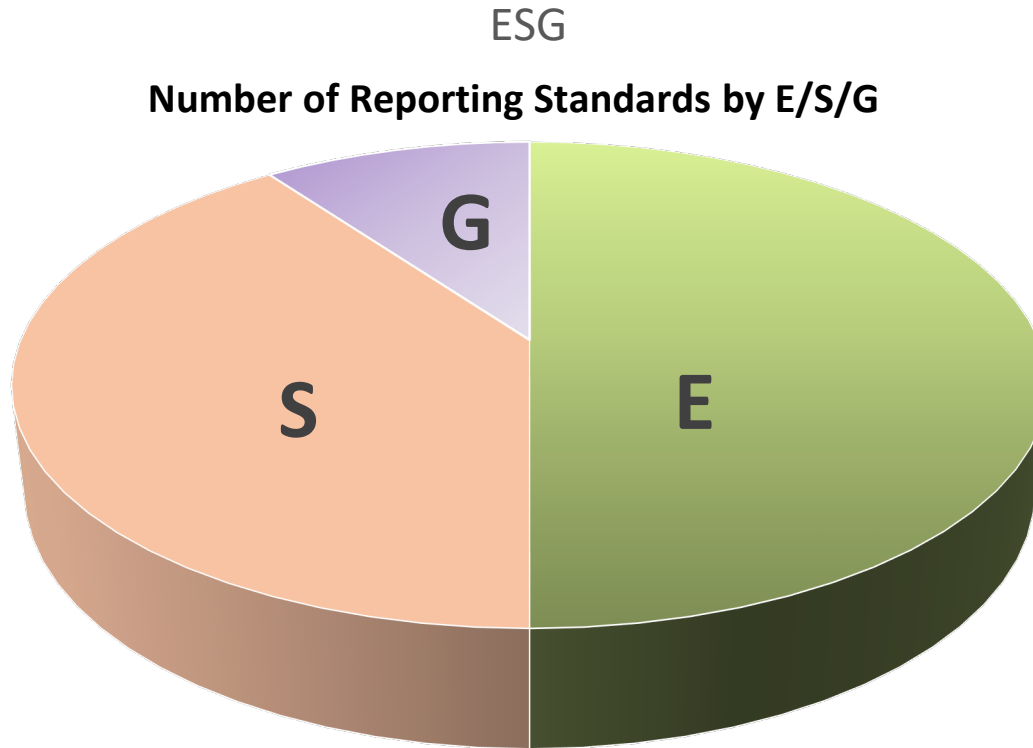
ESRS S1
Own workforce

DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

ESRS G1
Business conduct

November 2022

EFRAG



5 x Environment

- Climate change
- Pollution
- Water & marine resources
- Biodiversity & ecosystems
- Resource use and circular economy

4 x Social

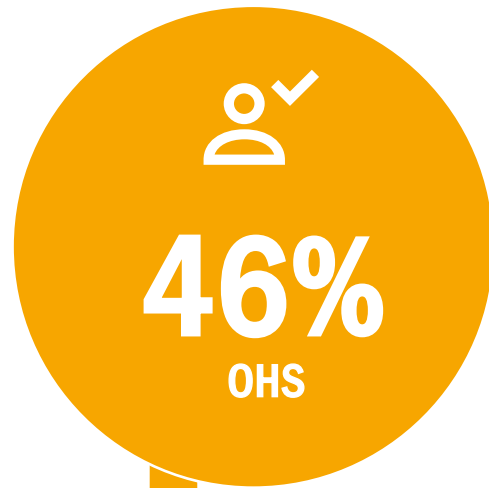
- Own workforce
- Workers in the value chain
- Affected communities
- Consumers & end users

1 x Governance

- Business conduct

■ Environmental ■ Social ■ Governance ■

EHS Compliance as a % of ESRS Disclosure Requirements



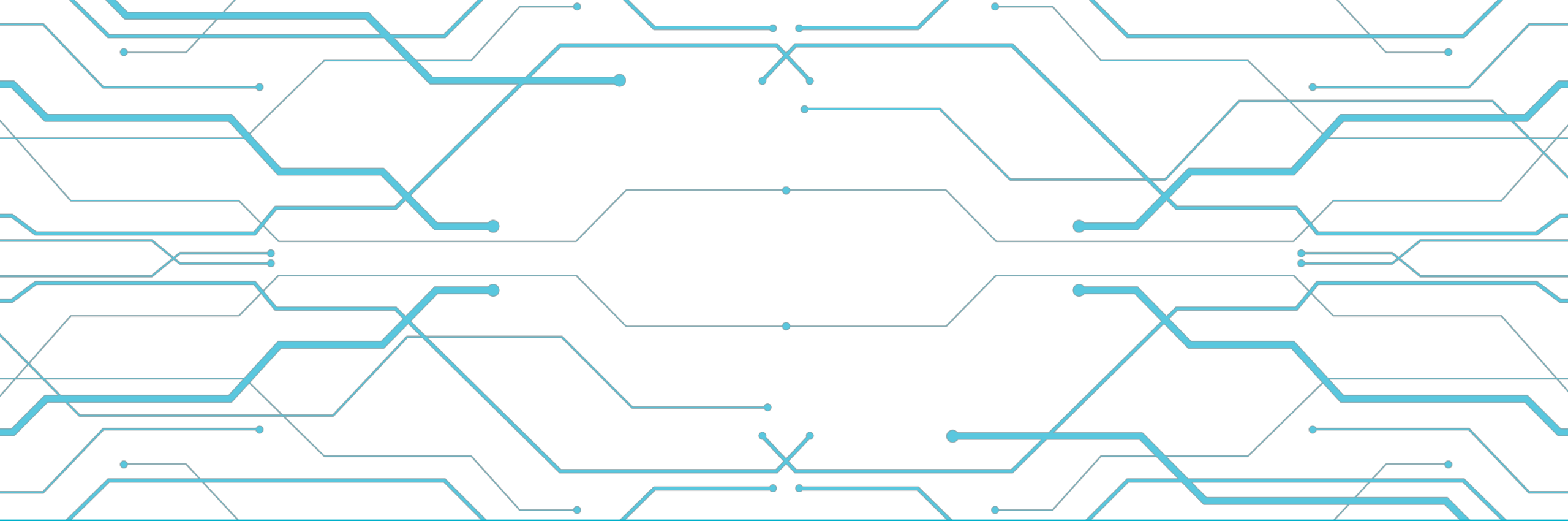
- | | | |
|--|--|---|
| <ul style="list-style-type: none"> New Chemicals Risk Assessment Risk Assessment of Existing Chemicals Classification of Chemicals Chemical Packaging Chemical Labelling Chemical Import/Export Restrictions Persistent Organic Pollutants Ozone Depleting Substances General Hazardous Material Storage General Duty of Care General Prevention Requirements OHS Expert Persons/Services Works Council & Employee Consultation H&S Committee Risk Assessment | <ul style="list-style-type: none"> Action Plan / Risk Management Reporting Information, Communication & Training Training H&S Signs Young Workers Pregnant & Breastfeeding Workers Temporary Workers Home Workers Disabled Persons Personal Protective Equipment Accidental Releases Major Industrial Accidents Medical Surveillance First Aid Provisions First Aid Training | <ul style="list-style-type: none"> Accident/Illness Investigation, Record keeping & Reporting General Workplace Requirements Sanitary Provisions Drinking Water Workplace Violence, Pestering, Sexual Harassment Workplace Stress General Ergonomic Requirements Chemical Agents Carcinogens Noise Biological Agents Vibrations Asbestos Lead |
|--|--|---|



- | | | |
|---|---|---|
| <ul style="list-style-type: none"> General Duty of Care Responsible Persons Liability/Insurance for Environmental Damage Corporate Reporting Environmental Taxes and Fees Environmental Audits Environmental Impact Assessment Integrated Pollution Prevention Permit Natural Resource Conservation Release Reporting / Emissions Reporting Contamination Definition and Identification Remediation Air General Air Quality Standards Emission Limits Measurement and Reporting Solvent/VOC Emissions Heating Installations | <ul style="list-style-type: none"> Combustion/Power Plants Mobile Sources Climate Change Policy Energy/CO2-Tax Emissions Trading Energy Efficiency of Buildings and Processes Renewable Energy Ambient Noise Emissions Odor Emissions Light Nuisance Water Resources Policy Water Use Measurement & Reporting Drinking Water Protection Wastewater Policy Wastewater Discharge Requirements / Restrictions Wastewater Discharge Measurement & Reporting Storm water / Rain Water Spill Prevention Control and Countermeasures Waste Policy | <ul style="list-style-type: none"> Waste Definition & Classification National Waste Shipments Waste Disposal Operations Waste Record-keeping & Reporting Packaging Waste General Hazardous Waste Used Batteries Discarded Electric and Electronic Equipment Other Hazardous Waste Radioactive Waste Office Hazardous Waste International Waste Shipment Policy International Waste Shipment Restrictions International Waste Shipment Records Waste Collectors & Waste Transporters Waste Treatment Sites Waste Landfill Sites Waste Incinerators |
|---|---|---|



**The Pathway from Rules
to Actions**



American Axle Sustainability 2024 NAEM Webinar

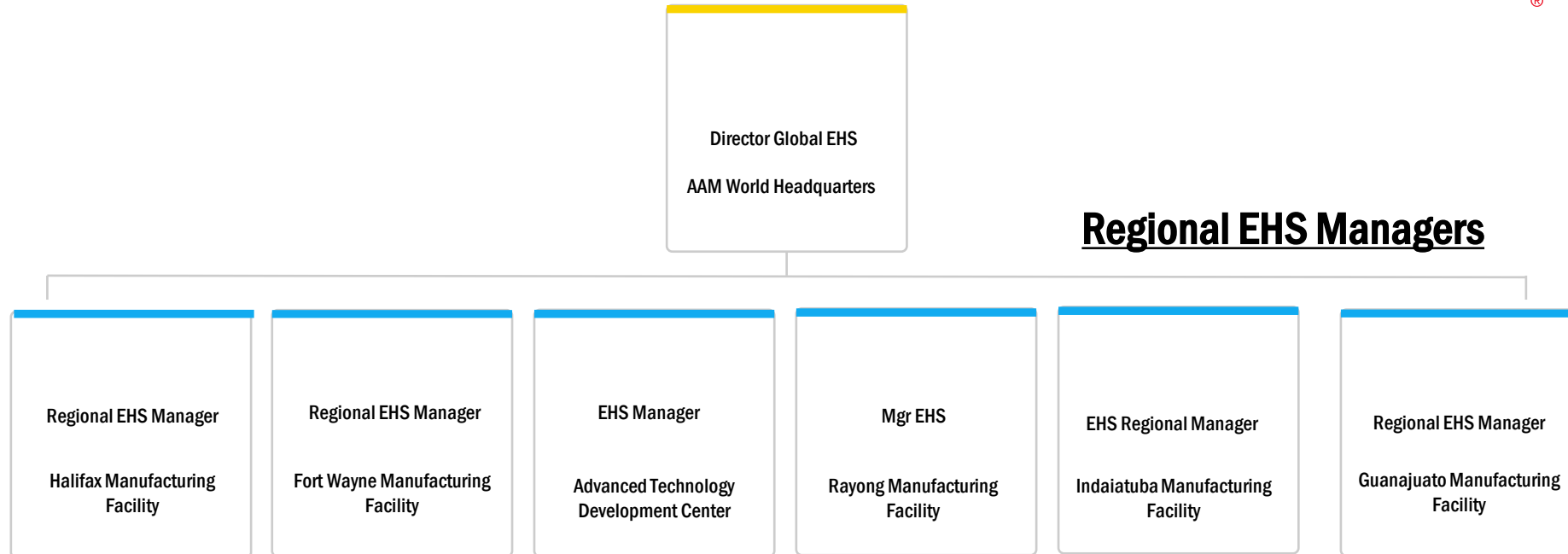


BRINGING THE FUTURE
FASTER

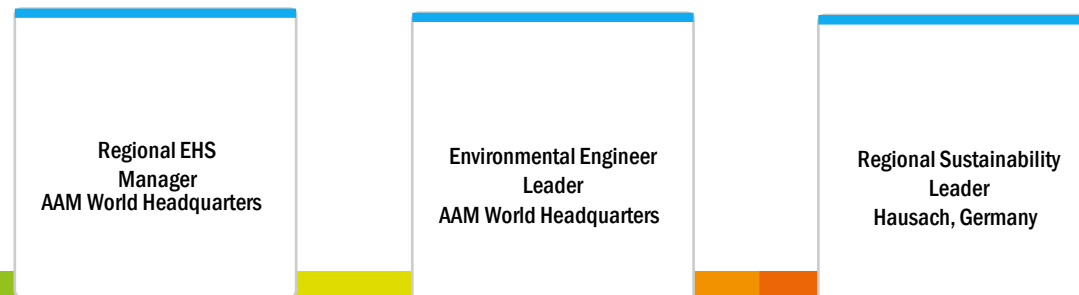
AAM EHS and Sustainability Organization



BRINGING THE FUTURE
FASTER



Sustainability Compliance Team



Integration of EHS and Sustainability

- Data collection / management
 - Energy Usage / Energy Sources
 - Water Usage / Water Sources
 - Global review of water scarcity vs regional manufacturing
 - Waste Management specific to Hazardous and Non-Hazardous recycling and disposal
 - Zero waste to landfill initiative, 2027 AAM target, 2035 Regulatory.
- ISO Standards implementation
 - ISO 14001
 - ISO 45001
 - ISO 50001
- S4 Program Implementation
- E4 Program Implementation

American Axle Safety S4 Program

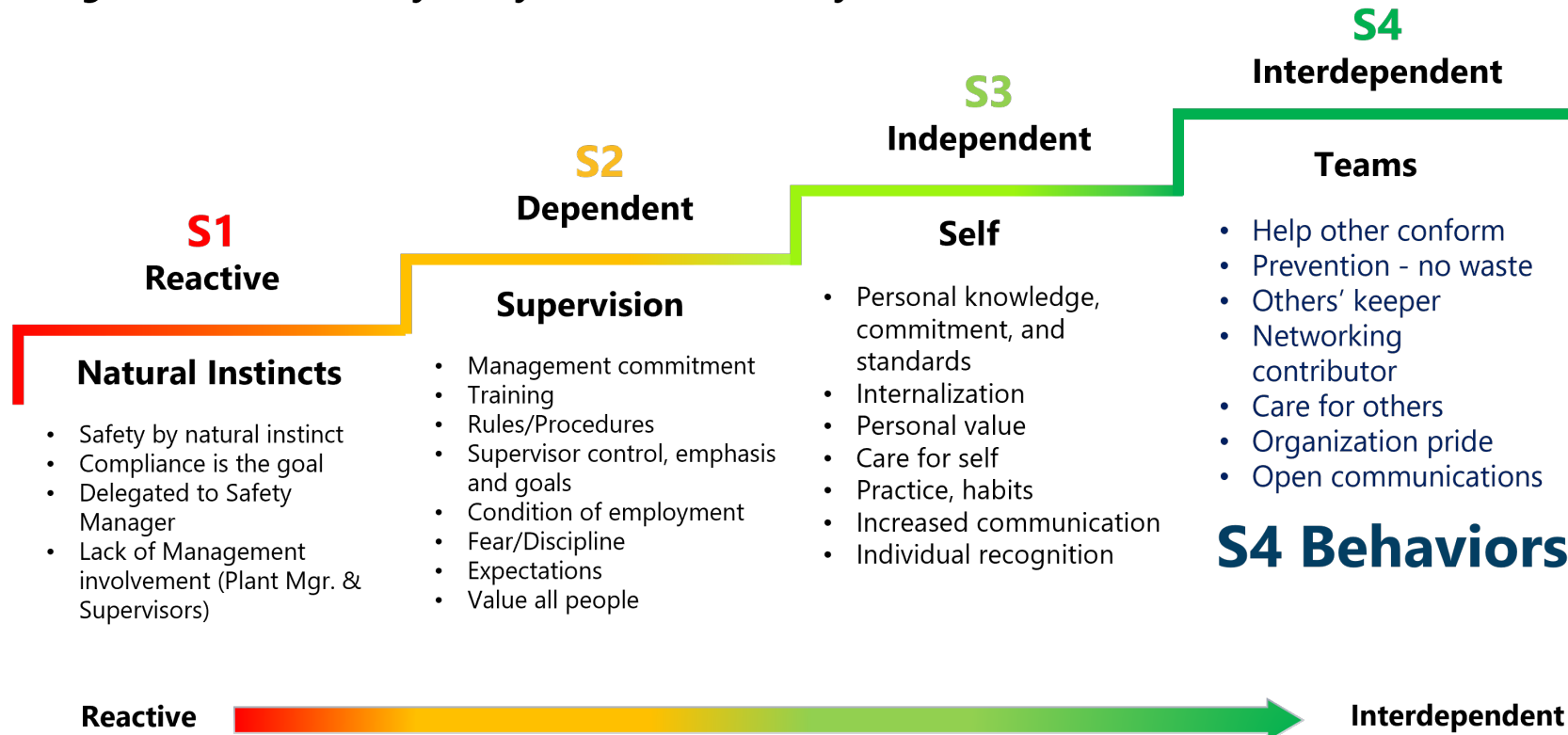


BRINGING THE FUTURE
FASTER

Steps to Superior Safety Performance

Measurement of Our Culture

"You get the level of safety that you *demonstrate* you want."



American Axle Sustainability E4 Program



BRINGING THE FUTURE
FASTER

Steps to Superior Energy & Sustainability Performance

E4

Superior Energy Performer
85-100

E2

Execute & Communicate
51-70

E3

Program Optimization
71-85

E1

Awareness
0-50

1. Corporate Energy/ Environmental policies localized
2. Green Team established
3. Understand & trained on E4 elements
4. Commitment from plant management

1. Develop & Communicate energy metrics
2. Innovative solutions identified that improve energy and sustainability metrics
3. Results received from feedback program are in place

1. Capture Energy reduction opportunities and maintain
2. Internal energy audits in place to identify process improvements

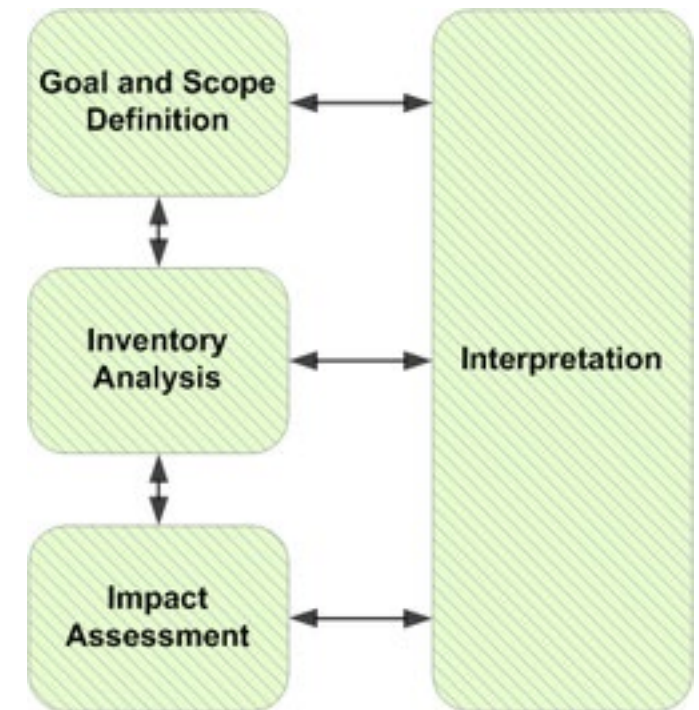
1. ISO 50001 Certified
2. Air leaks eliminated
3. Implement energy efficiency in equipment purchase
4. Occupancy effect (Implement equipment operation based on Production schedule)
5. Procure clean energy where practical
6. Manage peak demand
7. Maintain energy improvement
8. Weekly Energy Performance Reporting in place
9. Quarterly energy audit, reporting and management review in place

American Axle Sustainability E4 Program



BRINGING THE FUTURE
FASTER

- Life Cycle Assessments (LCA)
standardized methodology for assessing the environmental impact of a product on the environment, from raw material production to end-of-life
- *Evaluate multiple environmental impacts from greenhouse gas emissions to land use changes. AAM product carbon footprint (PCF)*
- Implementation of ISO standards
- *Tracking global legislation (e.g. CBAM) now requires reporting of environmental impact to do business in Europe. Reporting starts in January 2024.*





Learning from doing

Questions?

More food for thought: Scan the QR code to download.

Whitepaper: leverage EHS for sustainability reporting

Author: Mary Foley



2024 NAEM Webinars

April 2



**Solar Energy
Feasibility
Assessments & One
Company's Solar
Journey**

May 21



**Best Practices:
Digitizing Your
Chemical Inventory
Tracking**

June 11



**Creating a
sustainable future
with generative AI**

August 13



**Circular Economy
and Reframing How
We Get to Zero**



Free to NAEM members • Scheduled at 2:00PM ET • Archived & Accessible on Demand

2024 NAEM Conferences

In-Person Conferences

ALEXANDRIA, VA
APRIL 30 – MAY 2, 2024



TECH24
EHS + ESG DATA & REPORTING CONFERENCE



PROVIDENCE, RI
JULY 23 – 25, 2024



WOMENLEAD24
EHS+S WOMEN'S LEADERSHIP CONFERENCE



FORT WORTH, TX
OCTOBER 27 – 30, 2024



FORUM24
EHS & SUSTAINABILITY MANAGEMENT FORUM



Virtual Events

VIRTUAL EVENT
MARCH 20 – 21, 2024



OPEX24
EHS OPERATIONAL EXCELLENCE CONFERENCE



VIRTUAL EVENT
JANUARY 31, 2024
SEPTEMBER 18, 2024
DECEMBER 4, 2024



IMPACT24
SUSTAINABILITY IMPACT SERIES



ALEXANDRIA, VA

APRIL 30 – MAY 2, 2024



TECH24

EHS + ESG DATA & REPORTING CONFERENCE



- Gain insights from peers on how their digital strategy and technology tools are being used to achieve compliance, sustainability goals and ESG reporting
- Learn and explore with digital strategists, software and technology providers in one centralized location
- Three key focus areas:
 - **Preparing for ESG Reporting Regulations**
 - **Carbon Accounting and GHG Management**
 - **EHS Management and Compliance**



Research

Get Ready for several planned Research Benchmarks:

- EHS&S Staffing, Structure and Budget
 - Will be fielded March/April
- ESH/ESG Technology
- 2024 EHS & Compensation



Connect with NAEM!

- Online: www.naem.org
- Via email: programs@naem.org
- Social media:
 - Facebook: www.facebook.com/NAEM.org
 - LinkedIn: <https://www.linkedin.com/company/naem>



Thank you for
Attending!

**A recording will be
available in 3-4 days**

**You will receive an
email once it's
posted to our site**

**Have a safe,
healthy and
environmentally
friendly day!**