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Project Demonstration: Aligning a Remediation Project to Corporate Sustainability Goals

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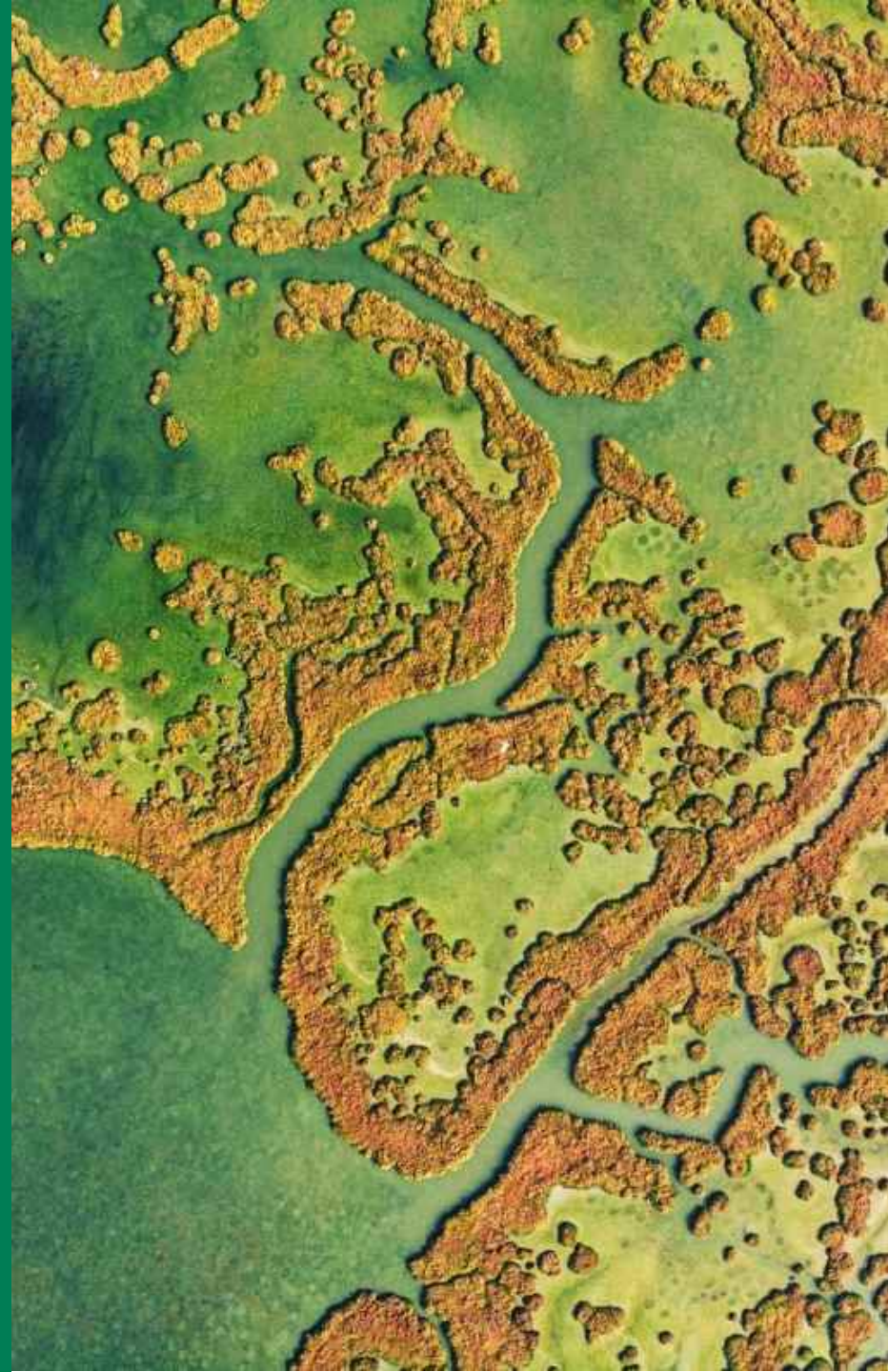
Agenda

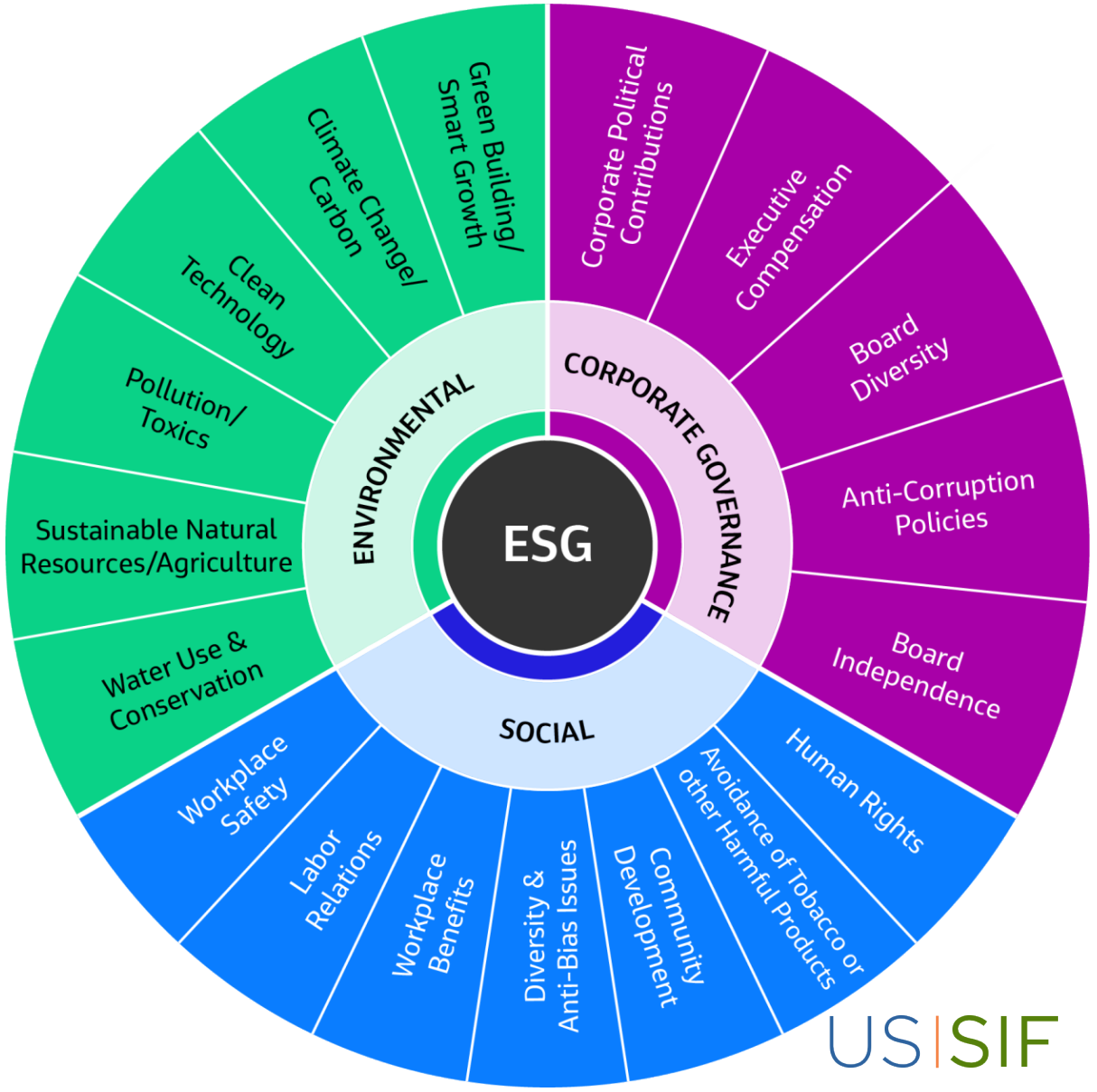
- Refresher: ESG and UN SDGs
- Process Demonstration
  - Step 1: Evaluate corporate goals
  - Step 2: Select and define priorities
  - Step 3: Compare project components
  - Step 4: Align and track progress
- Conclusions
- Questions

Remediation ≠ Sustainability



Refresher: ESG

- **Environmental, Social,** and **Governance (ESG)** – key factors when measuring sustainability and ethical impact of organizations
- **Stakeholders** use ESG as a common language when defining difficult to grasp sustainability terms
- Higher ESG scores indicate improved **long-term performance** and **resilience** of companies
- ESG criteria may vary depending on what is **material to the specific industry**



US|SIF
The Forum for Sustainable and Responsible Investment

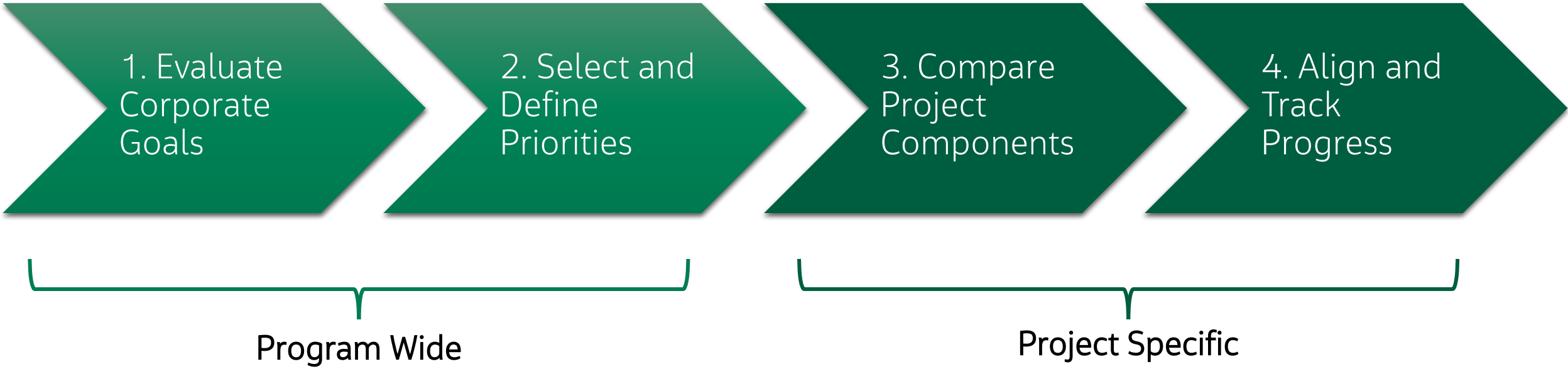
Refresher: UN SDGs

United Nations Sustainable Development Goals (UN SDGs):

- **17 interlinked objectives** to serve as a "*shared blueprint for peace and prosperity for people and the planet, now and into the future*"

- Corporations establish sustainability goals using this framework

Process Demonstration



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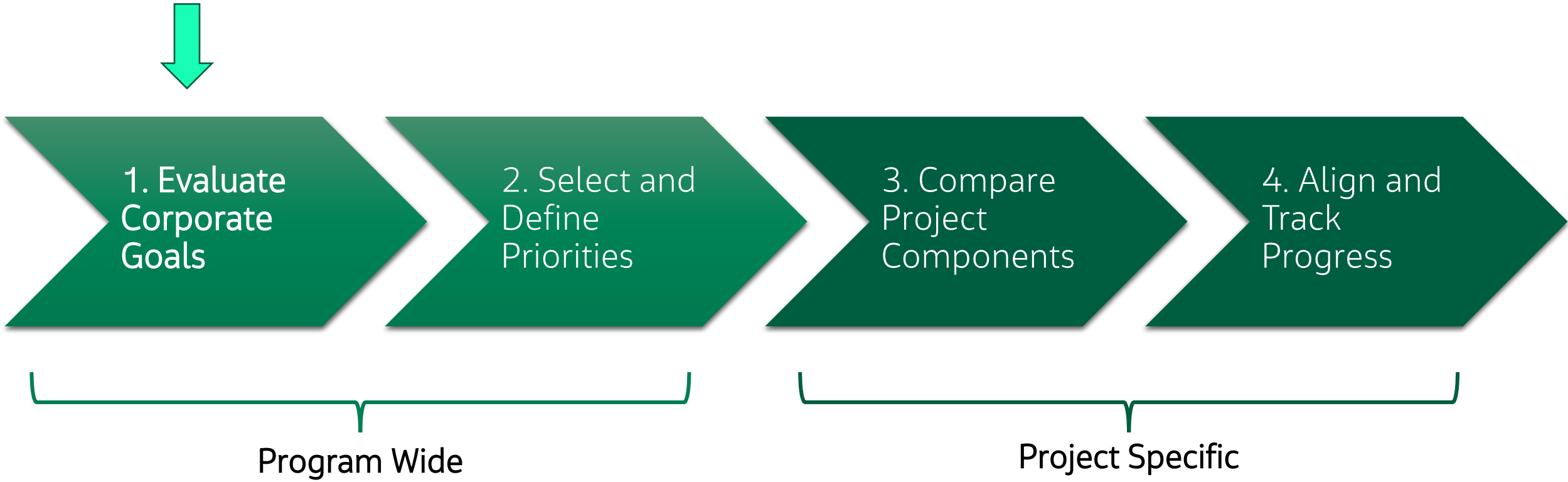

Step 1: Evaluate Corporate Goals

Review client specific ESG and Sustainability Reports, understand corporate goals

Industry specific ESG criteria – Example from S&P

Dimension and Criteria Weights – 2021 Banks, Electric Utilities and Pharmaceutical Industry CSA

S&P Global CSA Criteria Weights by Dimension	Banks	Electric Utilities	Pharmaceuticals
Environmental Criteria	13	28	9
Climate Strategy	7	6	2
Environmental Policy & Management Systems	-	5	2
Environmental Reporting	3	3	2
Operational Eco-Efficiency	3	7	3
Product Stewardship	-	7	-
Social Criteria	32	28	41
Addressing Cost Burden	-	-	4
Corporate Citizenship and Philanthropy	3	2	3
Financial Inclusion	4	-	-
Health Outcome Contribution	-	-	5
Human Capital Development	6	5	5
Human Rights	3	4	3
Labor Practice Indicators	4	4	3
Occupational Health & Safety	3	6	3
Social Reporting	3	3	2
Strategy to Improve Access to Drugs or Products	-	-	5
Talent Attraction & Retention	6	4	8
Governance & Economic Criteria	55	44	50
Anti-Crime Policy & Measures	4	-	-
Codes of Business Conduct	8	7	6
Corporate Governance	10	8	9
Customer Relationship Management	2	3	-
Financial Stability & Systemic Risk	2	-	-

https://www.spglobal.com/esg/documents/sp-global-esg-scores-brochure-2022.pdf

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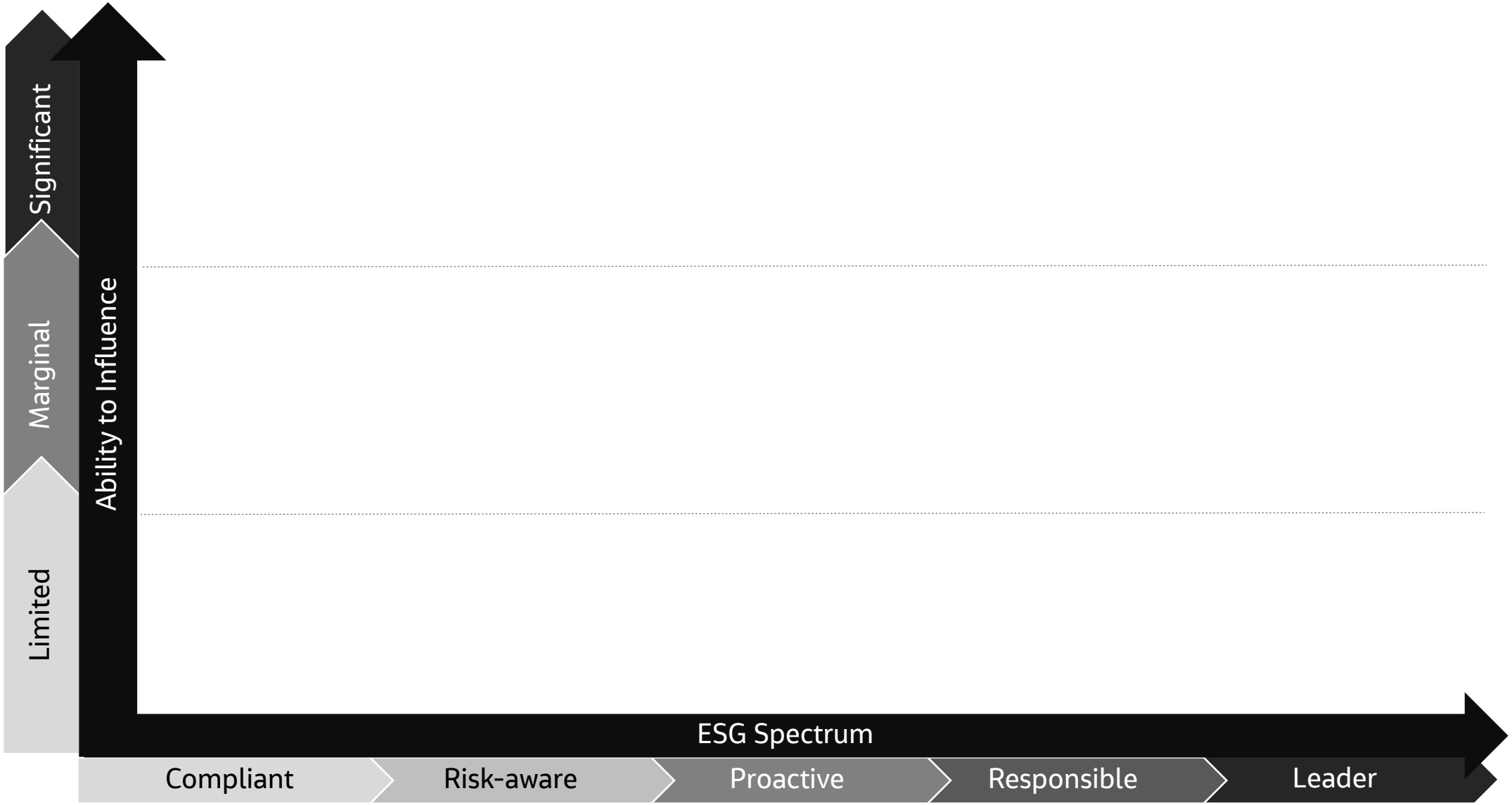

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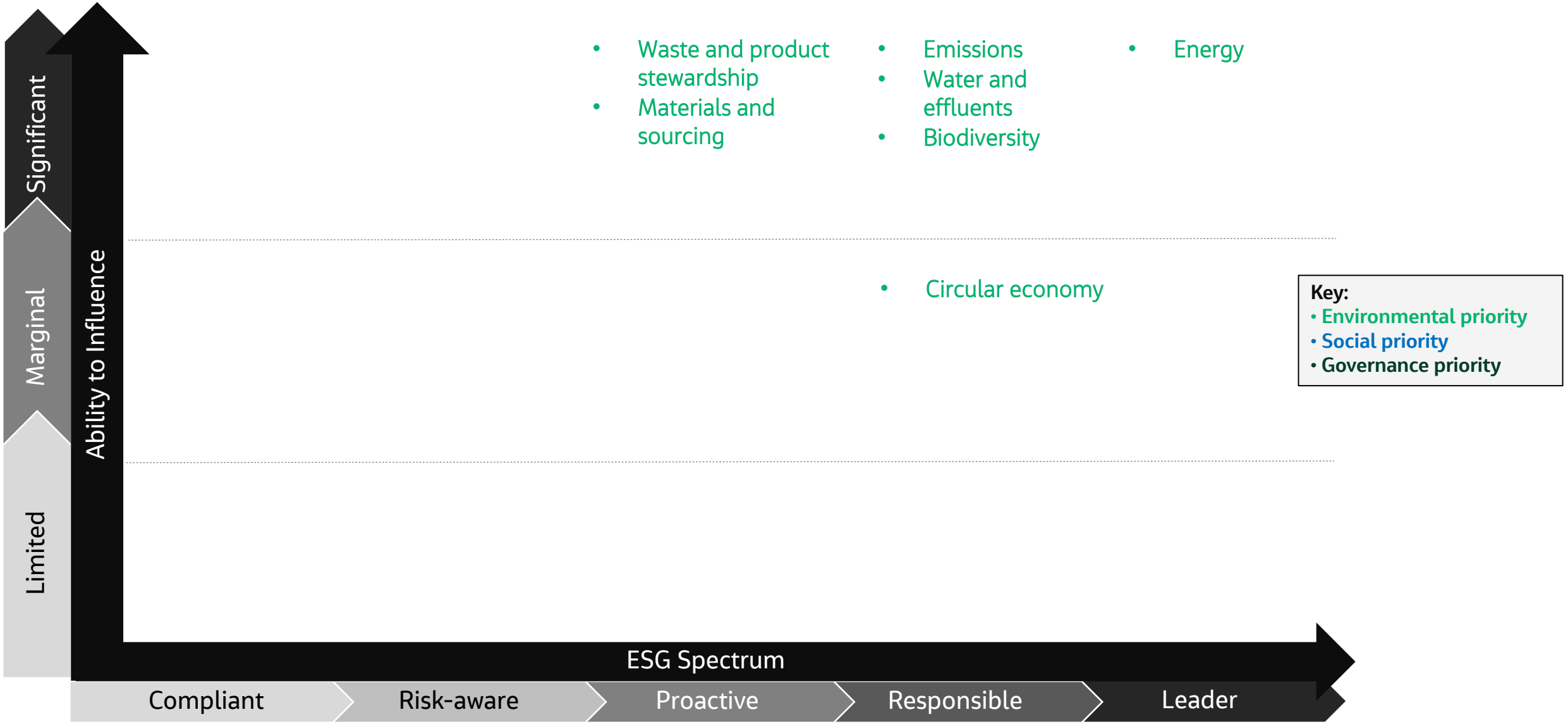

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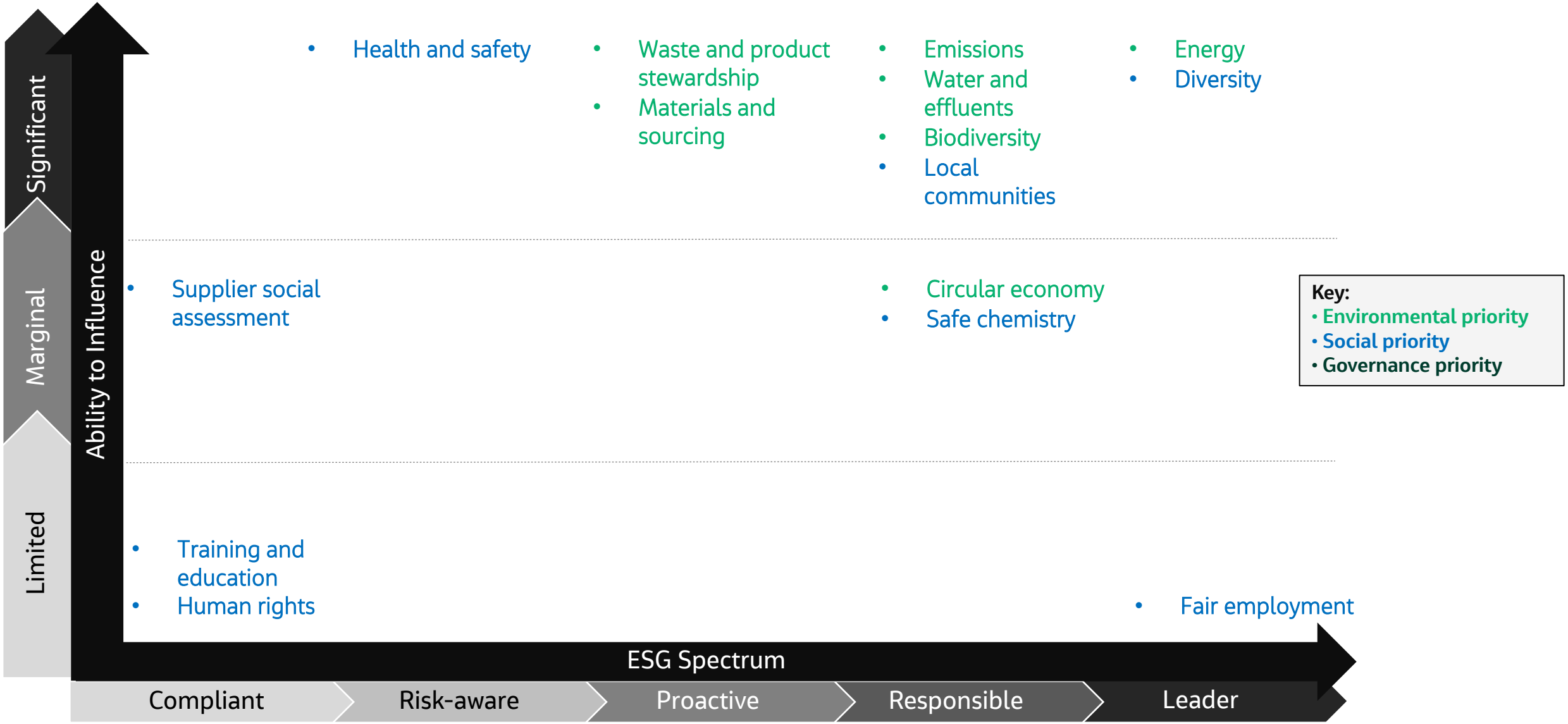

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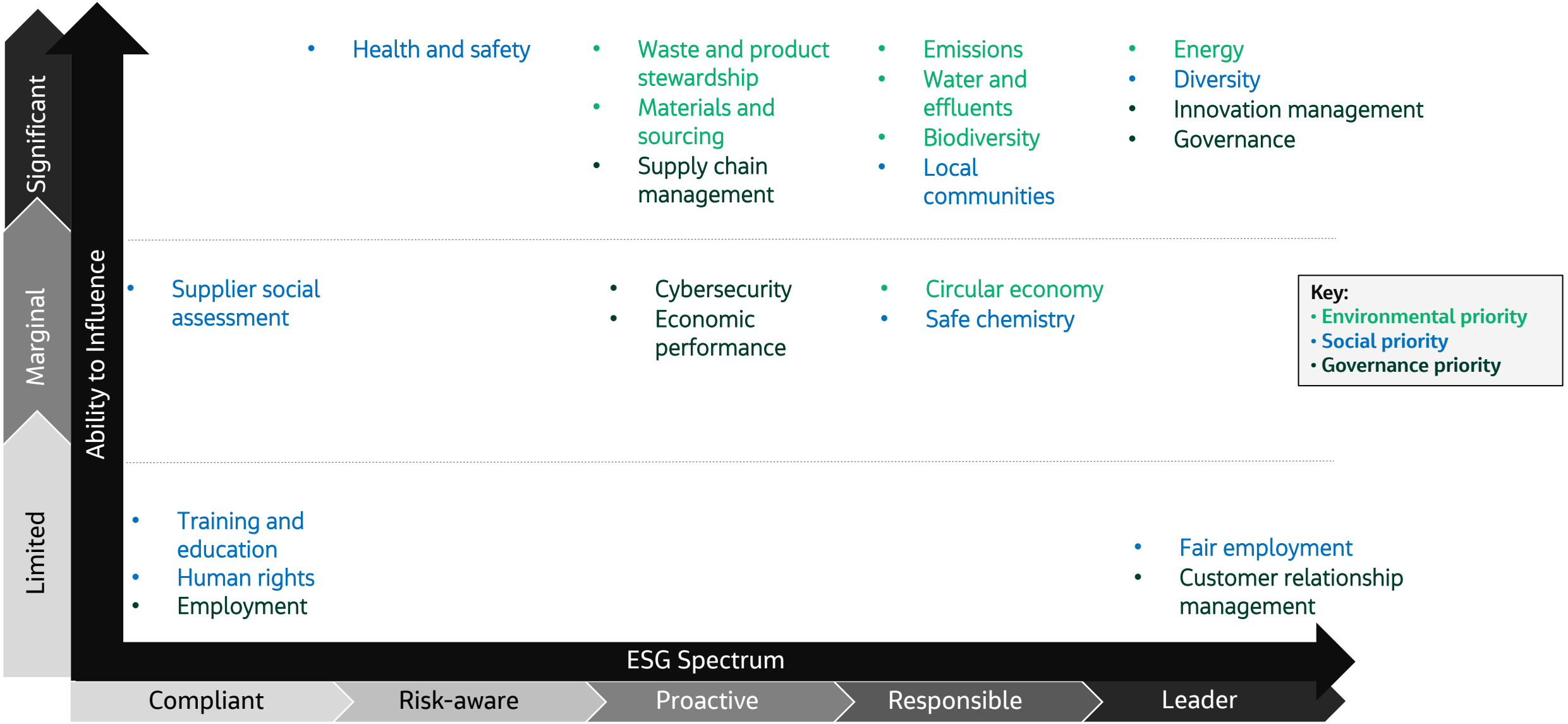
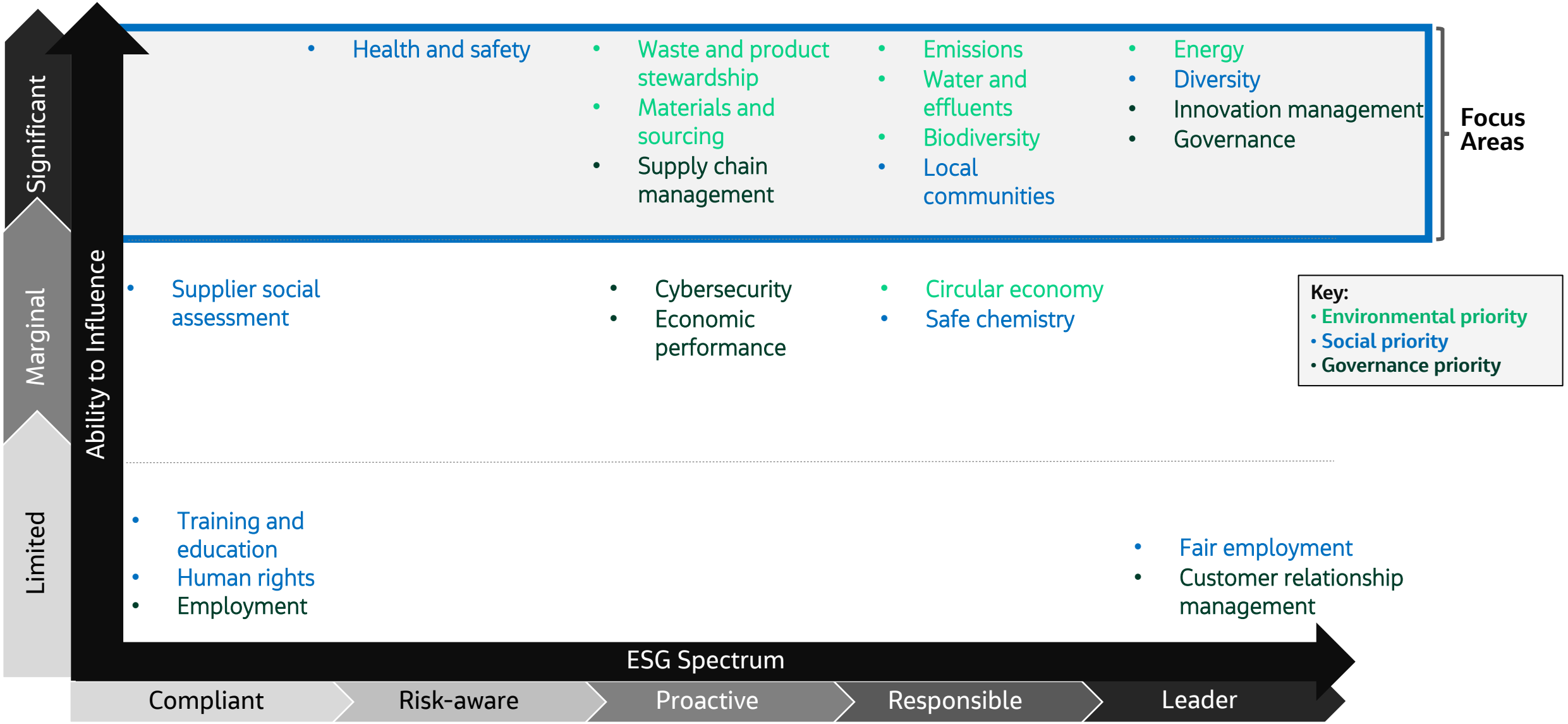
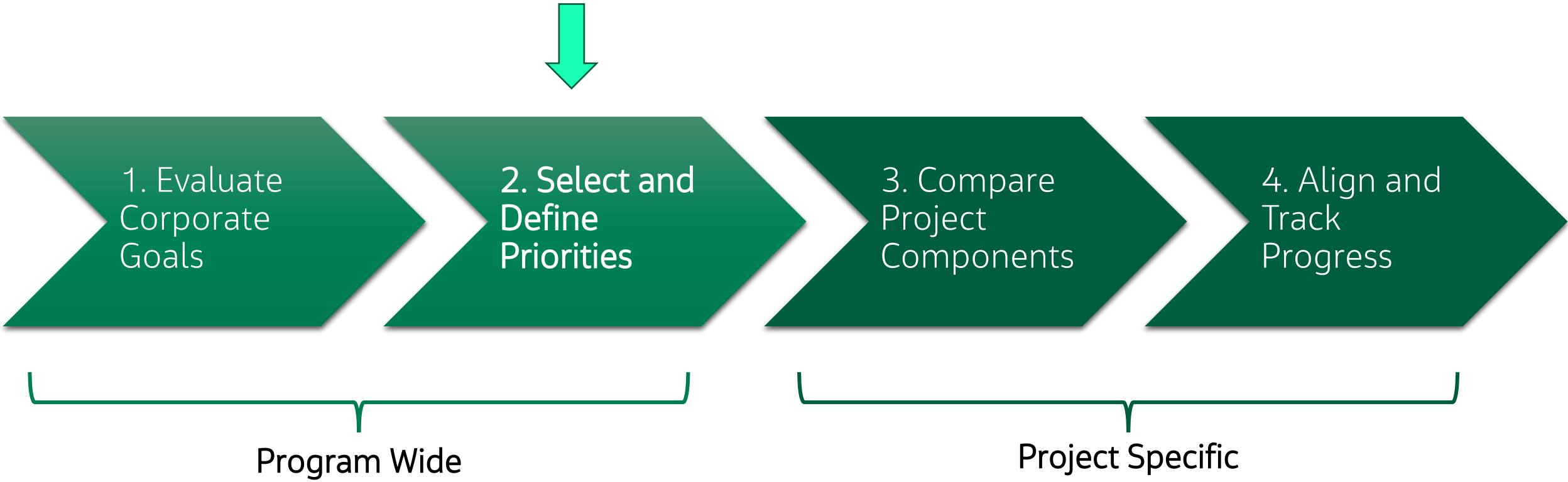


Step 2: Select and Define



Process Demonstration



Step 2: Select and Define Environmental Priorities

ESG Criteria	Description	Scale	Best Feasible	Medium Feasible	Worst Feasible
Environmental					
Emissions	-Commitment to reduce annual carbon emissions	Measured	Estimated change in CO2 (%)		
Water	-Avoid additional water withdrawals and runoff by monitoring status of surface waters and groundwater	Measured	Change in gallons of runoff water (%)		
Biodiversity	-Increase in number of species and plants; restoring and enhancing habitats	Assigned	Positive impact = increase in variety of life (5)	No impact = no change in variety of life (3)	Negative impacts = reduction in variety of life (1)

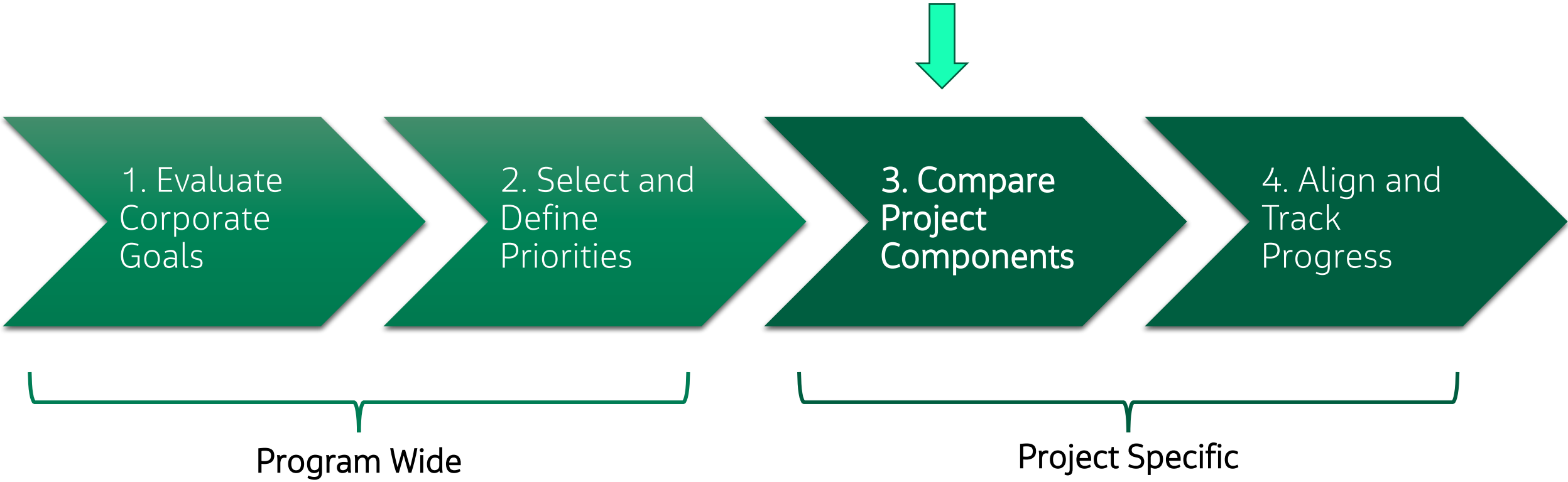
Step 2: Select and Define Social Priorities

ESG Criteria	Description	Scale	Best Feasible	Medium Feasible	Worst Feasible
Social					
Health and Safety	-Managing risks: contamination, operative skills, training, and environmental health and safety	Assigned	Oversight of risk management from internal or external parties that promote development of policies, procedures, emerging regulatory developments that exceed baseline compliance (5)	Proper occupational health & safety guidelines are established, and baseline regulations are satisfied (3)	Baseline (1)
Local Communities	-Leave a site better than it was found (aesthetic, connectivity, comfort) -Improvements to community safety	Assigned	Collaborating to build resiliency and address the unmet needs of a community through actions like conducting a community survey (5)	Improving project site back to sufficient standard, no community opinion and needs assessment conducted (3)	Baseline (1)

Step 2: Select and Define Governance Priorities

ESG Criteria	Description	Scale	Best Feasible	Medium Feasible	Worst Feasible
Governance					
Innovation Management	-Application of new technology -Incentivizing innovation -Profoundly changing how an industry works	Assigned	Utilizing innovative technologies, designing for circularity and a lower carbon future (5)	Technology is understood and used occasionally (3)	Baseline (1)
Supply Chain Management	-Utilize a transportation carbon footprint tracker	Measured	 Estimated change in emissions (%)		

Process Demonstration



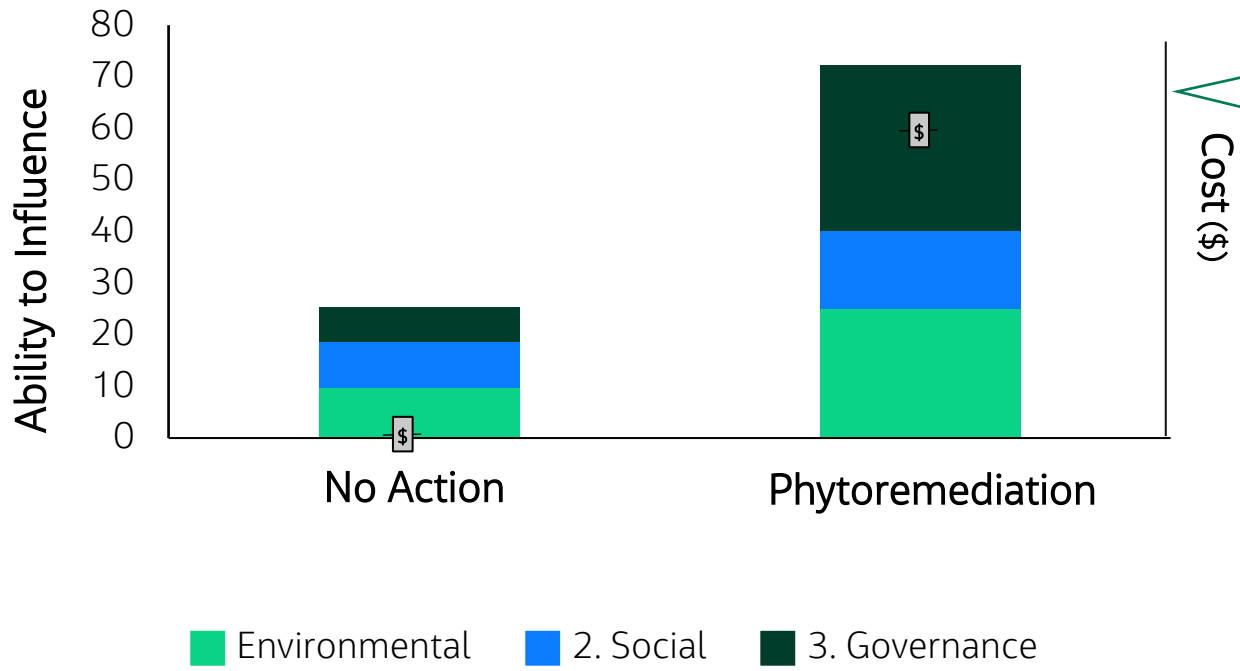
Step 3: Compare Project Components

Can have as many alternatives as desired

Can have as many criteria as desired

Evaluation Criteria	Worst Feasible Outcome	Best Feasible Outcome	Alt 1. No Action	Alt. 2 Phytoremediation
Environmental				
Emissions	1	5	3	2
Water	1	5	2	3
Biodiversity	1	5	1	5
Social				
Health and Safety	1	5	1	4
Local Communities	1	5	2	4
Governance				
Innovation Management	1	5	1	4
Supply Chain	1	5	2	2

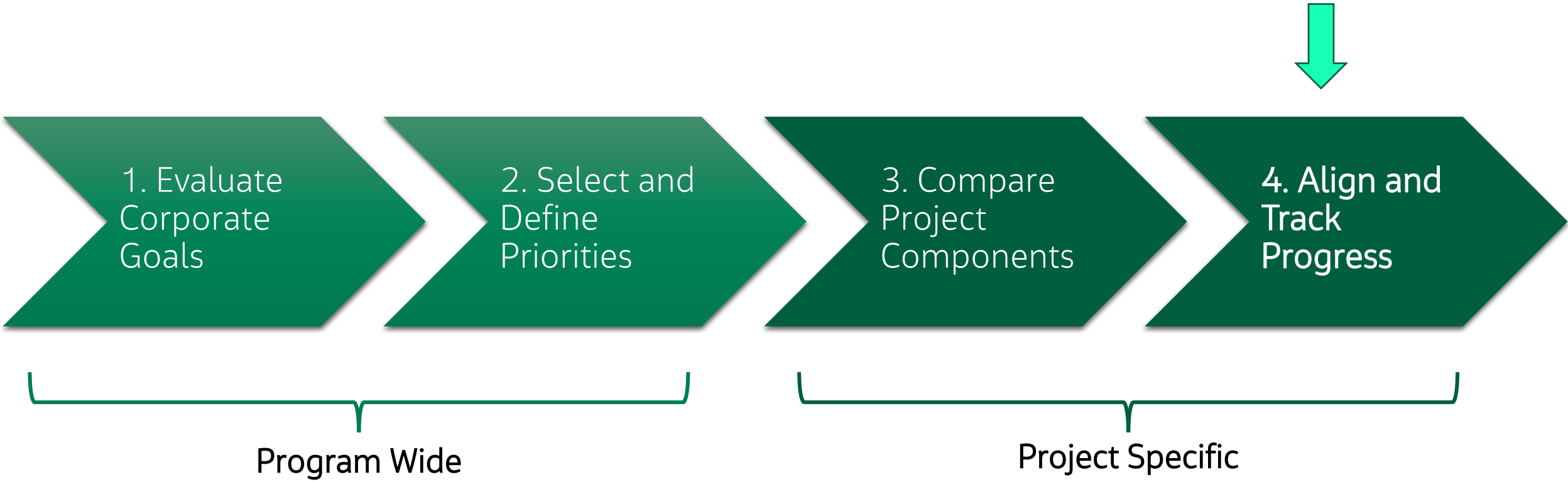
Step 3: Compare Project Components



Value:

- Select alternative considering positively influenced ESG criteria and financial factors
- ESG criteria can be tracked and reported throughout the project life

Process Demonstration



Step 4: Align and Track Progress

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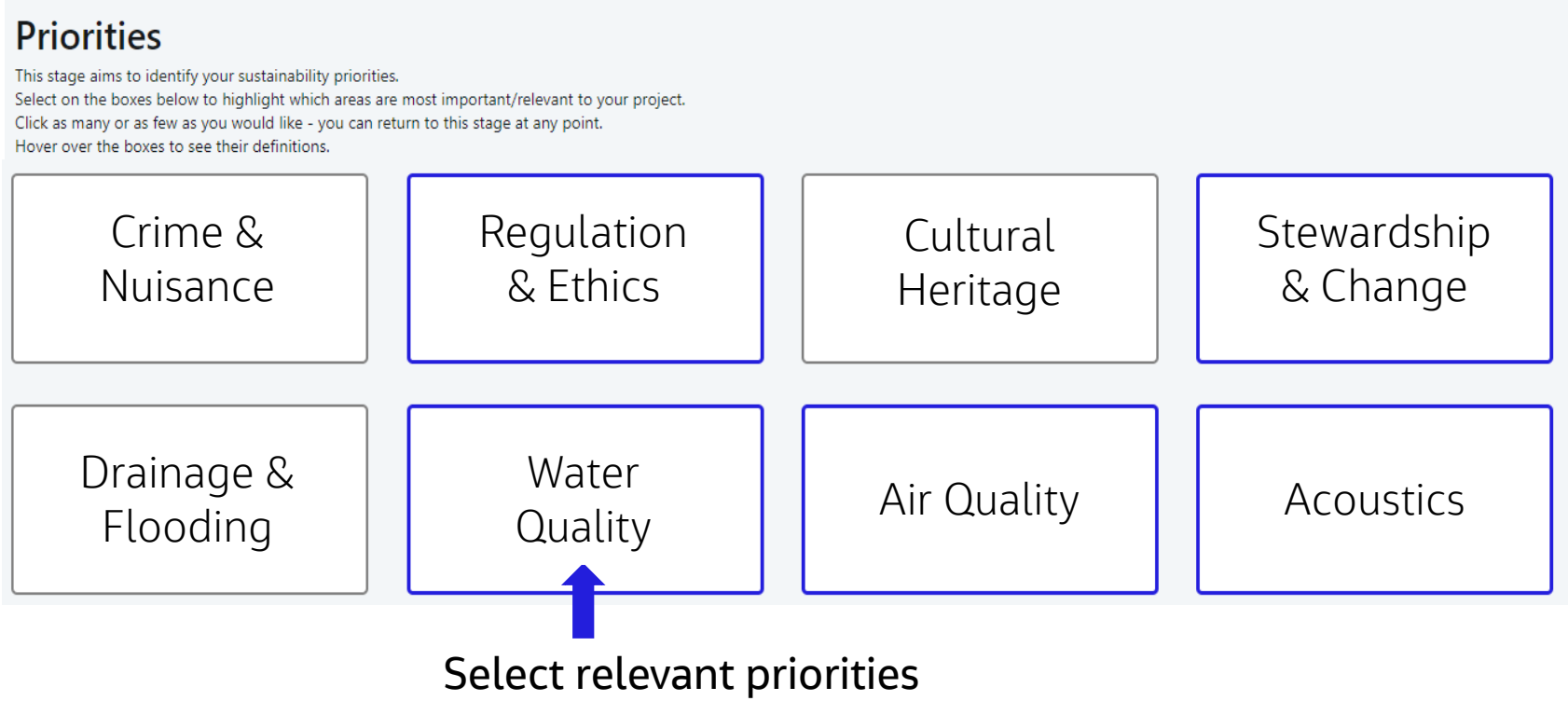
Environmental
Emissions
Water
Biodiversity
Social
Health and Safety
Local Communities
Governance
Innovation Management
Supply Chain



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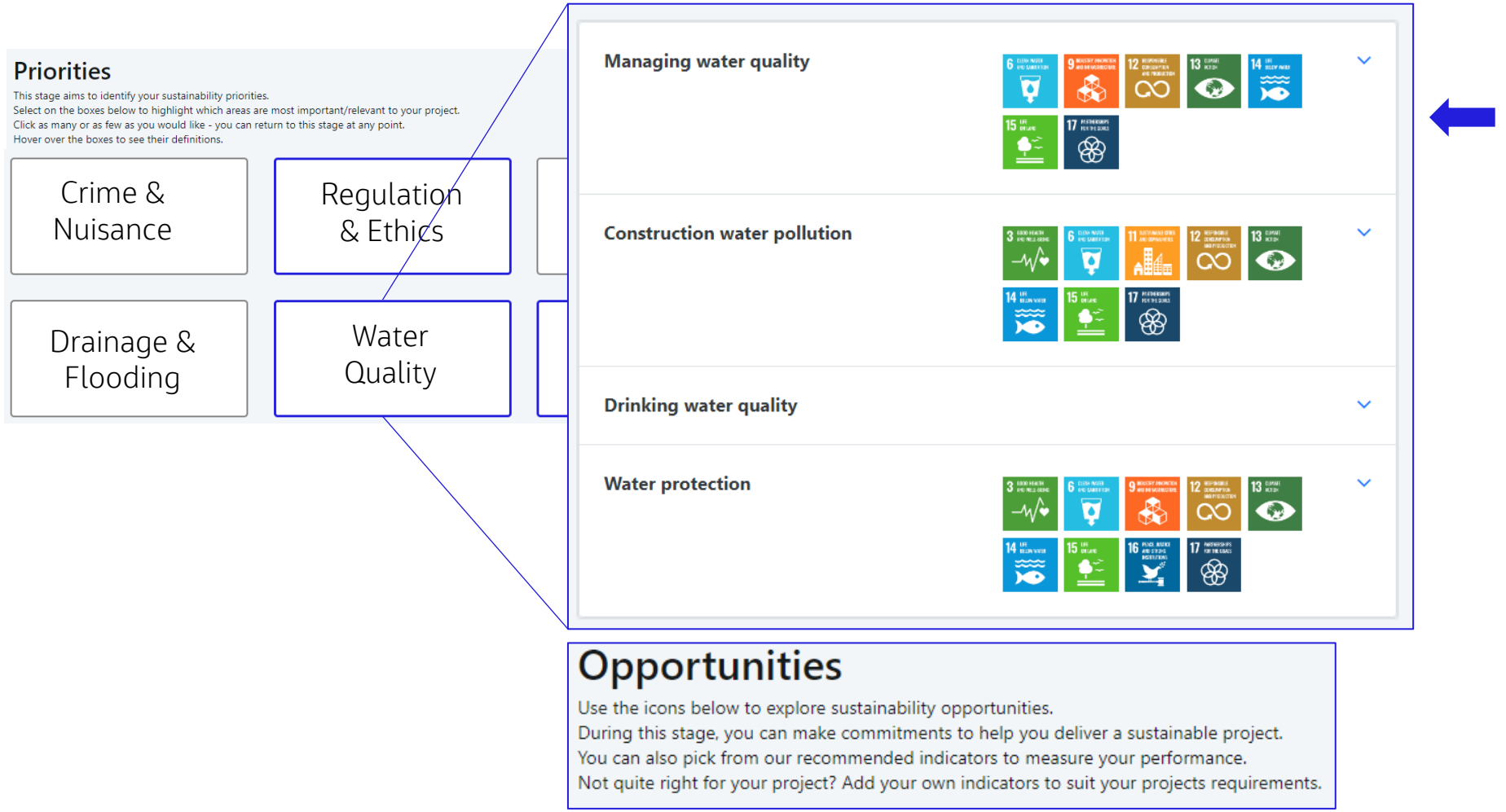

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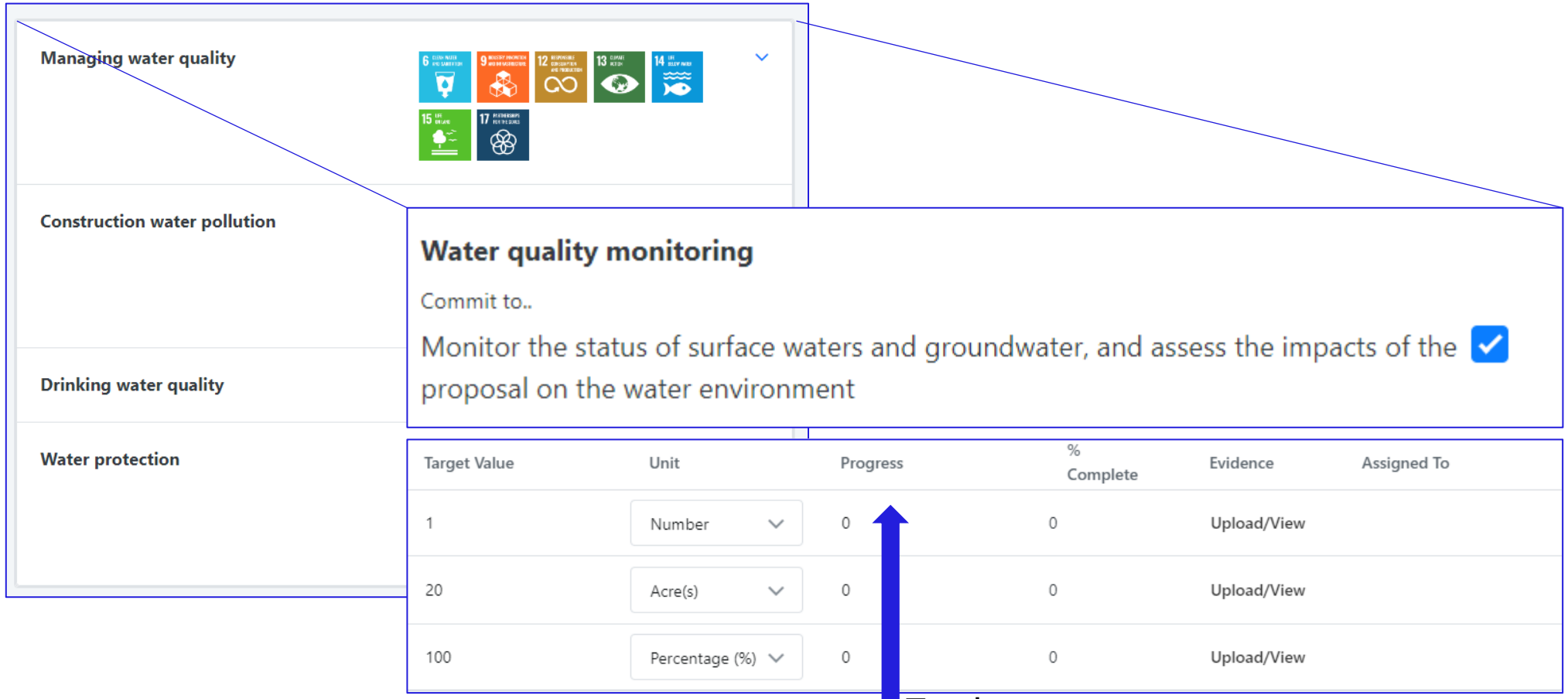

Track progress:
Change in gallons of runoff water (%)

Step 4: Align and Track Progress

Number of commitments

Project progress

Value:

- Tracks project progress toward achieving UN SDGs
- Contributes value to corporate sustainability goals

Conclusions

- Remediation projects DO have potential to positively influence corporate sustainability
- Utilize existing frameworks to select and implement a remedial alternative based on its overall positive impact
- You are likely making sustainable decisions on your projects, so utilize processes to identify, track, and highlight those efforts

Thank you! Questions?

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