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ESG Benchmark for Asset Recovery Company

Why care about Sustainability?

- Sustainability (also refered to as ESG, Environment, Social, Governance), has become a key topic of focus for customers, investors & regulators.
- Abiding to certain ESG principles is becoming the norm and license to operate
- Presents the opportunity for companies to improve their brand association by linking it with sustainability
- Opens potential to create a competitive advantage based on sustainability principles, bringing more value to the customer & stakeholder

What does this mean for companies?

Increasing supplier due diligence and customer request related to sustainability

- ISO certification
- EcoVadis, CDP + other ratings
- Product carbon footprint
- Reporting of Scope 1, 2 & 3 emissions
- Climate targets
- Commitment to UN Sustainable Development Goals

New, mandatory ESG reporting requirements from investors and governments:

- CSRD (Corporate Sustainability Reporting Directive) in the EU, applicable to companies with large EU operations, even if the headquarters are elsewhere
- IFRS S1 and S2, Sustainability Standards connected to financial reporting, in some cases mandatory as part of stock exchange reporting
- GRI (Global Reporting Initiative), a voluntary framework
- SASB (part of IFRS), industry-specific metrics to be reported
- TCFD (part of IFRS), Task Force on Climate-Related Financial Disclosures

What types of data & information do companies have to report?

CSRD/GRI requirements

(of relevance to the Company)

- Scope 1 & 2 emissions (direct/indirect emissions)
- Scope 3 emissions (emissions in the value chain), including
  - Scope 3.1 Purchased Goods and Services (including MRO)
  - Scope 3.2 Capital Goods
  - Scope 3.5 Emissions from waste
- Achieved GHG reductions
- Sustainability related CAPEX/OPEX
- Use of carbon credits
- Targets related to & contribution to a circular economy
- Waste disposal and waste avoided (by material & disposal method, see last slide for reference)

SASB STANDARDS

Now part of IFRS Foundation

Each industry has a specific set of KPI's they need to track and report

?

Why care about what companies have to report & how mature they are in ESG reporting?

- The more ESG requirements/pressure a company has, the more advanced their sustainability agenda
- Reporting requirements create a downstream effect for suppliers
- As soon as something becomes tracked, strategies are often developed to improve the metric
- Key question - what type of data/information could the company provide to its customers to make it attractive from a sustainability perspective?

Main research questions

- What is the sustainability maturity of the company's clients, dependent on the industry?
- What are their core objectives related to sustainability?
- What are the core ESG regulations impacting them?
- What are the key ESG metrics that they track?
- Are they pursuing/interested in any specific ESG certifications?

- What is the Company's key selling point related to sustainability and how can it create a competitive advantage from this?
- How can the Company its sustainability offering based on the core needs of its clients?
- What kinds of sustainability related requests could the Company see in the future?

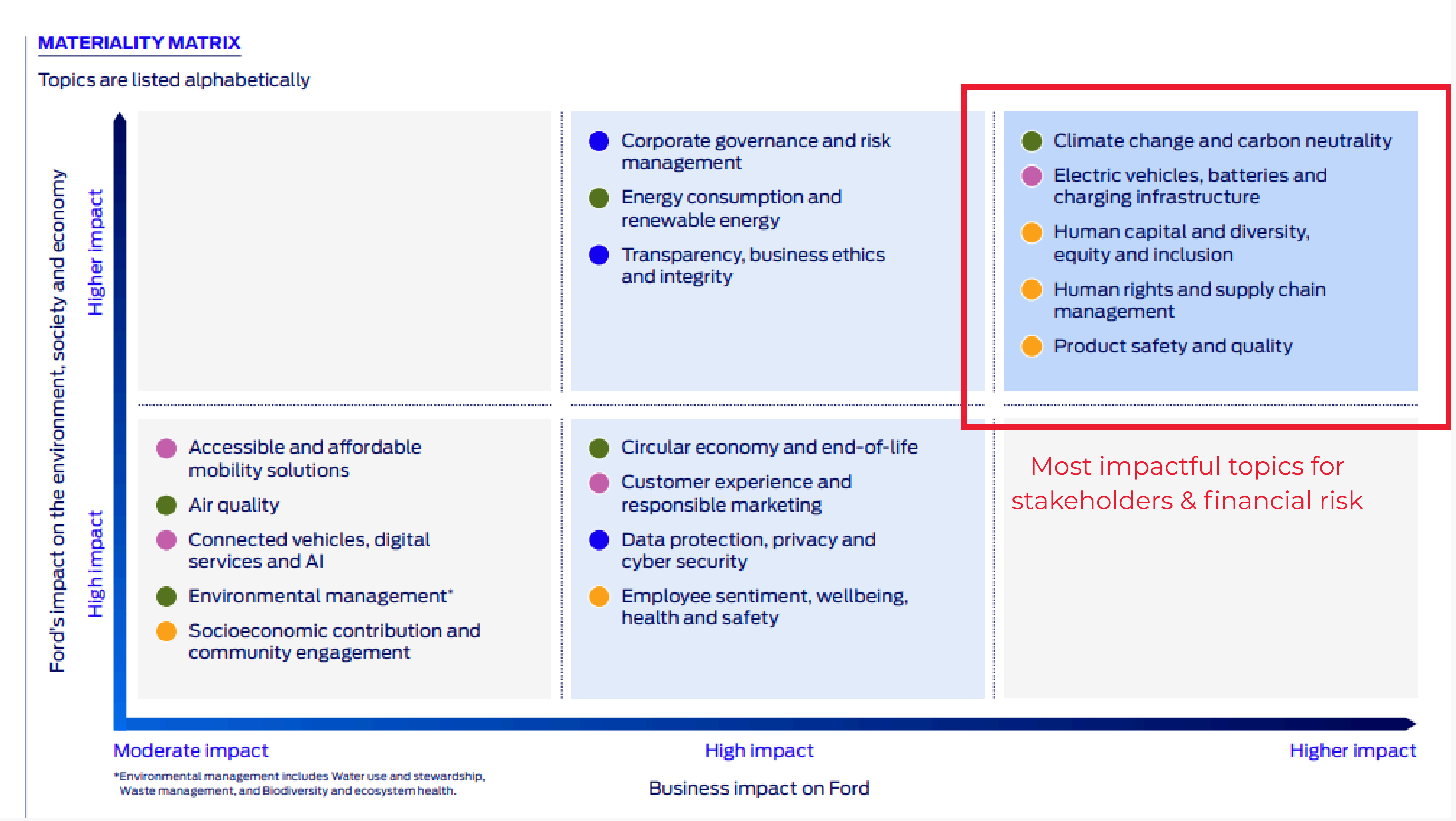
Automotive

What is material for the automotive industry?

- Electrification and emissions free vehicles
- Carbon neutral production
- Circular economy & sustainable materials
- Supplier engagement & due diligence

*focus on environmental topics

Example of Materiality Matrix from Ford:



Leading question: which one of these "issues" can the Company solve?

ESG Reporting Maturity in Automotive

Honda
- Mid-range maturity (for auto)
- Report on voluntary frameworks like GRI (CSRD will most likely apply)
- Main focus on emissions from vehicles & supply chain

Linamar
- Low maturity
- Report on voluntary frameworks like GRI
- Focus is on SASB
- CSRD is applicable
- Many general claims with little quantifiable objectives

GM
- High maturity, extensive reporting & ESG governance
- Report on voluntary frameworks like GRI & SASB
- Many quantitative KPIs
- Focus on vehicle use phase & supply chain

Ford
- Very high maturity, extensive reporting & ESG governance
- Report in line with CSRD
- Many quantitative KPIs reported
- Focus on vehicle use phase & supply chain

	Honda	Linamar	GM	Ford
SASB		●	●	●
GRI	●		●	●
CSRD				●
IFRS/TCFD			●	●

SASB specific KPI's reported:

- Scope 1, 2 & 3 emissions
- Total amount of waste from manufacturing (and % recycled)
- Weight of end of life material recovered
- CAPEX & OPEX related to sustainable products (EU Taxonomy)

?

What does this tell us?
- Ford & GM are the most advanced customers from an ESG perspective.
- High focus on supply chain and circular economy.
- Reporting of waste-related metrics is high (especially compared to other industries).

Environmental Targets in the Automotive Industry

	Emissions target	Circularity & waste targets	Supplier targets
Honda	• Achieve net-zero CO2 emissions across all operations and product lifecycles by 2050 • Electrify 100% of vehicle sales (EVs and FCEVs) by 2040, aiming to eliminate CO_2 emissions from vehicle use (Scope 3, category 11)	• Targeting zero industrial waste and water use by 2050, with a 22% water reduction goal by 2030. • Nearly zero landfill waste at U.S. and Canadian plants; 99% diversion in parts warehousing. • 100% use of sustainable materials by 2050 as part of Honda's "Triple Zero" initiative (carbon neutrality, renewables, circularity)	• Data collection from suppliers + carbon footprint reporting • Member of Manufacture 2030
Linamar	Net zero emissions inclusive of the operation of facilities and supply base, and products by 2050.	General statements around waste reduction & circular economy principles, no quantitative targets	General statements on supplier engagement, no clear targets found
GM	• Carbon neutral in global products and operations by 2040. • Reduce Scope 3 GHG emissions from the use of sold products by 51% per vehicle kilometer against a 2018 baseline (by 2035) • Eliminate tailpipe emissions from new U.S. light-duty vehicles Scopes 1 and 2 • Source 100% renewable electricity globally • Reduce Scope 1 and 2 GHG emissions from operations by 72% against a 2018 baseline	• Diverting more than 90% of our operational waste from landfills, incinerators and energy recovery facilities by 2025 against a 2018 baseline • "Zero Waste" target	• Inviting Tier I suppliers to sign the GM Supplier Pledge and enhance emissions tracking • Monitoring participating global Tier I and Tier II suppliers' sustainability performance through CDP and EcoVadis • Promoting supplier CO2 emission reductions through Manufacture 2030 (M2030)
Ford	• Achieve carbon neutrality no later than 2050 • Attain zero emissions from our vehicles and facilities • Use 100 percent carbon-free electricity in all manufacturing by 2035	• Reach true zero waste to landfill across our operations • Utilize only recycled or renewable content in vehicle plastics	• Net zero target for some suppliers (European) • Supplier Code of Conduct requires Ford suppliers (and their subcontractors) to establish science-based GHG reduction targets, action plans, and transparent reporting mechanisms

What does this tell us?

- All companies have net-zero targets
- Zero waste and Zero Landfill waste seems to be the key terms used in waste targets
- Ford & GM have very strong supplier focused programs and ESG requirements for business (CDP, EcoVadis, Manufacture 2030)

?

What ratings/partnerships does automotives pursue?

- Manufacture 2030 (M2030)
- Automotive Industry Action Group (AIAG)
- European Automobile Manufacturers' Association (ACEA)
- World Business Council for Sustainable Development (WBCSD)
- CDP
- Supplier Partnership for the Environment

- AIAG (especially relevant for suppliers)
- CDP

- Automotive Industry Action Group (AIAG)
- Suppliers Partnership for the Environment
- First Movers Coalition (World Economic Forum)
- Member of Ellen MacArthur Foundation
- Synapse (innovation hub at GM)
- Zero Waste International Alliance
- DOE's Better Plants program
- CDP & CDP Supply Chain
- EcoVadis

- Manufacture2030 (M2030)
- First Movers Coalition (WEF)
- Catena X Automotive Network
- CDP + CDP Supply Chain

+ All companies certified and encourage certification against ISO14001
(+ Ford requires this for suppliers)

AIAG

- Automotive Industry Action Group
- Nonprofit organization founded in 1982 by leading automakers like Ford, GM, and Chrysler (now Stellantis).
- Brings together OEMs, suppliers, service providers, and government/regulatory agencies to improve standards, processes, and sustainability in the global automotive supply chain.
- Free membership for companies with less than $10 million in annual revenue

Better Plants Program DOE

(US Department of Energy)

- Voluntary initiative led by the U.S. Department of Energy (DOE) to help industrial companies improve energy efficiency
- Relevant for Automotive & Parts Manufacturing, Chemicals, Metals, Food, and Water Treatment
- Participants commit to improve energy performance by 25% over 10 years ,& report progress annually

First Movers Coalition

- The coalition helps create demand for emerging clean technologies by encouraging companies to invest in and purchase low-carbon solutions.
- Includes major companies across high-emission sectors, all committed to reducing their carbon footprints.

Zero Waste International Alliance

- Sets global standard for Zero Waste, defining it as ≥90% diversion from landfills and incineration
- Helps companies reduce waste, cut costs, and prepare for ESG certifications related to waste
- Participation in industry sessions + discussions
- Improved brand reputation

Ellen McArthur Foundation

- UK-based nonprofit organization founded in 2010 to accelerate the global transition to a circular economy
- Main/most recognized Circular Economy Network
- Don’t offer membership, however have communities & “engagement opportunities”

Supplier Partnership for Environment

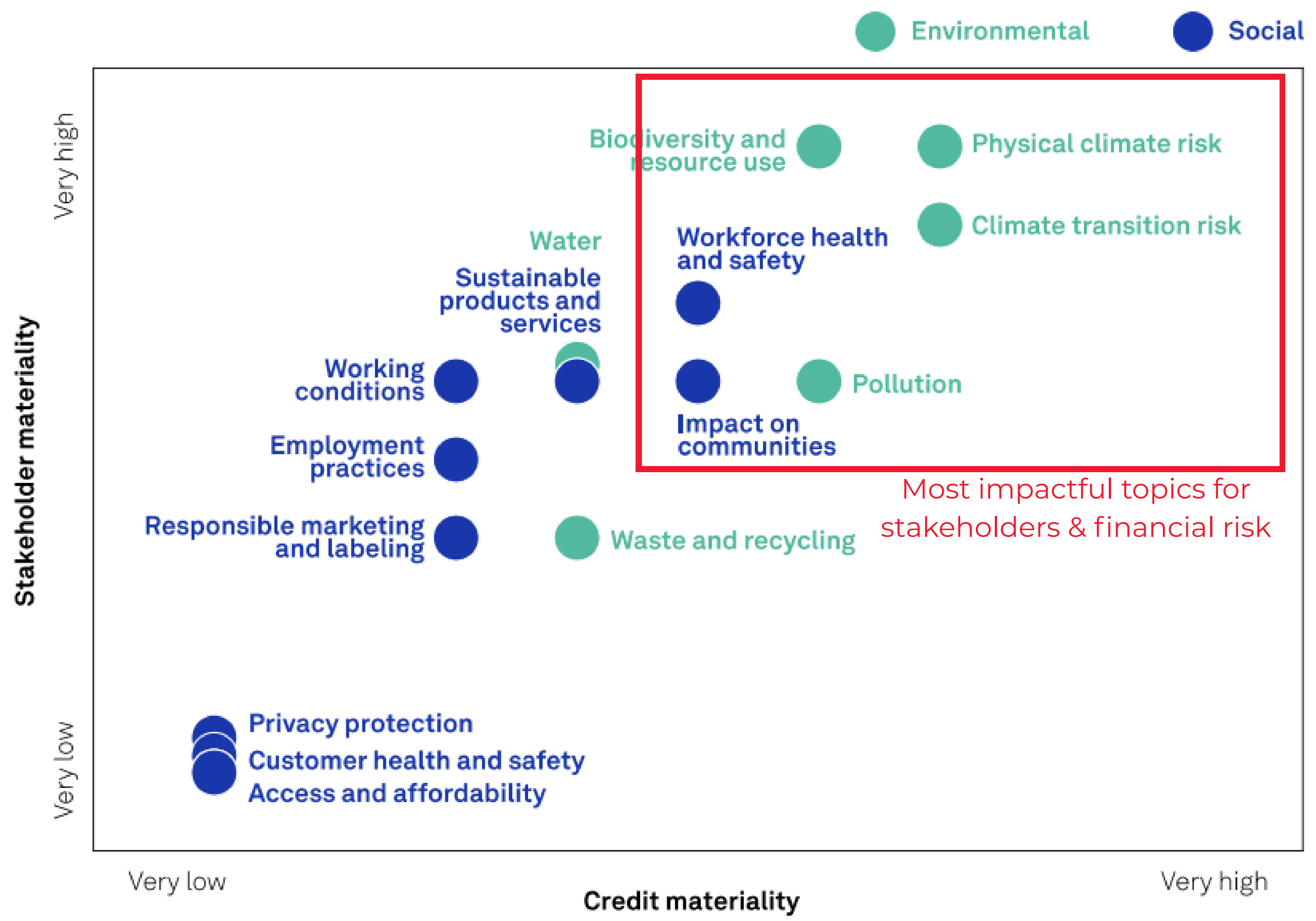
- Focus on improving environmental performance by collaborating with suppliers in the automotive industry
- Encourages companies to work with suppliers to develop innovative solutions that minimize waste, lower emissions, and enhance resource efficiency .

Paper & Pulp

What are the key topics from a stakeholder perspective in the Paper & Pulp industry?

- **Deforestation & biodiversity,** pressure to protect forests and ecosystems; high reputational and regulatory risk.
- **GHG emissions & energy,** energy-intensive operations face scrutiny from regulators and climate-focused investors.
- **Water use & pollution,** high water demand and wastewater concerns affect both local communities and compliance costs.
- **Waste & Recycling,** growing demand for recycled content and sustainable packaging
- **Supply chain transparency**, demand proof of responsible sourcing

ESG Materiality Map For The Paper And Forest Products Sector



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ESG Reporting Pressures - Paper & Pulp

Domtar

- Lower ESG maturity
- Part of larger group
- Targets & communications are very general
- No consolidated one report

International Paper

- High overall ESG maturity
- Main focus on forests and fiber based products

sappi

- High overall ESG maturity
- Advanced year over year reporting towards targets
- Focus on supply chain + third party certifications

Kimberly-Clark

- High overall ESG maturity
- Focus on emissions, biodiversity, waste & water

	Domtar	International Paper	sappi	Kimberly-Clark
SASB	●	●	●	●
GRI	●	●	●	●
CSRD	●	●	●	●
IFRS/TCFD	●	●	●	●

SASB specific KPI's reported:

- % of raw material from recycled/renewable content
- Revenue from products that are reusable
- Total weight of wood-fiber based raw materials procured
- Total wood fiber procured from certified sources
- Total materials purchased from certified sources

What does this tell us?

- Paper & pulp industry has high focus & maturity in reporting on ESG topics
- Almost all companies face ESG reporting pressures, meaning they have a need to track & therefore improve on ESG metric
- Main focus is on inflow materials and use of more natural fibers, lower priority on "waste disposal"

Targets in the Paper & Pulp Industry

	Emissions target	Waste/Circularity targets	Supplier targets
Domar	Net Zero Emissions by 2050	No recent targets found	Increase landowner engagement in fiber value chain
International Paper	Reduce Scope 1, 2 and 3 greenhouse gas (GHG) emissions by 35%	Create innovative products that are 100% recyclable, reusable or compostable	Not relevant - focus on wood & forest land suppliers
Sappi	• Reduce carbon emissions 41.5% per ton of product by 2030 • Decrease specific total energy by 5%	• Reduce total specific solid waste to landfill (on-site and off-site) • Launch 25 products with defined sustainability benefits	• Commitment that 44% of our suppliers by spend have science-based targets by 2026
Kimberly Clark	• Reduce Scope 1 & 2 GHG emissions by 50% by 2030 (from 2015) • Reduce Scope 3 by 20%	• 100% packaging to be reusable, recyclable, or compostable by 2025 • Landfill-free operations, achieve 100% of diversion of manufacturing waste	• Scope 3 engagement with suppliers on emissions

?

What does this tell us?

- Most focus on the paper & pulp industry is on forest, land management & biodiversity and use of sustainable input materials
- Only Kimberly Clark & Sappi has a target specific to waste to landfill, the rest of the focus on product design
- Appears to be low focus on the supply chain (especially in comparison to automotive)

What partnerships & certifications does the Paper & Pulp industry pursue?

Domtar

- Members of multiple conservation initiatives in US & Canada
- Member of Canadian Manufacturers & Exporters (CME)
- CDP
- Ecovadis
- Participate in EPA SmartWay Transport Partnership

International Paper

- Members/collaborators in 30+ associations (most are forest/social focused)
- Member of World Business Council for Sustainable Development (WBCSD)
- CDP
- Ellen McArthur Foundation Foundation Network
- Participate in EPA SmartWay Transport Partnership
- Chain of Custody certificates + ISO14001

sappi

- Member of World Business Council for Sustainable Development (WBCSD)
- CDP & CDP Supply Chain
- EcoVadis
- Extensive third party certifications (Chain of Custody Certificates + ISO 14001/50001, EMAS etc.)

Kimberly-Clark

- Member of World Business Council for Sustainable Development (WBCSD)
- CDP
- EcoVadis
- Member of U.S. and U.K. Plastics Pacts (Ellen MacArthur Foundation initiative)
- Participate in EPA SmartWay Transport Partnership
- Chain of Custody certifications + ISO 14001

Canadian Manufacturers & Exporters (CME)

- Formed through the 1996 merger of the Canadian Manufacturers Association (CMA) and the Canadian Exporters Association (CEA).
- CME proposes policies and best practices that enable growth, investment and competitiveness., with focus on promoting the circular economy
- Participation/engagement could expose the Company to new clients

World Business Council for Sustainable Development (WBCSD)

- Collaboration Network for companies with active ESG commitments & ambitions
- Internationally/cross industry recognition
- Members are expected to actively participate in working groups, coalitions, or sector projects
- Requires a membership fee/ per project payment

REOCCURING
(present in automotive as well)

EPA SmartWay Transport Partnership

- Helps companies advance supply chain sustainability by measuring, benchmarking, and improving freight transportation efficiency.
- Symbol of sustainable freight transportation
- US/Canada/Mexcio + Global Market
- Voluntary, implies use of their tool and submission of the application

Ellen McArthur Foundation

- UK-based nonprofit organization founded in 2010 to accelerate the global transition to a circular economy
- Main/most recognized Circular Economy Network
- Don’t offer membership, however have communities & “engagement opportunities”

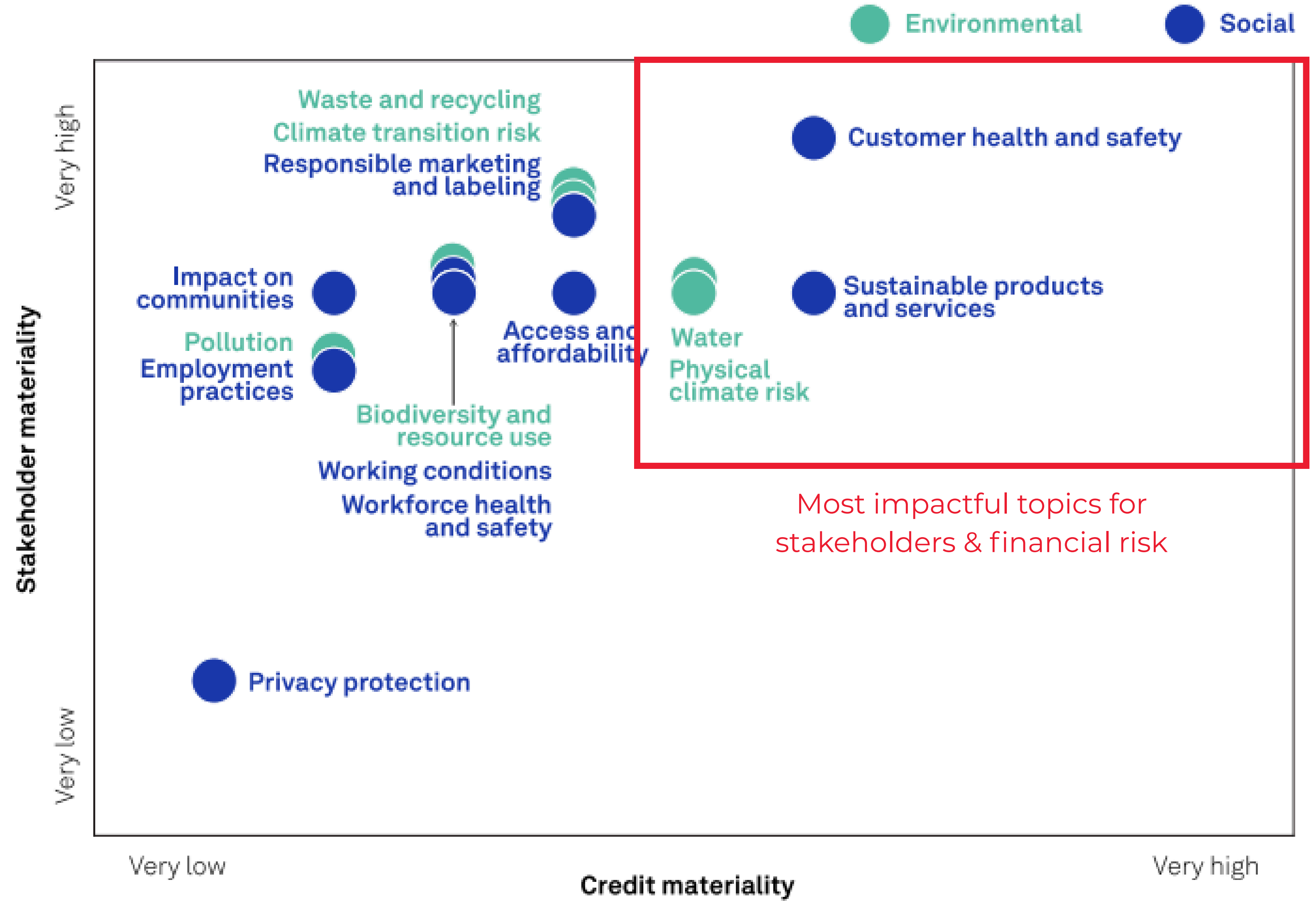
REOCCURING
(present in automotive as well)

Food & Beverage

What are the key topics from a stakeholder perspective in the Food & Bev Industry?

- Generally higher focus on social aspects compared to automotive, power & paper industry
- **Customer health & safety,** key focus is the well-being of the end customer
- **Climate & emissions,** agriculture and supply chains drive high GHGs
- **Water use,** intensive water footprint in farming and processing
- **Biodiversity, deforestation & sourcing,** key commodities (palm, soy, cocoa)
- **Sustainable Products & Services,** including packaing

ESG Materiality Map For The Consumer Products - Food Sector



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ESG Reporting Pressures - Food & Bev

Grupo Bimbo
- High ESG maturity
- Very extensive, integrated ESG report
- Key focus on packaging

Anheuser-Busch
- High ESG maturity
- Key focus appears to be on CSRD framework
- Topic focus topic is water

Cargill
- High ESG maturity
- Key focus appears to be on CSRD framework
- Key topics are land & agriculture

Danone
- High ESG maturity
- Key focus areas are land use, climate change & circular economy (focus on packaging)

	Grupo Bimbo	Anheuser-Busch	Cargill	Danone
SASB	●	●	●	●
GRI	●			●
CSRD	●	●	●	●
IFRS/TCFD	●	●	●	●

Key KPI's reported:

- Scope 1, 2 & 3 Emissions
- Fleet fuel consumption
- Energy related metrics (% renewables)
- Suppliers social & environmental audits
- Packaging metrics
- Industrial Waste (waste generated & recovered)

What does this tell us?

- High ESG reporting & regulatory pressures for all companies
- Key focus on topics such as land, water and agriculture may make the Company's sustainability value harder to sell
- Unclear if reporting on industrial waste includes machinery (or only product outflows)

ESG Targets in the Food & Bev Industry

	Emissions target	Waste/Circularity targets	Supplier targets
Bimbo	Net-zero across value chain by 2050 (SBTi-validated) 100% renewable energy by 2025	• Divert 100% of waste from landfills by 2025 • 100% recyclable/biodegradable/ compostable packaging by 2025	Increased tracability for supplier (no quantitative target found)
Anheuser Busch	• 35% reduction in absolute scope 1 & 2 emissions by 2025 (based on 2017) • Net-zero by 2040 across value chain	• 100% recyclable/returnable packaging by 2025	Engage suppliers via Eclipse platform
Cargill	• Reduce absolute operational GHG emissions by 10% by 2025 • Reduce global GHG emissions from global supply chain by 30% by 2030, measured per ton of product	• 100% reusable/recyclable/compostable packaging by 2030	• Supply Chain and Communities: enable a water positive impact in all priority regions by 2030 • Eliminate deforestation across agricultural supply chain by 2030
Danone	• Scope 1 & 2 emissions by 46.3% by 2030 • reducing emissions from Scope 3 non-FLAG (Packaging, Logistics, and Co-manufacturing) by 42% • Cut Scope 3 FLAG (Forest, Land, and Agriculture emissions such as those from milk, dairy ingredients, and plant-based ingredients) by 30%	• 100% reusable/recyclable/compostable packaging by 2030 • 50% food waste reduction by 2030	• Engage >75% suppliers in SBTi-aligned decarbonization;

What does this tell us?

- All companies have ambitious CO2 reduction targets, potentially relevant for the Company when it comes to supply chain emissions
- Main focus in waste/circularity topic is packaging, therefore may be more challenging to address waste topic
- Focus on engagement with supply chain (mainly related to agriculture), with demands such as SBTi + Eclipse

What partnerships & certifications does the Food & Bev industry pursue?

- No key partnerships of interest to the Company found

- 100+ Accelerator

- Participate in World Business Council for Sustainable Development (WBCSD) Inititatives
- World Resource Institute

- Ellen MacArthur Foundation
- World Resource Institute
- B Lab/Corp
- 100+ Accelerator

100 + Accelerator

- Global program to fund and scale startups solving ESG challenges in supply chains.
- Launched by AB InBev; now includes Coca-Cola, Unilever, Colgate-Palmolive, Danone.
- Offers up to $100K funding and real-world pilots with corporate partners

B Corp

- Certification for companies meeting high standards in social & environmental impact.
- Signals a purpose-driven, transparent, and accountable business model.

World Resources Institute

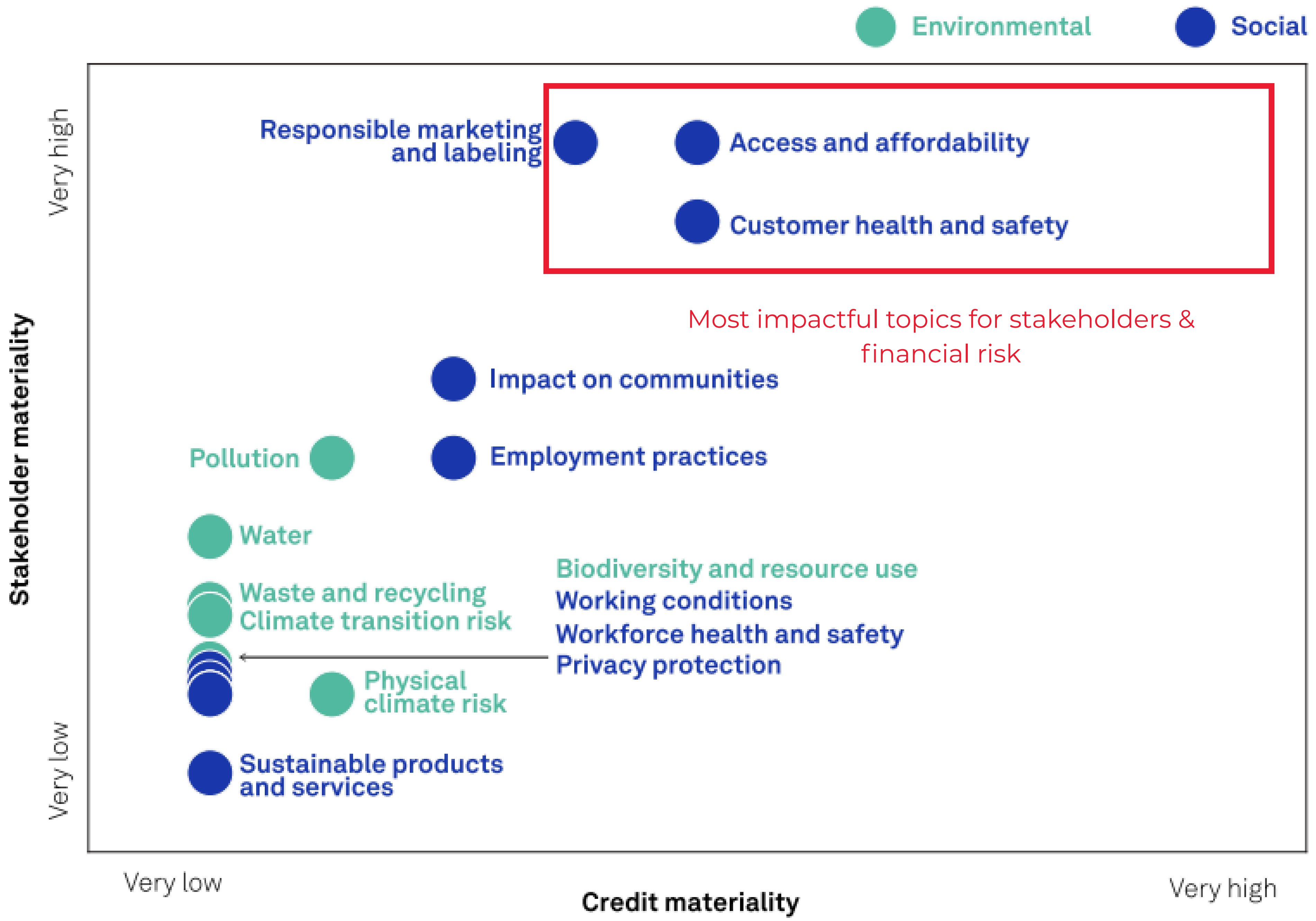
- Global nonprofit that develops data-driven climate and sustainability solutions.
- Co-developed the GHG Protocol
- Helps companies set targets and advance climate resilience, water, and land use strategies.

Pharma

What are the key topics from a stakeholder perspective in the Pharma industry?

- Generally higher focus on social aspects simular to Food + Bev
- **Customer health & safety,** key focus is the well-being of the end customer
- **Water use,** intensive water footprint in farming and processing
- **Pollution,** especially stemming from residues in waste water
- **Sustainable Products & Services,** including packaing (waste/recycling)
- **Climate & emissions,** much lower priority in comparison to other industries the Company works with

ESG Materiality Map For The Pharmaceuticals Sector



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ESG Reporting Pressures - Pharma

	Teva	Roche	Pfizer	GSK
	• Teva key focus area is decarbonization, LCA, renewables, & antibiotic resistance • High ESG maturity	• Do not align to any particular ESG reporting standards • Low maturity, likely due to size	• Focus areas are emissions, water & waste, and antibiotics • Track & have target related to upstream transport emissions • High maturity , no mention of CSRD	• Focus on emissions, water, waste & supplier audits • High ESG maturity
SASB	●		●	●
GRI	●		●	●
CSRD	●			●
IFRS/TCFD	●		●	●

KPI's of interest reported:

- No environment SASB metrics, all are social/supply chain related
- CO2 emissions, % renewables & LCA
- Upstream transportation & distribution carbon emissions
- Hazardous & non-hazardous waste, diverted vs directed to disposal
- Suppliers by spend with science-based targets (%) (reported by Pfizer)

What does this tell us?

- Pharma industry has less focus on environment and increased focus on social topics
- Roche has very low maturity
- Main environmental topics are emissions, waste and water & supply chains
- Focus is on life-cycle (LCA) of the medication itself

Targets in the Pharma Industry

	Emissions target	Waste/Circularity targets	Supplier targets
Teva	• Achieve net zero emissions across operations and value chain by 2045 • Reduce absolute scope 1 and 2 greenhouse gas (GHG) emissions by 25%2 by 2025 and by 46% by 2030 (vs. 2019) • Reduce absolute scope 3 GHG emissions by 25% by 2030 (vs. 2020) • Achieve 100% use of renewable electricity by 2035	• Assess the environmental life cycle impact of key products by 2030 • No specific targets related to waste	• Engage with significant suppliers to get 80% committed or approved by the Science Based Targets initiative (SBTi) by 2030
Roche	No targets found (in general have very small CO2 footprint)	No targets. Disclosure of some projects focusing on packaging.	No targets found
Pfizer	• Reducing Scope 1 and 2 GHG emissions by 46% from a 2019 baseline by 2030 • Sourcing 80% of electricity from renewables by 2025, and 100% by 2030 • Reducing emissions from upstream transportation and distribution by 10% and from business travel by 25% by 2025 from a 2019 baseline	• Conducting LCA's (no quantified target) • 3R Circular Program concentrates on prioritizing the reduction, reuse, and recycling of high-volume shipment materials to minimize waste and emissions • Aim for Zero Landfill Status	• Driving 64% of suppliers of goods and services by spend to also set science-based GHG emission reduction goals by 2025
GSK	• 80% absolute reduction in greenhouse gas emissions from a 2020 baseline, across all scopes, and investment in nature based solutions for the remaining 20% of our footprint by 2030 • Net zero greenhouse gas emissions across our full value chain by 2045: 90% absolute reduction in emissions from a 2020 baseline, across all scopes, and all residual emissions neutralised • 100% imported renewable electricity by 2025 and 100% renewable electricity (imported and generated) by 2030 (Scope 2)	• Zero operational waste by 2030 • 25% environmental impact reduction for our products and packaging by 2030	• 10% waste reduction from our supply chain by 2030 • 80% of direct high-risk suppliers that achieve GSK's minimum EcoVadis score or have an improvement plan in place (target for 2024)

What does this tell us?

- Even though emissions are not the top material topic, achieving Net Zero continues to be a focus area for targets.
- LCA and packaging are the main areas of focus for the topic of waste and circularity.
- Pfizer has a zero landfill status, which could be a driving term for the Company.
- Seen the use of EcoVadis and SBTi, a recurring trend in all industries.

?

What partnerships & certifications does the phrama industry pursue?

teva

- Responsible Health Initiative (backed by EcoVadis)
- UN Global Compact & Pharmaceutical Supply Chain Initiative (PSCI)
- Use EcoVadis

Roche

- No specific names of external partners found
- Report to CDP

Pfizer

- Pharmaceutical Supply Chain Initiative (PSCI)
- Manufacture 2030
- Use EcoVadis

GSK

- Responsible Health Initiative
- LEAF Coalition member
- Use EcoVadis

Responsible Health Initiative

- Launched by GSK, Teva, and Takeda with EcoVadis to improve ESG performance in healthcare supply chains.
- Uses EcoVadis ratings to assess and benchmark suppliers on sustainability, ethics, labor, and procurement.
- Main aim is standardization

UN Global Compact

- Companies commit to 10 principles (e.g., human rights, environment).
- Supports alignment with UN Sustainable Development Goals (SDGs).
- Requires annual progress disclosure.

Pharmaceutical Supply Chain Initiative

- Focuses on five key principles: ethics, labor rights, health and safety, environmental protection, and management systems.
- Provides a shared audit platform
- Offers training, webinars, and guidance to help suppliers improve ESG performance.

LEAF Coalition

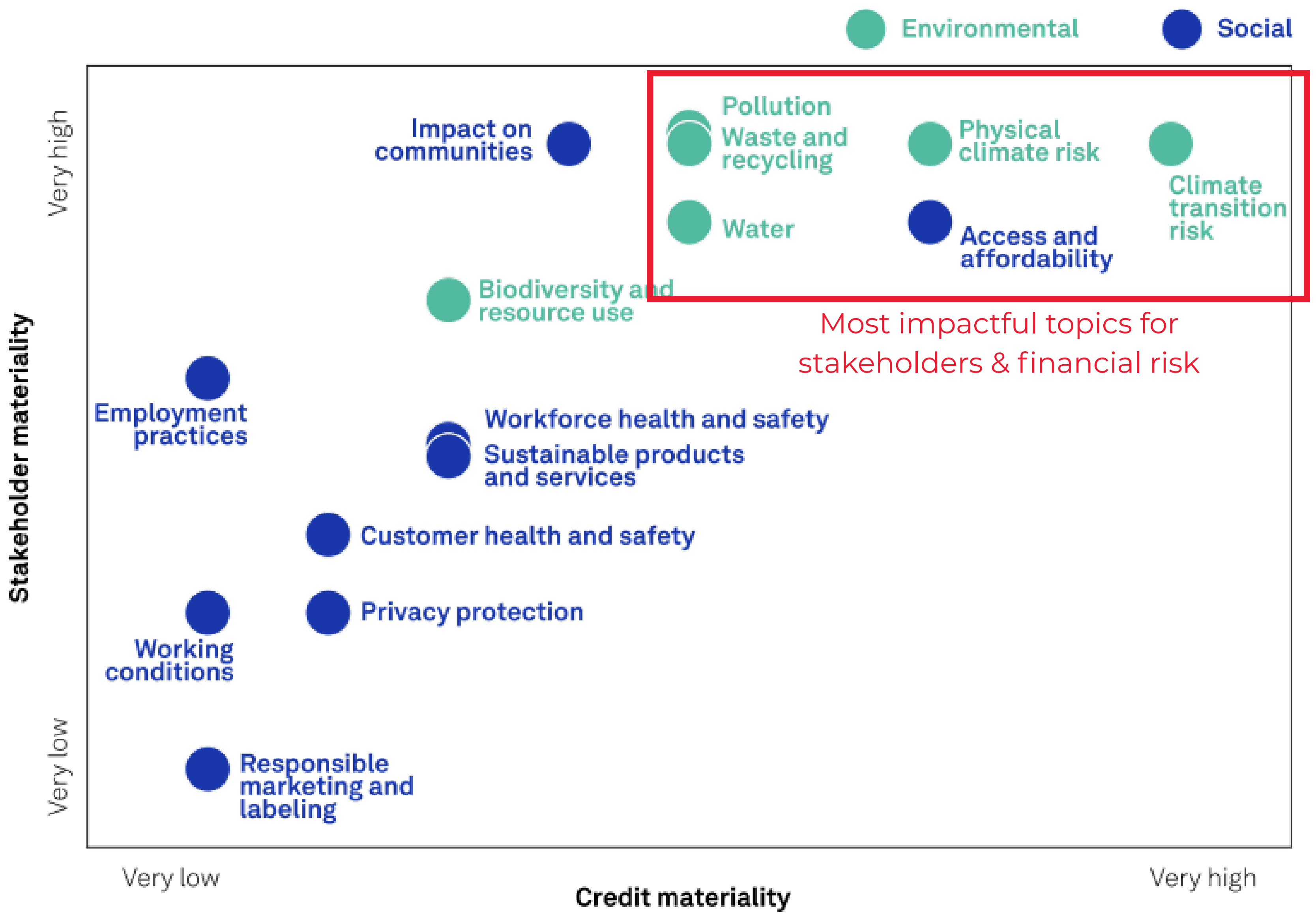
- Public-private coalition to protect tropical forests.
- Mission: Mobilize at least $1 billion to purchase carbon credits for avoided deforestation and protect forests.
- Founding members: Includes governments (USA, UK, Norway) and companies like Amazon, Bayer, GSK, Nestlé

Power & Gen

What are the key topics from a stakeholder perspective in Power & Gen?

- Key focus areas is transition of the market toward renewables + energy storage (climate transition risks)
- **Climate risks** (impacts from severe weather, supply chain disruptions, market shifts etc)
- **Pollution** (especially related to coal)
- **Waste & recylcing** (coal ash, nuclear)
- **Water** (especially in thermal plants)

ESG Materiality Map For The Power Generators Sector



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ESG Reporting Pressures - Power Gen

Ontario Power Generation

- Primary focus on GHG emissions and nuclear waste
- Mentions reuse of equipment & spare parts, but no quantitative reporting
- Don't yet report Scope 3
- Key focus on assets

Dominion Energy

- Limited reporting on topics outside of climate
- For waste - only report on hazardous waste sent to disposal

exelon

- Very comprehensive Scope 1 & 2 reporting
- Report different types of waste streams, but little quantitative info

NextEra Energy

- Very comprehensive reporting, even though GRI is not mentioned
- Key focus on SASB standard

	Ontario Power Generation	Dominion Energy	Exelon	NextEra Energy
SASB		●	●	●
GRI	●	●	●	
CSRD			●	
IFRS/TCFD	●	●	●	●

KPI's of interest reported:

- Scope 1, 2 & 3 emissions
- CO_2/MWh produced
- Annual CAPEX expenditures
- Amount of hazardous waste manifested for disposal (tons)
- Percent of Coal Combustion Products Beneficially Used
- *Non-ESG : Accretion on fixed asset removal and nuclear waste management liabilities*

What does this tell us?

- Reduced pressure/focus from EU Sustainability regulations perspective
- Main focus is on Scope 1 & 2 emissions, customers, grid and nuclear waste
- May be a more challenging industry to sell to from a sustainability perspective because other emissions/waste is so high

Environmental Targets in the Power & Gen

	Emissions target	Waste/Circularity targets	Supplier targets
OPG	• Net-Zero by 2040 (Operations, Scope 1 & 2) • Enabler of a Net-Zero Economy by 2050 • Coal-Free Generation	• Reduce how much waste we produce through diversion programs at the stations, including, for example, the removal of packaging from tools and materials before they enter radiological zones. • Main focus on nuclear waste • *“OPG uses reusable equipment and material as much as possible.”*	• ESG Supplier Evaluations (no quantitative targets) • Use of EcoVadis as screening tool
Dominion	• Committed to Net-Zero Scope 1 and methane emissions by 2050, expanded in 2022 to include Scope 2 and material Scope 3 emissions	• Strives to minimize hazardous waste through source reduction and improved storage	• Focus on supplier diversity
Exelon	• Net-zero operations by 2050 • Cut operations-driven Scope1 and 2 emissions by 50% by 2030	• Employ best practices to reduce, reuse and recycle waste (no quanitative target found)	• No specific supplier targets found
NextEra Energy	• **Carbon-emissions free by no later than 2045**, with zero scope 1 direct emissions from owned assets and zero scope 2 indirect emissions from owned or leased operations	• Waste minimization (no quantitative target found)	• Focus on supplier diversity

What does this tell us?

?

- Main focus in the Power & Gen industry is towards emissions - mainly Scope 1 & 2 reduction.
- Very limited attention is given to circularity (feed-in products); the term “Circular” is not mentioned in any of the reports.
- The main focus related to waste is nuclear waste.
- Limited focus on the supply chain (especially when compared to automotive/agriculture).

What partnerships & certifications does the Power Industry pursue?

Ontario Power Generation

- Use of EcoVadis for supplier screening

Dominion Energy

- Sustainable Supply Chain Alliance
- UN Global Compact
- CDP

exelon

- Ceres
- World Resources Institute (WRI)
- CDP

NextEra Energy

- No major memberships found

Sustainable Supply Chain Alliance

- Utility-led group promoting low-carbon, ethical sourcing.
- Shares tools for supplier emissions tracking.
- Focus on resilient and responsible procurement

Ceres

- Works with firms to set climate and water targets.
- Advocates for sustainable investment and policy.
- Publishes tools like the Ceres Roadmap for Sustainability

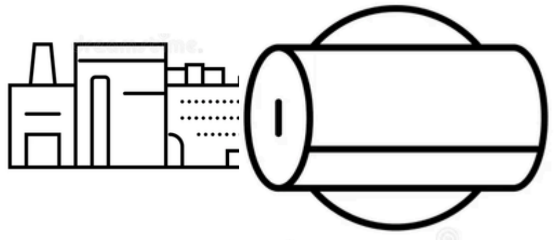
**CDP is not highllighted seeing as it is a complex, long questionnaire with little/no benefit . Currently disputed rating, with some companies dropping out.*

Summary & Conclusions

What conclusions can we draw from this research?

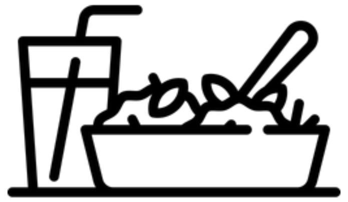
AUTOMOTIVE

- CO_2 emissions (especially use phase), circular economy and supply chain are key topics
- High emphasis on supplier engagement & prerequisites
- Mature environmental strategies (Ford & GM)
- Net Zero/Carbon Neutrality goals by 2040 and 2050
- Zero waste targets



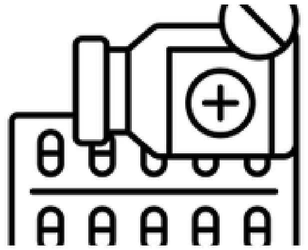
PAPER & PULP

- Deforestation, biodiversity emissions & pollution are key topics
- Key focus on reusability of end product + use of sustainable materials
- Highest regulatory pressure (compared to other industries)
- Only one carbon neutrality goal, others have CO_2 targets
- Only KC with waste target



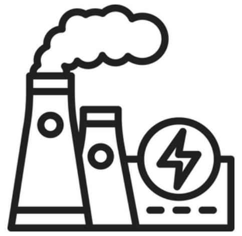
FOOD & BEV

- More focus on social topics vs environment
- Key env. topics are land use, biodiversity, water & packaging
- High reporting pressure + advanced ESG reporting
- Net Zero by 2040 & 2050 and/or climate targets
- Waste focus is on packaging perspective
- Focus on agri. suppliers



PHARMA

- Key focus on end consumer safety
- Env. topics of focus are water, pollution & emissions
- High focus on Life Cycle Assessments & packaging
- Targets to get to Net Zero by 2045
- Zero waste as reoccuring statement
- Only industry for waste reduction target for suppliers (from GSK)



POWER & GEN

- Key focus on env. topics like CO_2, pollution and waste (especially nuclear waste)
- High focus on energy transition, renewables etc.
- Net Zero by 2040, 2045, & 2050
- General waste reduction statements (no specific quantitative claims/mention of circular economy)
- OPG's mention of circularity in context of assets

Finding relevant for all industries

All industries face ESG reporting pressures

Request for EcoVadis, CDP & Science Based targets from suppliers

Scope 1, 2 & 3 emissions targets, commitements to Net Zero for all companies

Most companies report waste as standard,, key term is “Zero Waste” (to landfill)

No focus/mention of waste in context of assets (expect OPG)

No “specific” KPI’s detected, all those reported lean on standard ESG frameworks

What does this tell us?

- Maturity of industries being more or less the same level
- Each industry will have different “material” topic, and that may impact their level of interest towards the Company (from a sustainability perspective)
- Specifics related to refurbished machinery/asset recovery are not seen (or reported as sustainability) = opportunity to highlight this topic, especially in alliance and ESG membership networks

Recommendations

Understand the sustainability needs & requirements of your customer

- Focus & prioritization of sustainability depends on the client perspective (waste with sellers, CO_2,Circular Economy with buyers)
- Potentially create industry grouping (Automotive + Power & Gen, Pharma + Food & Bev)
- Bring sustainability into the conversation, ask them whether they track how much industrial waste they dispose of (non-operational)
- Stay on top of requirements spanning across all industries such as EcoVadis, ISO14001 and Science Based Targets
- Track the ESG requests that come in to see what makes sense to develop from an ESG perspective

Develop your Sustainability Value Proposition based on what matters to your clients

- CO_2 reduction is key for all industries, therefore potentially integrating a function when client can compare CO_2 of buying from the Company vs buying new
- Communicating waste avoided (and labelling the category to which it belongs to)
- Labelling of products as “Sustainable CAPEX” (based on specific taxonomy)
- Use terms like Zero Waste, Net Zero & Carbon Neutral
- Integration of sustainability principles into overall marketing, website + communications
- Development of a sustainability strategy, setting targets, alignment with the UN Sustainability Goals (SDG’s)

Engage direcly with specific sustainability organizations & highlight the topic of asset recovery from the sustainability perspective

- Ellen McArthur Foundation
- World Business Council for Sustainable Development (WBCSD)
- First Movers Coalition
- Supplier Partnership for Environment
- Canadian Manufacturers & Exporters (CME)
- Remanufacturing Industries Council
- Industry Specific Organizations (dependent on industry)

Key KPI’s to report to clients

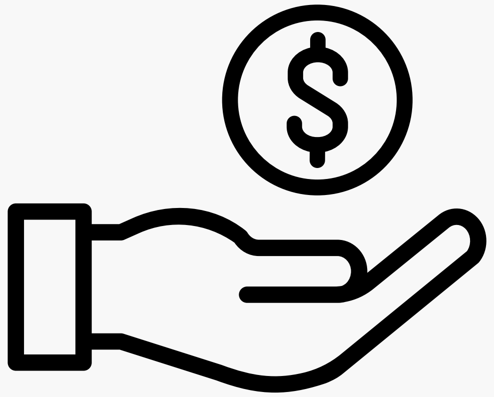
- Emissions new vs Company bought
- Industrial waste avoided
- Sustainable CAPEX

Key words to consider

- Zero Waste
- Net Zero / Carbon Neutral
- Industrial Circular Economy

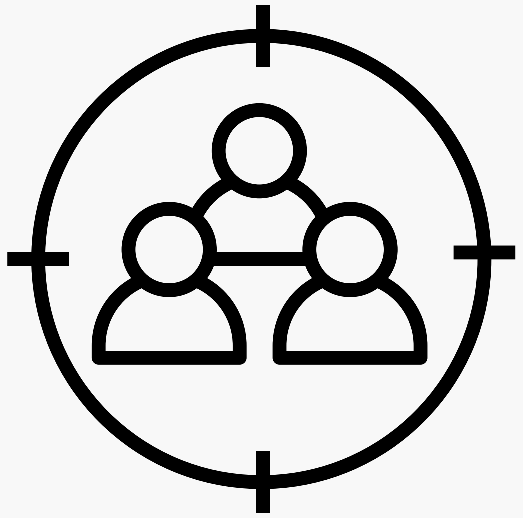
Consideration of the two perspectives of the Company's clients

What would a **supplier** to the company potentially care about?



- How much CO2 emissions is avoided by selling to the Company?
- How much waste avoided from the sale?
- Can they make the claim they are participating in a Circular Economy by working with the Company?

What would a **buyer** potentially care about?



- Does the Company meet all the ESG requirements as a potential supplier?
- Is the product they are purchasing be classifed as "sustainable"?
- What is the emissions factor related to the machinery they are purchasing? (required for Scope 3.1 accounting)

KEY SELLING POINT

- Waste avoided
- Zero Waste to Landfill
- Participating in Circular Economy

KEY SELLING POINT

- Meeting ESG prerequisites
- CO2 emissions avoided (vs buying new)
- Sustainable CAPEX investment label
- Participating in Circular Economy

How might the Company's sustainability value proposition look?

Leading the Industrial Circular Economy

- Zero Waste
- Repurposing & Remanufacturing
- Use of existing goods vs producing new

Enabling Net Zero

- Emissions avoided from buying from the Company vs buying new
- Emissions avoided from storage (supporting infrastructure, maintenance, logisitics)

Working with a reliable ESG partner

- ISO14001 Certification
- EcoVadis Reporting
- (Potentially) Development of overall ESG strategy & goals, like climate targets
- (Potentially) Labeling of CAPEX as Sustainable

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