

ReMA's ESG Series:

Employee Trends & Engaging Employees in ESG Strategy & Implementation

August 29, 2024



Recycled Materials
Association

Sustainable. Resilient. Essential.

recycledmaterials.org

2024 ESG Webinar Series

Up Next: November 21- ESG Policies & Regulations

Past workshops and webinars available:

<https://videos.isri.org/category/video-library/esg-workshops/>

ReMA Anti-Trust Policy in Effect: isri.org/antitrust



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Presenters



Natalie Betts
ReMA



Jessie Miller
Novata



Shawn State
Pratt Industries



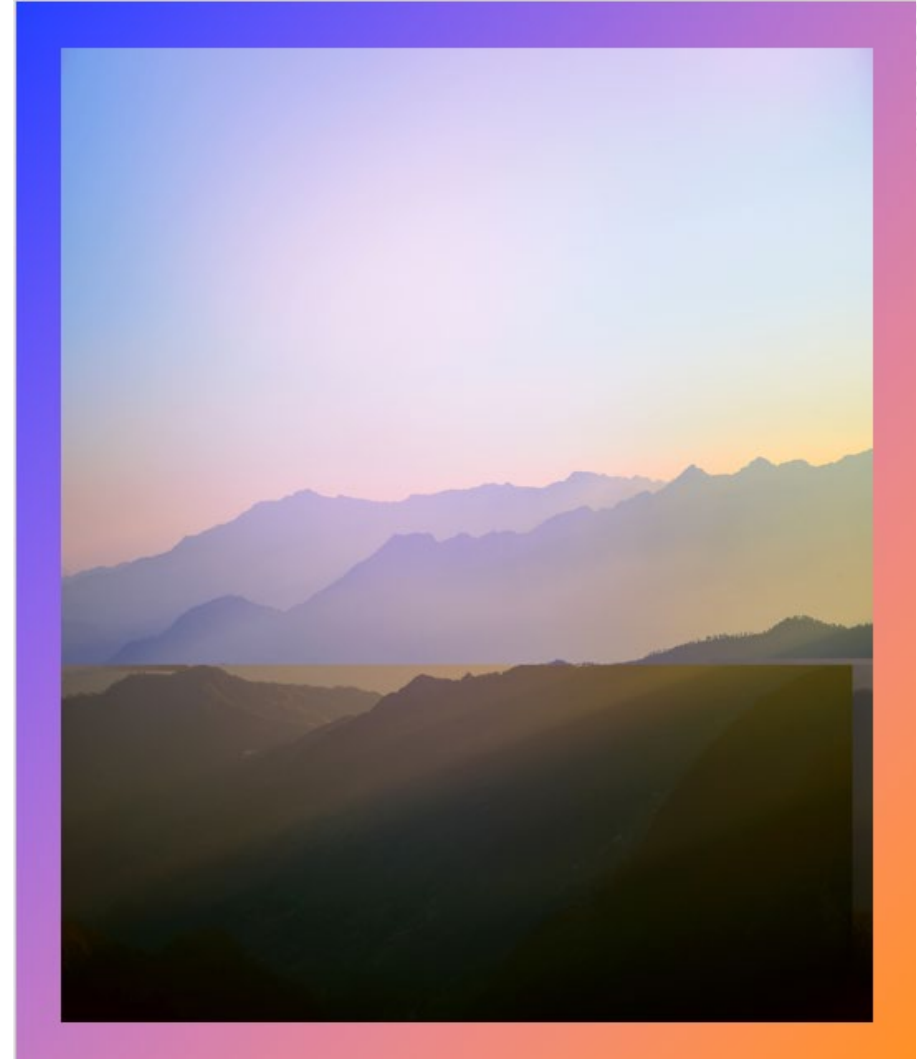
Kristin Kinder
Kristin Kinder
Consulting



Susan Robinson
ReMA Consultant

Agenda

- **Introduction**
- **The “S” in ESG**
- **Employee Engagement & Program Examples**
 - ✓ Jessie Miller - Novata
 - ✓ Shawn State – Pratt Industries
 - ✓ Kristin Kinder - Consultant
- **ReMA Upcoming Events**



ReMA Resources: ESG & Sustainability

- **Quarterly Sustainability Network Meetings**
 - Email nbetts@recycledmaterials.org to join
- **ESG Toolkit- 7 Modules of Information, Tools, and Resources**
 - What is ESG
 - Strategy, Goals & Materiality
 - Environment
 - Social
 - Governance
 - Reporting
 - Value Creation



esgtoolkit.isri.org

ReMA Resources: Workforce

- Workforce Management Toolkit
 - Recruiting and retention guidance developed by and for ReMA members, including a 90 day on-boarding plan, sourcing tips, and guidelines for writing job descriptions.
- Career Pathways Program
 - ReMA has internship and fellowship candidates that can be delivered straight to your inbox. We recruit and vet top entry-level talent for our members to source all for FREE!
 - Figuring out if interns are a right fit for your company? Not sure where to start? ReMA offers an internship guide.
- Compensation and Benefits Study
 - This tailored study contains the most up-to-date compensation and benefits data for the recycling industry, covering over 80 different job codes for both salaried and hourly workers.
- Inclusion Cohort
 - Employer training and candidate sourcing for hiring individuals with disabilities to fill your vacant roles in operations or administration.

ReMA Resources: Safety

- Safety Trainings
- Train the Trainer
- Weekly EHS Update
- Safety Data Sheets
- Recommended Safety Practices
- Circle of Safety Excellence



isri.org/safety

The “S” (Social) in ESG



The “S” in ESG is more than just doing good for your surroundings.

It includes all the topics connected to how a company relates to people within and outside its walls. It examines the company’s relationships with the other businesses and communities, as well as how the companies treat their employees.

The financial world defines the “S/Social” in ESG as ***how a company manages its relationships with its workforce, the societies in which it operates, and the political environment.***

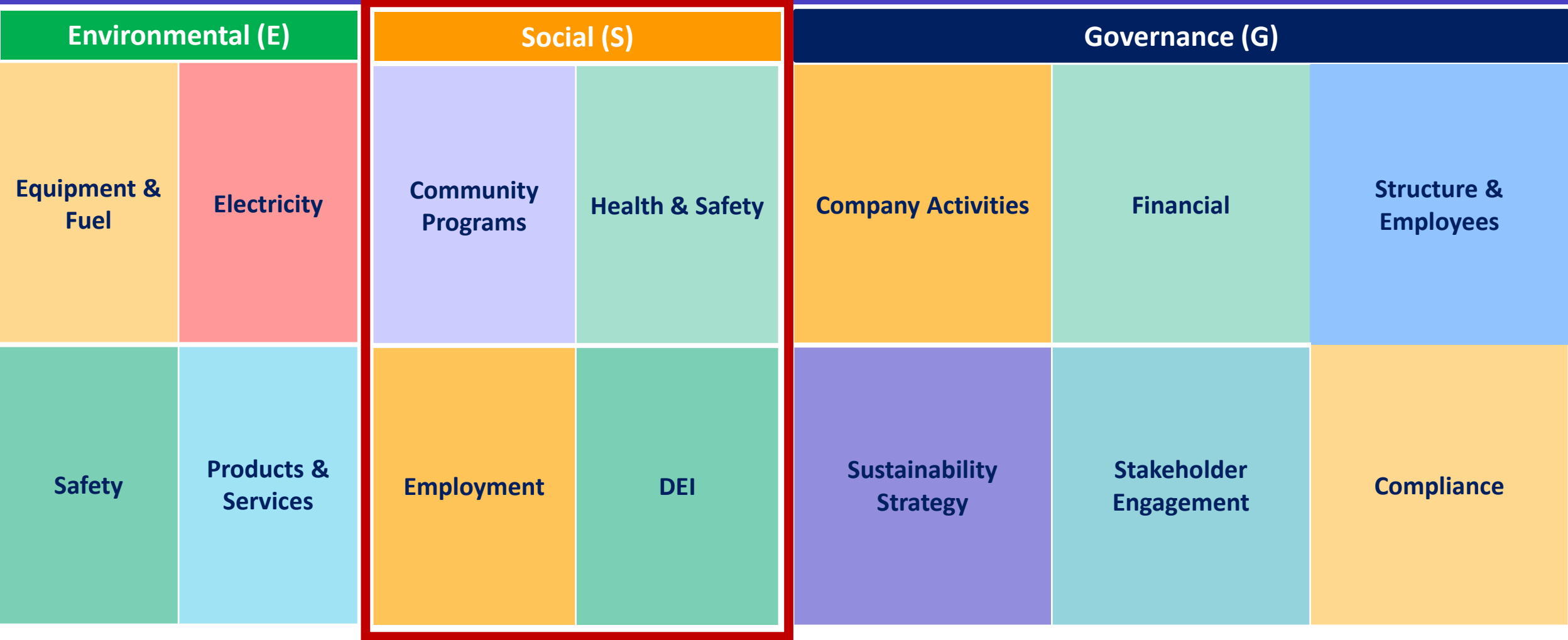
It is also often equated with DEI, or diversity, equity and inclusion (gender, race, religion, geography, age, sexual preference and other identity markers).

It includes:

- The supply chains we participate in
- The people we employ
- How staff are treated
- Engagement with neighbors and local communities; and
- The working conditions organizations create to bring out their human best.

Companies are being held accountable for all aspects of their business: Corporate governance, policies, goals, transparent reporting and community relations

Key ESG Categories



While the social element is essential to ESG, the interdependency between “environment, social & governance” cannot be understated. It is the delivery and foundation of strong social movements that have supported and contributed to the success of shifting the climate discussion towards positive action.

Social Impact: Employee Engagement

The “S” in ESG covers the relationship that a company has with all of its stakeholders: Customers, community and employees, as well as regulators and policy makers.

A focus on social impact topics such as labor and benefits, safety and training can increase profits and corporate responsibility.

In our toolkit we cover each of these stakeholders at a high level. Today we are going to go deeper into employee engagement.

- *How can a company manage its relationships with its workforce?*
- *How does a company engage employees in its broader sustainability efforts? What are the benefits?*
- *What programs are offered to support employees: benefits, education, safety, ongoing training and other topics?*
- *How does this impact a company?*

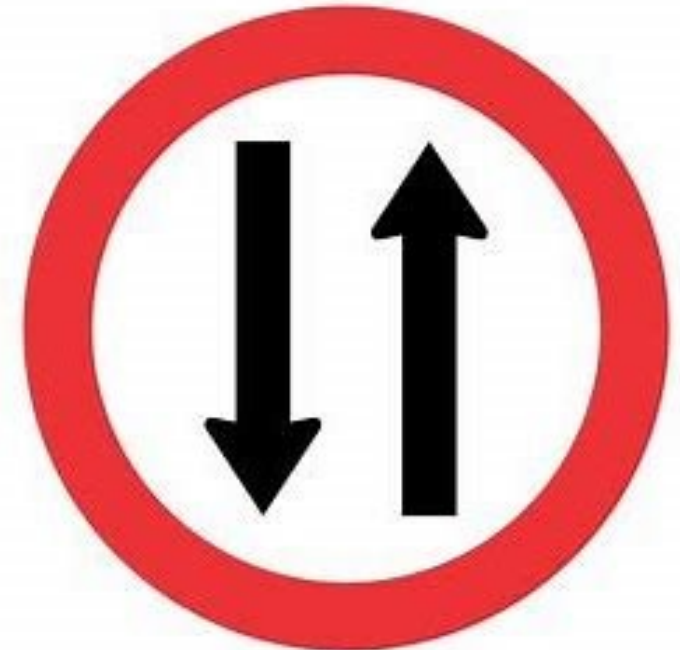
Social factors can affect a company’s overall performance.

Employee Engagement is a Two-way Street

How does a company's employee relations efforts tie to its overall corporate health?

- Employee programs are important to create engagement – which translates into other customer satisfaction and operational benefits.
- Employee benefits will determine whether your company is an employer of choice, which is important for hiring efforts in a difficult labor market.
- Diversity, equity and inclusion, employee training and education support are all important aspects of employee engagement.

Getting ahead of these trends through programs and policy development makes good business sense.



Engaging employees in a company's ESG process and programs helps employee moral while bringing fresh ideas and a commitment to achieving the company's ESG goals.

Jessie Miller Novata





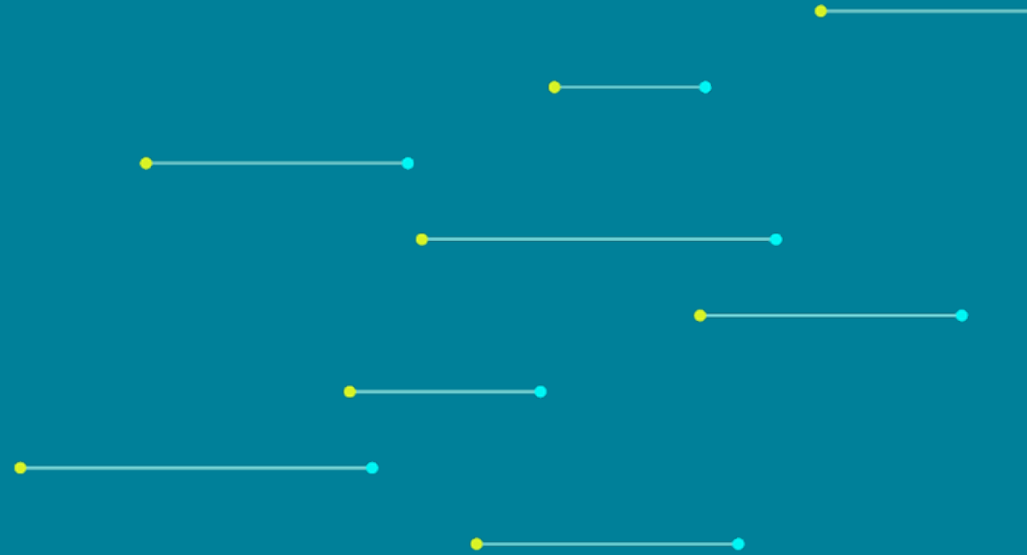
ESG: Employees & the Workforce

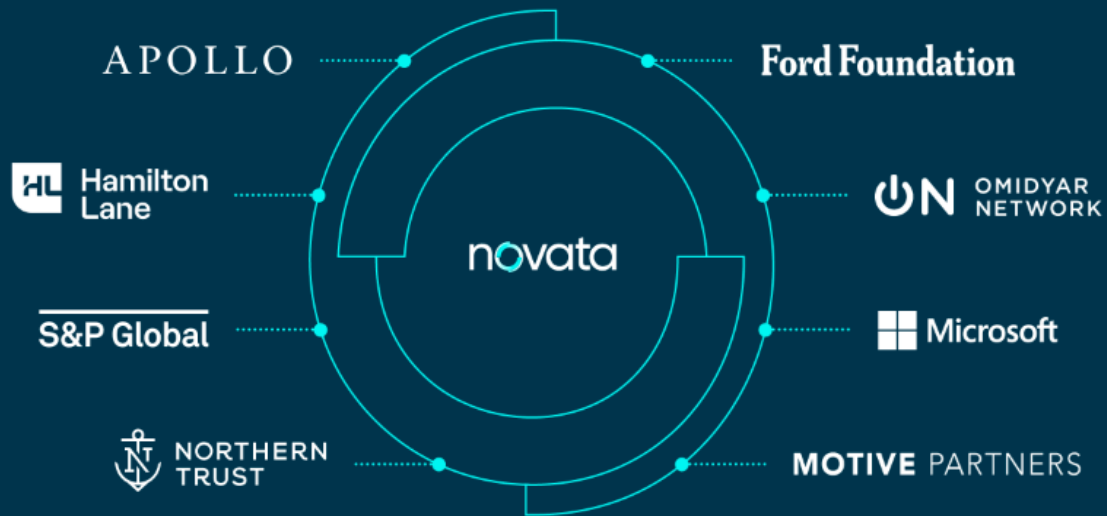
Jessie Miller

Senior Manager, Novata Advisory



About Novata





WHO WE ARE

Novata makes it easy for companies to collect, analyze, and report the metrics that matter.

We are a public benefit corporation created by a unique consortium of non-profit and for-profit organizations that are experts in financial data, private markets, and social justice.

Our investor consortium, along with the Leadership Team, Sustainability Board, and GP Advisory Committee bring deep subject matter expertise to enable the private markets to navigate the challenges of ESG and accelerate the journey to a more sustainable and inclusive capitalism.

What Makes Us Unique

Independent and Objective

Measure and showcase your specific ESG priorities, without being subject to "outside-in" scoring. Benchmark the metrics that matter to you most and chart your own path to greater impact.

Deep Expertise

Our in-house ESG experts, in coordination with insights from leading private equity firms and ESG practitioners, ensure that we're building an accessible and relevant on-ramp to ESG reporting and guidance for the private markets.



Connected Journey

Our secure, open-architecture platform and partner relationships continue to expand to address private markets' challenges, offering a full-service approach to supporting your ESG journey.

Built for the Long-Term

We are a public-benefit corporation created by a unique consortium of the Ford Foundation, Hamilton Lane, Microsoft Corporation, Omidyar Network, and S&P Global. The backing of these not-profit and for-profit institutions ensures that Novata's platform will continue to accelerate progress to manage the metrics that matter.

Data Workspace

A flexible workspace and single source of truth, for you to store all of your sustainability data over time

FLEXIBLE

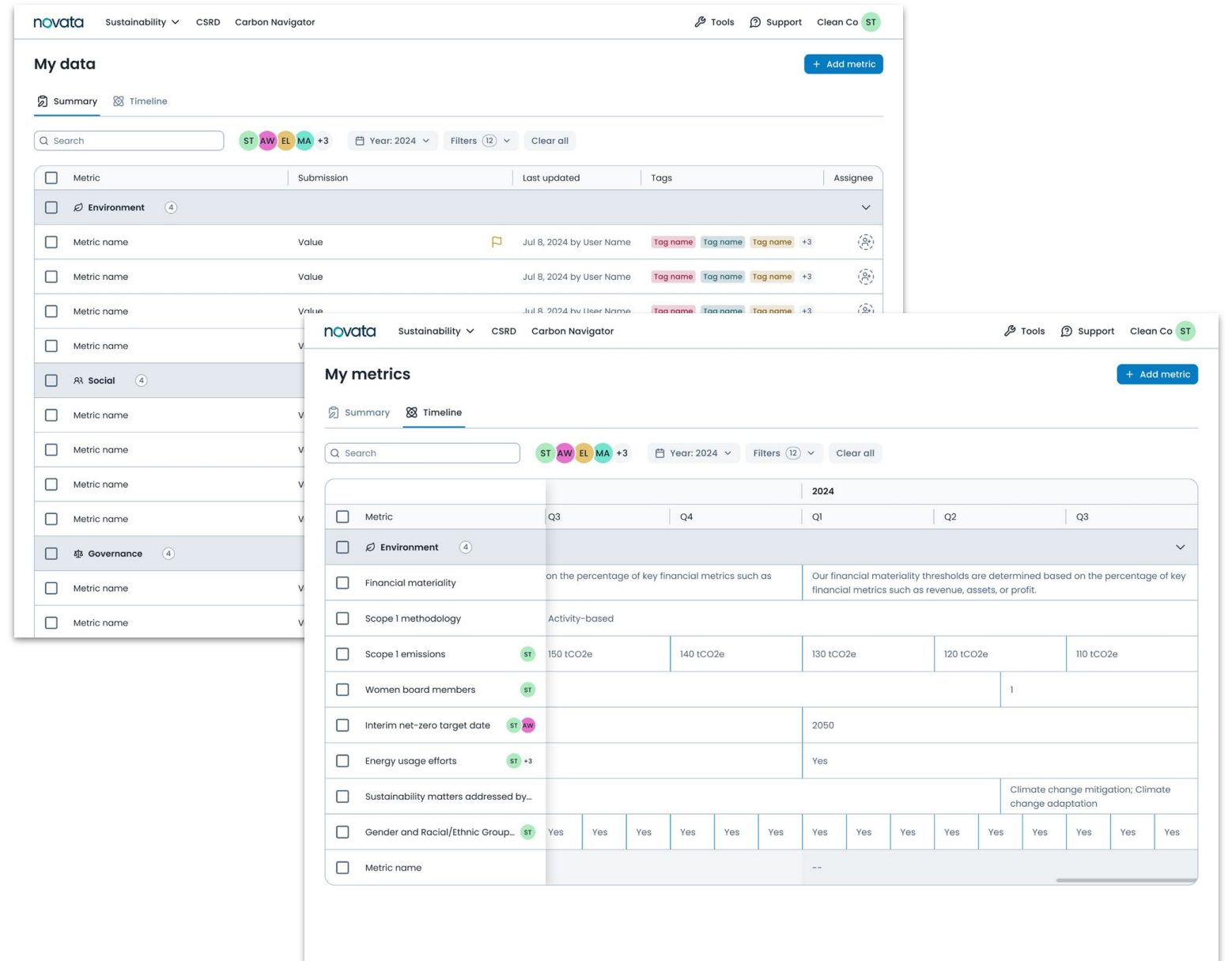
Use tags to filter and slice and dice your data

COLLABORATIVE

Work with colleagues across departments, assign owners, assign tasks, make comments

DETAILED

Dive into specific metrics to drill deeper and see performance over time



Carbon Navigator

Understand your carbon footprint, identify hotspots, and set targets.

We have built the tool to be:

AFFORDABLE

Designed with the typical company in mind, it is affordable and easy to use

EASY TO USE

Intuitive UX with definitions and guidance throughout plus educational support from experts

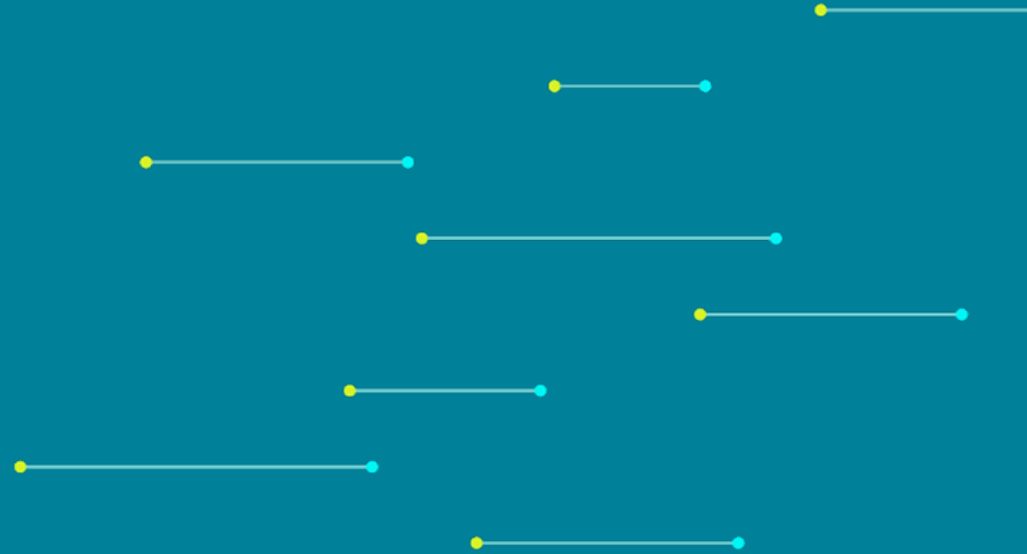
COMPLIANT

Built to meet assurance and regulatory requirements - full audit trail to show GHG Protocol alignment

The screenshot displays two overlapping windows from the Carbon Navigator application. The background window, titled "Enter your energy consumption", shows a sidebar with office locations: "London Office (Cont...", "New York Office", and "Poland Factory". The main content area lists energy usage: "Electricity consumption - 150,000 kwh", "Renewable electricity consumption - 40,000 kwh", and "Natural gas consumption - 40,000 cubic feet". The foreground window, titled "Categorize your suppliers", provides instructions: "1. Exclude spend on Salaries, Tax, Interest, Rent, Energy" and "2. Categorize suppliers to the most relevant industry". It features three priority categories: "A High priority (20 suppliers)", "B Medium priority (49 suppliers)", and "C Low priority (124 suppliers)". Below these is a table of suppliers with columns for Supplier, Priority, Spend, and Industry.

Supplier	Priority	↓ Spend	Industry
First Base Victoria	A	\$15,292.28 Transactions: 18	Select industry
GOV.UK	A	\$14,321.51 Transactions: 4	Select industry
Topline Communications	A	\$7,200.00 Transactions: 2	Select industry
Daly Accounting	A	\$6,945.00 Transactions: 14	Select industry
Orrick	A	\$6,180.94 Transactions: 3	Select industry

Employees & the Workforce



What is ESG?

Environmental



- Greenhouse Gas Emissions
- Energy Management
- Ecological Impacts
- Air Quality
- Waste
- Materials Sourcing
- Supply Chain
- Product Design & Life Cycle Management

Social



- Diversity, Equity, and Inclusion
- Wages and Benefits
- Health and Safety
- Community Stewardship
- Human Rights
- Customer Privacy
- Community Impact

Governance



- Risk Management
- Business Model Resilience
- Ethics, Corruption, and Bribery
- Long-term Value Creation
- Security Practices
- Board Strategy
- Organizational Policy

What does SASB consider material?

SASB identifies the following social topics as material to the waste management industry:



Labor Practices

In the waste management industry, many workers are covered by collective bargaining agreements— or unions—that are designed to protect their rights and wages.

Companies need to properly manage relationships with these groups to avoid costly risks such as shutdowns and strikes that can impact productivity and reputation.

SASB recommends that companies maintain a long-term perspective on balancing workers' rights and productivity.

Sample Performance Metrics

- Number of work stoppages
- Total days idle
- Percentage of active workforce employed under collective agreements



Workforce Health & Safety

Safety is a critical issue in this industry due to the potentially hazardous working conditions and impact on workers. This includes fatalities and injuries due to machinery incidents hazardous equipment, and harmful substances.

High rates of worker injuries and fatalities can result in fines, regulatory compliance costs, and reputational damage.

Companies should ensure that all employees have proper safety training, machinery is well-maintained and all sites have safety management plans.

Sample Performance Metrics

- Total Recordable Incident Rate
- Fatality Rate
- Near miss frequency rate
- Percentage of employees trained

What trends is Novata seeing?

How are companies currently thinking about and reporting on employee-related social metrics? Novata is currently seeing a focus on the following themes:

Worker Health & Safety	Employee Engagement	Diversity, Equity, & Inclusion	Human Rights
<ul style="list-style-type: none">• Number of Work-related Injuries• Number of Work-related Fatalities• Total Recordable Incident Rate (TRIR)• Days Lost due to Injury• Workplace Safety Training• Days Away, Restricted, or Transferred	<ul style="list-style-type: none">• Employee engagement survey & response rate• Annual Percent Turnover• Average Upskilling Hours per Employee• Employee Living Wage• Labor Law Violations• Number of Employees Promoted during Tenure• Turnover Number• Percentage of Employees Receiving Professional Development	<ul style="list-style-type: none">• DEI Trainings• Incidents of Discrimination• Fines Associated with Discrimination Incidents• Fines Associated with Harassment Incidents• Number of Harassment Incidents• Racial pay gap by job category• Unadjusted Gender Pay Gap• Supervisors Trained on DEI• Board, C-Suite, and Employee Diversity	<ul style="list-style-type: none">• Allegations of Human Rights Incidents• Human Rights in Supplier Contracts• Workforce Receiving Human Rights Training• Number of identified cases of severe human rights issues and incidents• Operations with Community Development Programs• Operations and Suppliers at Significant Risk of Incidents of Child Labor/Compulsory Labor

What are the key risks and opportunities?

A key strategic use of collecting ESG data is related to risk management and the ability to identify and leverage opportunities.

Category	Theme	Risks	Opportunities
Social	Worker Health & Safety	<ul style="list-style-type: none"> • Legal liabilities and costs • Reputational damage • Increased healthcare costs • Lost productivity and working hours 	<ul style="list-style-type: none"> • Improved productivity • Cost savings from talent retention • Stronger employee morale
Social	Employee Engagement	<ul style="list-style-type: none"> • Discrimination claims and lawsuits • Reputational damage • Difficulties attracting and retaining talents • Lost productivity • High turnover costs 	<ul style="list-style-type: none"> • Improved productivity • Cost savings from talent retention • Reputational value
Social	Diversity, Equity, & Inclusion	<ul style="list-style-type: none"> • Discrimination claims and lawsuits • Reputational damage • Lack of diverse workplace • High turnover costs 	<ul style="list-style-type: none"> • Enhanced corporate reputation and brand value • Increased innovation from diverse teams • Access to diverse markets and customer bases
Social	Human Rights	<ul style="list-style-type: none"> • Legal liabilities and costs • Reputational damage 	<ul style="list-style-type: none"> • Enhanced corporate reputation and brand value • Appeal to investors and customers • Value chain transparency



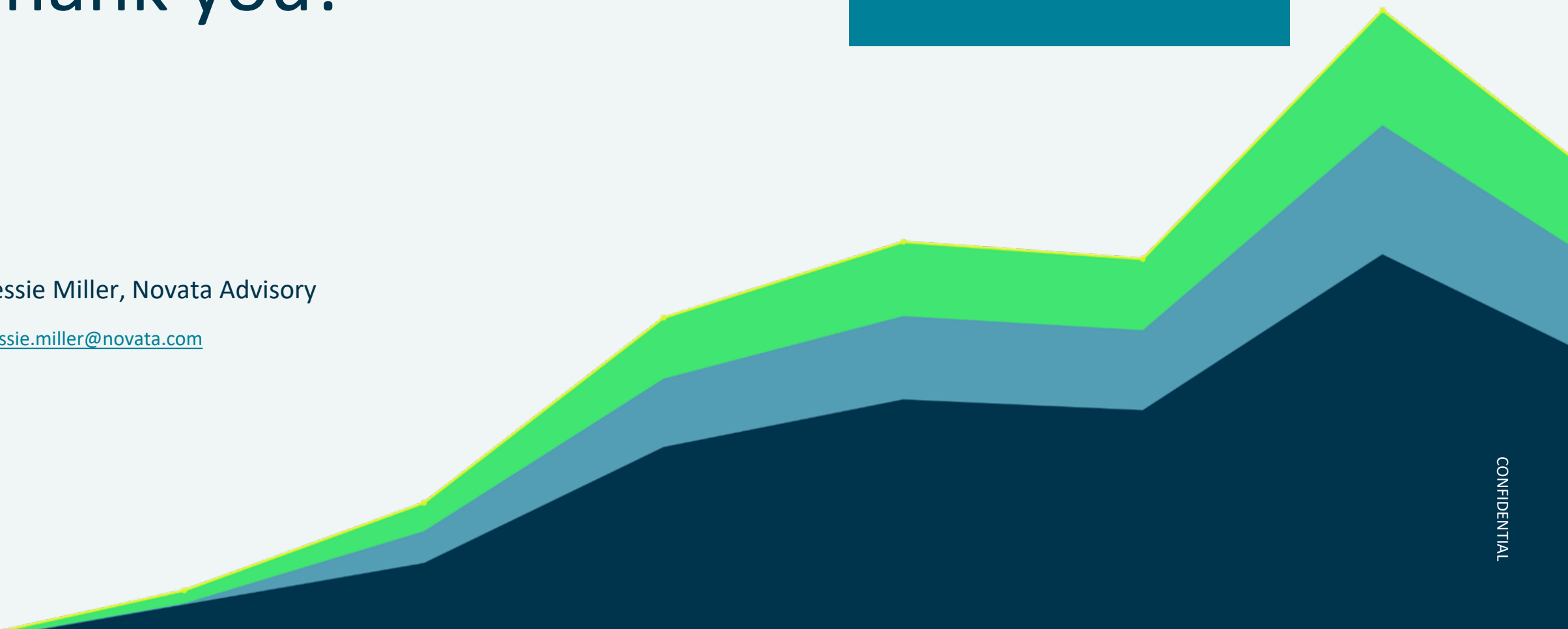
Thank you!

Jessie Miller, Novata Advisory

Jessie.miller@novata.com

Through 2024, ReMA members will receive a 20% for the Novata platform.

Contact Kristin Thompson to schedule a demo: kristin.thompson@novata.com or book online at www.novata.com



Shawn State Pratt Industries





PRATT[™]
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Sustainability & Employee Engagement

SUSTAINABILITY
IS ALWAYS PART OF THE PACKAGE

Employee Engagement

- Key Performance Indicators / Continuous Improvement
- Education
- Code of Conduct
- Diversity and Inclusion
- Auditing



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Key Performance Indicators (KPIs)

- Begun in 2019, KPIs track facility-specific sustainability indicators including:
 - Electricity usage (kWh)
 - Natural gas usage (MMBtu)
 - Water usage (gallons)
 - Waste to landfill (tons)
 - Waste recycled (tons)



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Education

- Employee education reimbursement program
- Pratt U
 - Maintenance apprenticeship program - Currently have 16 apprentices across 9 plants
 - Summer internships - 36 interns during the summer of 2024
 - PU online classes - Total lessons online = 2100 of that 400 are Internal Pratt made lessons. FY 2024 14,000 lessons completed online.



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Education

Supervisor Training

Topics around leaderships and employee develop delivered as workshops or on-site



Management Training

Management 101 is orientation for new managers. Pratt U Masters in Business and Leadership extended training through UNC



Customized Training

Plants or organizations reach out to develop training tailored to their specific needs



Pratt U at a glance



Sales Training

Box 101 is orientation for new Sales Reps. Pratt Professional Selling partners with Carew International for advance sales training.



LMS / On-line

Hundreds of topics available online through our ADP site



Maintenance Apprenticeship Program

Support Corrugator division in partnering with local tech schools to develop pipeline of skilled, trained mechanics



Regional Training

Pratt Professional Communication and Supervisor Workshops are delivered around the country to provide increased accessibility



Language Learning

Pratt U has partnered with Rosetta-Stone to offer language learning



Hourly Employee

Topics such as One Common Goal, Respect For All, Building Trust, and more are delivered on-site



Internship Program

In partnership with HR, Pratt U provides support for supervisors and interns





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THE PRATT CODE OF CONDUCT

Pratt Industries is founded on and guided by core values of integrity, sustainability, and excellence. Each of these values is reflected in our Code of Conduct, which sets forth strict standards for how we interact with one another, our customers, and our environment. Further, we require that our suppliers and contractors uphold these same values by complying with our Supplier Code of Conduct.

Employment

- We strictly comply with all governing laws and regulations, including those regarding workers' age, pay, hours, overtime, and benefits.
- We do not tolerate discrimination or harassment.
- We ensure equal employment opportunity.
- We provide a hotline and other meaningful processes that allow workers to get advice and report concerns confidentially and without retaliation.
- We strictly comply with laws against underage labor, forced labor, human trafficking, and modern slavery.

Safety

- We strictly comply with all governing health and safety laws.
- We require workers to keep work areas clean and hazard-free, and to comply with all safety procedures and guidelines.
- We have proactive programs and practices to eliminate or reduce health and safety risks.
- We require reporting of all injuries and safety incidents regardless of whether they would trigger regulatory reporting.
- We empower employees to speak up if they have safety concerns or suggestions, without fear of retaliation.
- We conduct regular safety training at all our facilities.

Business Integrity

- We require fair and honest dealing with customers, suppliers, competitors, and employees.
- We have written policies to identify and prevent improprieties and conflicts of interest.
- We do not tolerate bribery, and strictly comply with all anti-corruption and antitrust laws.

Environment

- We are grounded on environmentally sustainable practices as a 100% recycled paper manufacturing company, and we uphold that value in the way we operate our company.
- We strictly comply with or exceed all applicable environmental regulations.
- We use advanced technology in our mills, and this simultaneously drives efficiency in our process and reduces our impact on the environment.
- We are continually working to further reduce our environmental footprint, as documented in our Sustainability Commitments.

SUSTAINABILITY
IS ALWAYS PART OF THE PACKAGE

Diversity & Inclusion Statement

•Pratt Industries is founded on and guided by core values of integrity, sustainability and excellence. These values direct the ways that we interact with one another, our customers and our environment. They are at the heart of who we are.

•In keeping with those values, we foster an environment of diversity and inclusion. We believe that diverse perspectives make us a stronger company, better able to serve our customers and communities. We value the unique background and experience of each of our employees. We treat people fairly and with respect. We strive to maintain an environment that encourages our people to develop their talents and achieve superior performance. .

Pratt Industries is also an EEO employer and provides equal employment opportunities to applicants and employees without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability or any other characteristic protected by law.



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SMETA (Corporate Social Responsibility)

- Independent third-party auditor conducts audit to inspect a company's site, its processes, documentation, and systems against the Ethical Trading Initiative (ETI) Base Code and local laws.



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Ethical Trading Initiative (ETI)

- Examples of ETI
 - Working conditions are safe and hygienic.
 - Child Labor shall not be used.
 - Employment is freely chosen.
 - Working hours are not excessive.
 - No discrimination is practiced.
 - Regular employment is provided.
 - No harsh or human treatment is allowed.



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QUESTIONS?



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Kristin Kinder



**ENGAGING EMPLOYEES IN PEOPLE &
PLANET
(*WITH* PROFIT)**

TIE TO COMPANY VALUES



We delight in the rigor of the details—
no matter what our job is.



We excel when we assume
the best in each other.



We value speed, a bias for
learning and action.



We are humble when searching for the
best ideas. We take time to help others
succeed.



We are not bound by convention. Our
success—and much of the fun—lies in
developing new ways to do things.

START SMALL

Working on only what you can achieve helps

Helps overcome overwhelm,
Strengthens collaboration, and
Builds trust

Employees begin to *see* progress



COMMUNICATE WITH DATA

Fosters collaboration through a common language

Helps set context to balance priorities for the company



INTEGRATE INTO THE BUSINESS

Incorporating People and Planet priorities with business processes exposes many to sustainability

Multi-departmental steering committee

Employee goals

Executive bonuses

Funding approval processes (budget reviews, CapEx, etc.)

Job descriptions, interviews

Employee engagement programs

Performance metrics (operational KPIs, financial reviews, etc.)

Progress reports at Board meetings

KRISTIN KINDER

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Q&A



ReMA Fall Calendar

Virtual Events

- Sept. 4, Sept. 18, Oct. 9, Nov. 20-
National Election Impacts on the Recycled
Materials Industry Webinar Series
- October 2: Safe Hands, Safe Machines
Webinar Sponsored by KPA
- November 5: Sustainability Network
Quarterly Meeting with Carbon Credits
Presentation
- November 21: ESG Webinar Series- Policy
& Regulatory Update

ReMA Fall Calendar

In-Person Events

- September 16-18: Packaging Recycling Summit in Anaheim, CA
- September 17-18: ScrapExpo in Louisville, KY
- September 23-25: ReMA Roundtables in Chicago, IL
- October 10-11: EV Safety Technician Course in Columbus, OH
- October 14-16: ReMA Fall Meeting in Portland, ME
- October 20-24: MRF Operations Forum & PPRC in Chicago, IL
- November 3-6: Pack Expo International in Chicago, IL
- November 11-13: Safety & Operations Forum in San Antonio, TX

Thank You

Natalie Betts

Assistant Vice President of Sustainability

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