

ESG Webinar Series:

New Rules, New Resources

SEC Rules & ReMA's ESG Toolkit

June 13, 2024



Recycled Materials
Association
Sustainable. Resilient. Essential.

recycledmaterials.org



Recycled Materials Association

Sustainable. Resilient. Essential.

- Our new name more clearly communicates what we make, the value we provide, and the ways we touch millions of lives every day.
- The tagline conveys the industry's core benefits to society and attributes.
 - **Sustainable** – helping protect the environment
 - **Resilient** – providing materials that strengthen the economy
 - **Essential** – providing what we need to make everyday life better



2024 ESG Webinar Series

August 29 - Employees & the Workforce

November 21- ESG Policies & Regulations

2023 Workshop Series & 2024 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



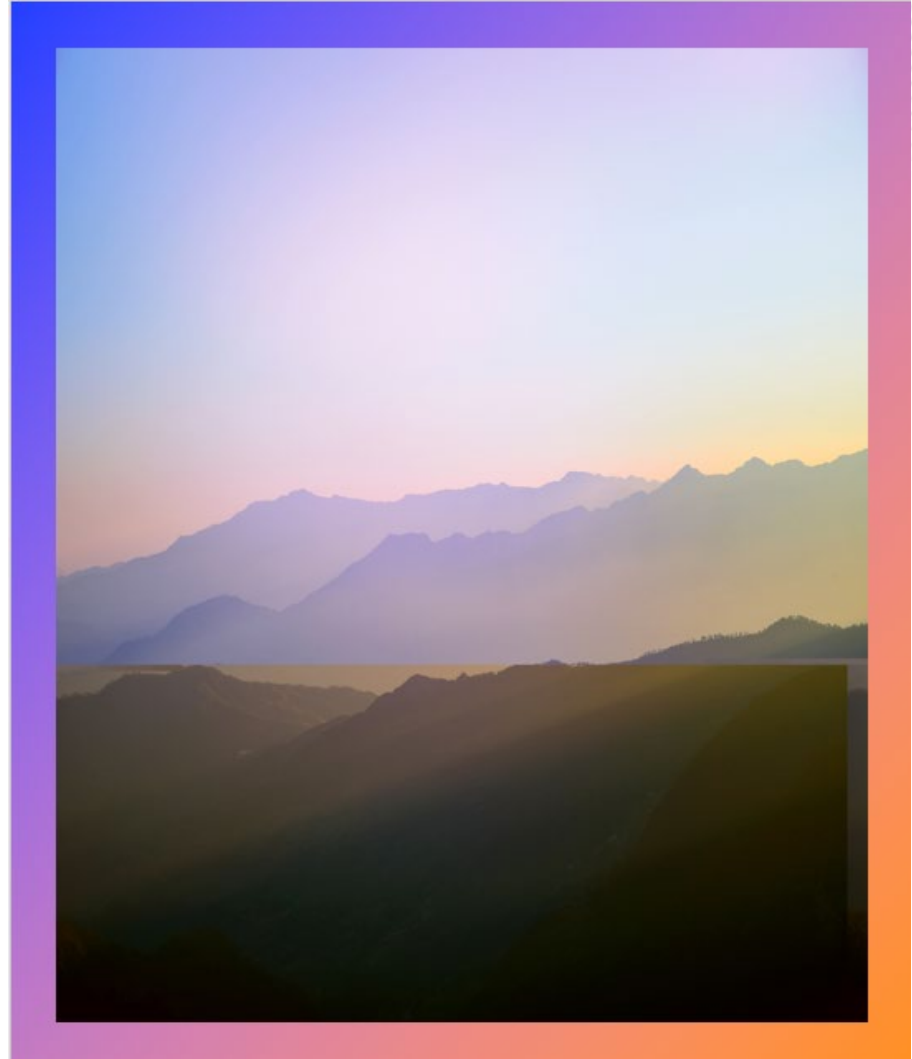
Natalie Betts
ReMA



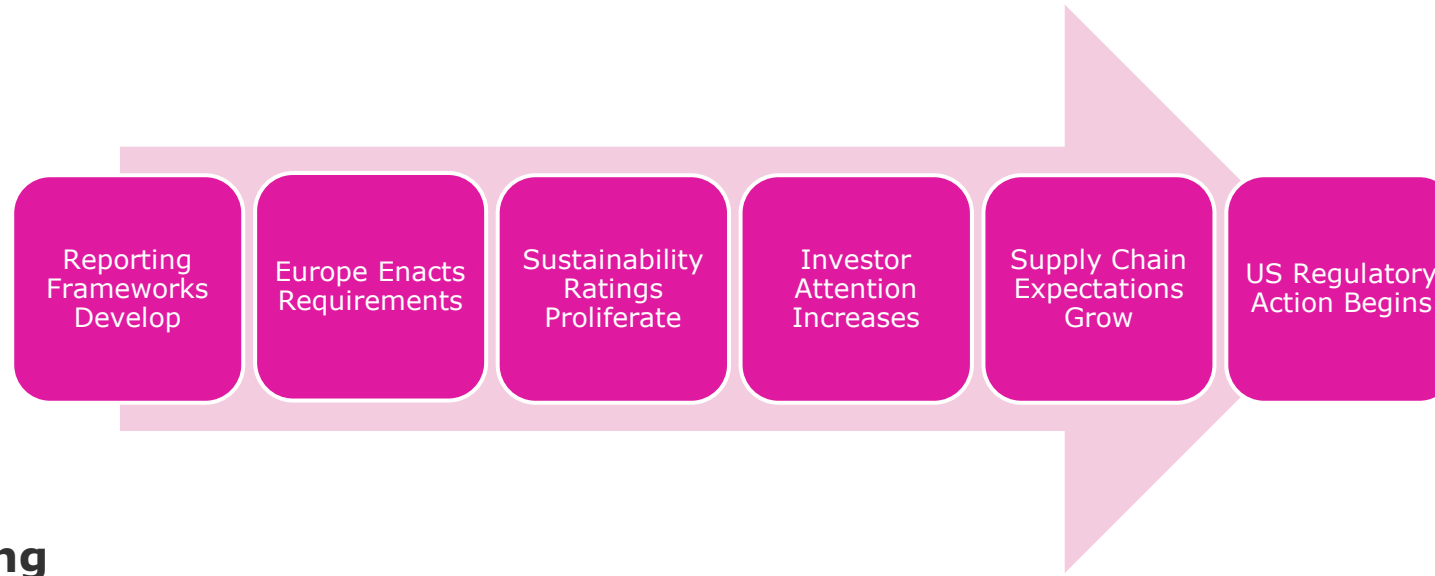
Chauncey Lane
Holland & Knight
LLP

Agenda

- **Introduction**
- **Securities and Exchange Commission (SEC):**
ESG Reporting
- **Using ReMA's ESG Toolkit**
- **ReMA Upcoming Events**



Reporting: What Role Does the SEC Play?



- **History of reporting**

- For decades, most sustainability reporting was voluntary in the U.S.

- **Climate Disclosure**

- As company's began to experience physical and regulatory risk associated with climate change, the U.S. Securities and Exchange Commission (SEC) developed rules requiring climate risk disclosure.
- California has also passed legislation on climate disclosure for large companies-both public and private.

- **Voluntary Reporting**

- Voluntary reporting by companies will continue
- Customers that are required to report will ask for data and reporting by suppliers

Who is Required to Report?

Publicly Held Corporations - EXPECTED/REQUIRED-

SEC has filed rules requiring climate-related disclosure.

Stakeholders also expect reporting for transparency:

- **Investors** use information to evaluate risk and opportunities
- **Customers and vendors** make purchasing decisions based on publicly available reporting;
- **Employees & prospective employees** often start their research with online sustainability report .
- **Community groups** expect information about their neighbors.

Privately Owned Companies - RARE BUT INCREASING -

Companies are being asked to provide ESG information to vendors and customers as part of their own reporting protocols. CA will require for large private firms.

- **Vendor** surveys request increasing amounts of information from their service providers
- **Customers** include ESG information in bid documents
- **Community groups** will look for information about their neighbors on-line.

Investor-Owned Companies - INCREASING -

As investor organizations purchase companies in the waste & recycling space, they expect ESG information from their portfolios.

Investors often expect quarterly reports from their portfolio companies on a range of ESG topics.

ESG Update - What Businesses Should Know About the Evolving Regulatory Landscape

Chauncey M. Lane, Partner
Holland & Knight LLP

June 13, 2024

Holland & Knight



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Environmental, Social & Governance (ESG)

- ESG refers to a range of policies, practices, and risks that a company must carefully balance, taking into account its specific circumstances, in seeking to achieve long-term, sustainable growth in value.
- Despite the recent focus on climate change, ESG is not a monolithic concept, but rather refers to the panoply of risks and policies that a company must carefully balance in seeking to achieve long-term, sustainable value.
- While investor views on ESG have diminished since 2021, according to PwC's Global Investor Survey 2023, the majority of investors continue to support ESG initiatives:
 - 70% believe companies should imbed ESG directly in their corporate strategy
 - 66% believe companies should make expenditures that address ESG issues relevant to their business even if it reduces short-term profitability
 - 75% said how a company manages sustainability-related risks and opportunities is an important factor in my investment decision-making

SEC Climate Disclosure Rule

What the Final Rules Require Public Companies to Disclose

Citing the need for investors to receive consistent and comparable disclosure, the final rules require public companies to take the following actions with respect to climate-related disclosures in their SEC filings:

- file climate-related disclosure in registration statements and Exchange Act annual reports;
- electronically tag climate-related disclosures in Inline XBRL and;
- provide required climate-related disclosures under Regulation S-K (except for any Scope 1 or Scope 2 emissions disclosures), either:
 - in a separate and appropriately captioned section of a registration statement or annual report;
 - in another appropriate section of the filing, such as Risk Factors, Description of Business, MD&A or;
 - by incorporating by reference from another filing so long as it meets Inline XBRL electronic tagging requirements.

The new rules require 1) qualitative disclosure under new Regulation S-K Item 1500 and 2) quantitative financial statement disclosure under new Regulation S-X Article 14, summarized by the SEC as follows.

Summary of Required Climate-Related Disclosures

- **Climate-Related Risks:** Climate-related risks that have had or are reasonably likely to have a material impact on business strategy, results of operations, or financial condition.
- **Impacts of Climate-Related Risks:** Actual and potential material impacts of any identified climate-related risks on strategy, business model and outlook.
- **Mitigation or Adaptation Activities:** If, as part of its strategy, a registrant has undertaken activities to mitigate or adapt to a material climate-related risk, a quantitative and qualitative description of material expenditures incurred and material impacts on financial estimates and assumptions that directly result from such mitigation or adaptation activities.
- **Activities to Mitigate Climate-Related Risks:** Specified disclosures regarding activities, if any, to mitigate or adapt to a material climate-related risk including the use, if any, of transition plans, scenario analysis or internal carbon prices.

Summary of Required Climate-Related Disclosures (cont.)

- **Board Oversight:** Any board oversight of climate-related risks and any role by management in assessing and managing the registrant's material climate-related risks.
- **Process for Managing Climate-Related Risks:** Any processes for identifying, assessing and managing material climate-related risks and, if the registrant is managing those risks, whether and how any such processes are integrated into the overall risk management system or processes.
- **Climate-Related Targets:** Information about climate-related targets or goals that have materially affected or are reasonably likely to materially affect the business, results of operations or financial condition, including material expenditures and material impacts on financial estimates and assumptions as a direct result of the target or goal or actions taken to make progress toward meeting such target or goal.
- **Emissions Disclosure:** For large accelerated filers and accelerated filers that are not otherwise exempted, information about material Scope 1 emissions and/or Scope 2 emissions.

Summary of Required Climate-Related Disclosures (cont.)

- **Assurance Report:** For those required to disclose Scope 1 and/or Scope 2 emissions, an assurance report at the limited assurance level for a Large Accelerated Filer (LAF) and, following an additional transition period, at the reasonable assurance level.
- **Financial Impact of Weather Events:** Capitalized costs, expenditures expensed, charges and losses incurred as a result of severe weather events and other natural conditions such as hurricanes, tornadoes, flooding, drought, wildfires, extreme temperatures and sea level rise, subject to applicable one percent and *de minimis* disclosure thresholds, disclosed in a note to the financial statements.
- **Financial Impact of Carbon Offsets:** Capitalized costs, expenditures expensed and losses related to carbon offsets and renewable energy credits or certificates if used as a material component of plans to achieve disclosed climate-related targets or goals, disclosed in a note to the financial statements.
- **Estimates and Assumptions:** If estimates and assumptions used to produce financial statements are materially impacted by risks and uncertainties associated with severe weather events and other natural conditions or any disclosed climate-related targets or transition plans, a qualitative description of how the development of such estimates and assumptions was impacted, disclosed in a note to the financial statements.

Phase-In Periods

Type	Disclosure and Financial Statement Effects Audit		GHG Emissions/Assurance			Electronic Tagging in Inline XBRL
	All Reg. S-K and S-X disclosures, other than as noted in this table	Item 1502(d)(2), Item 1502(e)(2) and Item 1504(c)(2)	Item 1505 (Scopes 1 and 2)	Item 1506 Limited Assurance	Item 1506 Reasonable Assurance	Item 1508 Inline XBRL tagging for subpart 1500*
LAF	FYB 2025	FYB 2026	FYB 2026	FYB 2029	FYB 2033	FYB 2026
AFs that are not SRCs or EGCs	FYB 2026	FYB 2027	FYB 2028	FYB 2031	N/A	FYB 2026
SRCs, EGCs, NAFs	FYB 2027	FYB 2028	N/A	N/A	N/A	FYB 2027
<p>“FYB” means to any fiscal year beginning in the calendar year listed.</p> <p>* Financial statement disclosures under Article 14 must be tagged in accordance with existing rules for tagging financial statements. See Rule 405(b)(1)(i) of Regulation S-T.</p>						

What Companies Can Do to Prepare for the New Rules

Companies should start to develop their own implementation plans for the new rules and consider these action items:

- **Assess Current Disclosure:** Review the climate-related disclosure that is already gathered, reviewed and publicly disclosed or disclosed to relying business partners.
- **Evaluate Current Capabilities, Processes and Controls:** Consider how current climate-related information is compiled and reviewed by management and examine the current processes and controls in place for quantitative and qualitative information.
- **Enhance Current Governance and Reporting Systems:** Revise disclosure controls and procedures related to GHG emissions and other mandated climate disclosures as necessary to support implementation of the new rules, which include a materiality determination and measurement of certain financial impacts. Ensure close collaboration between the accounting, finance and sustainability functions, and understand management's role in managing climate risks and how information is collected, evaluated and reported, as needed.

What Companies Can Do to Prepare for the New Rules

- **Evaluate Internal Team and Resources:** Determine if there are any gaps in organizational talent or specific expertise at the company and also consider if additional resources are needed, including internal and external support, to timely comply with the climate rules.
- **Consider Materiality of GHG Emissions and Climate-Related Risks:** Begin to assess the materiality of the company's GHG emissions. Continue to evaluate the company's climate-related risks and their potential impacts on the business, results of operations and financial condition of customers and business partners.
- **Identify Goals and Targets:** Review the climate-related goals and targets of customers and business partners to better understand the role your company plays in the success of your customers and business partners who may have to disclose these goals and targets if material to their business, results of operations or financial condition.
- **Consider Impact of Disclosure:** Consider the likely benefits of preparing a rough draft of climate-related disclosure as early as possible to go through the exercise of preparing for public disclosure that will enable your customers and business partners to 1) refine their disclosure approach, test controls and procedures, 2) leave time to adjust operations to allow for changes in disclosure (if necessary) or 3) mitigate any adverse stakeholder impact of the disclosure.
- **Prepare for Attestation (If Applicable):** Review and understand the upcoming requirements with your internal team and external advisors, and consider the additional support and services that will be needed. Be prepared to attest to the accuracy and completeness of your reporting.

Climate Change Rule Litigation

Climate Change Rule Litigation

- Within 10 days of the SEC's adoption of the climate change rule, 9 cases were filed by individual companies, states, non-governmental organizations, and climate advocates.
- Basis for challenges include:
 - Ultra vires: An unauthorized expansion of the SEC's statutory rulemaking authority
 - The major questions doctrine: The issue's importance compels congressional direction
 - A First Amendment violation: Impermissibly compelled speech
 - APA challenge: The agency action is arbitrary and capricious, and is not supported by substantial evidence
- On April 4, 2024, the SEC voluntarily stayed implementation of the climate rules pending completion of judicial review.

Climate Change Rule Litigation

- Despite the SEC's stay, companies should continue to prepare for compliance with the climate rules:
 - The SEC's previously issued climate disclosure guidance remains applicable, which means the SEC will continue to hold reporting companies responsible for complete and accurate climate disclosure.
 - Reporting companies could be subject to other climate disclosure requirements from other regulators such as the European Union and US states (California).
 - Investor pressure will drive continued focus on climate-related disclosures, particularly for larger public companies.
 - The outcome of the challenge to the SEC's climate rules is uncertain, including with respect to the content of any portion of the rules that is upheld and the ultimate timing of required compliance with such rules.

SEC ESG Enforcement and Litigation Risks, Yesterday, Today, and Tomorrow

SEC Enforcement

March 2021, SEC forms **Climate and ESG Task Force** “to develop initiatives to proactively identify **ESG-related misconduct** consistent with **increased investor reliance** on climate and ESG-related disclosure and investment”

Task Force cites cases *dating back to 2008*

Initial focus on material gaps and misstatements in issuer Disclosure of climate risk and disclosure and compliance relating to RIA and funds’ ESG strategies

Cases have largely focused on:

- Representations vs. actual practices
- Greenwashing
- Certain instances of governance and social
 - **Cyber incidents as the new frontier?**

SEC Announces Enforcement Task Force Focused on Climate and ESG Issues

FOR IMMEDIATE RELEASE
2021-42

Washington D.C., March 4, 2021 — The Securities and Exchange Commission today announced the creation of a Climate and ESG Task Force in the Division of Enforcement. The task force will be led by Kelly L. Gibson, the Acting Deputy Director of Enforcement, who will oversee a Division-wide effort, with 22 members drawn from the SEC’s headquarters, regional offices, and Enforcement specialized units.

Consistent with increasing investor focus and reliance on climate and ESG-related disclosure and investment, the Climate and ESG Task Force will develop initiatives to proactively identify ESG-related misconduct. The task force will also coordinate the effective use of Division resources, including through the use of sophisticated data analysis to mine and assess information across registrants, to identify potential violations.

The initial focus will be to identify any material gaps or misstatements in issuers’ disclosure of climate risks under existing rules. The task force will also analyze disclosure and compliance issues relating to investment advisers’ and funds’ ESG strategies. Its work will complement the agency’s other initiatives in this area, including the recent appointment of [Satyam Khanna](#) as a Senior Policy Advisor for Climate and ESG. As an integral component of the agency’s efforts to address these risks to investors, the task force will work closely with other SEC Divisions and Offices, including the Divisions of Corporation Finance, Investment Management, and Examinations.

“Climate risks and sustainability are critical issues for the investing public and our capital markets,” said Acting Chair Allison Herren Lee. “The task force announced today will play an important role in enhancing and coordinating the efforts of the Division of Enforcement, the Office of the Whistleblower, and other parts of the agency to bolster the efforts of the Commission as a whole on these vital matters.”

“Proactively addressing emerging disclosure gaps that threaten investors and the market has always been core to the SEC’s mission,” said Acting Deputy Director of Enforcement Kelly L. Gibson, who will lead the task force. “This task force brings together a broad array of experience and expertise, which will allow us to better police the market, pursue misconduct, and protect investors.”

In addition, the Climate and ESG Task Force will evaluate and pursue tips, referrals, and whistleblower complaints on ESG-related issues, and provide expertise and insight to teams working on ESG-related matters across the Division. ESG related tips, referrals and whistleblower complaints can be submitted [here](#).

Investigation and Litigation Risks – SEC and Beyond

- Accuracy of sustainability reports and disclosure of risks, commitments, and targets (*public entities*)
- Internal controls over financial reporting (*public entities*)
- Disclosure controls and procedures (*public entities*)
- Fund naming and investment practices (*fund sponsors*)
- Whistleblowers (*public and private entities*)
- California ESG Legislation Enforcement (*public and private entities*)
- State Ags and potentially competing interests (*public and private entities*)
- Increased shareholder actions, including against directors (*public and private entities*)

Questions?

ReMA's ESG Toolkit:

- What is it?
- Where is it?
- How to use it?



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What is ReMA's ESG Toolkit?

The go-to ESG resource exclusively for the recycled materials industry.

7 MODULES

- ▶ ESG Overview
- ▶ Materiality and Strategy
- ▶ Environmental
- ▶ Social
- ▶ Governance
- ▶ Reporting Frameworks
- ▶ Value Creation



VISIT:
ISRI.org/ESGToolKit

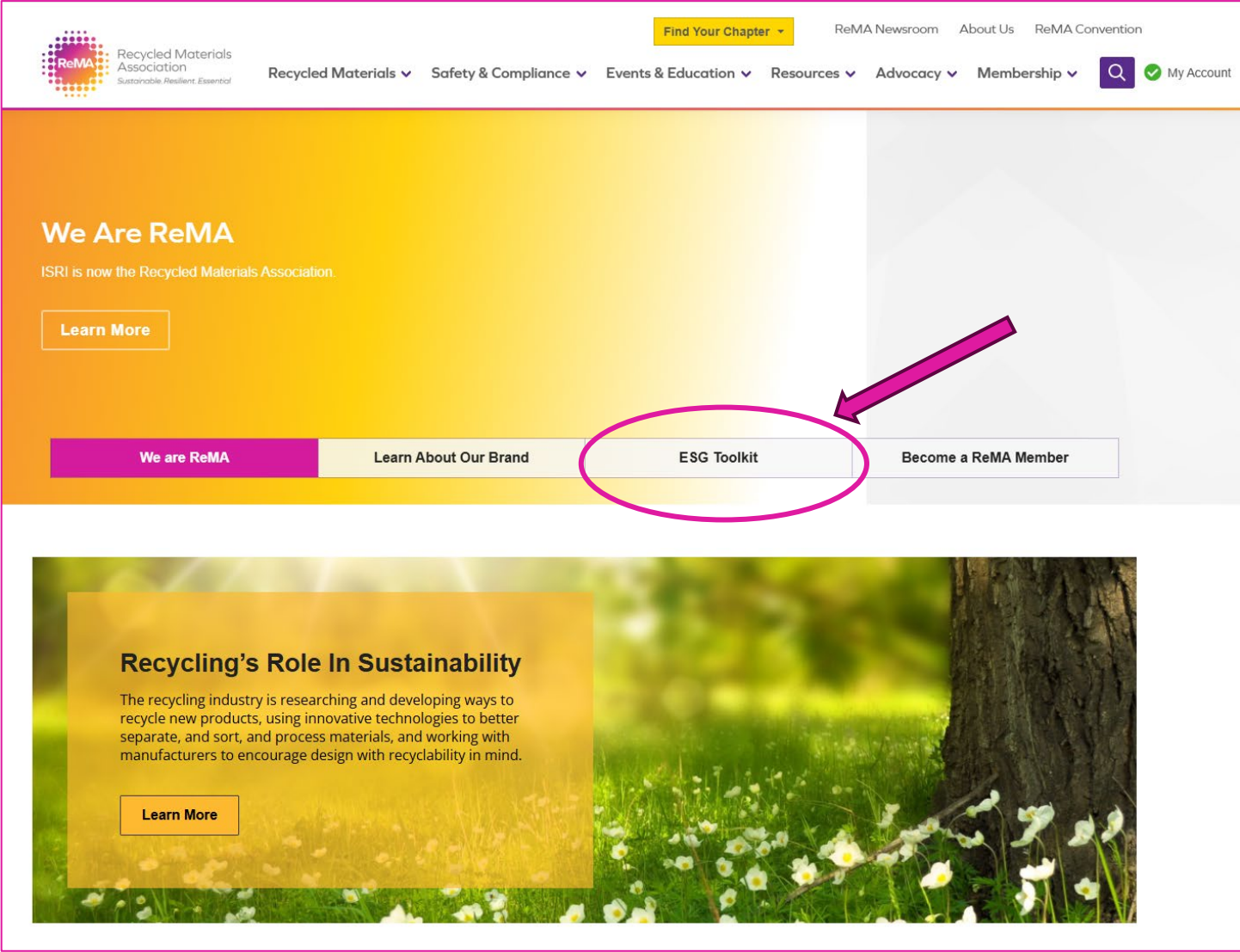
Why Did ReMA Create the Toolkit?

- Growing interest in ESG for recycled materials companies
 - Customers
 - Investors
 - Regulators
 - Employees
- More tools & education needed
 - Seven-part ESG workshop series throughout 2023
 - Feedback and workshop content used to build toolkit

What is the Purpose of the Toolkit?

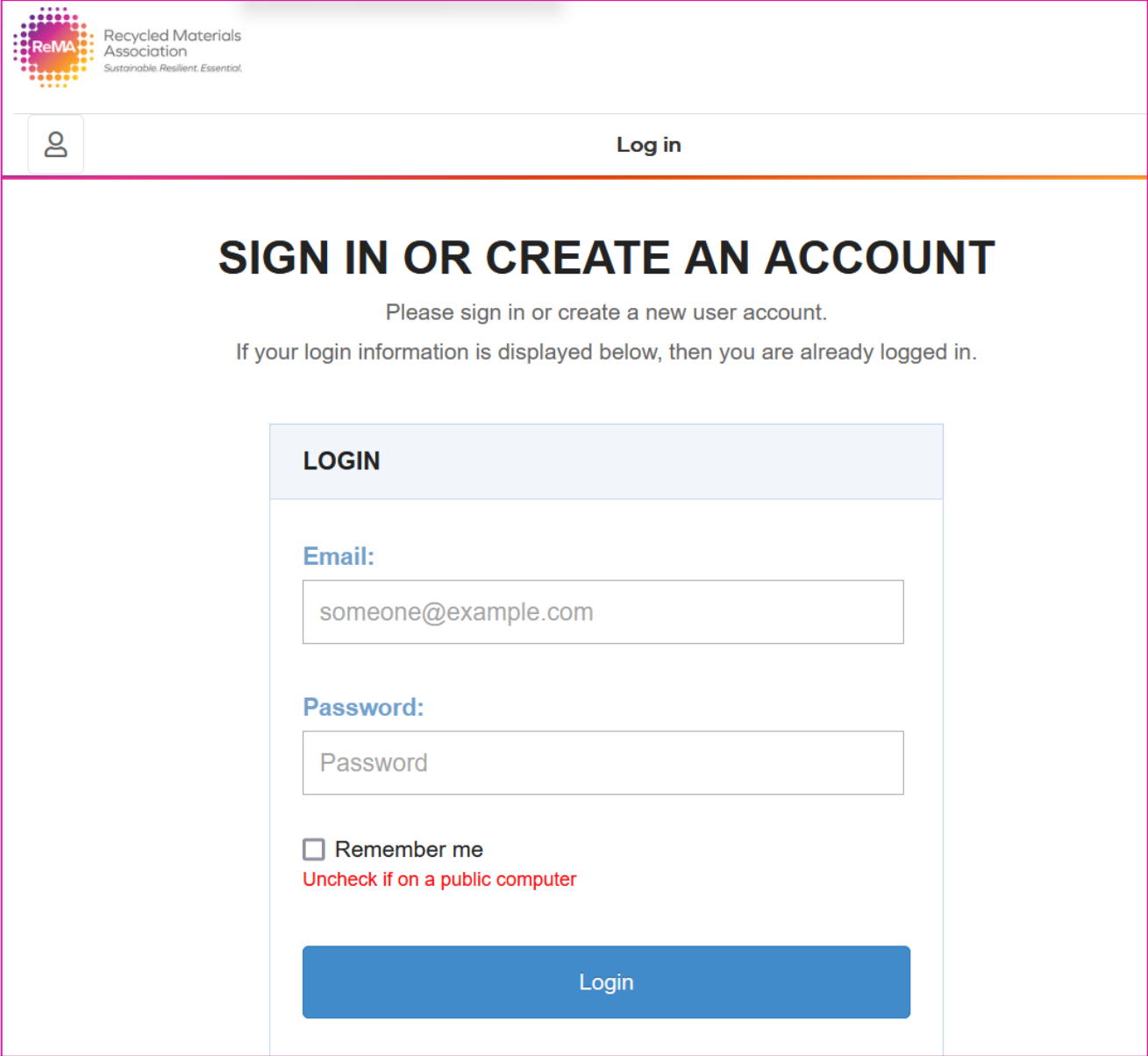
- Provide a recycled materials company lens to ESG
- Cut through the noise to provide only what is relevant for practical implementation
- Offer step-by-step guidance, easy-to-use templates and tools
- Durable companion to 2023 Workshop Series

ReMA's Home Page: Portal to ESG Tools



ESGTOOLKIT.ISRI.ORG

Member Login



The screenshot shows the ReMA Member Login page. At the top left is the ReMA logo with the text "Recycled Materials Association" and "Sustainable. Resilient. Essential." Below the logo is a search bar with a magnifying glass icon and the text "Log in". The main heading is "SIGN IN OR CREATE AN ACCOUNT" in bold black text. Below the heading is the text "Please sign in or create a new user account." and "If your login information is displayed below, then you are already logged in." The login form is enclosed in a light blue box with the heading "LOGIN". It contains an "Email:" label, a text input field with "someone@example.com", a "Password:" label, a text input field with "Password", a checkbox labeled "Remember me" with the text "Uncheck if on a public computer" below it, and a blue "Login" button at the bottom.

ReMA Recycled Materials Association
Sustainable. Resilient. Essential.

Log in

SIGN IN OR CREATE AN ACCOUNT

Please sign in or create a new user account.
If your login information is displayed below, then you are already logged in.

LOGIN

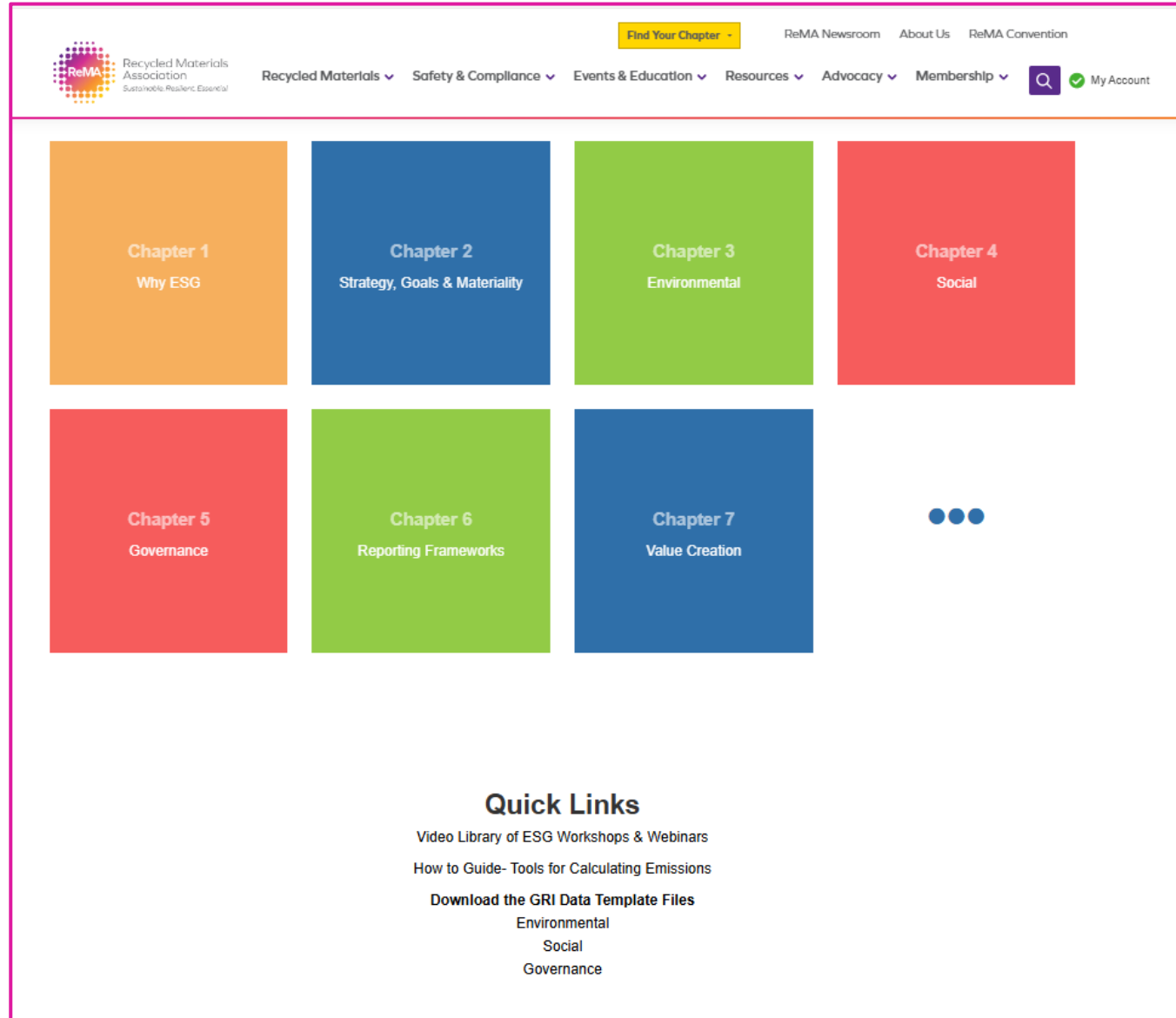
Email:

Password:

Remember me
Uncheck if on a public computer

Login

ESG Toolkit Landing Page



The screenshot shows the ReMA ESG Toolkit Landing Page. At the top left is the ReMA logo with the tagline "Recycled Materials Association Sustainable. Reusable. Essential!". To the right of the logo is a navigation menu with a yellow "Find Your Chapter" button and links for "ReMA Newsroom", "About Us", and "ReMA Convention". Below the navigation menu are seven colored boxes representing chapters: Chapter 1 (Why ESG), Chapter 2 (Strategy, Goals & Materiality), Chapter 3 (Environmental), Chapter 4 (Social), Chapter 5 (Governance), Chapter 6 (Reporting Frameworks), and Chapter 7 (Value Creation). A "My Account" link is visible in the top right. At the bottom, there is a "Quick Links" section with links to a video library, a guide for calculating emissions, and GRI data template files for Environmental, Social, and Governance.

Recycled Materials Association
Sustainable. Reusable. Essential!

Find Your Chapter - ReMA Newsroom About Us ReMA Convention

Recycled Materials Safety & Compliance Events & Education Resources Advocacy Membership My Account

Chapter 1
Why ESG

Chapter 2
Strategy, Goals & Materiality

Chapter 3
Environmental

Chapter 4
Social

Chapter 5
Governance

Chapter 6
Reporting Frameworks

Chapter 7
Value Creation

Quick Links

Video Library of ESG Workshops & Webinars

How to Guide- Tools for Calculating Emissions

Download the GRI Data Template Files

Environmental

Social

Governance

Topic Descriptions, Videos, Fact Sheets



CHAPTER 1

Why ESG? Why Now?

ESG Overview

Let's start with a basic description of what ESG is all about.

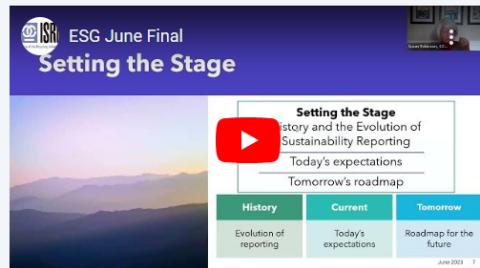
ESG is an acronym standing for "Environmental, Social, Governance," and was originally coined by the finance industry as a way to describe the non-financial or "pre-financial" risks they were assessing. Despite the association between ESG and climate change, there is a wide range of ESG issues that are used to evaluate a company's overall strength and health, including:

- **Environmental** – Air pollution; Greenhouse gas emissions; Energy; Water; Waste and Biodiversity.
- **Social** – Employee relations and development; Diversity and inclusion; Occupational health and safety; Community relations; Human rights; Privacy; and Data Security.
- **Governance** – Board oversight; Board diversity; Risk management; Shareholder rights; and Anti-corruption.

An effective ESG program will connect sustainability to business strategy and results, as well as to positive social, environmental, and economic impact. [1] **A successful ESG strategy enhances business and creates value for the company.**

Just as financial reporting is not an end goal for a company, but is a communication of the financial results of its various activities, ESG strategy and disclosure communicates how the company is managing environmental, social and governance issues.

Our June 2023 ESG Workshop provided an overview of the history of environmental reporting ([download slide deck](#)):



- WHY ESG
- STRATEGY, GOALS AND MATERIALITY
- ENVIRONMENTAL
- SOCIAL
- GOVERNANCE
- REPORTING FRAMEWORKS
- VALUE CREATION
- Main Page

Each Chapter includes description of the topics and supporting fact sheets

CHAPTER 2

Strategy, Goals and Materiality

ESG Strategy Development

Strategic planning has long played a role for companies in looking to their future. As part of the strategic planning process, companies consider their mission and goals to build out their corporate strategies.

Similarly, in developing a specific ESG strategy, the process itself will guide and inform the development of ESG goals, strategy statements for these goals, and the tactics for implementing a broader strategy.

- **ESG goals** are broad, long-term outcomes that are reasonable to achieve within a time frame and with available resources.
- A **strategy** is a specific approach that will be used to meet objectives.
- **Tactics** are the specific actions a company will take to succeed with its strategy.



ESG goal-setting dates are generally tied around expectations for emissions reductions, which have focused on short (2025), mid (2030-2035) and longer term (2040–2050) goal dates.

Remember: ESG is not simply a marketing function showing the positive aspects of a company. There is a natural tendency to highlight positive performance (e.g., reduction in fatality rates) and underplay poor performance (e.g., increasing carbon emissions). However, *stakeholders would rather see that a company has a well-thought-out ESG strategy*, understands what the core risks (and opportunities) are, and that its management is taking steps to address them, rather than be presented with an overly optimistic picture.

Tools for going deeper

Environment

The "E"/Environment in ESG considers how a company performs as a steward of the natural or physical environment. It takes into account a company's utilization of natural resources and the effect of its operations on the environment, both in its direct operations and across its supply chains.

It is important that companies consider a wide variety of topics regarding their environmental impact when conducting a [materiality assessment](#):

- Water use, treatment and discharge;
- Soil health and management;
- Noise pollution affecting all living animals and humans; and
- Air quality includes the impact of greenhouse gas emissions — leading to Climate Change, but also other emissions that may have unique air quality impact.
 - **Resource:** for auto shredders, ReMA has put together [guidance on VOC Emissions](#)

Biodiversity, or the variety of life in the world or in a particular habitat or ecosystem, is impacted by all of these and is increasingly a focus of a broad range of stakeholders, including investors, regulators, employees, and customers.

Although each of these categories warrants its own discussion and they are all interconnected, this toolkit focuses on air quality, and more specifically Greenhouse (GHG) emissions. Our main sources are the globally accepted [Greenhouse Gas Protocol's Corporate Standard](#) (GHG Protocol) and [US EPA's Center for Corporate Climate Leadership](#). For more information on these topics, as well as the link to material issues for the recycled materials industry, please refer to [Workshops #1 \(Materiality\)](#), [#3 \(Environment is more than Emissions\)](#), and [#7 \(Biodiversity\)](#).

What are Greenhouse Gases?

Greenhouse gases are the six gases that trap heat in the atmosphere, including: carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF₆).

There are other types of air emissions that are not considered GHG because they do not react to trap heat in the atmosphere such as: nitrogen, oxygen, argon, neon, hydrogen, and carbon monoxide.

WHY ESG
STRATEGY, GOALS AND MATERIALITY
ENVIRONMENTAL
SOCIAL
GOVERNANCE
REPORTING FRAMEWORKS
VALUE CREATION
Main Page

Links provide additional information on key topics

Recycled Materials Association
Recycled Materials Safety & Compliance Events & Education Resources Advocacy Membership My Account

Shredders and VOC Emissions

Metal shredding operations have the potential to emit volatile organic compounds (VOCs) and depending upon the amount emitted have the potential to trigger regulatory and/or permit requirements under the Clean Air Act (CAA) and associated state regulations.

VOC Emissions Guidance for Metal Shredders

ISRI's "VOC Emissions Guidance for Metal Shredders" (December 2023) was prepared by ALL4, LLC. It provides general guidance to operators when calculating VOC emissions from metal shredders, as well as an overview of Clean Air Act (CAA) air permitting requirements associated with VOC emissions and a discussion of VOC stack testing methods. The document is targeted to the shredder community, particularly company and facility resources that are responsible for compliance with federal, state, and local air quality regulators. Site-specific practices and conditions at shredder operations can vary, and differences in operating practices may influence how VOC emissions are calculated for individual facilities. ISRI recommends that shredder operators consult with qualified environmental professionals (e.g. lawyers and/or consultants) that are familiar with state and local VOC air permitting requirements for specific shredder locations to address shredder emissions permitting and testing considerations.

The Guidance document identifies operational variables that could affect emissions from metal shredding operations, including feed composition. It is the result of a review of available VOC emissions test reports from the U.S. EPA, state regulatory agencies, and shredder operators. A total of 21 VOC testing programs at 15 different shredding facilities were compiled and evaluated, representing the diversity of shredding in the U.S.

The emissions factors contained within the report reflect a current and comprehensive review of available metal shredding VOC emissions data and therefore replace should be used in lieu of the metal shredder VOC emissions factors included in the 1996 Versar Title V Applicability Workbook. The Versar Report reflected the industry's understanding at the time of its publication that shredder VOC emissions were negligible. The guidance regarding metal shredder VOC emissions factors provided in the Versar Report is no longer supported by ISRI.

[DOWNLOAD THE VOC EMISSIONS GUIDANCE FOR METAL SHREDDERS](#)

HAVE QUESTIONS?
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Chief Scientist
Director of Environmental Management
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(202) 692-8533

Samples and Examples

Community Giving

A key component of your company's social impact is how you give back to local communities and charitable causes through both volunteer time and financial donations. Community giving can also become an important part of your company culture and employee engagement. Consider creating a policy to define your giving strategy, and ensure it aligns with your core values, business services, and ESG or sustainability strategy. A corporate charitable giving policy "outlines your company's approach, guidelines, and processes for corporate giving. It serves as a source of truth for administrators and participants alike, spelling out essential details such as eligibility criteria and deadlines." [4]

For any policy, include which organizations are eligible and what restrictions apply. Here are some common types of giving that may be included in corporate philanthropy programs:

- Matching Gifts: When employees donate a certain amount (minimum match requirement) to a charitable cause, the company will 'match' that amount with their own donation.
- Volunteerism: Corporate support for employee volunteering, which can include: allowing volunteering on work time, awarding time off for volunteering, or company-sponsored volunteer events. Companies may also give monetary grants to organizations where companies volunteer (Example: Walmart's [Volunteerism Always Pays](#))
- Community grants: Directly contributing financially to nonprofits that are based in the communities where the company operates. (Example: International Paper's [Giving Program](#))
- Sponsorships: Providing funding to a non-profit in exchange for recognition or marketing (Example: [Siemens' Healthcare Giving](#)).

ReMA members can [sponsor a local school](#) with STEM Curriculum through [our partnership with JASON Learning](#).

- In-kind donations: Non-monetary gifts; goods and services that are provided to non-profits like venue space, equipment, or free services like graphic design or legal consulting.

See how others have approached this topic or program

Tools to Facilitate Action

This Factsheet provides an overview and links to GHG emissions calculators

Tools for Calculating GHG Emissions, Avoided Emissions, and Emission Equivalencies
When presenting information on Greenhouse Gases, there are three basic calculations that collectively present a comprehensive emissions story for materials managed by ISRI members:

1. **A company's own emissions.** This includes both direct operating emissions, as well as indirect emissions from energy purchased and its third-party suppliers.
2. Emissions that are **avoided** by recycling.
3. **Emission equivalencies** of avoided emissions or emissions reductions into other activities that may be easier to explain to customers and other stakeholders, such as trees planted or cars taken off the road.

Each of these calculations gives a different perspective of the recycling story. Completing all three can help companies and their customers understand the net benefits of recycling beyond a company, but to the entire value chain.

Calculator models

U.S. EPA has 3 calculators can be used for these calculations. They are each updated regularly, they are transparent, and they are available for use by any company with no charge.

U.S. EPA's calculator tools:

1. **US EPA's Simplified GHG Emissions Calculator** ([Simplified GHG Emissions Calculator | US EPA](#))ⁱ. This calculator allows businesses to input data using an on-line excel file, and to calculate its Direct Operating (Scope 1) and Indirect Electricity (Scope 2) emissions. It is updated annually and is referenced by the GHG Protocolⁱⁱ as a preferred emissions calculation tool.
Calculates: A company's own emissions
2. **U.S. EPA's WARM tool** ([Waste Reduction Model \(WARM\) | US EPA](#)). This tool measures the emissions **avoided** by recycling (sometimes referred to as Scope 4 emissions). The EPA created its Waste Reduction Model (WARM) to provide high-level estimates of potential greenhouse gas (GHG) emissions reductions, energy savings, and economic impacts from several different waste management practices. WARM estimates these impacts from baseline and alternative waste management practices—source reduction, recycling, anaerobic digestion, combustion, composting and landfilling.
Calculates: Emissions that are avoided by recycling
3. **U.S. EPA's Equivalency Calculator** ([Greenhouse Gas Equivalencies Calculator | US EPA](#)). The Greenhouse Gas Equivalencies calculator allows you to **convert emissions or energy data to the equivalent amount of carbon dioxide (CO₂) emissions from using that amount. The calculator translates abstract measurements into concrete terms your audience can more easily understand**, such as the annual emissions from cars, households, or power plants, which may be useful in communicating your greenhouse gas reduction strategy, reduction targets, or other initiatives aimed at reducing greenhouse gas emissions.
Calculates: Equivalent activities to emissions avoided or reduced

EPA's calculators are designed for smaller, and/or lower emissions organizations. Large complex corporations with multiple sites may need to rely on enterprise software tools or consultants for accurate emissions calculations.

Using These Tools

These tools are all fairly straightforward, with data entry points and explanation available on the EPA's website. Background assumptions (e.g. energy intensity, mileage to markets, etc.) are updated regularly and are consistent across all users. This levels the playing field and reduces criticism of manipulation by companies or users.

Each has its own purpose, with the Simplified GHG Emissions Calculator serving to provide a company with its own emissions inventory. To prepare for using this tool, gather your key data points, outlined for you in the [Environmental Data Gathering Template](#) file.

Separately, the WARM Tool, can be used by recyclers to convey the environmental benefits of a customer's specific tons via emissions they are "avoiding" through their recycling efforts. Be sure to report this number separately from your GHG inventory figure in your sustainability or ESG reporting.

Finally, many recyclers find it helpful to provide examples of the emissions benefits of recycling by using example of equivalent efforts, which is where the Equivalencies Calculator comes in handy. For example, recycling X tons of recyclables saves the equivalent of taking XXX of cars off the road. Before you use this tool, you'll need to use either the GHG Calculator or WARM Tool mentioned above, or have prepared your own emissions figures, to enter those figures into the Equivalencies Tool. You can't directly calculate the equivalencies without first calculating your emissions.

Summary

EPA regularly updates its models. For example EPA is currently developing some additional guidance for "Avoided Emissions" (Scope 4), and has also developed extensive guidance for Supply Chain emissions (Scope 3) [Supply Chain Guidance | US EPA](#). Please refer to Workshop #5 for more information about Scope 3 and Scope 4.

As companies start their journey to take inventory of their emissions, and to communicate them internally and externally, the three calculators can tell the story to a company's stakeholders about the value of their recycling activities.

ⁱ EPA's *Simplified GHG Calculator* was originally designed to be a simplified calculation tool to help small business and low emitter organizations estimate and inventory their annual greenhouse gas (GHG) emissions so it may not be appropriate for large multi-site corporation.

ⁱⁱ *The Greenhouse Gas Protocol (GHG Protocol)*. The GHG Protocol's corporate accounting and reporting standard has been developed and updated over several decades. It is the global standard for emissions reporting. The Global Reporting (GRI) Initiative is the framework that ISRI is using for our ESG Reporting system. Since GRI relies on the GHG Protocol for emissions inventory work as part of their reporting structure, ISRI's toolkit is relying on the two pre-eminent global accepted frameworks that link GHG emissions calculations and reporting. The GHG Protocol provides *guidance specifically to companies to prepare GHG inventories to create a true and fair account of their emissions, through the use of standardized approaches and principles.*

Data Collection & Reporting Tools

- Tools for Calculating GHG Emissions, Avoided Emissions, and Emission Equivalencies ([How-To-Tools-for-Calculating-GHG-Emissions.docx](#))
- Excel file for gathering ESG reporting data ([GRI-Material-Topics-GRI-300-Series-1.15.2024.xlsx](#))
- Excel file for reporting Social Impact performance [Social-Excel-file-9.2023.xlsx](#))
- Excel file for gathering Governance data [Corporate-Governance-12.2023.xlsx \(live.com\)](#)




Examples of Resources by Topic & by Chapter

Chapter 6: Includes information and links to supporting documents [Chapter 6 – Reporting Frameworks – ESG Toolkit \(isri.org\)](#)









Downloadable Files

Background Information

-  Reporting - November Workshop #6
-  Introduction to the GRI Standards
-  Reporting with Notes

Guidelines/Examples for Reference

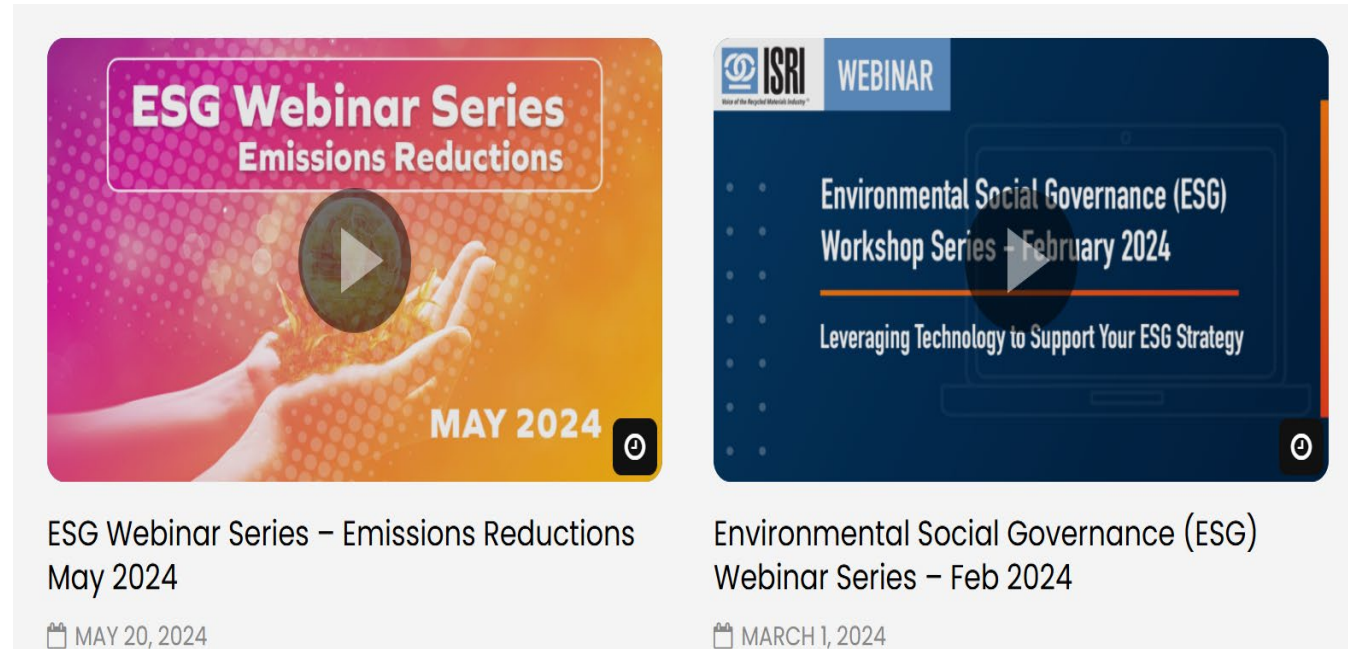
-  Consolidated Set of the GRI Standards
-  Waste Management Standards
-  How to Use the GRI Standards with this Toolkit
-  Environmental GRI Disclosures
-  Social GRI Disclosures
-  Governance GRI Disclosures

Other Supporting Documents on ESG Topics:

- **ESG Primer:** [ESG-Primer-REMA.pdf \(isri.org\)](#)
- **ESG Definitions:** [ESG-Toolkit-Definitions.pdf \(isri.org\)](#)
- **What is a Climate Related Risk Analysis?** [Climate-Related-Scenario-Analysis-ReMA.pdf \(isri.org\)](#)
- **What is GRI, and how to use it?** [How-to-Use-the-GRI-Standards-and-ReMA-Tools-2024.pdf \(isri.org\)](#)
- **Sample Materiality Assessment** [Sample Materiality Assessment - Google Forms](#)
- **Calculating GHG emissions** [How-To-Tools-for-Calculating-GHG-Emissions.docx \(live.com\)](#) and link to EPA's calculators [EPA-Simple-GHG-Calculator_tool-6.xlsm \(live.com\)](#)
- **Environmental Justice Resources** [Environmental Justice Resources | ReMa \(isri.org\)](#)
- **Community Relations Resource Center** [Community Relations Resource Center | ReMa \(isri.org\)](#)
- **GRI Standards** [Consolidated-Set-of-the-GRI-Standards.pdf \(isri2.org\)](#)

What else is included in ReMA's Toolkit?

- **Video Library of all Recorded ESG Webinars**
- **Power-points with written notes included**



These – and more! - can be found at the bottom of each Chapter

Q&A



ReMA Summer Calendar

Virtual Events

- Future of Aluminum Sorting Sponsored by WENDT: June 18
- ESG Series- Employees & the Workforce: August 29

In-Person Events

- Battery and Critical Mineral Recycling Conference: June 17-18, Atlanta, GA (ReMA Partner Event)
- Gulf Coast Convention: June 26-28, Austin TX
- Summer Board Meeting: July 8-10, Greenville, SC

Thank You

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