

SP ESG Leadership Communications and Engagement Roadmap – Emerging Cross-Journey Themes

Early Journey	Mid Journey	Late Journey
ESG Culture, Change Management, and Communications		
<ul style="list-style-type: none"> Establish ESG within the Culture Operationalize change management Identify key people for sustainability and motivate Identify the potential for promotion Incent participation Establish and manage culture early on – at the forefront, identifying value and priority Identify internal and external stakeholders – which are the ones that care about sustainability and set up a working group Research Sustainability, defining it for your organization Drive values into the mission statement, establishing how they are related Determine who’s driving ESG – is it industry leadership, the government, SEC regulations, and customize accordingly Start talking about ESG Send emails, surveys on sustainability to each department, understanding who might be doing it without realizing it and how that fits into the company’s Sustainability goals Identify Influencers and champions (internal such as the plant managers and external such as what competitors are doing) Benchmark Sustainability now and for the future Educate on why Sustainability/ESG is Important 	<ul style="list-style-type: none"> Define ESG – what are the targets, how implementation is done, who needs to be in the room, and what expertise is necessary – such as Finance, Legal, Public Relationships Expand the legal team, engage external counsel, collaborating with external stakeholders (SMEs, ESG consultants, etc.) Address shareholder pressure for executive compensation alignment with Sustainability Evaluate the budget to support the growth of ESG due diligence within the company Establish internal goals, how to communicate within the company, to customers, to suppliers Rework the numbers from the previous stage Communicate more information to the executives – garner buy-in, identify executive champion Buildout the Sustainability team Move from mentioning ESG in Annual Report to developing a full Sustainability Report, establishing the reporting process, and identifying ESG actions Set the ESG strategy to reduce energy Move away from Excel (trading spreadsheets) for tracking progress toward a reporting and tracking system and process Do benchmarking, competitive analyses Join SP and join working groups as a resource, to understand best practices, and for industry comparison 	<ul style="list-style-type: none"> Update regulation language to include ESG regulations Update and publish the company’s sustainability goals Integrate ESG into decision-making (establish a weighted value for purchasing decisions) Establish company-defined ESG supply chain targets Educate and train on ESG, supporting local internal groups, environmental action, and volunteerism Identify an execution lead Establish internal culture, including internal ESG awards Budget for the implementation of the sustainability goals, resources (staffing), and logistics aspects Add collaborative piece to help suppliers meet ESG requirements Define local groups, such as Social SMEs helping others Attract and dedicate staff for ESG/Sustainability, including poaching off more ESG mature companies Create committees on ESG topics including industry experts and leaders Tell the story publicly with verification of accurate, certifiable data Share site-to-site communication “lessons learned” Collaborate with OEMs, industry, and the supply chain Refine the existing Suitability report with 5 published goals Discuss (internally) how to close the loop Guide other companies’ and suppliers’ journeys, doing “hand holding” Collaborate with customers, suppliers, industry experts on ESG topics Refine the culture of sustainability at your company – education & training, volunteerism Offer credits for cost reduction request at your customer Lead, follow, or get out as the way Move your company away from measuring into executing
ESG RACI (Responsible, Accountable, Consulted, Informed)		
<ul style="list-style-type: none"> Research Sustainability, defining it for your organization Sell the importance of ESG to the different departments – why, what is the need Identify Influencers and champions (internal such as the plant managers and external such as what competitors are doing) Identify resources, who is out there, who is interested, and who is available 	<ul style="list-style-type: none"> Define ESG – what are the targets, how implementation is done, who needs to be in the room, and what expertise is necessary – such as Finance, Legal, Public Relationships Expand the legal team, engage external counsel, collaborating with external stakeholders (SMEs, ESG consultants, etc.) Understand Scopes 1&2 and begin the supplier journey (the complete supply chain) Become aware of the Social and Governance issues, bringing in additional areas of the company, and understanding how they are intertwined 	<ul style="list-style-type: none"> Integrate ESG into decision-making (establish a weighted value for purchasing decisions) Educate and train on ESG, supporting local internal groups, environmental action, and volunteerism Identify an execution lead Budget for the implementation of the sustainability goals, resources (staffing), and logistics aspects Define local groups, such as Social SMEs helping others Update request for quotation (RFQ) language to include ESG requirements Improve branding in customer facing areas of the company Create committees on ESG topics including industry experts and leaders Refine the existing Suitability report with 5 published goals Influence environmental regulations, collaborating across the industry Collaborate with customers, suppliers, industry experts on ESG topics Do accurate Sustainability reporting Move your company away from measuring into executing

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Internal ESG Stakeholders		
<ul style="list-style-type: none"> • Drive values into the mission statement, establishing how they are related • Sell the importance of ESG to the different departments – why, what is the need • Determine who’s driving ESG – is it industry leadership, the government, SEC regulations, and customize accordingly • Identify Influencers and champions (internal such as the plant managers and external such as what competitors are doing) • Do data collection internally and with customers • Benchmark Sustainability now and for the future 	<ul style="list-style-type: none"> • Establish internal goals, how to communicate within the company, to customers, to suppliers • Communicate more information to the executives – garner buy-in, identify executive champion • Buildout the Sustainability team • Understand Scopes 1&2 and begin the supplier journey (the complete supply chain) • Become aware of the Social and Governance issues, bringing in additional areas of the company, and understanding how they are intertwined • Start thinking about product Lifecycle Analysis 	<ul style="list-style-type: none"> • Establish company-defined ESG supply chain targets • Establish the traceability of sustainable materials for risk management and greenwashing mitigations • Explore the application of the Circular Economy • Add collaborative piece to help suppliers meet ESG requirements • Update request for quotation (RFQ) language to include ESG requirements • Improve branding in customer facing areas of the company • Leverage ESG for innovation and environmental R&D • Tell the story publicly with verification of accurate, certifiable data • Collaborate with OEMs, industry, and the supply chain • Move the supply base away from just measuring into execution • React to emerging customer demands and track them down the supply chain • Help smaller companies understanding all regulations from all customers • Guide other companies’ and suppliers’ journeys, doing “hand holding” • Collaborate with customers, suppliers, industry experts on ESG topics • Offer credits for cost reduction request at your customer • Innovate in the ESG processes • Improve branding, using ESG actions as a competitive advantage
ESG Risk Assessment and Management		
<ul style="list-style-type: none"> • Do risk assessment first thing to pursue ESG/Sustainability – is there a business case • Understand requirements of Sustainability and how it is connected to risk • Establish corporate monetary value of Sustainability • Determine who’s driving ESG – is it industry leadership, the government, SEC regulations, and customize accordingly • Identify risk impacts in terms of severity, probability, controls, and regulatory impacts 	<ul style="list-style-type: none"> • Establish the baseline for ESG by doing ESG risk assessments • Communicate more information to the executives – garner buy-in, identify executive champion • Move from mentioning ESG in Annual Report to developing a full Sustainability Report, establishing the reporting process, and identifying ESG actions • Understand Scopes 1&2 and begin the supplier journey (the complete supply chain) • Become aware of the Social and Governance issues, bringing in additional areas of the company, and understanding how they are intertwined • Do benchmarking, competitive analyses • Start thinking about product Lifecycle Analysis 	<ul style="list-style-type: none"> • Establish the traceability of sustainable materials for risk management and greenwashing mitigations • Add collaborative piece to help suppliers meet ESG requirements • Update the established tool / data management processes and systems • Create committees on ESG topics including industry experts and leaders • Tell the story publicly with verification of accurate, certifiable data • Collaborate with OEMs, industry, and the supply chain • Move the supply base away from just measuring into execution • Guide other companies’ and suppliers’ journeys, doing “hand holding” • Influence environmental regulations, collaborating across the industry • Do accurate Sustainability reporting • Improve branding, using ESG actions as a competitive advantage