

IAEG WG11 Aerospace ESG Engagement Webinar

What are the ESG Obligations Driving Us to
Act?

NOV. 16, 2022



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INTERNATIONAL AEROSPACE
ENVIRONMENTAL GROUP[®]

AGENDA

Welcome & Compliance
Reminders

Ashley Rubinsky and Jim Wilson

IAEG Overview & Poll

Ashley Rubinsky

Panel Discussion

Catherine Rushforth, Airbus Head of Human Rights Roadmap

Nadine O'Boyle Director, Supply Chain Sustainability Collins Aerospace, WG11 Sub-Team Lead

David Graeber, Boeing Supply Chain Sustainability Sr. Manager, IAEG Board of Directors, WG11 Co-Sponsor

Ashley Rubinsky, Lockheed Martin Sr. Project Manager, Supply Chain Operations & Sustainability, WG11 Sub-team Lead and IAEG Comms Committee member

Closing Remarks

PANEL INTRODUCTION



Nadine O'Boyle
Director, Supply Chain
Sustainability Collins
Aerospace, WG11 Sub-Team
Lead



Catherine Rushforth,
Airbus Head of Human Rights
Roadmap



David Graeber
Boeing Supply Chain
Sustainability Sr. Manager



Moderator

Ashley Rubinsky
Lockheed Martin Sr. Project Mgr.,
Operations & Sustainability

PANEL QUESTIONS

What are the global requirements stemming from ESG obligations that are driving our industry to act?



Nadine O'Boyle
Collins Aerospace Director of
Supply Chain Sustainability &
WG11 Sub-Team Lead

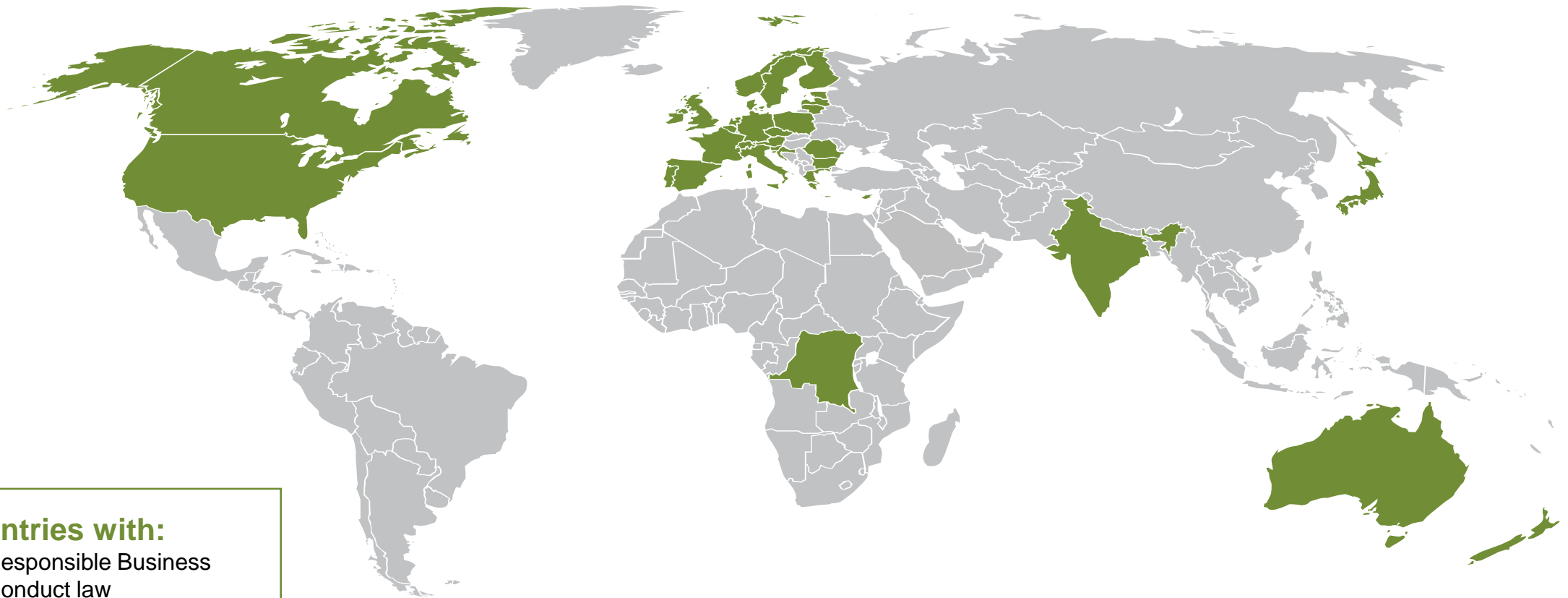


Catherine Rushforth,
Airbus Head of Human Rights
Roadmap



David Graeber
Boeing Supply Chain
Sustainability Sr. Manager

SUPPLY CHAIN DUTY OF CARE OBLIGATIONS



Countries with:

- Responsible Business Conduct law
- Due Diligence law
- Disclosure law
- Trade ban

SUPPLY CHAIN DUTY OF CARE OBLIGATIONS

Corporate reporting laws	Due diligence laws	Trade regulation
Enacted		
U.S. Dodd Frank Act s1502 (2010) (aka Conflict Minerals) California Transparency in Supply Chains Act (2012) UK Modern Slavery Act (2015) AUS Modern Slavery Act (2018)	French Duty of Vigilance Law (2017) EU Conflict Minerals Regulation (2017) Dutch Child Labour Law (2019) Swiss due diligence law (2021) Norway Transparency Act (2021) German Supply Chain Due Diligence Act (2021)	U.S. Uyghur Forced Labor Prevention Act (2021)
Proposed		
EU Corporate Sustainability Reporting Directive (CSRD)	EU Corporate Sustainability Due Diligence Directive (CSDD) Dutch Bill on Responsible and Sustainable International Business Conduct Spanish Legislative Plan for 2022 Belgian Vigilance proposal Japan Guidelines on Respect for Human Rights in Responsible Supply Chains New Zealand modern slavery and worker exploitation proposal	Canada Modern Slavery Bill S-211 US Customs Border Control Forced Labor Prevention Strategy (aka CTPAT requirements) EU Ban of goods made with forced labor

PANEL QUESTIONS

What approach is your organization taking in order to comply with this growing legislation?



Catherine Rushforth,
Airbus Head of Human Rights
Roadmap

UN Guiding Principles for Business and Human Rights ('protect, respect, remedy')

- States have a duty to **protect** human rights through various **statutory instruments**
- Businesses have a duty to **comply with applicable laws** and to **respect** human rights
- Both States and businesses are required to provide effective **remediation**

The **UNGPs** provide the authoritative **global framework**



Operationalised through **international standards**

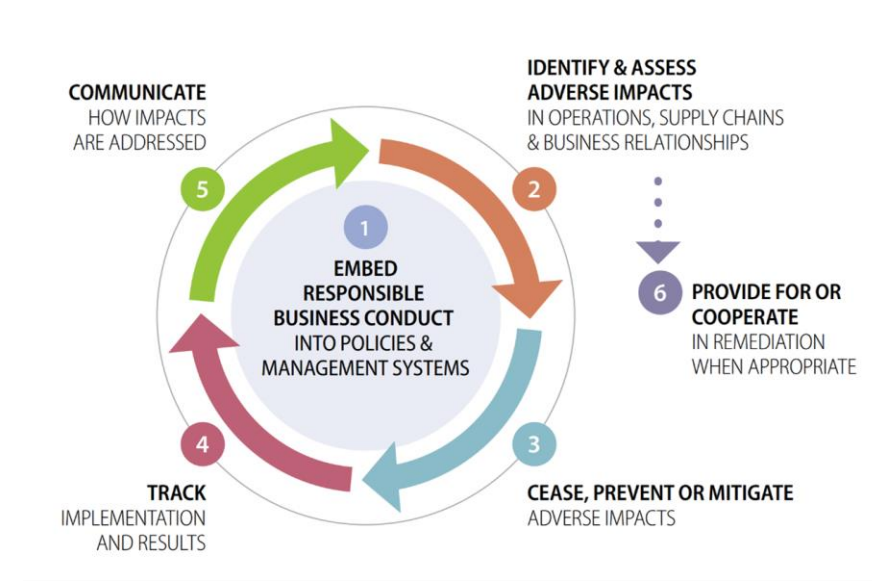
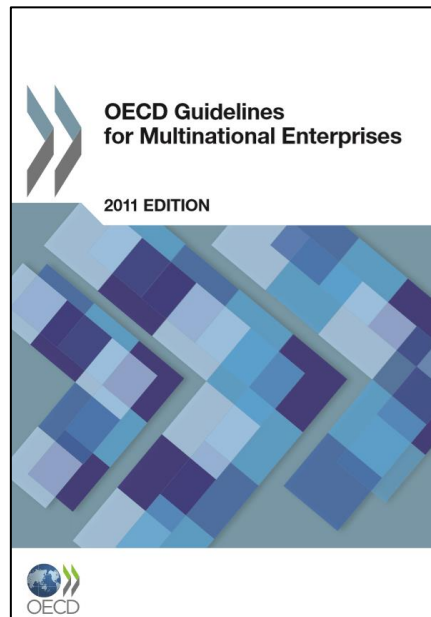


Translated into increasing and progressively stronger **national policy and law**



OECD: Organisation for Economic Cooperation and Development

- Promote a **common understanding on due diligence** for responsible business conduct.
- Provide guidance on how to **implement due diligence** to **identify** and **address** adverse impacts.
- OECD guidelines are being updated - and potentially strengthened (which could translate into legal requirements).



PANEL QUESTIONS

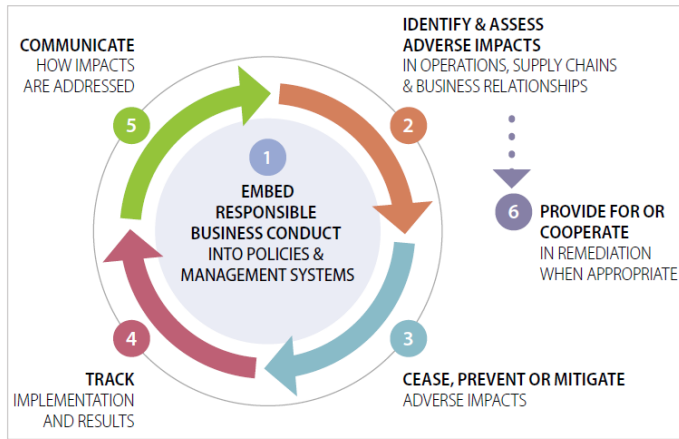
By focusing on obligations, what are the opportunities to enable other supply chain sustainability reporting expectations?



David Graeber
Boeing Supply Chain
Sustainability Sr. Manager

CONSISTENT RESPONSIBLE SOURCING THEMES

Duty of Care Compliance



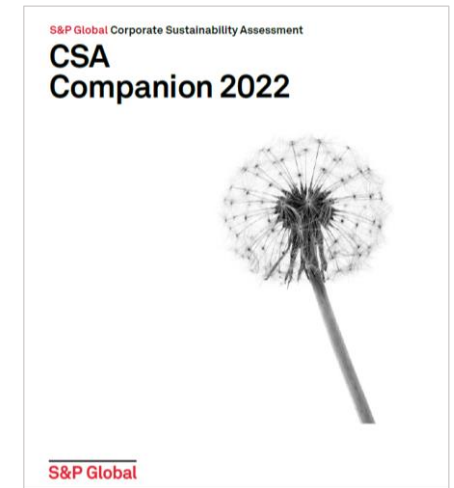
Source: [OECD Due Diligence Guidance for Responsible Business Conduct](#)

ESG Reporting



Source: [GRI universal standards](#)
- GRI 3, 308, 414, 400 series

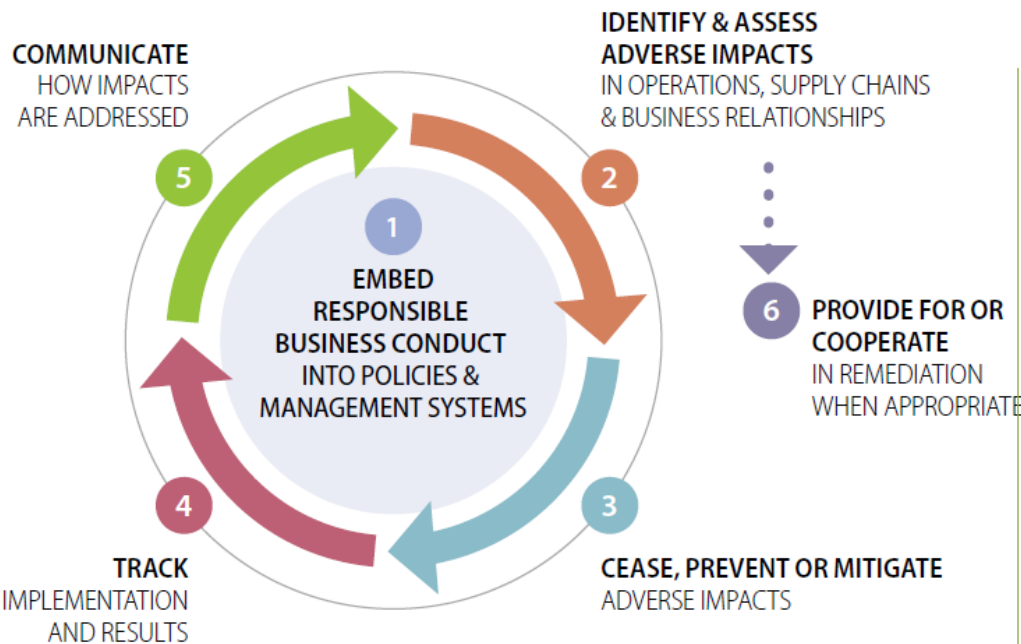
ESG Ratings



Source: [S&P Global Corporate Sustainability Assessment](#)

- Policies – Human Rights, Supplier Code of Conduct
- Procurement Materiality Assessment / ESG Risk Mapping
- ESG Considerations in Procurement
- Supplier ESG Assessment & Risk Mitigation
- Supplier Education on ESG Topics
- Process Transparency w/ Supporting Metrics

IAEG WG11 – ENABLING INDUSTRY RESPONSIBLE SOURCING



Source: [OECD Due Diligence Guidance for Responsible Business Conduct](#)



1 Industry model [Supplier Code of Conduct](#)



IAEG Reusable Sustainability Assessment



- 2** Industry procurement category ESG risk mapping
- 2** Industry voluntary standard supplier ESG assessment
- 3** **4** Leveraging industry voluntary initiative to drive supplier education & improvement
- 5** Industry comms. on responsible sourcing stewardship
- Industry tracking SC duty of care compliance & ESG reporting/ rating evolution

PANEL QUESTIONS

How can a supplier 'keep up' with an evolving landscape of obligations?



David Graeber
Boeing Supply Chain
Sustainability Sr. Manager



Ashley Rubinsky
Lockheed Martin Sr. Project Mgr.,
Operations & Sustainability

FOR ADDITIONAL ENVIRONMENTAL OBLIGATION RESOURCES



WG9

IMPACT ANALYSIS OF GLOBAL
ENVIRONMENTAL AND
CHEMICAL REGULATIONS,
POLICIES, AND STANDARDS

Purpose

The Aerospace and Defense (AD) industry is committed to developing an approach to help the Aerospace and Defense industry evaluate emerging global environmental and chemical regulations and their impact on compliance and potential operational risk for companies and their supply chain.

Publications

IAEG has released the following documents to support the objectives of Work Group 9. A statement is provided next to the publication name to indicate accessibility restrictions.

[Emerging Chemical and Environmental Regulations Subscription Service](#)

[Regulatory Alerts](#)

[Fact Sheets](#)

[Newsletters](#)

[Webinars](#)

AEROSPACE ESG COMMUNITY BUILDING

Foster Awareness

- IAEG WG11 Introduction to Supply Chain & Key Functional Partners
- Leverage Best Practices from IAEG's 10 years of Environmental Focus

2023 Launch

- Prepare for 'TAKE OFF'



Build Obligation Awareness

- Due Diligence Alerts & Post-Event Resources

Enhance with On-Going Feedback

ADDITIONAL RESOURCES

<https://www.iaeg.com/workgroups/wg11>

“A sustainable supply chain driven by ESG engagements is an exceptional **opportunity for value creation** and earning the trust of all our stakeholders”

Roque Carmona, Chief Procurement Officer, **Thales**

“Great potential to **accelerate ESG maturity** in the aerospace sector”

LeAnn Ridgeway, VP Sustainability, **Collins Aerospace**

“**Achieving sustainable aviation is far from impossible.**

Today, employees at Pratt & Whitney are solving the challenges and creating the technologies that will introduce a new era of sustainable aviation.”

Graham Webb, Chief Sustainability Officer, **Pratt & Whitney**

This important programme has the potential to unlock a lot of value and help **deliver good ESG stewardship** across the sector.

Benn Godfrey, VP Procurement, **Rolls Royce**

“Thales ESG ambitions are to **embed ambitious sustainability commitments in all processes** and to maximize the sustainability impact of our portfolio of solutions. Both find a perfect application for Aeronautics.”

Sophie Le Pennec, VP HSE, **Thales**



“Sustainability inspires us as corporate citizens and signals our values in all we do to keep the Aerospace supply chain a strong foundation for continued growth and success. The focus of IAEG WG11 will expand upon our strong track record of developing relationships and practices that **ensure a more sustainable supply chain.**”

Chris Stone, Supply Chain Vice President, **Lockheed Martin Corporation**

“Boeing is committed to advancing global sustainability, and IAEG’s efforts will be a cornerstone of our responsible supply chain practices. **An industry voluntary approach is key** for efficiency and demonstrating ESG maturity to customers, investors and regulators.”

William Ampofo, Chair, **Boeing Supply Chain Operations Council**, and Vice President, Parts & Distribution Services and Supply Chain, Boeing Global Services.

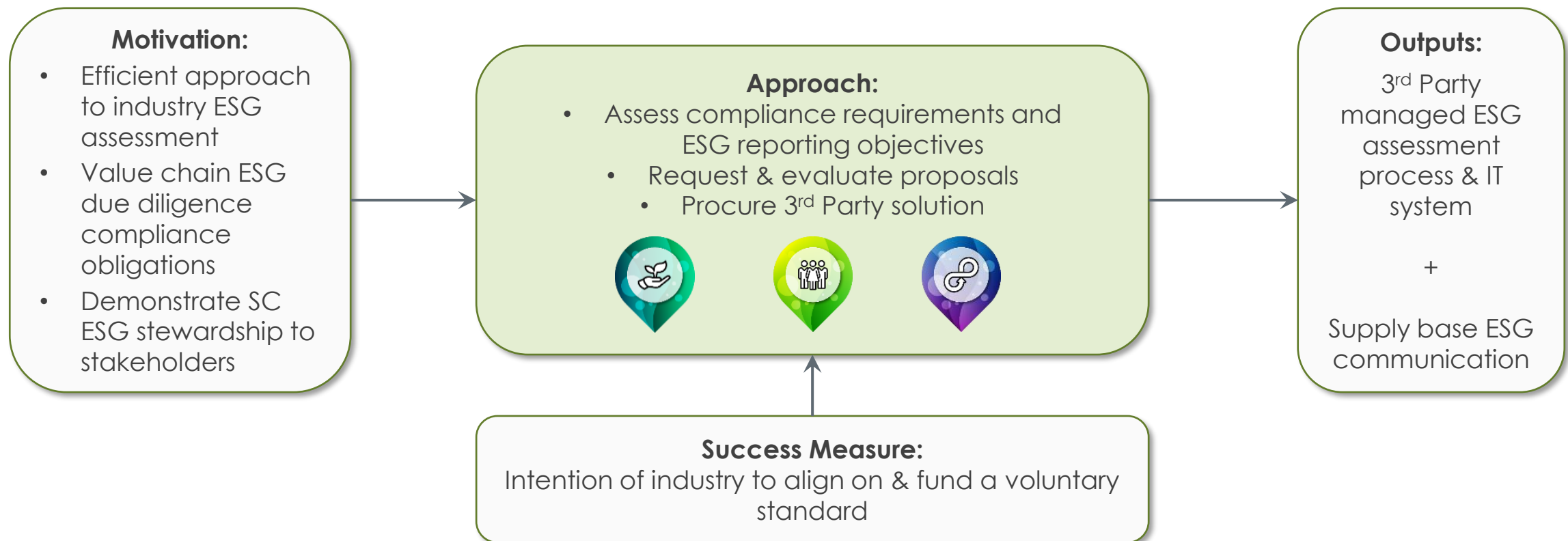
“At Airbus, we pioneer sustainable aerospace for a safe and united world. We are taking the lead in driving a holistic approach towards building a more sustainable ecosystem for our industry, which entails looking at our end to end value chain environmental and social footprint. With a global footprint and a global supply chain, **we welcome efforts from IAEG to build a harmonized and standardized approach towards ESG in the industry,** which fully supports our sustainability ambition.”

Nicolas Chretien, HO Sustainability & Environment at **Airbus**

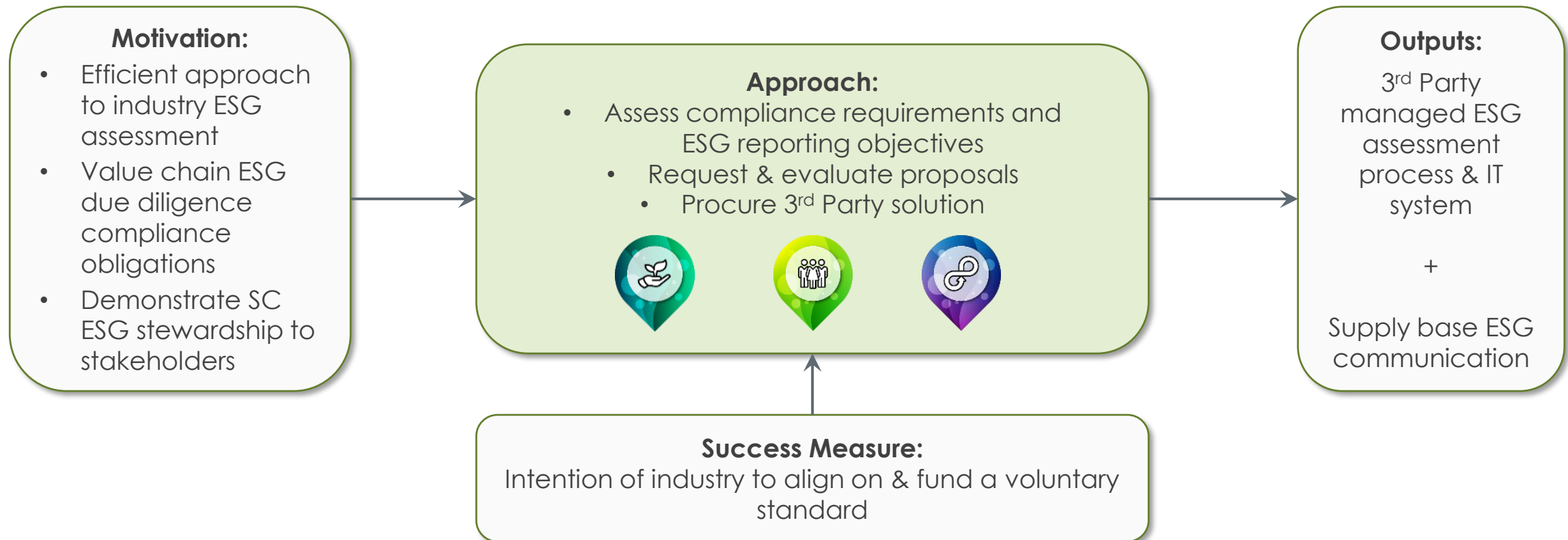
FOLLOW-UP QUESTIONS

Questions@iaeg.com

Goal: To deploy and maintain an enduring aerospace industry voluntary standard, with the support of a proven third-party solution, for assessing Environment, Social and Governance (ESG) practices that enables informed business decisions, duty of care compliance obligations, sustainability reporting, and positive change in environmental & social topics



First Step: Reusable Sustainability Assessments!



2022 Goal: Implement a voluntary standard and program for assessing, managing and reporting Environmental, Social & Governance (ESG) risk in aerospace supply chains by sourcing an existing 3rd party solution for unilateral consideration and use of IAEG members / Aerospace & Defense companies

