

SAI360

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SURVEY

READY, SET, GO

Are You Leading the ESG Reporting Race?

EHS Daily Advisor



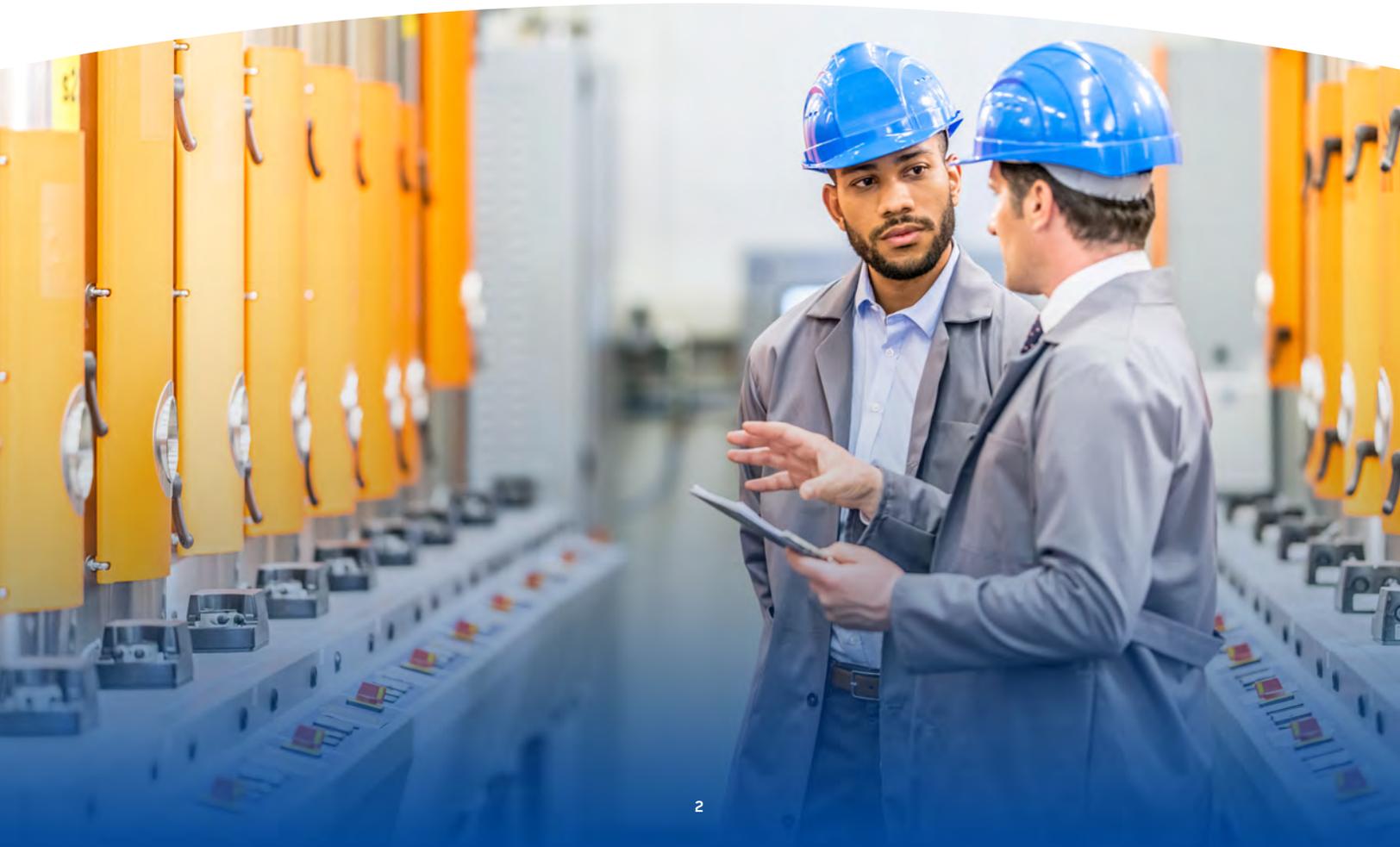
Ready, Set, Go: Are You Leading the ESG Reporting Race?

Ready, Set, Go: Are You Leading the ESG Reporting Race? is a survey from SAI360 that was launched in November 2021. It gathered the insight of 352 environment, health, and safety (EHS) professionals globally about how organizations perceive ESG and sustainability, where they stand on implementing these efforts, and what their strategy is for 2022 and beyond. We also asked about the diversity of the workforce and what companies are doing to bring younger professionals into the fold.

SAI360 and the EHS Daily Advisor research team would like to extend our gratitude to all the professionals who chose to participate in the survey, as well as our readers, for their help in deepening our understanding of the challenges they face on a daily basis. All percentages in this report have been rounded to the nearest whole percentage. If you have any questions or comments about ESG and sustainability and this accompanying report, please email media@simplifycompliance.com.

About SAI360

SAI360 is the leading provider of GRC, Learning, EHS, and Sustainability software. Our unified approach to risk management is what sets us apart, helping organizations across the globe manage risk, create trust, and achieve business resilience for over 25 years.

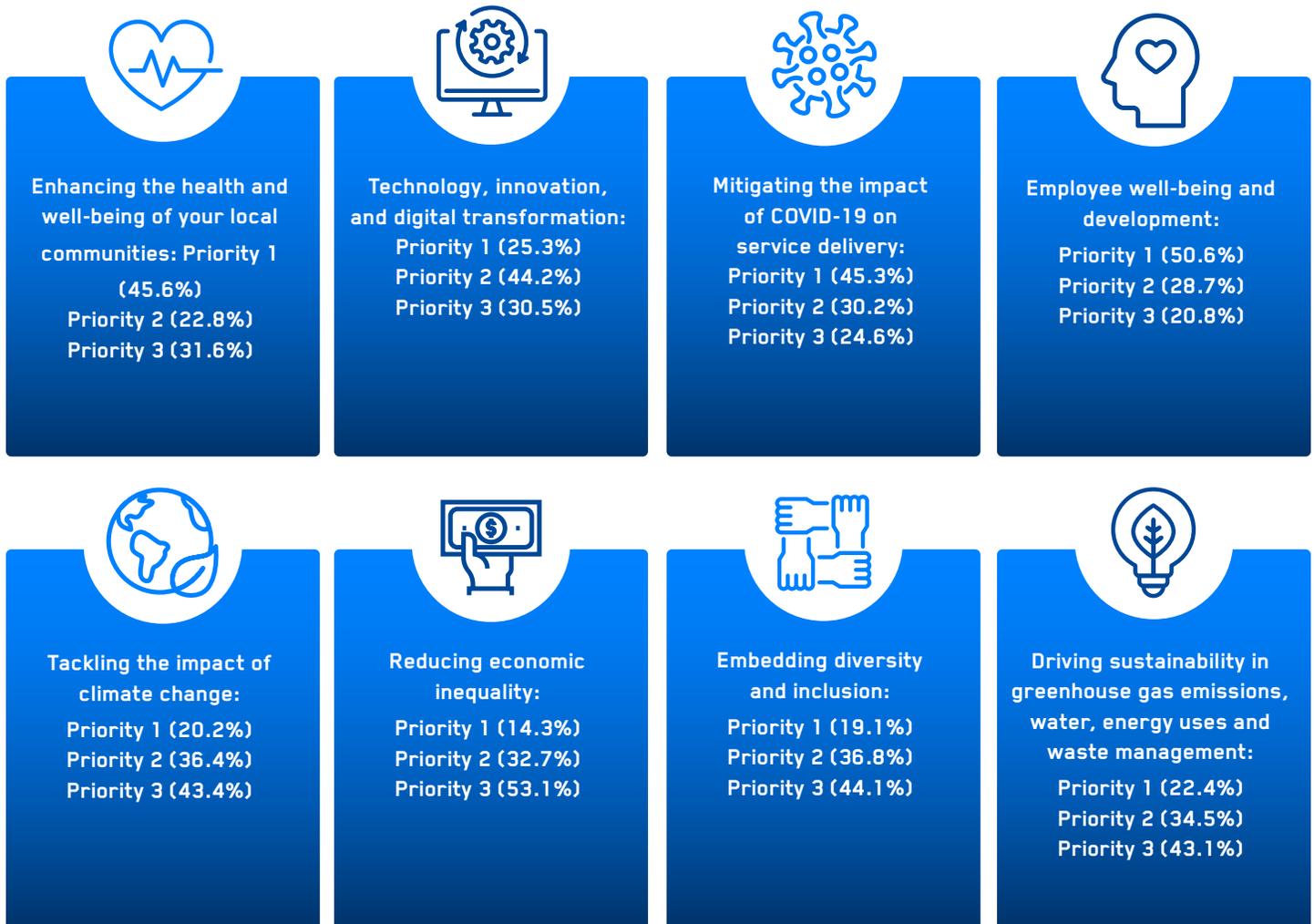




Employee health and wellbeing, digitalization, and mitigating the impact of COVID-19 are top priorities for organizations

COVID-19 together with the Great Resignation have changed the way organizations view and manage the health and well-being of employees. Our survey revealed that employee well-being and development is the top priority for more than 50% of the respondents. And with the pandemic still a global challenge, it is no surprise that 45.3% of respondents identified mitigating the impacts of Covid on service delivery as their number 1 priority. Digitalization efforts during COVID have increased from 36% in 2019 to 58% globally in 2020, according to McKinsey data. This continues to be a focus for EHS professionals with over 25% identifying this as a top priority. Digitalization brings many efficiency gains and can provide novel ways of performing complex and time-consuming tasks as well as worker engagement, especially as the definition of the workplace keeps evolving. Digitalization also offers opportunities for more effective occupational safety and health training, advanced workplace risk assessment, communication, and robust OSH inspections.

Safety priorities





ESG and Sustainability are strategic priorities for most companies with most demonstrating an increased awareness for the 'E'

Organizations are showing increased awareness when it comes to environmental issues. Asked how they would rank their company's environmental awareness efforts, the average response was 7 out of 10. And when asked if their organization's leadership has made sustainability a strategic priority, 81% of respondents said yes, 12.4% said no, and another 6.6% were unsure.

Survey respondents were asked about their organization's level of concern regarding ESG efforts. Most (50.1%) said it was very important, 35.3% said it was important, 9.1% said it was not important, and 5.4% were unsure.

ESG is increasingly becoming part of the wider EHS responsibilities

Departmental responsibility for ESG and sustainability was another focus of the survey. Asked if ESG and sustainability are viewed as part of the organization's wider EHS department responsibilities, 77.4% of respondents said yes, 14% said no, and 8.6% were unsure. EHS teams will most likely have the programmes and data that stakeholders and investors want to see for ESG reporting. Therefore, ESG represents a great opportunity for EHS departments to leverage and play a more strategic role in an organization and gain more budgets to invest in EHS programmes.

As for who was responsible for ESG and sustainability efforts at their organization, 30.6% said it was the head/manager of sustainability. Other positions mentioned included CEO (21.1%), board member (17.4%), Human Resources department (14.6%), Marketing department (4%), and Finance department (0.6%).

ADDITIONAL RESPONSES INCLUDED:

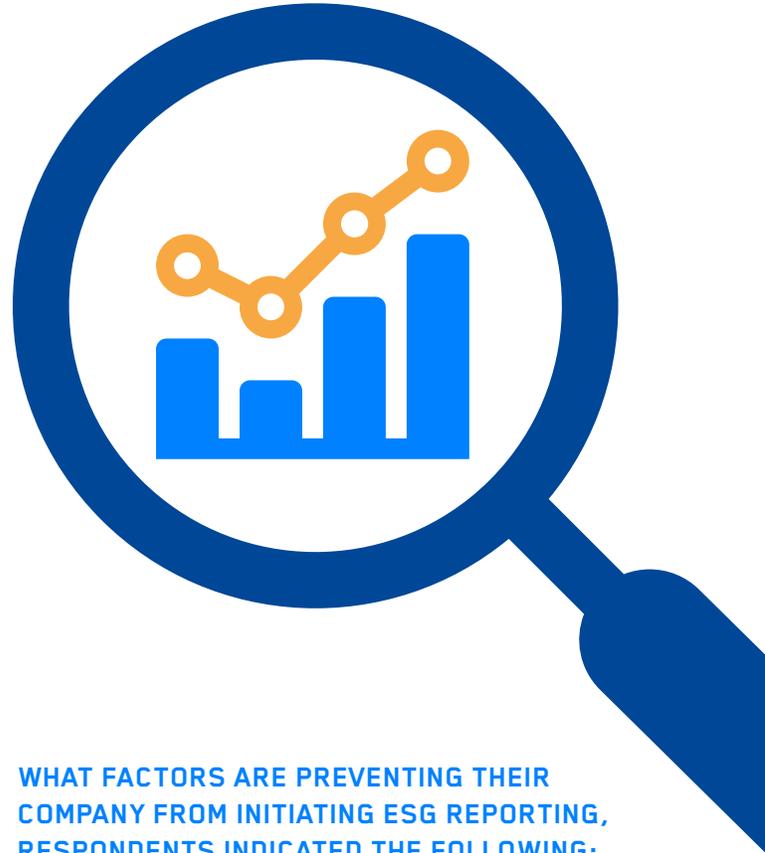
| | |
|--------------------------|--------------------------|
| SAFETY & ENVIRONMENTAL | EHS MANAGER |
| COO | CITY MANAGER |
| VICE PRESIDENT | COMPLIANCE MANAGER |
| BUILDING SERVICES | STRATEGY TEAM |
| GLOBAL SAFETY COMMITTEE | OWNERSHIP |
| CORPORATE AFFAIRS & HSEQ | SUSTAINABILITY COMMITTEE |



Data availability is the biggest challenge for ESG reporting

While 42% of respondents believe that they are compliant with all necessary elements of ESG and sustainability reporting, 44.7 % said that data availability is their main challenge in ESG reporting.

With ESG and Sustainability disclosures becoming mandatory across many countries, this indicates that there is still work to be done for companies to be more consistent and coherent in reporting. A centralised and integrated system can ultimately provide the data in one holistic view, reducing the administrative burden on teams for ESG reporting.



WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES THEIR ORGANIZATION'S RESPONSE TO STAKEHOLDER AND CUSTOMER DEMANDS REGARDING ESG AND SUSTAINABILITY:

We are compliant with all necessary elements of ESG and sustainability reporting:



We have started ESG and sustainability reporting:



We are exploring ESG and sustainability reporting:



We are not ready to begin ESG and sustainability reporting:



The company is not pursuing ESG and sustainability reporting:



WHAT FACTORS ARE PREVENTING THEIR COMPANY FROM INITIATING ESG REPORTING, RESPONDENTS INDICATED THE FOLLOWING:

Data availability:



Cost:



Time:



Unsure where to start:



ADDITIONAL RESPONSES INCLUDED:

- Not beneficial for company
- Management do not see the need to because it is a financial institution and they deal more with financial-related issues



SASB and GRI disclosure frameworks are the most commonly used

There are many ESG and sustainability disclosure standards, frameworks, and ratings providers. The leading five standard setting organizations include Carbon Disclosure Project/Climate Change (CDP), Climate Disclosure Standards Board (CDSB), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), and Sustainability Accounting Standards Board (SASB). It is therefore not surprising that more than 77% of respondents are using GRI and SASB.

RESPONDENTS WERE ASKED WHAT ESG REPORTING FRAMEWORK THEIR ORGANIZATION IS CURRENTLY USING AND INDICATED THE FOLLOWING:



The ESG and sustainability disclosure standards and frameworks exist in a crowded and fragmented space with slightly different terms, inconsistent language, and different measures or focus areas between them. Some are primarily focused on environmental impact and carbon emissions. Others address human rights concerns. Others are comprehensive, encompassing several aspects of ESG.

RESPONDENTS ALSO CITED THE USE OF THE FOLLOWING:

- In-house measurements
- S&P CSA, EcoVADIS, Circulytics
- SECR (Streamlined Energy Carbon Reporting)
- Will be using ISO 20400
- HIGG Index



Managing compliance to ESG and sustainability regulatory requirements is mostly using spreadsheets

Asked how their organization monitors all relevant ESG and sustainability regulatory requirements to ensure compliance, survey respondents said they used spreadsheets (38.3%), a dedicated EHS platform/program (28.9%), and a combination of spreadsheets and a dedicated EHS platform (25.1%). Other responses included a compliance evaluation, a program built internally, and consultants.

REGULATORY UPDATES AND SUSTAINABILITY MODIFICATIONS ARE COMMUNICATED TO EMPLOYEES VIA THE FOLLOWING METHODS:

- Digital platforms (email, e-newsletters, etc.): 61.5%
- Print (newsletters, magazines, handouts, posters): 16.8%
- Not communicated (10%)
- Verbal (9.1%)
- Other responses: Combination of meetings, handouts, emails; tier meeting session

Compliance training is important. Asked if their company provides an automated compliance training program (computer-based, self-paced learning), 73.5% of survey respondents said yes, 23.7% said no, and 2.9% said they were unsure.

The frequency of compliance training is varied. Respondents said training is offered monthly (29.1%), quarterly (28.9%), and annually (25.7%), with another 8.6% saying compliance training is not offered. Other responses included weekly, whenever necessary, as required and often, every six months, every other year, as required by each compliance topic, and at initial hire.



Who responded

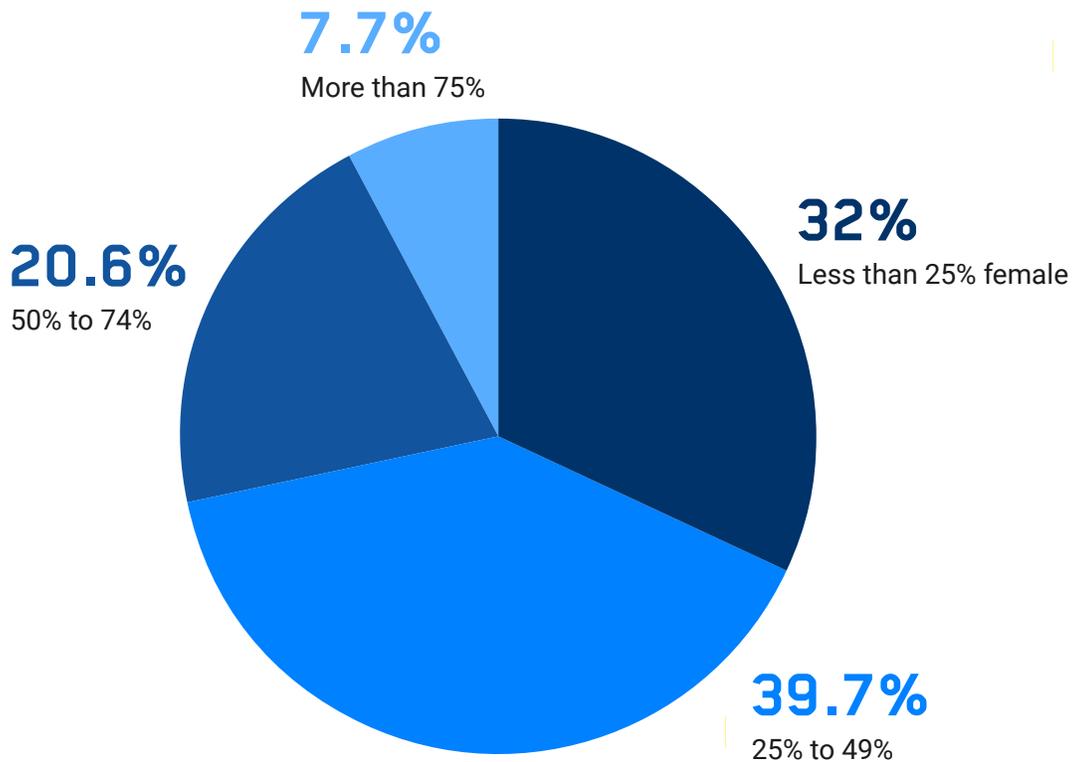
ASKED HOW LONG THEIR COMPANY HAS BEEN IN BUSINESS, SURVEY RESPONDENTS INDICATED THE FOLLOWING:

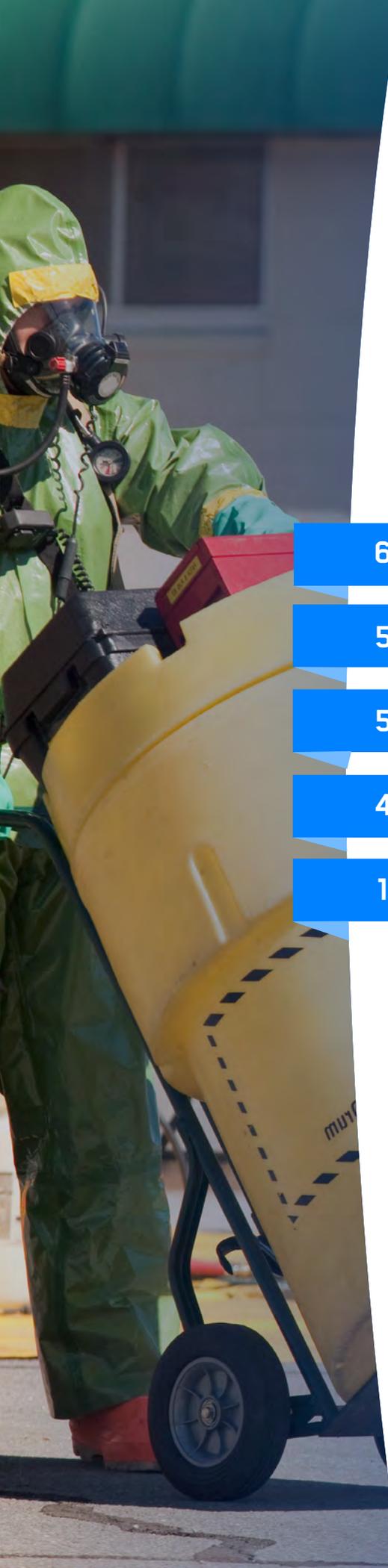


Of those companies, **20.1%** have more than **1,000** employees, **13.5%** have **501-1,000** employees, **40.7%** have **100-500** employees, and **25.8%** have less than **100** employees.

Respondents ranked the diversity of their organization's management and executive team as **6 out of 10**.

ASKED WHAT PERCENTAGE OF THEIR EHS DEPARTMENT IS FEMALE, RESPONDENTS SAID THE FOLLOWING:

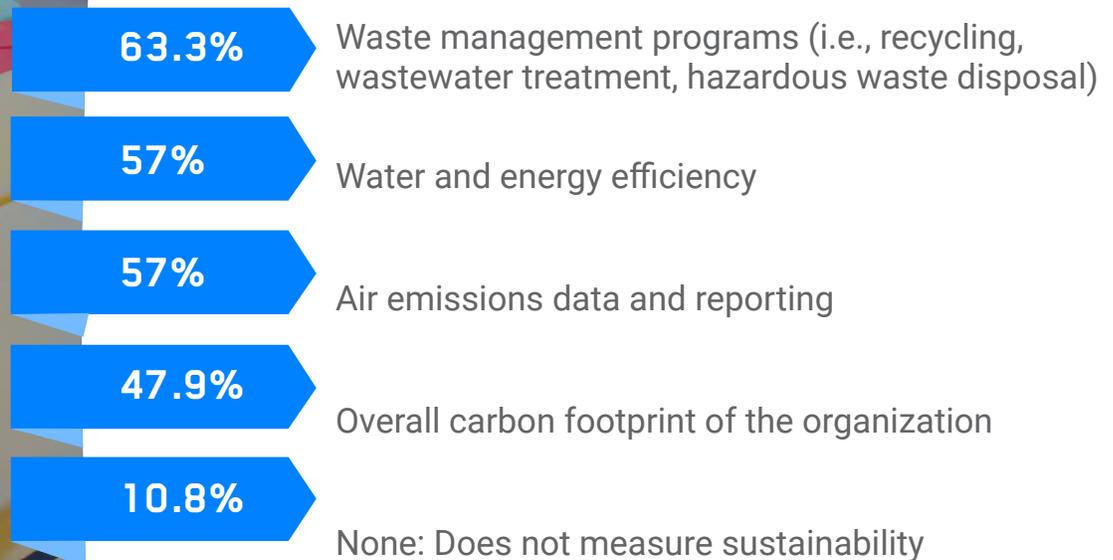




Waste management is a top sustainability factor for most companies

Climate and net-zero emission goals are currently one of the main ESG agenda items for companies. Our survey revealed that 63.3% of companies focus on measuring their waste management programs, followed by 57% on water and energy efficiency and air emissions.

WHEN ASKED WHICH SUSTAINABILITY FACTORS THEIR ORGANIZATION CURRENTLY MEASURES, RESPONDENTS INDICATED THE FOLLOWING:



OTHER SUSTAINABILITY FACTORS THAT COMPANIES ARE MEASURING INCLUDE:

- Food recycling
- Racial and economic diversity, equity, and inclusion
- Paper waste
- Paper and cartridge use; gasoline use
- Accidents, incidents, ill health, security breaches, theft, oil spills
- Electricity to solar power
- Medical waste



Twenty-six percent of respondents said hiring more women in their EHS department is a high organizational priority. Forty-nine percent said hiring more women is somewhat of a priority and 25% said it was not a priority.

ASKED WHAT PERCENTAGE OF THEIR EHS DEPARTMENT IS UNDER THE AGE OF 50, RESPONDENTS SAID THE FOLLOWING:

- Less than 25%: 20%
- 25% to 49%: 37.1%
- 50% to 74%: 20.3%
- More than 75%: 22.6%

A total of 33.6% of respondents said it is a high organizational priority to hire younger professionals in the EHS department, while 45.6% said it is somewhat of a priority and 21% said it is not a priority.

The safety professionals who participated in our survey work in a variety of positions, with 29.4% working as EHS or safety managers. Another 15.7% work as EHS or safety directors, 15.1% as EHS or safety executives, 9.7% as Human Resources managers, 7.1% as Human Resources executives, 6% as consultants or contractors, 4% as staff-level employees, and lower percentages as frontline supervisors or Human Resources directors. Other positions listed include operations director, director of facilities, compliance officer, environmental health specialist, workers' compensation administrator, chief financial officer, CEO, and budget director.

About 23.6% of respondents work in manufacturing. Other industries with a strong presence in our survey included construction (15.1%), utilities or energy (13.6%), government or public administration (5.4%), mining (5.1%), agriculture (4.6%), and distribution/warehousing (4%).

About 23.3% of respondents work in companies with 50-99 employees and another 23.3% work in businesses with 100-249 employees. About 12.5% work in businesses employing 1-49 employees, 10.5% reported from companies with 250-449 employees, 9.9% work at companies with 5,000 or more employees, and 9.1% work in businesses with 500-999 employees.

Most respondents (63.4%) work in organizations based in North America, with 19.3% in Europe, 7.1% in Asia-Pacific, 5.7% in the Middle East and Africa, 4% in Latin America, and 0.6% in the Caribbean.



Key takeaways

- Health and well-being focus as a direct link to the Great Resignation and COVID
- Good to see the focus on ESG and sustainability
- ESG represents a fantastic opportunity for EHS departments to be perceived as more strategic in an organization and get support for their programs
- The growing awareness on environment is not surprising in light of the focus on climate change and net zero
- Companies have to consider digitalization to be more efficient
- Digitalization also offers opportunities for more effective occupational safety and health training, advanced workplace risk assessment, communication, and robust OSH inspections.

About SAI360

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SAI360 is headquartered in Chicago, U.S., and operates across Europe, the Middle East, Africa, the Americas, Asia, and the Pacific. Discover more at sai360.com or follow us on [LinkedIn](#). To see our platform in action, [request a demo](#).