

AEM SUSTAINABILITY MATURITY MODEL

Association of Equipment Manufactor	COMPLIANCE	EFFICIENCY	LEADERSHIP	PURPOSE
Motivation	Reduce operational risk for Environment, Health, Safety (El and based on external factors (regulatory, external request	HS) Reduce harm in order to become more efficient, leading to cost savings.	Strive to give back as much as the company takes with aim to restore social and ecological systems to a health	the hy state. Adopt a societal purpose, going beyond shareholder value creation to stakeholder value creation, addressing societal and environmental challenges through the value chain.
Boundaries	Facilities & Operations	(Some Surrounding Communities	G Suppliers, Products, Customers, All Surrounding Comm	unities Society
Accountability	EHS KPIs not well-defined. Meeting minimum legal require and ad-hoc market requests.	ments EHS KPIs are defined on a functional level. Operative decisions are partially influenced by KPIs.	ional Standard Environmental, Social, Governance (ESG) KPIs are fundamental business metrics and are clear prioritie Incentive systems are strongly influenced by ESG KPIs.	Evaluate, create, and account for KPIs based on impacts (monetary and topic specific metrics) within planetary and societal boundaries.
Ownership	EHS topics are ad-hoc owned by whoever is responsible (le operations) or owned by part-time sustainability manager.	egal, Environmental sustainability is owned by full-time, dedicated sustainability personnel.	ESG is owned by top-level management, with a dedicate executive responsible from senior leadership, with Board oversight. ESG decision-making across the business, inc initiating connection with Corporate Strategy, Enterprise Risk Management	d level using their influence, reach, and power to transition systems to be more sustainable and equitable ESG decision-making
External Reporting	 Minimal transparency Passive response to Rankers & Raters Investors and customers request information 	 Transparent reporting to framework: Global Reporting Initiative (GRI) Active response to Rankers & Raters: CDP Climate Change, CDP Forests, CDP Water security 	 Transparent reporting to framework: Sustainability Accostandards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD) Active response to additional Rankers & Raters - Sustainalytics, Vigeo Eiris, Corporate Sustainability Assessment (Dow Jones) Proactive dialogue with investors 	
Topics	 Compliance - Local and national products Materials Facilities & Operations Environmental Land and water pollution Social Occupational Health & Safety 	 Environmental Greenhouse Gas (GHG) emissions Energy efficiency Renewable energy Water efficiency Recycling/waste management beyond compliance Product Recyclable packaging 	 Environmental Land restoration, habitat protection, forest management Natural Resource Protection & Restoration Social Equity, Diversity, and Inclusion Human Rights in suppliers Wage and Benefits Equity Governance Cyber security and data privacy Product innovation includes sustainability drivers 	 Addresses legacy impacts; seeks net positive over entire business history Design all products to have a restorative impact, rather than focusing on incremental footprint reduction Master circular economy principles to decouple natural resource use from business growth Pursue strategies that protect and regenerate nature; dedicated to reverse nature loss, including ancient indigenous knowledge Ensures employees earn living wage Human rights managed across the entire value chain, including where/how products are used Implement Return on Sustainable Investment (ROSI)
Actions & Tools	 Create Code of Conduct Create EHS Policy Responsible Sourcing for Conflict Minerals, Cobalt, ROHS, REACH, etc. Develop Sustainability Business Case Sustainability regs in process, example EU Green New Deal Create Supplier Operational Scorecard Manual Order Fulfillment 	 Goal Setting Process Product Lifecycle Analysis Align with Sustainable Development Goals Issue Sustainability Report Manage Business through Scorecard KPIs and Goals Electronic Order Management 	 Conduct Materiality Assessment and Gain Stakeholder Insights Develop Sustainability Strategy, Detailed Roadmap Start to integrate Design for Lifecycle/Design for Environment/ Eco-Design, Circular Economy Information Technology and Analytics Set GHG Science-based targets and neutrality Conduct scenario analysis Create Climate Change and Social topic Policies Scorecards continuously improve supply chain performance Complete Supply Chain Demand Planning 	 Thought leadership Determine Net Positive Impact Understand Global Risks from systems perspective Living building Biomimicry
ISO Standards	TC 27 (Earth Moving ISO Conformity Stds.)	 ISO 14000 Series Environmental Management ISO 50000 Energy Mgmt Standards ISO 14040 Lifecycle Mgmt Standards 	 ISO 26000 Social Responsibility standards ISO 20400 Sustainable Procurement Guidance 	
		MATURITY		