

An aerial photograph of an airport is shown, with a large blue rectangular overlay on the left side containing white text. The overlay covers the top half of the image. The background image shows a runway with a plane taking off, taxiways with green markings, and various airport buildings and parking lots. The blue overlay has a thin green horizontal line below the title.

New Corporate Environmental Standards Impacts on Airports

Thursday, June 6, 2024
12:00 – 1:30 PM Eastern

Today's Learning Objectives

- **Determine the need and methods for developing an ESG report and where to find additional information**
- **Provide airport sponsors with foundational knowledge on ESG reporting**

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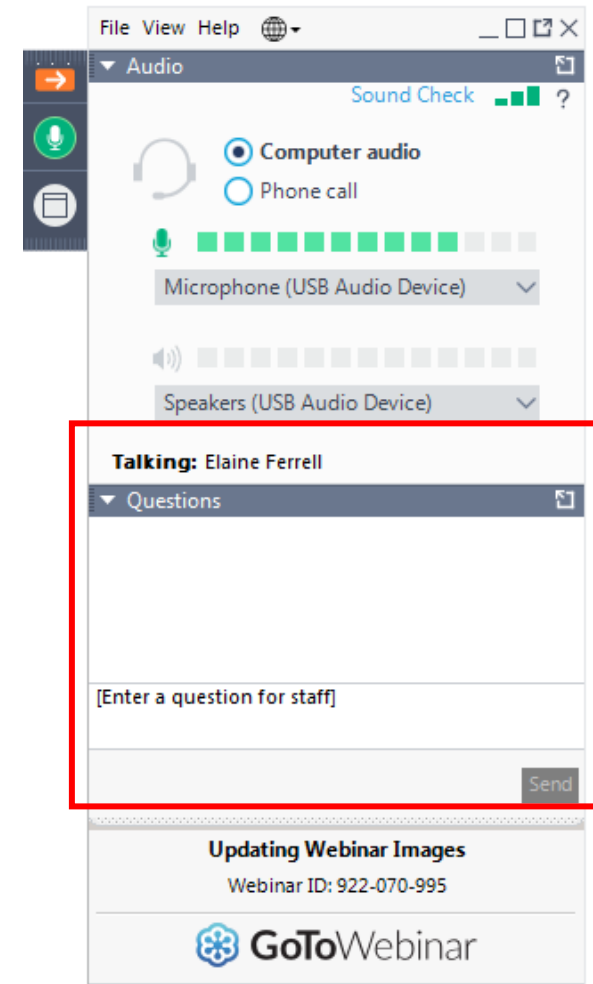
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Questions and Answers

Please type your questions into
your webinar control panel

We will read your questions out
loud, and answer as many as
time allows

#TRBwebinar



Marianne Csaky

LanzaJet, inc.

- Environmental compliance and sustainability specialist
- Experience with international, federal, state and local aviation and energy industries
- Currently, works on making sustainable aviation fuel for LanzaJet, Inc.



Today's Speakers



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ACRP Report 44

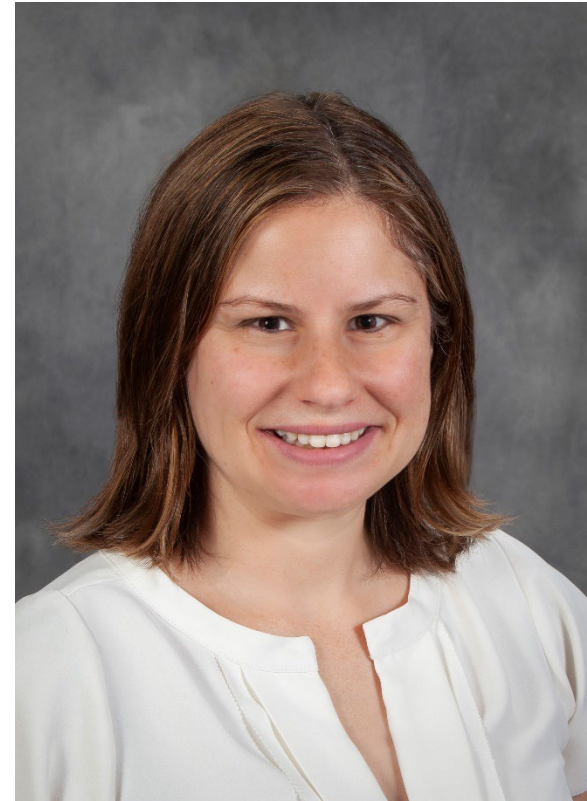
How New Corporate Environmental Standards Will Impact Airports

Sara Kaplan, PE, CM, PMP, ENV SP

Sara Kaplan, PE, CM, PMP, ENV SP

Principal Investigator

- Senior Managing Consultant, HMMH
- Former Sustainability Program Administrator, Wayne County Airport Authority
- Professional Engineer in New York and Michigan



ACRP Report 44 Oversight Panel

Prabh Banga, AECON

Marianne Csaky, Lanzajet

Joseph Gale, EXP

Catrina Gilbert, DFW

K Qadri, City and County of Denver

Lisa Reznar, Ricondo

Melinda Pagliarello, ACI

Marci Greenberger, ACRP Program Officer

Poll 1

Do you work for a(n):

- 1) Airport Authority/City Division
- 2) Consulting Firm
- 3) Airport Support Company (FBO, contractor, etc)
- 4) Airline
- 5) Other

Research Problem

Corporate Environmental Standards

- ➔ Rapid changes in corporate environmental standards will have a profound impact on airport operations and revenues, and airports need to be aware of these potential impacts and prepare accordingly
- ➔ The white paper will address the potential impact of new corporate environmental standards on airports:
 - What is the issue?
 - What should the industry be thinking about next?
 - What is the regulatory or legal status?
 - How or why does it affect airports?



Research Approach

- ➔ Literature Review
 - Constantly changing over the course of project
- ➔ Review Airport Materials and related sectors
- ➔ Coordinate with ACI-NA ESG Working Group



Airport Reporting

- Sustainability Reporting
- Airport Carbon Accreditation (ACA)
- Corporate Sustainability Reporting (CSR)
- Financial Audit Reports
- Grant Reports
- Environmental, Social, Governance (ESG) Reporting



Poll 2

Has your organization done an ESG report?

a) Yes

b) No

If you work for an airport, has your organization done an ESG report?

a) Yes

b) No

Motivation for Reporting

- Investors
- Business Partners
- Insurers and Financial Institutions
- Rating Agencies
- Government Regulators
- Employees
- Community Partners



Frameworks for Reporting

- Global Reporting Initiative (GRI)
- Sustainable Accounting Standards Board (SASB)
- International Financial Reporting Standards (IFRS)
- Carbon Disclosure Project (CDP)
- United Nations Sustainable Development Goals (SDGs)
- Airport Carbon Accreditation (ACA)
- ACI-NA's white paper

"Environmental, Social & Governance:
An Introduction to Performance and Risk
Management Metrics for North American Airports"



GRI Frameworks for Reporting

- GRI most widely used framework
- First version released in 2000
- 2011 Airport Operator Sector Supplement released
 - Airports have had many developing issues since
- 2016 GRI transitioned into global standards
- 2021 Universal Standards
 - Universal Standards
 - Sector Standards
 - Topic Standards

Approach to Reporting

General Guidelines

- Assess Materiality
- Consult Internal/External Stakeholders
- Data Collection
- Format of Report
- Audit



ACI Frameworks for Reporting

ESG Category	Recommended		Optional	
	Narrative	Metric	Narrative	Metric
Environmental	6	3	4	8
Social	0	4	5	13
Governance	2	5	1	8
Total	20		39	

ACI Framework includes definitions, mapping to GRI standards, materiality, input from stakeholders

ACI Metrics (Environmental)

Recommended:

- Energy consumption
- Energy intensity
- GHG emissions (Scope 1 and 2)
- GHG intensity (Scope 1 and 2)
- Climate risk and adaptation*
- Environmental commitments
- Environmental non-compliance
- Waste management
- Water management

Optional:

- Energy consumption by source (renewable & non-renewable)
- Energy management
- GHG emissions (Scope 3)
- GHG reductions (Scopes 1, 2 and 3)
- Decarbonization strategy and initiatives
- Waste generated, diverted and disposed
- Water withdrawal by source
- Biodiversity/ecological impacts
- Noise activities and complaints

ACI Metrics (Social)

Recommended:

- Diversity, equity and inclusion (DEI) – workforce ethnicity and gender
- Business supplier diversity (DBE/MWBE)
- Concessionaire diversity (ACDBE)
- Workplace/employee safety

Optional:

- DEI – by age bracket and by new hires
- Labor management – focus on unions and percent in unions
- Employee engagement and participation in wellness programs
- Employee training
- Environmental justice
- Community – employee volunteer hours and charitable contributions
- Economic impact - \$ on region and jobs created
- Customer satisfaction
- Health and safety practices

ACI Metrics (Governance)

Recommended:

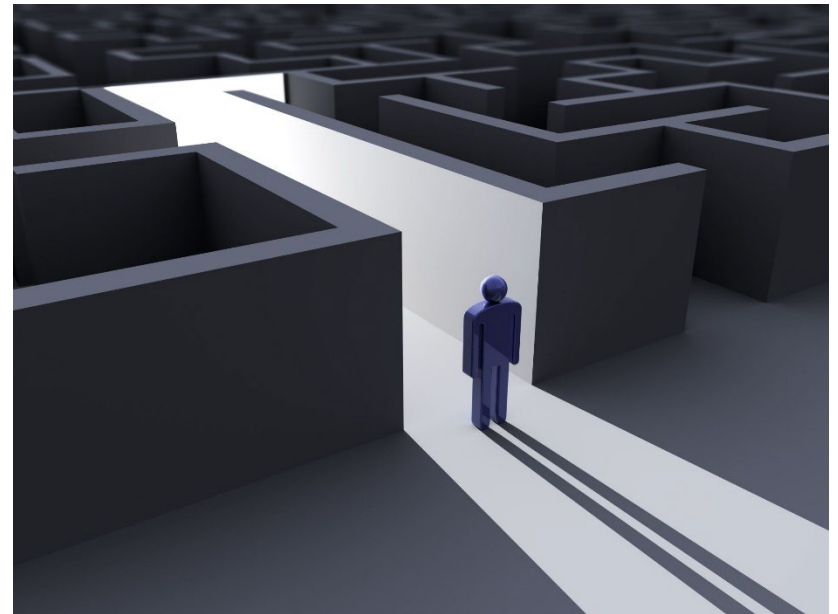
- Governance/organizational structure
- Board of directors' and executive management background/diversity
- Approach to risk management
- Cyber security
- Reporting and transparency
- Ethics and compliance
- Workplace/employee safety

Optional:

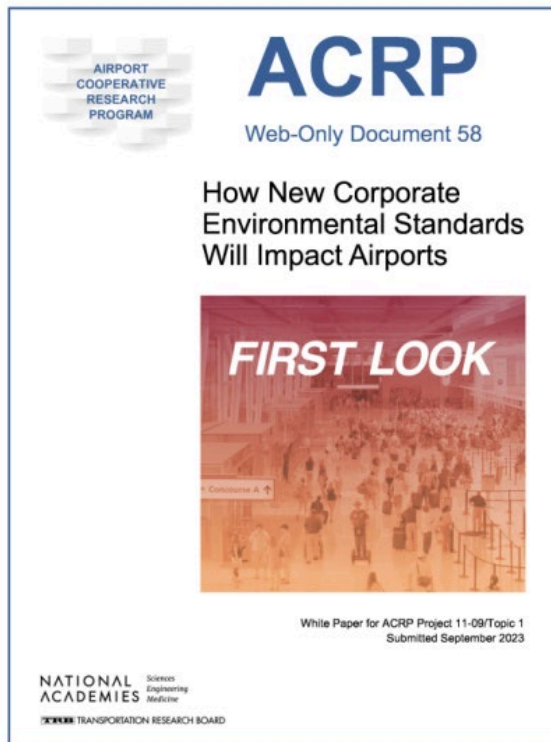
- Leadership system – strategic planning and business results and incentive compensation
- Cyber security
- Risks – financial:
 - Days cash on hand
 - Debt service coverage
 - Pension plan funding
 - Budget accuracy
 - Capital projects on budget
 - Capital projects on schedule

Take Aways

- Airport reporting is going through rapid development
- There's not one right way to do an ESG report.
- Resources exist to help organizations with reporting
- If you haven't done an ESG report, you are not alone!



FOR ADDITIONAL INFORMATION



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LEGAL CONSIDERATIONS OF ESG REPORTING FOR AIRPORTS

Brandon Rattiner

TRB Webinar: New Corporate Environmental
Standards Impacts on Airports

June 6, 2024



KAPLAN KIRSCH ROCKWELL

Federal Requirements

- Municipal issuers must comply with **antifraud provisions** of federal securities law
- Cannot make false or misleading statements **or omit material facts** in a disclosure document

a fact is “material” if, in light of surrounding circumstances, the magnitude of the item is such that it is probable that the judgment of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the item

Federal Requirements

SEC ESG Disclosure Rule

- Phasing in of Scope 1 and Scope 2 emissions
- Governance of climate risks
- Impact of climate risks on strategy and business
- Management of climate risks
- Climate targets and goals



Federal Requirements

- EPA: emissions reporting
- FAR: procurement rules
- EO on Climate-Related Financial Risk

State Laws: Pro-ESG

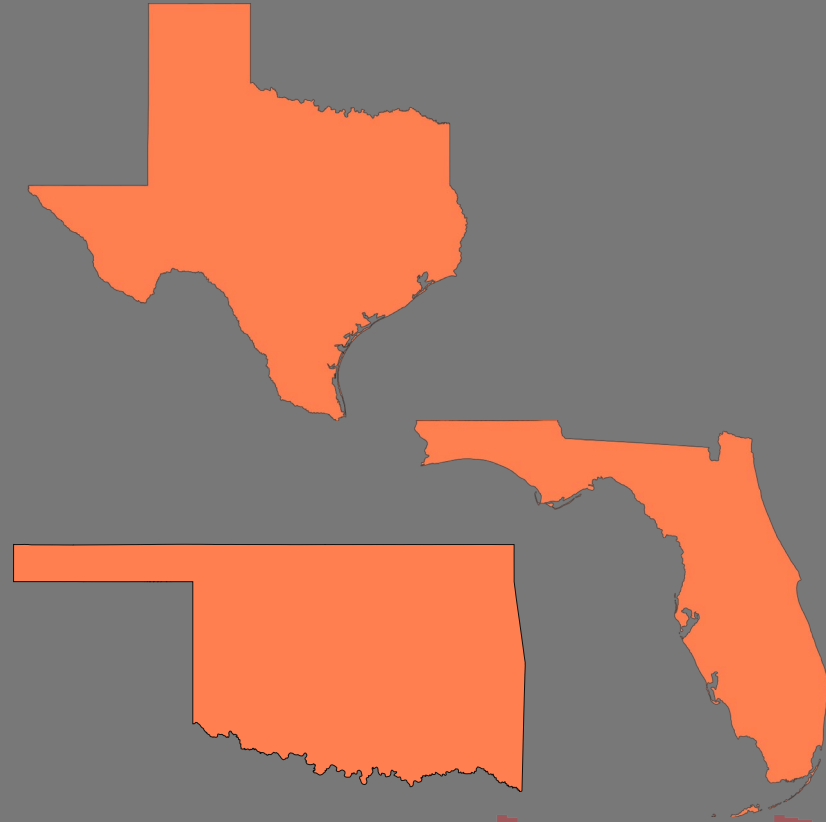


- Requiring consideration of ESG in investments
- Requiring ESG disclosures

State Laws: Anti-ESG

- Preventing analysis of ESG in investments
- Prohibiting public entities from doing business with companies too focused on ESG

Competing state and federal rules could complicate airport investments and disclosures



Risks and Legal Exposure



Questions?

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projects that keep life moving.®



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Other Events for You:

July 1, 2024

TRB Webinar: Successful Approaches to Setting Project Development Budgets

July 15-18, 2024

TRB's 2nd Conference on Advancing Transportation Equity

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- Networking opportunities
- May provide a path to Standing Committee membership

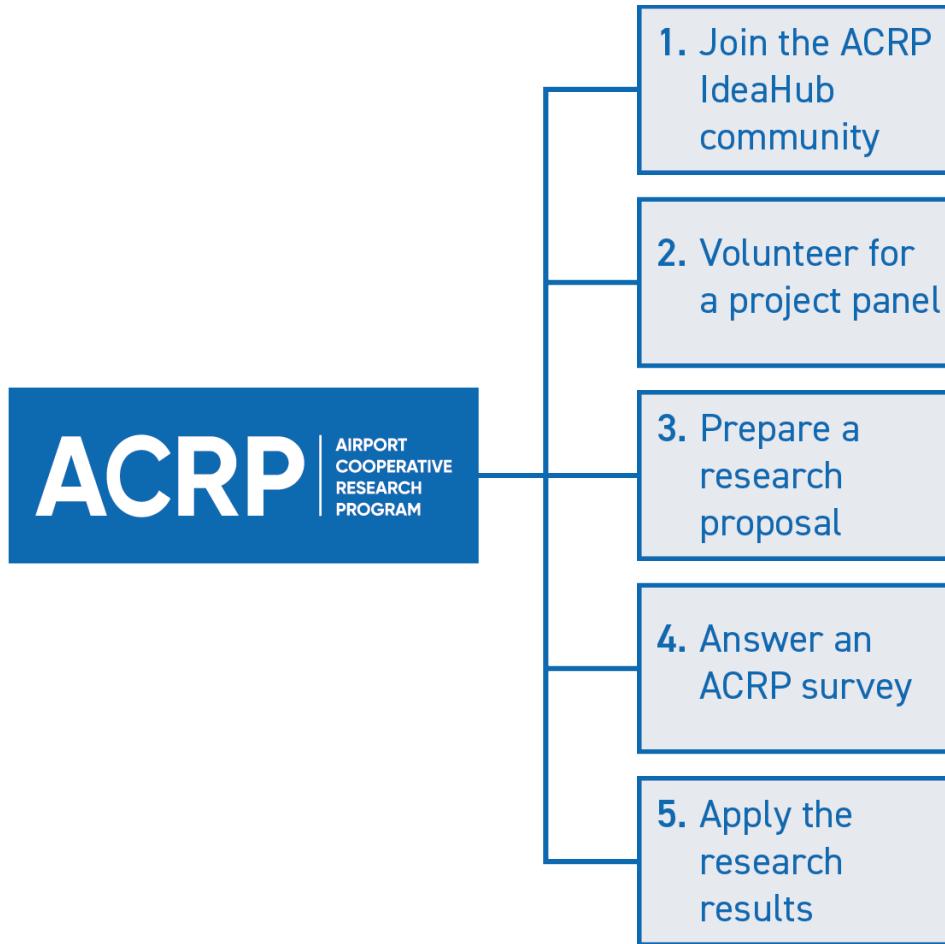
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