

PEG Sustainability Workgroup

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2022 Update

- ▶ Quarterly meetings with workgroup in 2022
 - A few changes in names on Roster which made attendance a little difficult for some PEG member companies
 - 100% of meeting notes and action items published on PEG website after each meeting
- ▶ Started off the year with request to have 3-4 subgroups from the workgroup which proved challenging.
 - Team was trying to focus on multiple items versus one specific task.
 - PEG Fall Conference received a request to start another subgroup for DE&I.

2023 Focus

▶ FREE Sustainability Classes—Recommendations for PEG Members and our industry.

- Supply Chain Sustainability School



▶ Subgroup #3-

- Focus on developing a **Supplier Sustainability Assessment (SSA)** that may be used by PEG members reflecting a unified industry approach with our suppliers/contractors. The SSA will provide a consistent process to help baseline key sustainability metrics and directions.
- We have leads for this subgroup- John Chen (Hatch) and David Turner (Zachry)
- Two-thirds of the average company’s environment, social, and governance footprint lies with suppliers. (McKinsey & Company)
- SSA will help provide additional intelligence to help drive better operational decisions, aid in identifying sustainability gaps (risks), and provide opportunity for deeper engagement.
- The Buy Clean Act should be considered under this Subgroup

Subgroup #3- Questions for PEG Members

- ▶ Should we focus on all 3 pillars of Environmental, Social, and Governance (ESG)? Or should we just focus on Environmental?
- ▶ Team is recommending a Top-Down approach by starting with questions that PEG members clients may be asking on Sustainability/ ESG?
 - Consider having each PEG company provide top 5 Sustainability ESG related questions their clients are asking them to answer?
 - Once PEG members provide a response the Subgroup leads would consolidate and look for the top 10 most common questions received from PEG Clients.

Subgroup #3- Questions for PEG Members- cont'd

- ▶ Next step for the Subgroup -decide on a sample set of PEG common top 10 suppliers/ contractors that the team could send the questions out to.
- ▶ Considerations / thoughts
 - Ensure the questions and related data we are asking for does not drive up the cost of the material/ equipment or contract
 - What risk's do we have in asking the questions?
 - What do we do with the data once we have it?
 - Before sending out the template should we have PEG Leadership Members review?

Closing thoughts: ISO 20400 Sustainable Procurement Practice (ISO20400.org)

- ▶ Defines Sustainable Procurement as --Using procurement to support wider social economics and environmental objectives in ways that offer real long-term benefits.
- ▶ ISO 20400 provides guidelines for integrating sustainability into an organization's procurement process.
- ▶ Interested to know if any of the PEG members are looking into this for guidance?
- ▶ For more information go to <https://www.iso20400.org/>