

Procurement Executive Group (PEG) Sustainability Workgroup- KOM

01 Sustainability WG

PEG Sponsor: Corey McShannon

2 February 2022



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Agenda- Draft

- ▶ HSE Topic
- ▶ Introductions (Name, Company, Role, Sustainability interests)
- ▶ Why Sustainability?
- ▶ Review PEG approved Sustainability Workgroup Charter
- ▶ Determine who will be lead or leads for Work Group
- ▶ Discuss as a group what survey items we would like to focus on for 2022
- ▶ Path Forward/ Action Items
- ▶ Next Mtg to be scheduled by Work Group Lead/PEG Sponsor

HSE Topic: Sustainability at Home

- ▶ Reduce Standby Power
 - Reduce energy vampires and phantom loads
 - Unplug or use smart power strips
- ▶ Regulate Temperature, the largest user of home's energy
 - Adjust thermostats to save up to 10%
 - Utilize energy efficient heaters and fans
- ▶ Create a Produce Garden
 - Reduce pesticides and fossil fuels
 - Reduce waste by composting



Introductions

- ▶ Name
- ▶ Company
- ▶ Role in Company
- ▶ Sustainability Interests



Why Sustainability?

- ▶ **Def. Sustainability-** ⁽¹⁾ meeting our own needs without compromising the ability of future generations to meet their own needs. ⁽²⁾ avoidance of the depletion of natural resources in order to maintain an ecological balance.
- ▶ **Paris Agreement-** A legally binding, international UN treaty under the UNFCCC. The agreement sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2 degrees Celsius and pursuing efforts to limit it to 1.5 C.
- ▶ Even with just **1.5C** of **global warming**, nearly one in four people worldwide could be exposed to severe climate hazards.
- ▶ Per the **COP (Conference of the Parties)** Wealthy nations have committed to provide financing and support to developing countries such as Africa.

Why Sustainability? –cont'd

- ▶ **Sticker shock.** Communities feel the effects of climate disasters long after strong winds pass and floodwaters recede. The economic toll is staggering: the price tag for last year's ten worst climate disasters was a whopping \$170 billion. It's the sixth time since 2011 that the bill for natural disasters has exceeded \$100 billion. [\[Bloomberg\]](#)
- ▶ **A dire weather warning.** The Earth's warming climate means that severe storms will grow more frequent in places where they were previously rare. Hurricanes typically form in low-latitude regions near the equator. However, a new study reveals that tropical storms will increasingly migrate to midlatitude areas closer to both poles. This includes some of the world's most populous cities: Beijing, New York City, and Tokyo. [\[WSJ\]](#)

Sustainability Charter approved by PEG Executive Director

- ▶ PEG Member Sponsor: Corey McShannon
- ▶ PEG Work Group Leader: TBD
- ▶ 13 out of 17 PEG Companies Participating
- ▶ PEG Core Values: Safety, Diversity, Sustainability
- ▶ **GOAL's**
 - Conduct surveys with PEG members to better understand how each company is progressing sustainability
 - Align as PEG members on how we will approach our suppliers/contractors when collecting data on sustainability. (i.e. Global Survey, Pre-qual, RFQ, ITB)
 - Identify regions in the world that are progressing sustainability faster than others and potentially collect data on how / when other regions plan to set targets with ESG/ Sustainability goals.

Sustainability Charter approved by PEG Executive Director- cont'd

► Conditions of Satisfaction

- Findings and results are accepted by the majority of the PEG members
- Level of participation and attendance (80% or better)
- Consensus as a workgroup
- Adding value to all PEG members

Sustainability Charter approved by PEG Executive Director- cont'd

- ▶ Key Performance Indicators
 - 80% participation target
 - 100% MoM target
 - Meeting the goals
 - Progress reporting



Work Group Lead Responsibilities



Schedule Meetings (Monthly or bi-monthly)



Present to PEG at Quarterly meetings or as required on updates from Work Group Goals.



Meeting Minutes- Sent out after each meeting



We can have more than one lead.



Sustainability Work Group Survey Questions-

- ▶ What goals has your company set towards achieving carbon neutrality or NetZero? (For example, NetZero 2030 or NetZero 2050)
- ▶ Does your company have a Sustainability Policy?
- ▶ What steps has your company taken towards reducing GHG emissions for Scope's 1? Scope 2? Scope 3?
- ▶ Does your company have a Corporate Sustainability Committee? Is Supply Chain represented on this committee?
- ▶ Does your company issue an annual Sustainability Report?
- ▶ Does your company track ESGs metrics? Further – if so, what tool is used? (home grown, Ecovadis, there are a bunch of others)
- ▶ Has your company achieved any ESG awards? If so, which?
- ▶ Has your company defined your Scope 3 inventory?

Sustainability Work Group Survey Questions- cont'd

Social:

► Development of Women/ DE&I

- What kinds of metrics/benchmarks (if any) are you using to develop and track women?
- Are you experiencing challenges with getting female representation in leadership roles? Specifically Senior Leadership? If so, have you identified any common trends?
- What are your most significant successes in promoting women? Why was it successful?
- How are you balancing career growth and opportunities in current market? (more industry-specific)
- What is your organization doing to further Diversity, Equity, Inclusion? Are there any programs, policies or benefits that specifically promote the inclusive culture of women?
- What are you doing to attract and retain talent?

Sustainability Work Group Survey Questions- cont'd

▶ Supplier Diversity

- How does your company validate whether a company is Diverse?
- What systems and tools are using to track Diverse Supplier's?
- How are you communicating and pushing supplier diversity/usage within projects and supply chain?
- Is your diverse supplier program Global or U.S. Centric?

▶ Other??

Actions/Path Forward

- ▶ **ACTION:** Determine work group lead or leads
- ▶ **ACTION:** Develop excel spreadsheet with survey questions in a way that we can use results to create PPT (Graphs etc..)
- ▶ **ACTION:** Each company complete survey (2 weeks to complete)
- ▶ **ACTION:** Collect and report out results
- ▶ Next Meeting – 2022 (TBD)