



PEG Supplier Sustainability Work Group - Subgroup #3 Update



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Agenda

- Introduction
- Inputs Received
- Approach to Shortlist
- Results
 - Top 10 questions
 - Recommended list of suppliers/contractors for the survey
- Next Steps

Introduction

- Building supply chain sustainability that can drive revenues and reduce operational risks
- Focusing on supply chains is key to overall environmental efforts because more than 90% of an organization's greenhouse gas emissions, and 50% to 70% of operating costs, are attributable to supply chains.
- Beyond risk avoidance and compliance, organizations are seeking ways to create long-term value by embedding sustainability into supply chain operations.

Introduction

- Subgroup #3 Supplier Sustainability Questionnaire Template
 - Part of the PEG Sustainability Work Group led by Corey McShannon
 - Objective is to establish an industry template that can be used to engage the supplier market in a consistent way
 - Work plan was endorsed by the PEG members in PEG Spring Conference in March 2023
 - Co-led by John Chen (Hatch) and David Turner (Zachry)

Approach

- Collecting questions PEG member company has received from our clients on Sustainability/ ESG
- Identifying top 10 most common questions and
- Conducting survey with our top suppliers/ contractors

Collection Process

- Two questions to our members on April 25, 2023
 - 1) Provide top 5 Sustainability ESG related questions your clients are asking your company to answer in their expression of interest (EOI), prequalification and or request for proposal documents
 - 2) Provide the names of your company's top 5-10 suppliers/contractors with which you would like the survey be conducted.

Input Results

- Input received from eleven (11) member companies by July 20, 2023
 - Black & Veatch
 - Bechtel
 - Burns & McDonnell
 - Flatiron
 - Fluor
 - Hatch
 - KBR
 - Kiewit
 - PCL
 - S&B
 - Zachry



Thank you!

Collation of the Input

- Top 5 Sustainability ESG Related Questions

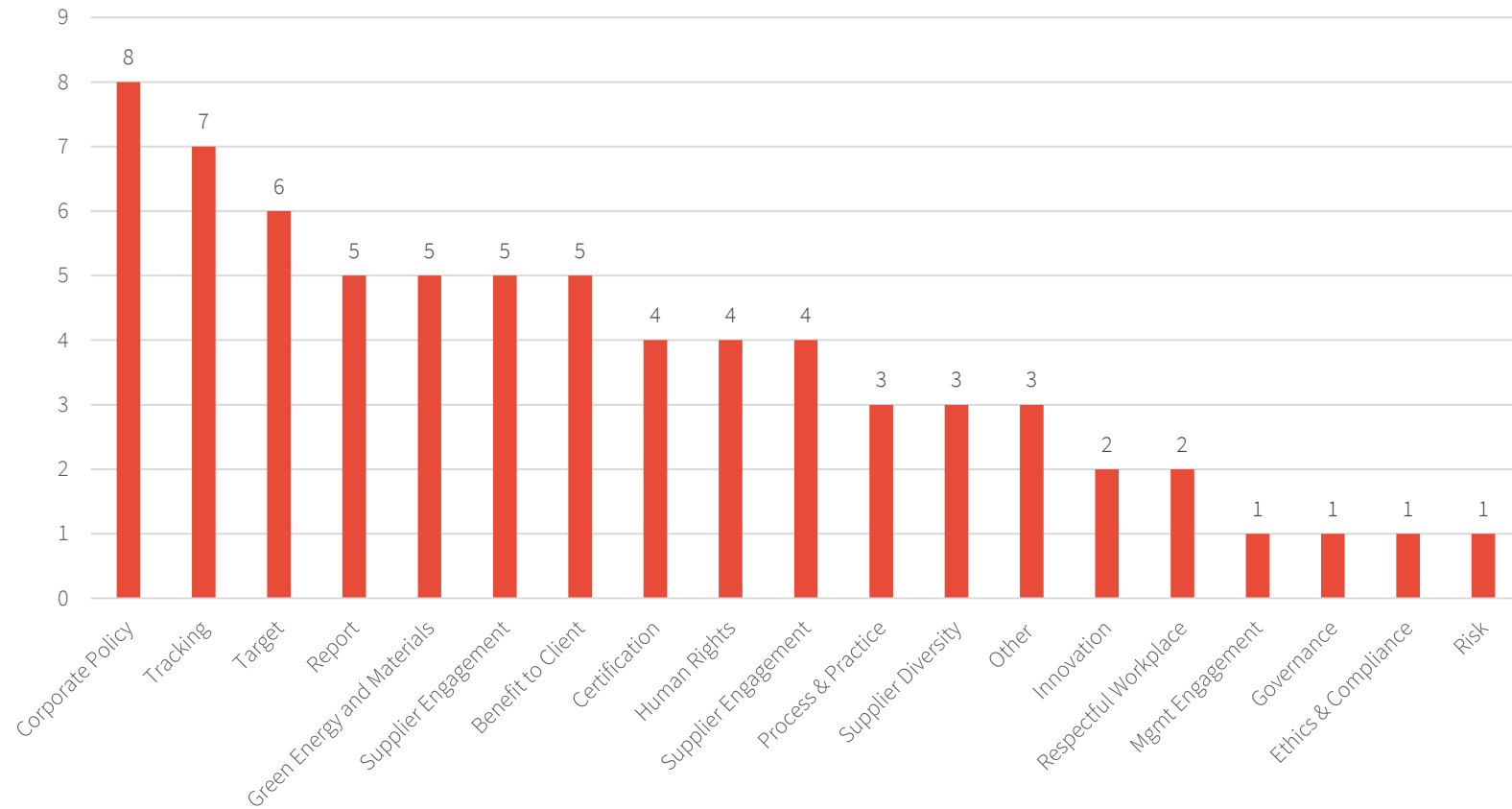
- Total of 70 questions received
 - Categorized into E, S, G, ESG, Other
 - Group into key words – Corporate program, tracking/measuring, target, practice... etc.

| From | Raw Input | Category (E, S, G, ESG, Other) | Key Words |
|----------|---|--------------------------------|-------------------------|
| Flatiron | List any experience related to Sustainability Certifications. | E | Certification |
| B&V | Certification systems or frameworks used to evaluate and report on sustainability | E | Certification |
| KBR | Provide a list of relevant certifications (e.g., PM, EHS, quality, sustainability, etc.) for EPCM projects | E | Certification |
| Hatch | Is your company certified from sustainability point of view | E | Certification |
| Fluor | 1. Does your company provide solutions to customers to foster Sustainability reduce carbon footprint and/or use less energy? | E | Contribution to client |
| Bechtel | 1. Give details on the embedding of environmental sustainability within our organization and in the goods & services supplied, and do you foresee any opportunities to plan for sustainability in xxx project | E | Contribution to project |
| Flatiron | d. Describe the firm's sustainability approach to the project and highlight any past experiences with sustainability initiatives. | E | Contribution to Project |
| B&V | Sustainability practices related to design, packaging and delivery of services/products | E | Contribution to Project |
| PCL | Does your company have a written Sustainability Program covering Environmental, Social, and Governance? | E | Corporate Approach |
| Fluor | 3. Please provide your corporate approach to Sustainability including any recent accomplishments and/or awards. | E | Corporate Approach |
| Flatiron | a. Identify the firm's corporate sustainability plan and initiatives. | E | Corporate Approach |

Collation of the Input

- Top 5 Sustainability ESG Related Questions

Grouping by Key Words



Top 10

| Group | Number |
|----------------------------|--------|
| Corporate Policy | 8 |
| Tracking | 7 |
| Target | 6 |
| Report | 5 |
| Green Energy and Materials | 5 |
| Supplier Engagement | 5 |
| Benefit to Client | 5 |
| Certification | 4 |
| Human Rights | 4 |
| Process & Practice | 3 |

Top 10 Questions

1. Does your company have an established sustainability policy?
2. What were your organization's gross global Scope 1,2,3 emissions?
3. Does your company have its greenhouse gas reduction targets approved by the Science Based Targets initiative (SBTi)? If so, what is your base year and what are your near-term, long-term, temperature alignment, and net-zero targets?
4. Do you publish an annual Sustainability (or ESG) report?
5. What green energy do you use, what green products do you provide, and how do you survey your supply chain for green materials?

Top 10 Questions

6. How is your company engaging your suppliers to measure and reduce greenhouse gas emissions, and what percent of your suppliers have set targets approved by the Science Based Targets initiative (SBTi)?
7. Describe your company's sustainability approach to the project and highlight any past experiences with sustainability initiatives.
8. What certification systems or frameworks are used to evaluate and report on sustainability?
9. How is your company engaging your suppliers to ensure against human trafficking, forced labor (i.e., modern slavery), child labor, unsafe/unsanitary/inhumane working conditions, and non-living wages?
10. Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Recommended Suppliers/Contractors

- Total of 54 names received
- Categorized by types of
 - Equipment
 - Contractor

| Suppliers | Category |
|-----------------------------------|------------|
| ABB | Electrical |
| Air Products | |
| Ampo Poyam | |
| Apache | Contractor |
| Atlas Copco | Mechanical |
| Atlas Copco Group | Mechanical |
| Axios | |
| Boccard | |
| Cajun | Contractor |
| Cajun Industries, LLC | Contractor |
| Central Texas Iron Works (CTIW) | Structural |
| Chart | |
| CTIW | Structural |
| D.H. Griffin Companies | |
| Elliott | |
| Emerson | I&C |
| Emerson Process Management | I&C |
| Fisher Controls International LLC | |
| Flowserve | Mechanical |
| Flowserve Corporation | Mechanical |
| FLSmidth | |
| FTC Solar | |

Recommended Suppliers/Contractors

| | |
|-----------------------|-------------------------|
| Atlas Copco | Mechanical |
| Flowserve | Mechanical |
| ITT Goulds | Mechanical |
| Siemens Energy | Mechanical & Electrical |
| Emerson | I&C |
| CTIW | Structural |
| ABB | Electrical |
| GE | Electrical |
| Wesco | Electrical |
| Schneider | Electrical & Controls |
| Graybar | Contractor |
| Apache | Contractor |
| Cajun Industries, LLC | Contractor |
| Mammoet | Contractor |
| MMR | Contractor |
| White Cap | Tools |
| Sunbelt Rentals | Rental |

Next Steps

- PEG endorsement of
 - the questions
 - the list of suppliers/contractors
 - Message to the suppliers
- Agree to the survey method
 - Email or Website, or else

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Thank you.

For more information,
please visit www.hatch.com