



Supplier Diversity and Local Participation Requirements **(USA)**

1.0 PURPOSE

The purpose of this Contract Exhibit is to outline the Company's expectations of Suppliers/Contractors for Diverse and Local participation in the performance of the Work.

Supplier/Contractor reporting is required, regardless of whether a Diverse or Local Participation Plan is requested. The requirement to provide Diverse and/or Local Participation Plans will be determined per Release Order.

The Company endeavors to create opportunities for qualified and competitive Diverse and Local Businesses and individuals to benefit from the Company's projects and operational activities. This is important for securing public confidence where we build and operate. It also provides the Company a competitive advantage as a leader in Supplier Diversity and Local Participation among energy infrastructure companies in North America.

The Company's commitment to enabling social and economic opportunities for the communities where we build and operate is reflected in the Company's business practices; we encourage and enhance supplier diversity, local participation and capacity development for Diverse and Local Businesses and individuals. We do this while continuing to uphold the Company's industry-leading standards for quality, competitiveness and safety.

2.1 DEFINITIONS

- 2.2** "Diverse Business" – A business that is at least fifty-one per cent (51%) owned, operated, and controlled by an individual (or individuals) belonging to at least one of the following groups: Minority (including a Tribe); women; and veteran (a former member of the armed forces, including service-disabled).
- 2.2** "Diverse Individual"– A person who belongs to at least one of the following groups: minority; women; and veteran (includes service-disabled).
- 2.3** "Local" – Those communities (including businesses and individuals) that are located adjacent to, or are potentially impacted by, the Company's construction and operations. This can include both the communities immediately surrounding the Company's work as well as the broader municipality, county or regional district. The identification of a community as being Local is influenced by the socio-economic characteristics of the region and varies according to each project or operation. The Company will determine and advise the Supplier/Contractor what will be considered Local for the Work.
- 2.4** "Minority" - A citizen or lawful permanent resident of the United States who is: African-American (a person having origins in any of the Black racial groups of Africa); Hispanic-American (a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin regardless of race); Native American (an American Indian, Eskimo, Aleut, or Native Hawaiian); or Asian-American (a person whose origins are from India, Pakistan, Bangladesh, Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, or the United States Trust Territories of the Pacific including the Northern Marianas).
- 2.5** "Plans" – The Diverse Participation Plan and Local Participation Plan, "Plans", describe the Supplier's/Contractor's proposed activities and processes related to maximizing productive opportunities for the subcontracting or employment of qualified and competitive Diverse and Local businesses and individuals.

3.1 DIVERSE PARTICIPATION PLAN REQUIREMENTS

The Supplier/Contractors' Diverse Participation Plan ("DPP") shall include, at a minimum, the requirements described below. Where possible, each item should include quantifiable targets or metrics that the Company will use to evaluate the success of the DPP's implementation. Where quantifiable metrics are not provided, an explanation of why they are not provided shall be included.

- 3.2 Diverse workforce** – Include the percentage of the workforce used for the Work that the Supplier/Contractor anticipates will be Diverse Individuals. The DPP shall include the estimated breakdown between employees



and Subcontractors, and shall outline the activities it will employ to attain this percentage.

- 3.3 Procurement practices** – Outline the procurement policies, processes, systems and tools that the Supplier/Contractor will have in place to enable greater participation by qualified and competitive Diverse Business and Diverse Individuals in the Work. If applicable, this will include information on any formal agreements, joint ventures and partnerships that the Supplier/Contractor has executed with competitive Diverse Business, including their corporate structure and clear identification of the specific Diverse communities involved, and any unique benefits to the Diverse communities arising from the Work.
- 3.3 Subcontracting opportunities** – Include a list of viable subcontracting opportunities, including equipment rental, which qualified and competitive Diverse Businesses and Diverse Individuals can compete for based on the Work.
- 3.4 Subcontracting and hiring process** – Include detailed information regarding how the Supplier/Contractor intends to identify and select qualified and competitive Diverse Subcontractors and employees for opportunities. This process should include the steps that will be taken in areas where more than one Diverse Subcontractor operates. The Supplier/Contractor will illustrate how it intends to maximize productive opportunities for qualified and competitive Diverse Businesses and Diverse Individuals. A list of Diverse Businesses and Diverse Individuals may be provided to the Supplier/Contractor. The Supplier/Contractor will not be obligated to employ businesses and individuals from this list, but will be encouraged to consider these or other Diverse Businesses and Diverse Individuals for related subcontracting and procurement opportunities.
- 3.5 Community investment** – Outline any community investments the Supplier/Contractor will make. The Supplier/Contractor should estimate the value associated with these investments.
- 3.6 Education and training** – Include a summary of education or training initiatives that the Supplier/Contractor will implement or support, including workforce certification, in order to enable Diverse Businesses and Diverse Individuals to effectively compete for and participate in activities contained within the Work. The summary will include a description of the initiatives, the number of hours associated with each initiative, and a listing of all certificates or certifications which successful candidates will receive.
- 3.7 Coordination of Plan** – Outline how the Supplier/Contractor intends to coordinate the identification, selection and reporting of Diverse Businesses and Diverse Individuals contracted and subcontracted, including any Supplier/Contractor resources assigned to coordination activities. The DPP shall include the approximate number of full-time equivalent positions associated with coordination activities related to the Plan. Additionally, the Plans shall include descriptions of the tasks that these resources would undertake. This could be a common role for all participation Plans.
- 3.8 Other** – The Supplier/Contractor is requested to include other information that it believes would help qualified and competitive Diverse Businesses and individuals productively participate in the Work.

Unless otherwise indicated, the Supplier/Contractor shall submit its preliminary DPP to the Company prior to the issuance of the Release Order.

If the Company identifies deficiencies in, or requires further clarification on, the Supplier/Contractor's proposed DPP, the Company may raise its concerns that the Supplier/Contractor shall address when submitting its final DPP within the timelines set out in the Release Order.

4.0 DIVERSE PARTICIPATION REPORTING

The Company collects this data as an important part of tracking the inclusion of Diverse Businesses in Company business and related opportunities. The collection and utilization of this information is in support of the Company's Supplier Diversity and Local Participation program, designed to increase participation of Diverse Businesses. Responses to questions relating to supplier diversity in the template are voluntary. All data collected in this form will



be stored in a data center located in the United States and will be retained for only as long as reasonably required by the Company

The Supplier/Contractor shall provide reporting data within fifteen days of the end of each quarter or at other times as requested by the Company, regardless of whether a DPP is required. A sample reporting template and instructions will be provided upon onboarding. The Company reserves the right to make changes periodically.

When a Release Order requires a DPP, the Company will utilize the quarterly reporting to track the implementation of and compliance with the accepted DPP.

5.1 LOCAL PARTICIPATION PLAN REQUIREMENTS

The Supplier/Contractor's Local Participation Plan ("LPP") shall include, at a minimum, the requirements described below. Where possible, each item should include quantifiable targets or metrics that the Company will use to evaluate the success of the LPP's implementation. Where quantifiable metrics are not provided, an explanation of why they are not provided shall be included.

- 5.2 Local workforce** –Outline the percentage of the workforce used for the Work that the Supplier/Contractor anticipates will be sourced from Local communities. The LPP shall include the estimated breakdown between employees and Subcontractors, and shall outline the activities it will employ to attain this percentage.
- 5.3 Procurement practices** –Outline the procurement policies, processes, systems and tools that the Supplier/Contractor will have in place to enable greater participation by qualified and competitive Local business and individuals in the Work. If applicable, this will include information on any formal agreements, joint ventures and partnerships that the Supplier/Contractor has executed with Local businesses, including their corporate structure and clear identification of the specific Local communities involved, and any unique benefits to the Local communities arising from the Work.
- 5.4 Subcontracting opportunities** – Include a list of viable subcontracting opportunities, including equipment rental, which qualified and competitive Local businesses and individuals can compete for based on the Work.
- 5.5 Subcontracting and hiring process** – Include detailed information regarding how the Supplier/Contractor intends to identify and select qualified and competitive Local Subcontractors and employees for opportunities. This process should include the steps that will be taken in areas where more than one Local Subcontractor operates. The Supplier/Contractor will illustrate how it intends to maximize productive opportunities for qualified and competitive Local businesses and individuals. A list of Local businesses and individuals may be provided to the Supplier/Contractor. The Supplier/Contractor will not be obligated to employ businesses and individuals from this list, but will be encouraged to consider these or other Local businesses and individuals for related subcontracting and procurement opportunities.
- 5.6 Community investment** – Outline any community investments the Supplier/Contractor will make. The Supplier/Contractor should estimate the value associated with these investments.
- 5.7 Education and training** – Include a summary of education or training initiatives that the Supplier/Contractor will implement or support, including workforce certification, in order to enable Local businesses and individuals to effectively compete for and participate in activities contained within the Work. The summary will include a description of the initiatives, the number of hours associated with each initiative, and a listing of all certificates or certifications which successful candidates will receive.
- 5.8 Coordination of LPP** - Outline how the Supplier/Contractor intends to coordinate the identification, selection and reporting of Local businesses and individuals contracted and subcontracted, including any Supplier/Contractor resources assigned to coordination activities. The LPP shall include the approximate number of full-time equivalent positions associated with coordination activities related to the LPP. Additionally, the LPP shall include descriptions of the tasks that these resources would undertake. This could be a common role for all participation Plans.
- 5.9 Other** – The Supplier/Contractor is requested to include other information that it believes would help qualified and competitive Local businesses and individuals productively participate in the Work. The Supplier/Contractor will comply with its LPP in the performance of the Work



Unless otherwise indicated, the Supplier/Contractor shall submit its preliminary Local Participation Plan to the Company prior to the issuance of the Release Order.

If the Company identifies deficiencies in, or requires further clarification on, the Supplier/Contractor's proposed LPP, the Company may raise its concerns that the Supplier/Contractor shall address when submitting its final LPP within the timeline set out in the Release Order.

6.0 LOCAL PARTICIPATION REPORTING

The Company collects this data as an important part of tracking the inclusion of Local Suppliers/Contractors in Company business and related opportunities. The collection and utilization of this information is in support of the Company's Supplier Diversity and Local Participation program, designed to increase participation of Local businesses. Responses to questions relating to supplier diversity in the template are voluntary. All data collected in this form will be stored in a data center located in the United States and will be retained for only as long as reasonably required by the Company.

The Supplier/Contractor shall provide reporting data within fifteen days of the end of each quarter or at other times as requested by the Company. A sample reporting template and instructions will be provided upon onboarding. The Company reserves the right to make changes periodically.

When a Release Order requires a LPP, the Company will utilize the quarterly reporting to track the implementation of and compliance with the accepted LPP.