

2022 ESG Report

ENERGY FOR GOOD



TABLE OF CONTENTS

OUR COMPANY	8
ESG COMMITMENT	12
ENVIRONMENT	20
SOCIAL	34
GOVERNANCE	50
GRI CONTENT INDEX	58

INTRODUCTION

PROENERGY is part of a worldwide movement to transform the energy industry. Investing in the energy needs of today and making responsible decisions for tomorrow, we positively impact the sustainability of the planet, the lives of people, and the culture of our company.

Welcome to our inaugural sustainability report. Our Environmental, Social, Governance (ESG) program is a journey of continuous improvement. While we always operate with the intent to do the right thing, this report formalizes our passion and our impact. Every one of us—from our leaders to our employees—plays a part in driving this journey. Going forward, ESG will influence the decisions we make on our business strategy, investments, technologies, and geographical expansion.

Inherent in any journey is a path, waymarks, and a destination. Here, we make our commitment to sustainability, benchmark our efforts for the year 2022, and establish a roadmap for driving our initiatives forward. Within this report, we show you where we are heading and how we will get there.

We positively impact the sustainability of the planet, the lives of people, and the culture of our company.

On cover: Topaz Generating Station—the second WattBridge peaking-power solution delivered by PROENERGY—features 10 LM6000PC engines in support of renewable generation and energy security.

A MESSAGE FROM OUR CEO



For more than 20 years,
we've grounded ourselves
with a simple phrase:
"Do the right thing."

Good business and doing good are one and the same. My team and I founded and expanded PROENERGY in a market with a high barrier to entry through talented people, unmatched experience, and a focused business plan. For more than 20 years, we've grounded ourselves with a simple phrase: "Do the right thing."

At its base, any ESG program can be summed up as the same. You aim to make an impact with your business model, yet you strive to leave the world and its people in a better state than before. PROENERGY is an energy transition platform. We develop, build, and maintain aeroderivative power plants. While this is an indispensable service to the world, we also aim to protect the planet, to help our fellow man, and to conduct ethical business.

We have an exciting story to tell, and 2022 was a pivotal year for PROENERGY. All three of our market-facing businesses grew. We commercialized our third WattBridge development, Braes Bayou; we eclipsed the milestone of 55 PowerFLX packages built; and we began making turbine components as part of a \$28.8M advanced manufacturing initiative. More importantly, we've done so while giving back to our communities, which includes surpassing \$1M in donations to the United Way.

To ensure that we continue to grow the right way and to do the right thing, we formalized our ESG program and consolidated all compliance and sustainability efforts under one senior leader. This move gives our growing business the ESG visibility, responsibility, and accountability needed to maintain and build upon our progress started in 2002.

Our business strategy is anchored on the three pillars of environmental, social, and governance. This will inform our risks and opportunities as we progress through the energy transition by:

- Enhancing energy security with reduced-carbon, low-cost, gas-fired power generation in limited capacity areas.
- Commercializing hydrogen as a primary fuel in aeroderivative turbines through our ongoing R&D efforts.
- Playing an influential role in economic growth by expanding our international presence and extending relationships with local suppliers, customers, and communities.

As we execute our vision, we aspire to be the partner of choice for our customers, investors, and employees. As always, our actions remain grounded in ESG principles and doing the right thing. With this report, I affirm my commitment—and that of the entire PROENERGY team—to serve our stakeholders and communities responsibly.

— **Jeff Canon**
President and CEO

A MESSAGE FROM OUR SVP COMPLIANCE AND SUSTAINABILITY



ESG must be viewed
as a journey of
improvement and
aspirations.

Perspective is critical to the success of an ESG program. First, ESG must be viewed as a journey of improvement, in which we make deliberate, positive changes to the impact areas most relevant to our business year after year. Next, it must be seen as a journey of aspirations, in which we pursue goals fully integrated into our organization's business strategy and culture together.

This year, we established our formal ESG program—essentially a roadmap—to answer such questions as, “What ESG topics are most relevant to our business today? Which can we prioritize for action? How do we then create a plan that advances these actions for maximum impact?” Aligned with the UN Sustainable Development Goals, our program uses a framework with underlying strategic drivers to propel improvements in each pillar of ESG.

Our strategic drivers are the following:

- **Strengthen our business foundation.** We will enhance the foundational programs, standards, policies, tools, and controls used to manage our business.
- **Reinforce our cultural alignment.** We will influence the organization by hosting engagement events every year and deploying communication protocols inside and outside the organization.
- **Benchmark and re-evaluate the business strategy.** We will conduct an initial assessment and periodic reassessments to confirm alignment with the ESG objectives.
- **Measure progress.** Starting from a baseline, we will establish, measure, and build additional key performance indicators annually as the program advances.
- **Report on progress.** We will share movement on our objectives both internally and externally.

Our tactical actions for 2022–2023 included setting a baseline and forming a cross-functional ESG council, which gave us a great start. In our environmental pillar, we quantified scope 1 and 2 carbon emissions, began recycling programs, and continued the process of switching to LED lighting in our shop operations. For our social pillar, we established a Diversity, Equity, and Inclusion (DEI) Council, advanced our alliances and collaboration with universities, and laid the groundwork for an employee survey in 2023. For our governance pillar, we improved supplier and customer compliance management, established an enterprise risk register, and started a long-term initiative to review and update all company policies for alignment with ESG.

Now, we present our first formal report. Baselining requires that we report on actions and accomplishments in 2022 and prior years to bring us up to date. Starting next year, we will publish an annual summary of our accomplishments.

At PROENERGY, our culture of integrity and responsible earning unites with our passion for doing the right thing for our families, communities, shareholders, stakeholders, and planet. The people of PROENERGY are certainly a force for change in the global ambition to work for a better tomorrow. I look forward to listening to our stakeholders, reporting our impacts in future reports, and continuing our ESG journey.

— Gus Eghneim
SVP Compliance
and Sustainability

What We Do in Energy

Our experience and breadth of scope in the energy value chain—including project development; ownership; original equipment manufacturing (OEM); turnkey generation facilities; turbine and plant maintenance; and facility decommissioning—enables us to support energy security at faster speeds and at less cost, anywhere in the world.



Aeroderivative Life-Cycle Services

AeroAdvantage sustainably extends the life of aeroderivative turbines through specialized experience and condition-based repair strategies. At the sole independent Level-IV aero depot in the world, we repair, overhaul, manufacture, and service the global LM6000 and LM2500 fleet with unmatched expertise.

150+
MAJOR OVERHAULS
AND HOT SECTIONS

7.4 GW
CONTRACTED FOR O&M AND
TOTAL CARE SERVICES

\$200M
PARTS AND SPARES
INVENTORY

OEM & Turnkey Generation Facilities

PowerFLX is the first standardized, modular LM6000 plant design with the lowest installed cost in the industry. Our turnkey services—including all equipment, management, and traditional engineering, procurement, construction (EPC) services—deliver resilient power generation with proven and industry-leading reliability.

9 GW
GLOBAL EPC
EXPERIENCE

55+
POWERFLX
PACKAGES BUILT

50%
LESS TIME AND COST
THAN ANY COMPETITOR

Project Development & Asset Management

WattBridge, an independent power producer and world's largest LM6000 fleet owner, delivers a repeatable energy security platform to any market. Its reduced-emissions, gas-fired, and hydrogen-ready peaking power facilities enhance grid reliability, especially during periods of high demand or short supply.

2,400 MW
OPERATING OR UNDER
CONSTRUCTION

35% OF ERCOT
FAST-START GROSS LOAD
PROVIDED IN 2022

99% RELIABILITY
PERFORMANCE
IN 2022

How We Deliver for Good

FOUNDED
2002
BY CEO JEFF CANON

EMPLOYEES
522
TOTAL

NEW
LM6000 PACKAGES
COMMISSIONED
48
IN 36 MONTHS

People

The history of LM technology is encapsulated in our leadership and cascades from the top down. They leverage past roles—as former plant managers, senior engineers, and business leaders—dating to the first LM6000 installations and averaging 30 years’ experience. Their technical insights and creative mindsets influence a skilled workforce focused on fast-track innovation.

Experience

Over more than two decades, PROENERGY has acquired incomparable expertise on aeroderivative gas-turbine power plants worldwide. Our unique knowledge base spans from plant development to decommissioning for a deep, user-centered understanding of the LM2500 and LM6000 platforms. This expertise is a natural incubator for innovation, resulting in new products, service strategies, and manufacturing techniques that support our role in the energy transition.

Infrastructure

Sitting on 90 acres in Sedalia, Missouri, and featuring more than 600,000 sq. ft under roof, our world-class campus is purpose-built to support energy security with fast-start technology. This infrastructure—including the only independent Level-IV aeroderivative depot in the world; a string-test facility that enables full-speed, full-load testing; and a 250,000 sq. ft warehouse with an inventory of more than \$200 million in spare parts—not only helps us meet energy demand, but also functions as the backbone of our decarbonization program.

A Focus on Technology. A Passion for Sustainability.

PROENERGY fulfills a critical role with dispatchable power generation. We develop, build, operate, and maintain these critical assets in direct support of renewable growth.

Intermittency issues arise when wind and solar installations reach 20 percent of the energy mix in any market. With the IEA (International Energy Agency) attributing 90 percent of planned energy growth to renewables through 2027, the imbalance between non-dispatchable renewable power and dispatchable power will widen.

Our solutions enhance grid stability by providing balance to non-dispatchable power sources. While we lead the industry in plant availability and reliability, we believe we can do better. We’re actively looking to extend the life of LM platforms through the duration of the energy transition using state-of-the-art technology that reduces emissions and our own hydrogen fueling initiative that will progress energy toward a carbon-free future.



PROENERGY supports energy security in half the time—and at half the cost—of any other EPC provider.

ESG COMMITMENT

The actions we take today should never compromise the needs of tomorrow. At PROENERGY, we meet energy demand while striving to do the right thing. Our roles as a power-solutions provider, a member of the communities where we work, and a steward of the environment go hand in hand.

Therefore, our company dedicates itself to four ESG commitments.

We commit to...

- develop innovative solutions, reduce our environmental footprint, enhance energy security, and accelerate the energy transition. We work continuously to assess, monitor, and reduce our impact on the planet.
- empower people to enhance their safety, well-being, and economic prosperity. We promote diversity and inclusion, respect human rights, and create prosperity for our employees, customers, suppliers, contractors, and the communities in which we live and work.
- sustain a culture of integrity and accountable operations. We are dedicated to ethical business practices; equitable compensation; and risk-based policies, procedures, and controls that drive transparency and responsible decisions.
- drive improvement by measuring and reporting our progress to internal and external stakeholders.



Alignment with UN Sustainable Development Goals

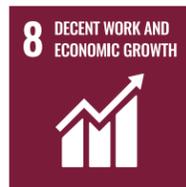
In 2015, the United Nations (UN) Sustainable Development Goals set forth a holistic plan to address global issues and improve the quality of life for all. These 17 goals—interlinked so that changes in one area affect outcomes in others—tackle a broad range of environmental, social, economic, and governance challenges.

PROENERGY joins other like-minded entities by aligning our actions with these goals. By making them an integral part of our long-term ESG journey, we look forward to fostering a culture of economic prosperity, energy security, environmental protection, social value, and responsible operations.

MATERIALITY ASSESSMENT

Important to any journey is defining a baseline. In 2022, PROENERGY set a starting point for action by completing a materiality assessment against the UN Sustainable Development Goals. This evaluation enabled us to focus our ESG efforts, measure our impact, and plan our improvement efforts for the future.

As the sole vertically integrated service provider, plant owner, and operator, PROENERGY identified six areas with significant ESG impact. While these represent our current strengths, we will perform continuous reviews to increase our materiality across all goals.



AFFORDABLE AND CLEAN ENERGY EFFORTS

CURRENT

- Own and operate reliable, power-generation facilities with the lowest installed cost in the industry
- Improve the efficiency and service lifetime of aeroderivative gas turbines (GTs)
- Build out an R&D program that introduces commercial use of hydrogen fuel
- Accelerate the growth of renewable resources with grid-firming peaking power generation
- Develop an efficient advanced manufacturing initiative to reduce supply chain stress

FUTURE

- Upgrade customer assets to low-carbon, gas-fired, hydrogen-ready GTs
- Increase LM6000 hydrogen fuel mix from 35 to 100 percent
- Research additional low-carbon fuels to include ammonia
- Integrate battery storage technology with existing and planned aeroderivative plants

DECENT WORK AND ECONOMIC GROWTH EFFORTS

CURRENT

- Serve as an employer of choice with above-average compensation
- Implement growth strategy to increase geographic presence
- Contribute to local economies through direct employment and power-plant construction
- Support the growth of third-party suppliers with increased spend

FUTURE

- Maintain employer of choice status by monitoring and reporting headcount, along with average and median salary
- Monitor supplier spend and business growth
- Monitor and report new operations by state, region, and country
- Launch and monitor a global cultural initiative to align with our growing geographic presence

INDUSTRY, INNOVATION, AND INFRASTRUCTURE EFFORTS

CURRENT

- Develop and build critical power-generation assets at a leading cost and speed
- Provide differentiated services for critical power-generation assets
- Improve the operational efficiency and environmental footprint of GTs
- Employ and maintain a hydrogen-capable GT test cell
- Operate a world-class, Level-IV depot, repair, and manufacturing center in Sedalia, Missouri
- Implement protection of assets and intellectual property policies

FUTURE

- Maintain business strategy that aligns with the energy transition
- Eliminate supply-chain constraints with a complete advanced manufacturing initiative
- Launch low-carbon fuel technology to market

SUSTAINABLE CITIES AND COMMUNITIES EFFORTS

CURRENT

- Enhance energy security with reliable, low-emissions peaker facilities
- Support global GT fleet with long-term maintenance contracts
- Accelerate the renewable energy transition with grid-firming power generation
- Ensure compliance with environmental laws and policies within each market
- Monitor and report critical risks and opportunities
- Support local communities with outreach and education activities
- Participate in multiple giving and charitable programs

FUTURE

- Monitor and report output from power plants that we own and operate
- Monitor and report output of power plants that we maintain
- Monitor and report community environmental projects

RESPONSIBLE CONSUMPTION AND PRODUCTION EFFORTS

CURRENT

- Reduce waste streams of operating activities
- Monitor and reduce environmental spills
- Prolong service lifetime of aeroderivative GTs
- Monitor and report carbon footprint
- Formalize company recycling programs in Sedalia and Houston
- Reduce energy consumption with energy-efficient LED lighting in all facilities
- Improve water-conservation design in our plants
- Implement lean operation programs to improve process efficiency

FUTURE

- Monitor, report, and reduce generated waste
- Monitor, report, and reduce energy consumption and carbon footprint
- Monitor and report paper, plastic, and metal recycling volumes
- Report power generation availability and performance

CLIMATE ACTION

CURRENT

- Monitor and report carbon footprint
- Build out R&D program that introduces commercial use of hydrogen fuel
- Reduce energy consumption with energy-efficient LED lighting in all facilities
- Formalize environmental compliance program

FUTURE

- Monitor, report, and reduce energy consumption
- Integrate battery storage technology with existing and planned aeroderivative plants
- Upgrade customer assets to low-carbon, gas-fired, hydrogen-ready GTs
- Increase LM6000 hydrogen fuel mix from 35 to 100 percent
- Research additional low-carbon fuels to include ammonia

THIRD-PARTY ASSESSMENTS

Discovery is part of every journey. PROENERGY engaged multiple independent consulting firms in 2022 for high-level, objective assessments of our ESG-related actions. These assessments helped to define current performance benchmarks and identify paths for improvement.

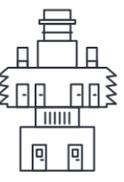
Risk and Impact Assessments: Bridge House Advisors

Bridge House Advisors, a full-service ESG and sustainability advisory, performed an ESG risk assessment and impact review of our business. This independent assessment found our ESG risk low and our ESG impact high.

As the below risk identification chart indicates, the assessment found minimal risk across the business—including air quality, water, waste, and hazardous materials—and low priority risk with greenhouse gas (GHG) emissions.

ESG TOPIC/RISK	RATING	RISK AND OPPORTUNITY IDENTIFICATION SUMMARY
GHG Emissions	●	Uses modeling data for emissions rates and annual emissions outputs. Refurbishes LM6000 turbines for deployment in turnkey peaking-power plants, which avoids GHG from displaced higher-emission coal and heavy fuel plants and enables the addition of more renewable sources. Can benefit from implementing a long-term emission-reduction strategy.
Air Quality	●	Installs state-of-the-art air pollution control technologies and maintains air-quality permits and plans to ensure compliance with applicable regulations.
Waste/Wastewater Management	●	Maintains plans and permits to comply with applicable standards and encourage water conservation. Can benefit from long-term water-reduction strategies embedded in the design of peaking-power plant facilities.
Waste Management	●	Uses waste plans and third-party contractors to manage waste transportation in compliance with applicable laws and has recycling programs to minimize waste generation.
Health & Safety	●	Uses a health and safety program manual, reports and investigates injuries, and maintains an injury rate well below the industry average.
Access & Affordability (Availability)	●	Engineers, builds, and operates peaking plants at a competitive cost, contributing to lower generation costs. Plants demonstrated a start reliability of 99 percent in 2022.
Supply Chain Management	●	Maintains policies for vendor approval and vendor quality assistance. May consider a program to vet suppliers based on ethical conduct and human rights.
Resilience (Energy Transition)	●	Enables and accelerates the addition of more renewable resources by addressing their intermittency and enhancing power-grid reliability with refurbished LM6000s in peaker applications. Advancing a zero-carbon hydrogen-fuel program to replace natural gas in the future.
Critical Incident Risk Management	●	Maintains a preventative and corrective maintenance program and implements leading-edge cybersecurity controls in compliance with NERC medium-impact standards. May need additional policies and training to manage critical risks further.
Systemic Risk Management	●	Maintains various programs, plans, and procedures to maintain business continuity with its modular design and remote operation. May benefit from plans that further reduce physical risk related to climate change, hurricanes, extreme rainfall, etc.

● No apparent risk identified ● Low priority risk ● Medium priority risk ● High priority risk

PATHWAY	IMPACTS AND SIGNIFICANCE
 Peaking Power Generation	<ul style="list-style-type: none"> Avoiding significant GHG emissions by displacing coal- and oil-fired units in ERCOT Delivering energy security—notably through Winter Storm Uri—with a weatherized design *See the Environment, Clean Air section for more information.
 Engine & Generator Refurbishment	<ul style="list-style-type: none"> Reducing waste by reclaiming and recycling engines and other materials Avoiding further GHG emissions by refurbishing rather than manufacturing with virgin materials. *See the Environment, Clean Air and Less Waste sections for more information.
 Local Economies	<ul style="list-style-type: none"> Creating jobs in Sedalia with above-median pay Injecting prosperity from our build process into the economy *See the Social, Elevating Economies section for more information.
 Community Engagement	<ul style="list-style-type: none"> Giving time, money, and talent to communities where the company operates See the Social, Global Community and Local Communities sections. Contributing to the economic growth of key suppliers *See the Social, Our Partners section for more information.



ICF Assessment

WattBridge Fleet a Carbon-Negative Addition to ERCOT

PROENERGY subsidiary WattBridge engaged ICF, a global consulting and technology services company, to evaluate the carbon impact of its fleet on the Texas grid system. Considering the 2,000-MW WattBridge portfolio, ICF concluded it has a negative carbon impact in the Electric Reliability Council of Texas (ERCOT) region.

Equator Principles

WattBridge Projects Conform to International Standard

Bridge House Advisors and Acorn International performed an environmental and social review to gauge conformance with the Equator Principles. Upon review of a planned WattBridge facility and expansion of two existing WattBridge facilities, the independent review discovered only two minor gaps regarding administrative practices within Principles 5 and 6: Stakeholder Engagement and Grievance Mechanism.

BUSINESS STRATEGIC FOCUS

FOR 2023, PROENERGY

HAS PRIORITIZED THE FOLLOWING STRATEGIC ACTIONS:

1

ENERGY SECURITY

Continue to enhance energy security by supporting renewable development with additional peaking-power generation in load-constrained locations.

2

ALTERNATIVE FUEL INITIATIVE

Continue R&D and validation of hydrogen fuel mix technology, with a long-term goal of 100 percent conversion.

3

ALLIANCES AND PARTNERSHIPS

Expand our geographic reach with a target of 40 percent volume contribution from international operations in 5 years. This focus will improve our influence as a contributor to world economic growth and prosperity.

The materiality assessment and third-party reviews defined improvement areas and actions for 2023, as well as targeted performance indicators to measure and report.

ENVIRONMENTAL

- Carbon emission (Scopes 1 & 2)
- Sulfur dioxide (SO₂), nitrogen oxides (NO_x), and particulate matter (PM) emissions from power plants
- Recycled volumes of paper, plastic, and metal
- Recycled volumes of batteries, electronics, light bulbs, used oil, etc.
- Recycled and generated volumes of hazardous waste
- Number of environmental improvement projects/ initiatives
- Number of environmental audits/ assessments
- Environmental notices of violation
- Environmental spills reported
- Vehicle fleet information (miles driven, fuel, number of leased/owned)
- Electricity consumption
- Natural gas consumption
- Liquid propane consumption
- Water consumption

SOCIAL

- Number of employee social engagement events with summaries
- Number of community outreach events with summaries
- Number of charity drives and total donations with summaries
- Number of safety audits/assessments
- Safety statistics: Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR)
- Employee headcount with demographic data (age, gender, and racial mix)
- Summer interns
- Scholarships
- Third-party suppliers spend
- Total training events
- Summary of investments/partnerships in new countries

GOVERNANCE

- Percentage completion of ethics training
- Agents count/reduction
- Number of ethics-related communications
- Number of ethics investigations
- Actions taken to strengthen compliance and risk management



ENERGY FOR GOOD: PRESERVING OUR WORLD

ENVIRONMENTAL

From our engines to the Earth, PROENERGY believes in conserving natural resources.

PROENERGY works to preserve natural elements—including air, water, and land—for the good of the planet and all its inhabitants. Our centralized and vertically integrated business model lessens environmental impact by displacing high-carbon assets with clean natural gas and using innovative capabilities to limit GHG emissions. Among our efforts are implementing industry-leading emission-reduction systems, performing unique refurbishing practices, maximizing energy density in our power-plant footprints, and investing in low-carbon fuels.

Operating to Save the Earth

Throughout the asset life cycle, we ask how we can leave nature in the same or better condition than we found it. Pages 22 to 33 explain how we make that happen.

CLEAN AIR

Whether operating plants or refurbishing parts, PROENERGY takes purposeful steps to improve air quality and decelerate climate change.

LESS WASTE

PROENERGY promotes efficient use of natural resources, avoids waste whenever possible, and minimizes adverse impact to the environment.

CLEAN WATER

From reducing water use to protecting water quality, PROENERGY works toward clean and efficient use of this limited resource.

LESS LAND

With a standardized, efficient power plant design, PROENERGY seeks to optimize megawatts per acre so that communities, habitats, and ecosystems continue to thrive.

Top Processes

PROENERGY meets environmental compliance obligations and targets ongoing improvements by reporting and reducing energy usage, emissions, waste, and more. We measure emissions, spills, and waste discharges and set improvement goals to minimize these impacts.

Established guides and systems provide a solid framework for our environmental efforts. Our Environmental Health and Safety (EH&S) Manual and our Environmental Compliance Program clearly articulate the company stance and policies, including those for safe work, regulatory compliance, and permitting requirements. These efforts centralize and track compliance obligations, permitting activities, audit performance and improvement initiatives.

Each office, manufacturing, and operational facility maintains local programs and requirements with facility supervisors empowered to confirm training, monitoring, auditing, and recording maintenance.

Environmental Regulatory Reporting

2022

Type	Amount	Disposition
Environmental notices of violation	0	—
Environmental audits / assessments	4	Findings tracked and addressed in compliance with environmental law
Environmental spills	1	Reported to the Texas Commission on Environmental Quality and remediated in compliance with regulations

CLEAN AIR

Reduced-Emissions Portfolio Supporting the Energy Transition

Our WattBridge fleet directly supports renewable growth with reliable, reduced-emissions power. As weather-dependent generation increases and inefficient units retire, the fleet’s natural-gas units provide dispatchable fast-start capabilities that help to solve grid-intermittency issues.

According to a recent report by ICF, the WattBridge portfolio can displace other sources of inefficient generation—including oil, gas steam, and coal—as a carbon-negative alternative. The ICF analysis projected the portfolio to 2027 in the ERCOT market and concluded that the grid would avoid approximately ~268,000 metric tons per year of carbon dioxide (CO₂) emissions, equivalent to 30 million gallons of gasoline annually.

In addition, the report found that when the portfolio takes the place of high-carbon legacy resources, it saves billions of dollars compared to the next best alternative. ICF considered the impact of replacing 2.4 GW of coal—tantamount to a legacy coal plant in ERCOT—with three options: renewables only, renewables plus a 2-hour battery system, and renewables plus the 2.1-GW WattBridge portfolio. The option including WattBridge would offer the most affordable solution saving at least \$3.2 billion.

State-of-The-Art Emissions Control Systems Reduce Impact

All WattBridge facilities—including all PROENERGY PowerFLX packages—include a selective catalytic reduction (SCR) system to meet stringent emissions requirements in any global market. These state-of-the-art systems are proven to reduce NO_x emissions by 90 percent and CO emissions by more than 95 percent to an industry-leading 2.5 ppm and 1.5 ppm, respectively. Moving forward, we will report on carbon emissions in absolute value and intensity characterized as tons per MWH.

Industry-leading
CO emissions
1.5 PPM

PROENERGY Carbon Footprint (CO ₂ in tons)	2022
Sedalia Campus	5,856
Houston Campus	1,619
WattBridge Generating Facilities	785,495

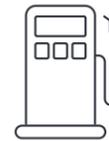
WattBridge Fleet Emissions (tons)				2022
NO _x	SO ₂	VOC	PM10	
103.7	3.7	17.3	45.3	

Hydrocarbon Usage				2022
Type	Sedalia Campus	Houston Campus	WattBridge Facilities	
Natural Gas (CCF)	353,880	0	130,387,504	
Gasoline (gal)	665	5,079	0	
Diesel (gal)	11,377	109,574	0	
Propane (lb)	3,518	0	0	
Gas Fleet Vehicles (gal)	4,004	5,213	0	
Diesel Fleet Vehicles (gal)	239.1	0	0	

Carbon Emissions Reduction by WattBridge Plants in ERCOT ICF Assessment

268,000 metric tons of CO₂ avoided equals

30,156,408
gallons of gasoline
not used



296,517,672
pounds of coal
not burned



52,146
homes' electricity
for one year not used



620,477
barrels of oil
not consumed



*Based on the US Environmental Protection Agency (EPA) GH Equivalencies Calculator



The PowerFLX standard includes state-of-the-art emissions-control systems.

CLEAN AIR

Alternative Fuel Initiative To Decarbonize LM Technology

PROENERGY is advancing a plan to reduce GHG emissions to zero. Leveraging four years of investment and a vision to support decarbonization and energy security at once, we will drive commercial-scale, hydrogen-fueled power generation for the LM6000 platform.

Since 2019, we have invested \$12.3 million and 10,000 engineering hours to develop proprietary hydrogen mixing technology and a test facility decoupled from the grid. This year, we enter a world-class consortium—with partners including PROENERGY as the OEM, an energy partner, public utilities and IPPs, and academia—to raise the hydrogen fuel threshold above 35 percent and become the first peaking-power company to commercially generate power with a hydrogen mix.

\$12.3M
INVESTMENT
IN LOW-CARBON FUELS

WORLD-CLASS HYDROGEN CONSORTIUM

PROENERGY/WATTBRIDGE / ENERGY INFRASTRUCTURE PARTNER / PUBLIC UTILITIES AND IPPs / MAJOR TEXAS UNIVERSITY

The consortium begins in 2023 with a full-scale R&D program at our string-test facility in Sedalia, Missouri, performing full-scale, mixed-flow testing with a hydrogen-fuel blend of up to 50 percent. Next year, we begin sector tests that will determine needed hardware modifications, including fuel nozzles and combustors.

The consortium will move quickly with commercial demonstrations using a low-percentage blend of hydrogen to natural gas. These demonstrations become the roadmap in which we will deliver 384 MW of full-time power generation for an 8xLM6000 WattBridge site using a blend of at least 50 percent hydrogen with natural gas, and chart a path to a 100 percent clean and sustainable fuel as early as 2029.

	2021	2023	2026
HYDROGEN INITIATIVE ROADMAP	Hydrogen-Ready \$12.3M and 10,000 hours invested	R&D Phase Increase hydrogen mix from 35 to 50%	Commercial Phase Operate with >50% blend at WattBridge

The PROENERGY string-test facility—a unique, plant-level facility that mirrors real-world operating conditions while free from the grid—is the centerpiece of the company's decarbonization R&D program.



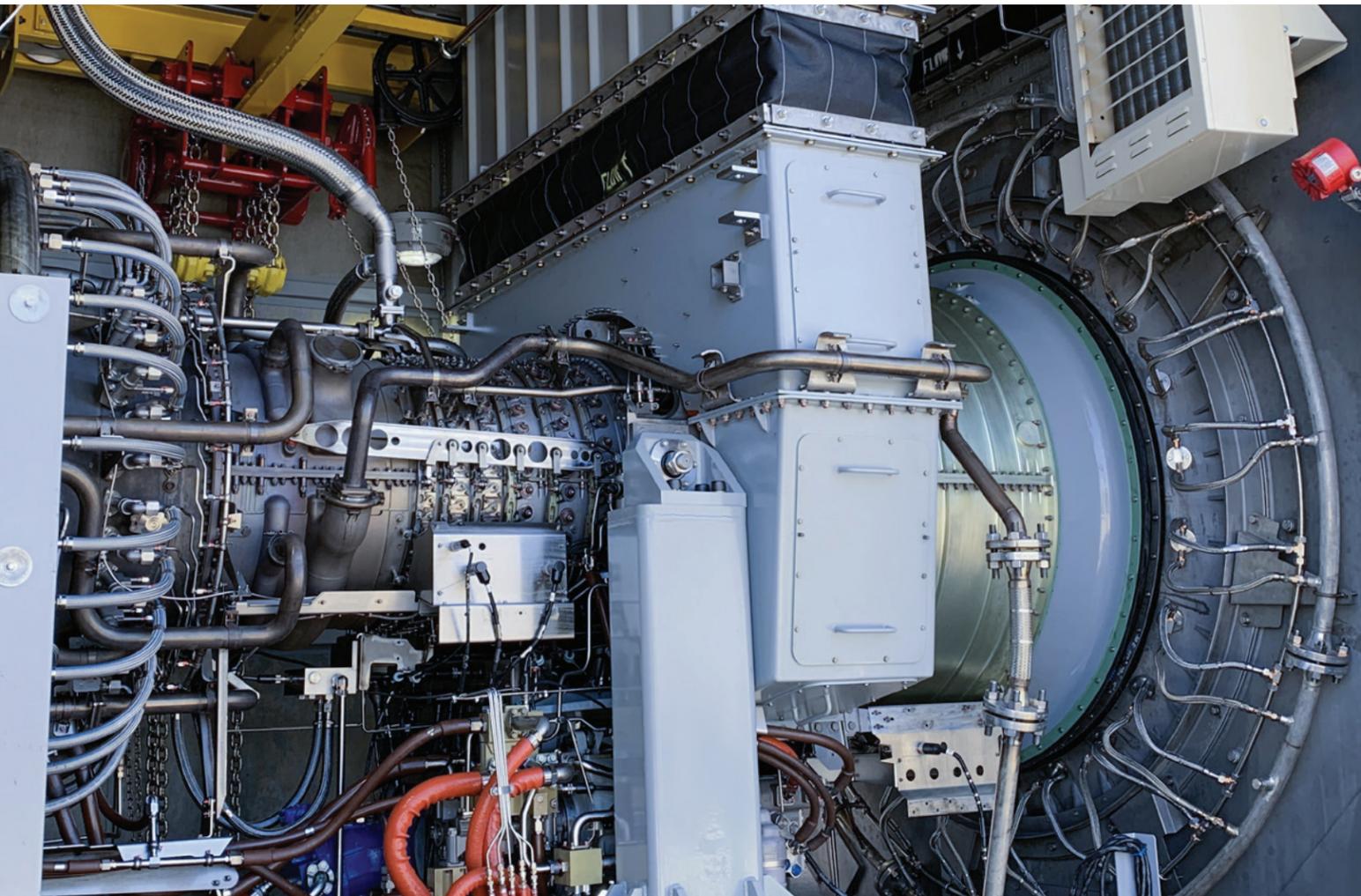
CLEAN AIR

Refurbished Engines and Generators Limit Greenhouse Gas Emissions

PROENERGY takes a holistic view to turbine repairs: a discarded part is one fewer for the global fleet. Rather than scrapping according to a general schedule, our condition-based repair strategies inspect, reuse, recondition, and repair components. These actions not only extend part serviceability, but also avoid GHG emissions and the associated health impacts.

Our proven condition-based processes save 31.24 metric tons of CO₂e for every engine we overhaul, as compared to the manufacture of new engine components from virgin materials. In fact, refurbishing engines and generators has reduced the carbon footprint of our 2.4-GW WattBridge EPC projects by nearly 1,500 metric tons—or 3.3 million lb CO₂e. This reduction is equivalent to avoiding the use of 168,730 gallons of gasoline.

Further, we're pushing our advanced prototyping and manufacturing initiative, which will solve supply-chain challenges. Our \$28.8 million investment equips us with a rare 3D hybrid DMG MORI LASERTEC 125DED hybrid printing machine, as well as a climate-controlled machining center with 16 additional cutting-edge devices. The result is a robust supply of parts that extend the lifespan of every LM6000.



Carbon Reductions via Engine Refurbishment for the WattBridge Fleet

48 REFURBISHED ENGINES

Avoid emissions equal to
168,730 GALLONS OF GASOLINE
 offsetting
+330 AVERAGE AMERICAN DRIVERS FOR 1 YEAR

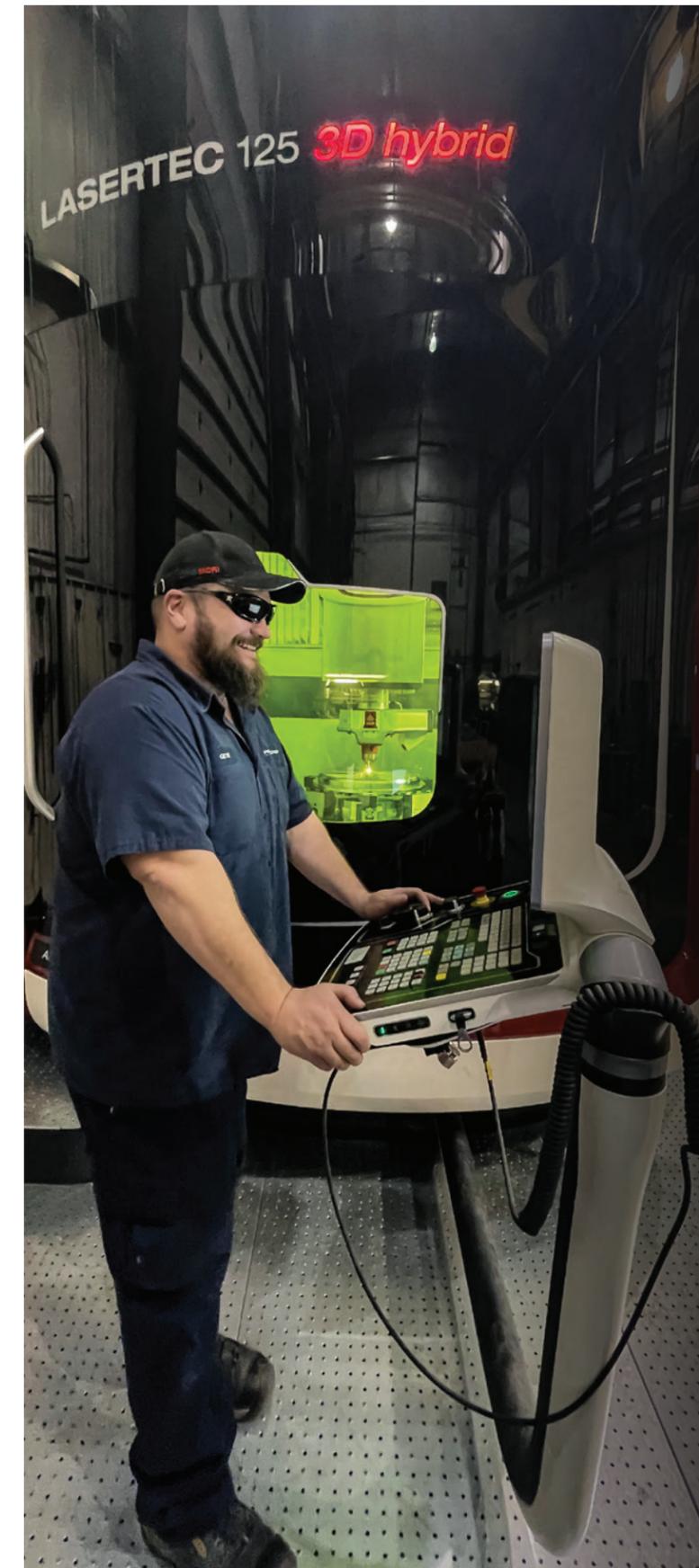
Advanced Manufacturing Initiative

\$28.8M INVESTMENT

\$23M in the EQUIPMENT

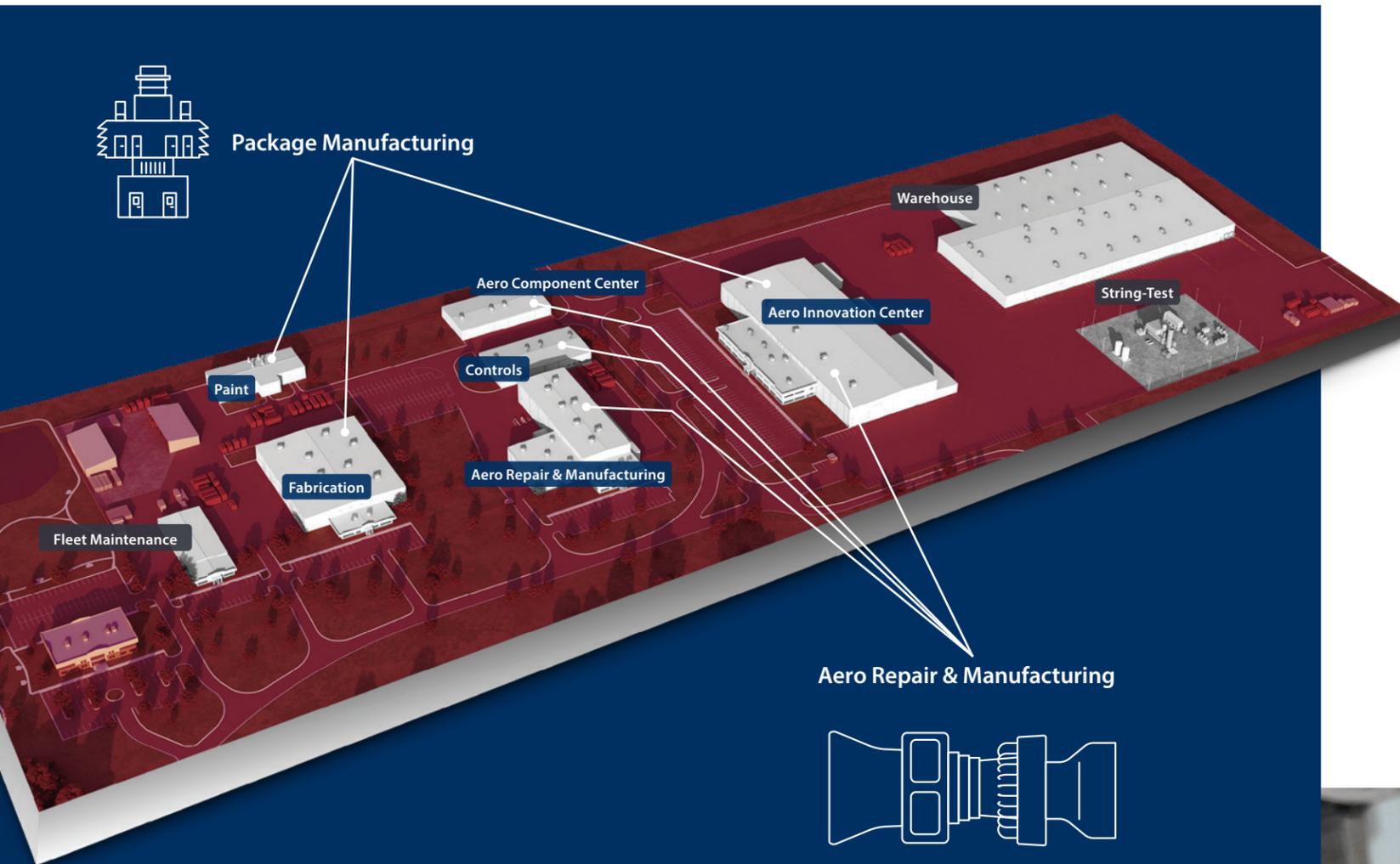
\$2.3M in the BUILDING

\$3.5M for TOOLING & CALIBRATION



The advanced manufacturing initiative—comprised of people, infrastructure, and equipment—includes creating a new, climate-controlled machining center and the DMG MORI LASERTEC 125DED hybrid printing machine at right.

LESS WASTE



Vertically Integrated Campus Reduces Industrial Waste

PROENERGY is built for less waste. Located in Sedalia, Missouri, our 90-acre facility delivers aeroderivative services and new equipment with minimal outsourcing and fewer resources.

For turbine services, all other Level-IV depots refurbish an engine by tearing it down, sending it to various parts of the globe for repair and maintenance, and returning it to a central facility for reassembly. By comparison, the farthest PROENERGY sends most parts is across the street to our Aero Repair and Manufacturing center. Working within three buildings, our teams inspect, repair, or remanufacture a wide variety of LM6000 components on our all-in-one campus.

For package manufacturing, we transform raw steel to installation-ready equipment completely on campus. Working within our fabrication centers, our skilled experts manufacture, paint, and assemble PowerFLX packages at a rate of 24 per year with the ability to expand to 50.

In addition to this single-source approach, PROENERGY considers every one of our industrial processes and finds ways to lessen their impacts.

Engines and Packages

PROENERGY makes most of all our resources, including engines and their parts. Determining serviceability based on the actual condition of aeroderivative unit components, instead of a predetermined timeline, enables us to save parts and the planet. While customers save millions of dollars and/or weeks of outage time, we reduce waste.

If unable to run the component as-is or repair it in-house, we recycle or resell it, which diverts these materials from scrap yards and landfills. As part of our turnkey LM6000 power plant solutions, these overhauled, zero-hour engines coordinate with packages that we fabricate in-house. Any remaining steel is then recycled.

Steel and Superalloys

Recycling steel has always been part of our process. As depicted in the chart below, we put approximately 738 tons of metals back into circulation annually. As our manufacturing capabilities advance with the use of superalloy substrate and machining processes for our products, we have further efforts underway to increase that number. Our waste-reduction efforts now recapture and segregate high-value alloys, including Inco, Rene 142, Rene 80, and titanium, for offsite recycling. This program enables us to offset the costs and carbon footprint of virgin material.

Recycling Totals	2022
Steel	691
Stainless	31.9
Copper	12.5
High-Value Alloys	3.1

738 TONS
RECYCLED IN 2022

Parts scrapped as a result of our condition-based maintenance strategies are recycled to offset our carbon footprint and costs.



LESS WASTE

Paint

We protect our packages with a durable and safe paint coating. This year, we installed a new plural paint system that reduces paint use and waste. Previously, our painters mixed batches of two-component paint that typically wasted 5 to 10 percent of the product. This new system mixes components in the spray gun so that the two-part property of the paint only activates when sprayed, thus reducing the total paint needed to complete a job. For 2023, we expect this effort to reduce our paint consumption—currently at 6,500 lb—by 300 gallons.

Solvents

Along with reducing paint volumes, we have reduced our hazardous waste footprint, including volatile organic compounds (VOC) such as xylene, toluene, and acetones. Through use of a new BECCA unit—a device that acts like a still—we separate paint waste from solvent and thinners used for our painting and cleaning processes. Solvents are collected for re-use, and paint is dried into nonhazardous waste, which is expected to reduce hazardous waste volumes by 5,000 pounds in 2023.

Blast Media

We now upcycle blast media and sell it downstream. An abrasive blasting process—part of our aeroderivative repair and manufacturing capabilities—enables us to clean, prepare, andpeen certain parts. A byproduct of this process is a granular powder comprised of aluminum oxide, steel shot, and remnants of the part blasted. Rather than storing the mixture as waste in 100 50-gallon drums per year, we recently partnered with a company that will extract the aluminum for reuse to reduce our waste footprint and offset disposal costs by an anticipated 10 percent.



Placed at convenient points across our Houston and Sedalia campuses, recycling bins make a growing initiative second nature for employees.

Recycling Program

Recycling or upcycling waste is our first step before disposal. In late 2022, our Houston office implemented a program to measure and report our recycling streams, including metal, paper, and plastic. Our partner companies regularly pick up these items, transport, and sort them for the manufacture of new products. To trace our progress on this initiative, we quantify collections by weight.

A similar initiative is planned for Sedalia.

Recycling (pounds)	2022
Total Volume	597

Wood and Cardboard

Our Sedalia campus routinely receives pallets, wooden containers, and crates. Rather than disposing of these materials in landfills, we partnered with a local agent to reduce waste. Now the 3,000+ crates and pallets used every year are either re-used, broken down, or recycled, thus giving new life to old lumber products.

Our cardboard recycling initiative kicked off in late 2022 by identifying a cardboard bailing system. Our challenge for 2023 is instituting a low-carbon logistical plan to transport our bailed materials to recycling hubs in Jefferson City or Kansas City, Missouri.

LED Lighting

In Sedalia and Houston, we collect and recycle used batteries and light bulbs from every building on campus. This year, we continued upgrading shop operations from fluorescent bulbs to efficient LED lighting. Currently, we have replaced approximately 30 percent of lights in Sedalia, which will reduce electricity usage for lighting by 75 percent and reduce light-bulb consumption by 92 percent. In Houston, our new campus—set for completion in mid-2023—will be 100 percent LED.

Electricity Usage kWh	2022
Sedalia Campus	7,456,120
Houston Campus	706,472
WattBridge Generating Facilities (1,440 MW)	11,462,617



A painter fulfills his part of our complete in-house process for fabricating new packages at the Sedalia campus.

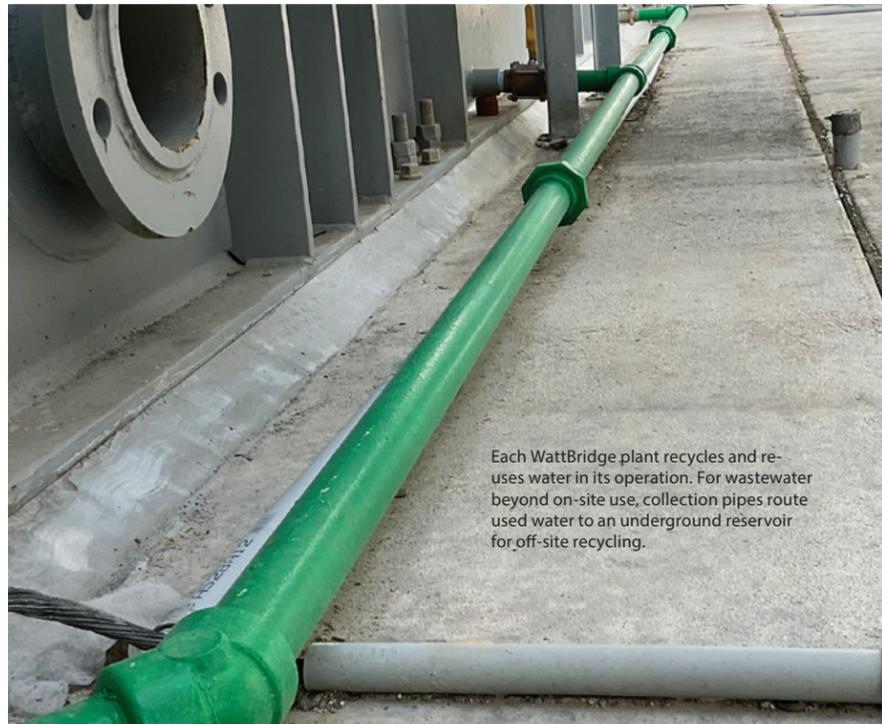
CLEAN WATER

Plant Design and Operations Protect Water

Our company aims to use less water and protect its condition. In fact, taking proper care of water for our operations has resulted in zero adverse impact on groundwater supplies or rivers.

Responsible use of water is critical to maximizing the output of our WattBridge facilities and maintaining the reduced emissions as reported in the Clean Air section. As such, our engineering team seeks to optimize use of demineralized water for fogging, evaporative cooling, and water-spray injection. Moving forward, we will report on our water usage per megawatt hour in addition to overall usage.

Water Usage (million gallons)	2022
Sedalia Campus	16.2
Houston Campus	0.3
WattBridge Generating Facilities (1,440 MW)	199.7



Each WattBridge plant recycles and re-uses water in its operation. For wastewater beyond on-site use, collection pipes route used water to an underground reservoir for off-site recycling.

LESS LAND



Our Topaz Generating Station includes 10 LM6000 engines on a compact 5.5-acre plot for a more energy-dense footprint compared to other energy-transition technologies.

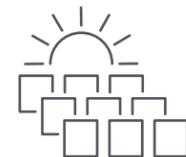
Small, Energy-Packed Footprint Supports Demand

PROENERGY innovation delivers industry-leading energy density. Our standardized PowerFLX LM6000 plant design results in this energy-packed footprint for the WattBridge portfolio and all third-party EPC projects. Enabled by our company's sole focus on LM6000 technology, we have built 10 facilities comprised of 48 LM6000 units in the last 36 months.

Each facility includes between two to 12 LM6000 units—uniquely constructed in pairs with a shared power island. The compact, repeatable design provides 87 MW per acre energy density. This figure does not include planned energy storage capacity at each WattBridge site, which will further increase the energy density of those locations.



5.5 MW/acre
Average Solar
Energy Density



30 MW/acre
Average Wind
Energy Density



87 MW/acre
Average PowerFLX
Energy Density





ENERGY FOR GOOD: CARING FOR PEOPLE

Bettering Lives All Around

Our organization's impact radiates outward from Sedalia, Missouri, to our customers, suppliers, and the planet. Pages 36 to 49 explain how we strive to do good as a corporate citizen.

A SAFETY-FIRST CULTURE

The top priority for PROENERGY is a safe and secure environment for all—including our employees, contractors, customers, and visitors.

WELL-ROUNDED WORKFORCE

A key to the success of PROENERGY is a diverse, world-class workforce of strong mind and body.

SUCCESSFUL PARTNERS

In a win-win partnership, PROENERGY builds strong supplier relationships that enhance our capabilities while contributing to their economic success.

THRIVING COMMUNITIES

PROENERGY improves the places where we live and work by giving our dollars, time, and talent.

ELEVATED ECONOMIES

PROENERGY creates meaningful careers, compensates above the market, and contributes significant spend to areas that host our projects.

ELECTRIFIED WORLD

With vertically integrated capabilities, PROENERGY delivers turnkey power generation with greater speed and less cost than any peer.

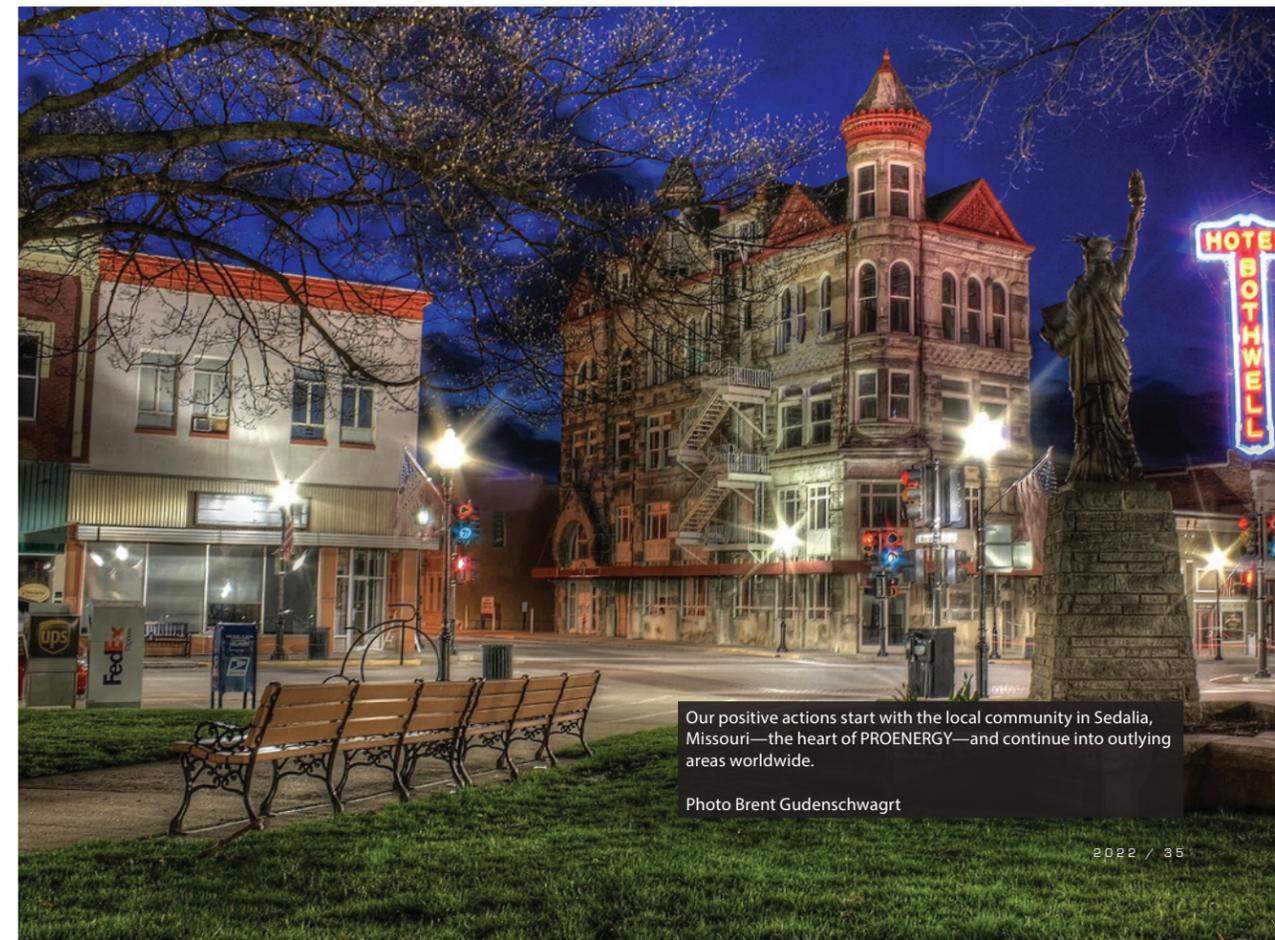
ROBUST SAFETY SYSTEMS

Our Safety and Security Program is governed by a wide range of policies, procedures, and standards, which apply to all our employees regardless of location. All PROENERGY employees are empowered to take the time needed to assess risk and apply necessary control measures at the start of every work activity. Further, every employee has the right and duty to stop work at any time to ensure safe work execution.

PROENERGY cares about all individuals, from our employees, to local communities, and humankind.

We have a role to play in the greater good. The actions we take emanate far beyond our 522 employees to our local communities, our business partners, and the energy-consuming world at large. We operate with the desire and empowerment that we make a difference in all the lives we touch around the world.

SOCIAL



Our positive actions start with the local community in Sedalia, Missouri—the heart of PROENERGY—and continue into outlying areas worldwide.

Photo Brent Gudenschwagrt

A SAFETY-FIRST CULTURE

People-Centric Approach

Our business is centered on people, and we exercise the same level of care and protection for all personnel around the world. Safety principles are integrated into all aspects of our business, and we set clear expectations and objectives to drive continuous improvement.

Transparent Reporting

Our open, transparent, blame-free culture encourages reporting and embraces sharing. Employees are required to report all work-related injuries, illnesses, or near misses to their supervisors and to a central tracking tool as soon as they become known, however insignificant they may appear. We investigate all injuries and share meaningful findings so that we can learn from them.

Health and Safety Performance

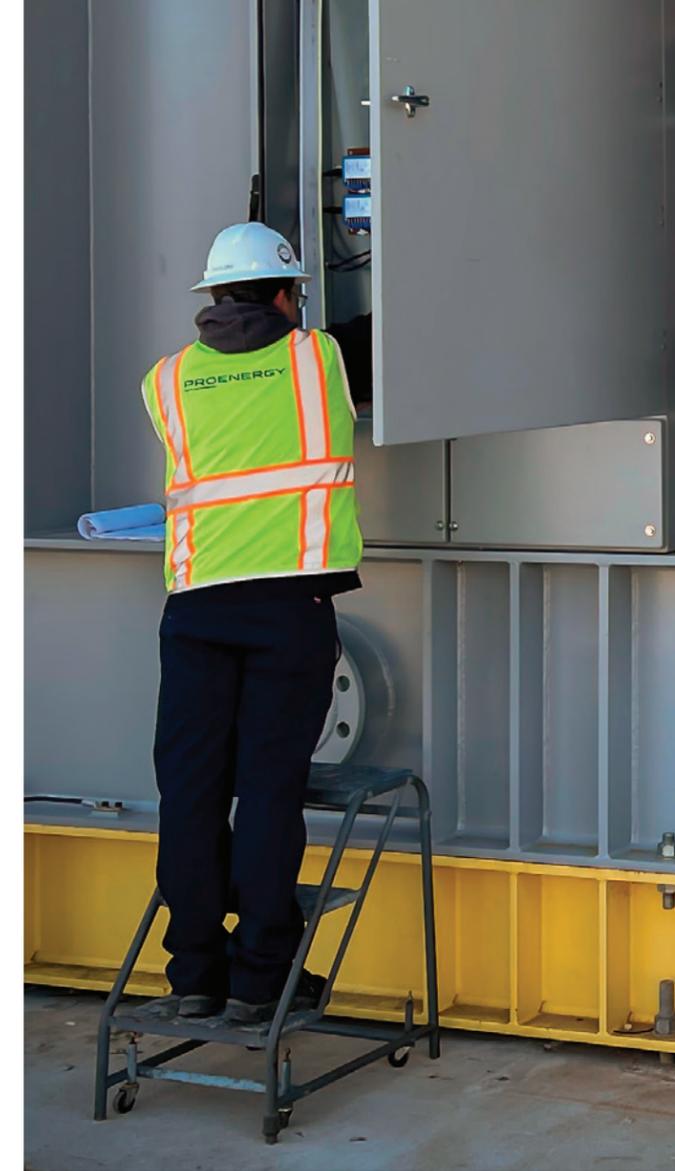
Safety has remained integral to our culture for more than 20 years. This priority is reflected in our safety metrics at right, which are well below OSHA and industry averages for our industry.



In 2022 after a refresher on fire safety, all Sedalia employees participated in a hands-on exercise with equipment donated by the local fire department to extinguish a simulated blaze.

ZERO BY CHOICE. NOT BY CHANCE.

PROENERGY is on a quest for zero incidents. We are proud of our safety record, but we believe that all injuries can be prevented. Our safety journey is one of continuous improvement, driving a safety culture and mindset for every task, at every location, every day. Through intentional behaviors, actions, and tools, our culture will drive a preventive mindset for our employees both at the jobsite and at home.



Training is our means of sharing expertise broadly in the company. Next year, we will quantify training hours per employee per year, and develop a standard training curriculum.

Health and Safety Statistics/Metrics

Years	2022	2021	2020
OSHA Total Recordable Incident Rate (TRIR) <i>Industry Average*</i>	0.65 —	0.77 2.40	0.94 1.70
Total # of OSHA Recordable Injuries	4	5	7
OSHA Lost Time Incident Rate (LTIR) <i>Industry Average*</i>	0.16 —	0.15 0.90	0.13 0.30
Total # of Lost Time Injuries	1	1	1
Total # of work-related illnesses	0	0	0
OSHA Citations	0	0	0
# of Labor Hours Worked	1,231,015	1,296,944	1,486,710
Average # of Employees	522	625	592

* US BLS NAIS Code 333611 – Turbine and Turbine Generator Set Units Manufacturing
— Data for 2022 not yet available

WELL-ROUNDED WORKFORCE

Benefits Packages and Wellness Programs

PROENERGY encourages the physical and mental wellness of our employees and their families. Our comprehensive and competitive benefits packages include multiple plans to meet modern health needs.

We constantly benchmark our benefits program to the industry, continually explore ways to enhance existing benefits, and significantly contribute to their healthcare costs. Ahead of 2022, company leadership invested in the health and benefits packages of all employees. As a result, in an environment in which insurance premiums increase virtually every year, they permanently reduced the cost by 40 percent to all employees.

We also present informational wellness campaigns and partner with health insurance carriers to provide enhanced wellness services, such as employees' assistance programs and health coaching. In 2022, each campus held its annual wellness fair, in which insurance companies and health- and fitness-related vendors discuss taking full advantage of benefits, provide free biometric screening, and even counsel on financial planning.

**40%
REDUCTION**
IN EMPLOYEE INSURANCE
COSTS FOR 2022

Diversity, Equity, and Inclusion

Recognizing the strength and competitive advantages in our differences, PROENERGY employs a diverse mix of individuals, which includes veterans, females, and minorities. In 2022, we set out to create programs, objectives, and demographic reporting indicators to advance DEI in the company.

As part of this important initiative, we established a DEI Council with a charter to celebrate the value of diversity, equity, and inclusion. This charter will educate colleagues to build DEI awareness, create an inclusive culture for free expression of ideas, and promote tactics to integrate diverse viewpoints to boost results.



2022 Employee Metrics

522 TOTAL HEADCOUNT

398 FULL-TIME EMPLOYEES

124 VARIABLE EMPLOYEES

7.5% FEMALE

33% HISPANIC, BLACK,
OR ASIAN

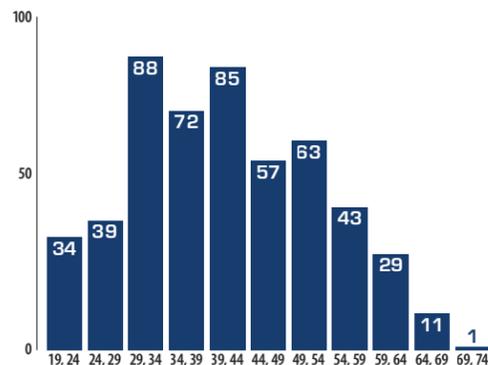
Retention

8.5% 5-10 YEARS

11.5% 10+ YEARS

19 YEARS LONGEST-SERVING
Jeremy Altis,
Mechanical
Superintendent

Age Distribution



IGNITE Internal Team Building

Our IGNITE (Inspire, Grow, Nurture, Influence, Transform, Empower) Team consists of approximately 10 employees who build community among all PROENERGY colleagues. These individuals sponsor team building activities, and they also coordinate employee participation in community improvement projects.

In 2022, the IGNITE Team encouraged internal socializing and promoted camaraderie through 10 activities. See Thriving Communities on pages 42 to 43 for more on IGNITE community involvement.

Employee Event Highlights



80
Veterans
honored with
commemorative
coins



100+
Children attended
workplace
Trick-or-Treat event



28
Employees
recognized for
reaching
5-, 10-, or 15-year
milestones

20th Anniversary Celebration of Appreciation

In May of 2022, PROENERGY celebrated two decades in the energy industry. Sedalia, Houston, and Buenos Aires campuses transformed to show gratitude for employees' contributions to our continued success. More than 300 colleagues and their families gathered to participate in fun activities, enjoy food trucks, and win prizes for the special occasion.



Sedalia, MO



Buenos Aires, Argentina



Houston, TX

**300+
ATTENDEES**

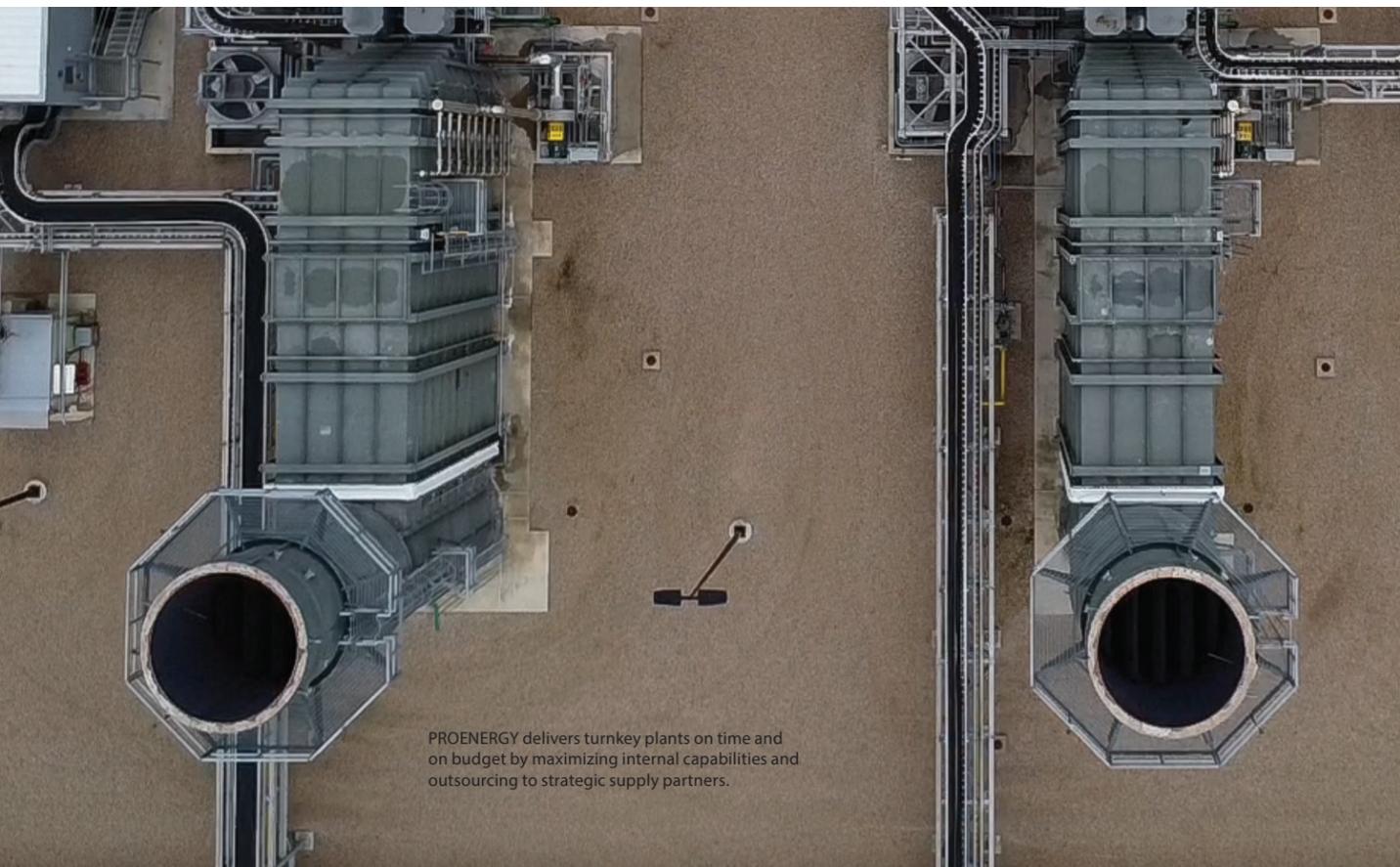
SUCCESSFUL PARTNERS

Supply Chain Growth

PROENERGY establishes lasting business partnerships and maintains strong supplier relationships. These efforts—combined with our advanced-manufacturing initiative (see pages 26–27) in addition to our \$200-million parts and critical spares inventory—create a robust supply chain that provides cost and schedule certainty and, therefore, the energy security of the markets in which we operate. In 2022, we invested significant resources to sustain supply chain quality with the addition of a vice president and two quality engineers.

Also in 2022, we spent \$604 million with our suppliers. This spend exemplifies our key role in the economic prosperity of local communities and our support of UN sustainable development goals. Today, our company is often the largest customer for our suppliers, and our business relationships accelerate their financial growth. In 2023, we will be reporting detailed supply chain metrics to include our spend with small businesses and minority-owned businesses.

\$604M
IN SUPPLIER SPEND FOR 2022



PROENERGY delivers turnkey plants on time and on budget by maximizing internal capabilities and outsourcing to strategic supply partners.



Raw steel acquired through a supply partner enables us to fabricate new packages at our Sedalia campus.

Key Supply Partners

Emissions control supplier

PROENERGY purchases a substantial percentage of output from a supplier with manufacturing centered North America. From 2019 to 2021, the total combined sales resulted in a compound annual growth rate (CAGR) for the supplier of 632 percent.

Casting supplier

PROENERGY is the largest single equiaxed casting customer for a manufacturer based in the Southwest US. The total combined sales for 2021 and projected sales for 2022 amounted to a CAGR of 39 percent.

Metals supplier

PROENERGY takes in a significant amount of the Missouri-facility volume from this company. Between 2018 and 2021, the total combined sales resulted in a CAGR for the supplier of 273 percent.

THRIVING COMMUNITIES

PROENERGY aims to improve the welfare of the places where we live and operate. True to this principle, our company touts a robust charitable giving program that spans more than two decades. We make both physical and financial investments, the latter of which totaled nearly \$260,000 for 2022.

In addition to making monetary donations to nearby charities, we also volunteer our time and effort. Our employees play a large part in choosing organizations to support, driving engagement in community-building events, and making a significant collective impact. Below are just some of the ways we engaged with civic organizations this past year.

\$260K

DONATED TO CHARITIES IN 2022

2022 HIGHLIGHTS



Blood Drive

Two Events to Donate the Gift of Life

PROENERGY held two blood drives—the first in June and the second in October—for the American Red Cross this past year. In Sedalia, we converted our warehouse building into a donation zone, and employees donated a total of 64 units for the year. We choose to host this charitable event again and again knowing that our actions can potentially save hundreds of lives a year.



Smith-Cotton High School

Robotics Team Receives Continued Support

Opportunity is key to education. Led by our Technical Services Manager, Chris Olson, our company supports the Smith-Cotton High School SCREAM-FIRST® robotics teams to design, build, and enter robots into competition. With Olson alone donating more than 400 hours per year—in addition to a financial contribution from the company—we sponsor two teams, which consistently rank among the best in the world.



United Way Day of Action

Senior Living Space Improved by IGNITE Team

When neighbors help each other, it strengthens communities. Our IGNITE team participated in a United Way Day of Action event for LaMonte Senior Housing, a low-income housing community for the elderly and disabled in Missouri. The team helped to maintain the grounds by cleaning out the gutters on nine housing units and completing yard work.

Mobility Carts

Four Sets of Wheels Gifted to Physically Challenged People

Our community may begin in Sedalia, but it extends to the world. In collaboration with the Mobility Worldwide organization in Columbia, Missouri, PROENERGY sponsored mobility carts for four Kenyans in need. Shop employees welded and the IGNITE team painted the carts to prepare them for their new owners. We have lent our support to this worthwhile charity for several consecutive years.



GIVING BACK OVER THE YEARS

PROENERGY has given more than \$12.15 million to our communities through philanthropic donations. With all gifts specifically earmarked to go toward the communities where we work, we are invested in sharing success with our neighbors.



United Way of Pettis County Recognizes PROENERGY

Lifetime Donor Award for \$1M

PROENERGY has donated over \$1.16M to the United Way through a multi-year campaign for employee contributions with company match. Over 98 percent of the funds have been directed toward Sedalia and Pettis County.

KEY CONTRIBUTIONS

2022

\$12.15M
DONATED TO CHARITABLE ORGANIZATIONS SINCE 2002

2010

2002 - NOW



The Canon Center for Cancer & Cardiovascular Care Opened

Built with \$1M Pledge from PROENERGY Founders

The only hospital in Pettis County, the Bothwell Regional Health Center added a wing that enables cancer patients to receive local care rather than travel between 90 to 120 miles for treatment. After the center opened, PROENERGY employees also raised \$14,000 for a water feature and garden.

Charities of Choice

Altruism is the common goal, and our choices are diverse. In addition to the organizations already mentioned, our contributions include libraries, churches, schools, and universities for the benefit of youth, the hungry, the sick, the disabled, and more:

- Alzheimer's Foundation of America
- American Cancer Society
- American Heart Association
- Boys & Girls Clubs of West Central Missouri
- Center for Human Services
- Child Safe of Central Missouri
- Citizens Against Spouse Abuse
- Convoy of Hope
- Kansas City Chiefs Charity Game
- Down But Not Out Communications
- Partners for Care
- Red Cross Blood Drive
- Retrieving Freedom
- Sacred Heart School
- St. Paul's Lutheran School Foundation
- University of Missouri Tiger Scholarship Fund
- Whittier High School - Sedalia
- Youth Big Deer Foundation

Religious Organizations in Pettis County

Supported With More than \$4M in Donations

Over the years, PROENERGY has donated to local churches and ministries, including Cornerstone Baptist Church, Sacred Heart Catholic Church, Encounter Church, and LifePointe Church. These gifts enable community initiatives such as pre-school education, recovery programs, nursing home support, hospice assistance, and more.



ELEVATED ECONOMIES

Competitive Work Opportunities

PROENERGY fuels economic growth in local economies by serving as an employer of choice with above-average compensation and performance-based pay. Founded in 2002, the company created more than 220 full-time jobs in the Sedalia community of 20,000. Compared to the median income for Pettis County, Missouri, which has risen four percent annually since 2002, our jobs today pay 70 percent more.

Our leadership has a deep respect for those who served. Today, approximately 17% of our workforce are US military veterans. We engage a veteran-focused recruiter to identify military personnel, such as former Air Force and Navy members who have familiarity with turbine technologies, as a natural fit for their specialized abilities.

17% OF SEDALIA EMPLOYEES ARE US MILITARY VETERANS

70% HIGHER PAY THAN MEDIAN INCOME FOR PETTIS COUNTY, MO

Construction-Driven Economic Influx

Over 20 years, PROENERGY has contributed to worldwide economies through the construction of 65 facilities with 254 power-generation units. Since placing our EPC focus on LM6000 technology in 2020, we have built and commissioned 10 of those facilities with 48 LM6000 units for both third-party customers and WattBridge.

As part of the EPC construction process, PROENERGY provides employee per diems and procures project supplies for the jobsite. Installing our PowerFLX solution—the first and only standardized, modular LM6000 power plant—in these projects has injected local communities in the US and Latin America with more than \$100 million.

Economic Lift from PROENERGY PowerFLX Builds

Generating Station	Project 1 Texas	Project 2 Texas	Project 3 Texas	Project 4 Mexico	Project 5 Texas	Project 6 Argentina	Project 7 Connecticut	Project 8 Illinois	Project 9 Texas	Project 10 Texas	Total
Units	8	10	8	3	8	2	2	1	6	6	48
Per Diem	\$3M	\$4M	\$3M	\$50K	\$4M	\$150K	\$1M	\$225K	\$3.3M	\$3.3M	\$19M
Travel and Lodging	—	—	—	\$275K	—	\$600K	—	—	--	--	\$875K
Rentals	\$3M	\$4M	\$3M	\$125K	\$2M	\$375K	\$828K	\$450K	\$2.4M	\$2.6M	\$15.6M
Vendors	\$4M	\$9M	\$5M	\$4M	\$12M	\$16M	\$5.3M	\$1M	\$7.3M	\$6.1M	\$64.6M
Total	\$10.4M	\$17.1M	\$10.9M	\$4.2M	\$17.8M	\$17.4M	\$7.3M	\$2M	\$13M	\$12M	\$100.1M

\$100M+ INJECTED INTO LOCAL COMMUNITIES WITH POWERFLX PROJECTS IN 36 MONTHS



Our EPC process in Mexico injected \$4.2M into the local economy.

ELECTRIFIED WORLD

Enhanced Energy Security

As energy demand rises with global prosperity, as extreme weather events increase with climate change, and as supply-demand balance shifts with non-dispatchable renewable resources, PROENERGY solves intermittency issues. With our vertically integrated capabilities, we design, manufacture, and build the solution— aeroderivative generating stations—at an industry-leading speed and price point.

WattBridge, leveraging PROENERGY manufacturing and engineering prowess, is now the world's largest LM6000 fleet owner. In 2022, we dispatched our WattBridge fleet for more than 1.3 million MWh of much-needed power throughout the year at an average starting reliability of 99 percent. Furthermore, as Texas endured record heat during the hottest July in 128 years, the HO Clarke and Topaz Generating Stations met energy security needs with a start reliability of 99.6% and a 99.7%, respectively.

Improved Availability from Afar

The remote operations center (ROC) bolsters equipment and performance with constant surveillance of multiple assets in different geographic locations. PROENERGY operates two North American Electric Reliability Corporation (NERC)-compliant ROCs—one in Sedalia, Missouri, and another in Houston, Texas—24 hours a day, 7 days a week. Our experienced operators work over seamless, secure connections to troubleshoot issues in real time.



In support of energy security, experienced staff and turbine engineers at two PROENERGY ROCs use real-time and archived data to detect issues early and make operational adjustments.



Industry-Leading Cost and Speed

Vertical integration directly supports energy security. With a North America-centric supply chain and on-campus manufacturing for most components, our grid-firming EPC projects are delivered 50 percent faster and at 50 percent less cost than any competitor. While the industry average for an EPC project is 26 months, PROENERGY delivers in 13 months at half the cost per kilowatt.



2
REDUNDANT
NERC-COMPLIANT ROCs



Resilience in Action

The first WattBridge facility—HO Clarke Generating station—was delivered two months ahead of schedule and just before Winter Storm Uri. When the unprecedented storm disabled half of the Texas power grid, HO Clarke's resilient design—which includes a proprietary anti-icing for cold weather—the station ran 141 uninterrupted hours with enough power for 200,000 homes.

These facts supported our recognition as the POWER Magazine winner of the Top Gas Plant Award for 2022.

>99%
START RELIABILITY FOR
HO CLARKE AND TOPAZ IN
HOTTEST JULY IN 128 YEARS

IN 2021
200,000 HOMES
RECEIVED
UNINTERRUPTED POWER
DURING WINTER STORM URI



ENERGY FOR GOOD: UPHOLDING OUR VALUES

Embedded Integrity for Responsible Business

A robust leadership structure, transparent corporate policies, and solid management processes instill integrity in our exchanges both inside and outside the organization. Pages 52 to 57 explain how we protect the principles of our organization.

OUR PEOPLE

Three interconnected leadership groups—including our shareholders, Board of Directors, and business leaders—set and execute the company’s strategic objectives, business goals, and governance principles.

OUR POLICIES

Our company guides business conduct by creating clear and comprehensive standards, providing a system to report concerns, and convening a dedicated committee to investigate them.

KEY PROCESSES

Through a strong emphasis on the administration of our operations, we reduce risk and serve as a positive business partner anywhere in the world.

GOVERNANCE

Striving to do the right thing has been part of PROENERGY culture for more than 20 years.

Doing good in the world starts with the way we do business. PROENERGY places the utmost importance on ethics, integrity, and compliance in all our interactions around the world. Operating with a value-oriented approach enables us to clarify expectations for employees, build trust with customers, and meet the interests of stakeholders.

CORE VALUES

Authentic values reflect the beliefs of the company and instill a sense of shared responsibility and accountability. The core values at right direct our behaviors, define our culture, and drive our aspirations.

TEAMWORK

Challenge and support one another.

FOCUS

Deliver excellence to our customers.

INTEGRITY

Be responsible and accountable.

EDUCATION

Pursue growth through learning.

CHANGE

Embrace it!

FAITH

Believe that anything is possible.

OUR PEOPLE

Ownership Structure

ProEnergy Holding Company, Inc. (PROENERGY) is a joint ownership comprised of the Canon Trusts and two private equity investors: Eos Management and ACON Investments. An agreement between the shareholders establishes the basic governance of PROENERGY.

ProEnergy Holding Company is the parent of ProEnergy Services, LLC, and WattBridge Energy IPP Holdings, LLC. Our company operates as an independent private business governed by its own policies, procedures, and risk management controls under the supervision of a Board of Directors. The scope of this ESG report covers PROENERGY Holdings and its subsidiaries.

Board of Directors

The Board of Directors is responsible for the long-term success of our company and the delivery of sustainable value to the shareholders. The Board is comprised of five directors: the Chairman of the Board, who is also the CEO of PROENERGY, two directors representing Eos Management, and two directors representing ACON Investments. With substantial experience in their respective industries, Board members lead our strategic objectives, set risk management controls, and monitor performance.

Using the company core values as a guide, the Board serves as the main decision-making forum for our strategy and considers the interests of all stakeholders—including employees, customers, suppliers, and local communities. It regularly identifies valuable opportunities and examines potential issues to conserve and create success.

Business Leadership

Governed by the Board of Directors, the CEO and the executive leadership team develop, plan, and execute the strategic objectives of the business. At each quarterly Board meeting, the CEO and leadership team members directly engage with the directors and report on progress for all objectives. These business leaders are responsible for the quality and integrity of information presented to the Board.

2022 Progress: Appointing a Compliance and Sustainability Leader

Through the strategic planning process, the CEO, working with the Board of Directors, highlighted sustainability as a critical element of our long-term business strategy. Thus, PROENERGY expanded our leadership team with a new SVP Compliance and Sustainability, who guides the strategic direction of the company in all aspects of compliance and sustainability. The role is responsible for several key functions—including health, safety, security, environment, trade, ethics, quality, and risk management—and for implementation of an ESG program that aligns with the company’s long-term growth strategy. Two additions to the senior leadership team—our SVP Compliance and Sustainability and our SVP Human Resources—were hired from the local Houston community.

PROENERGY SHAREHOLDERS

Canon Trusts / Eos Management / ACON Investments

PROENERGY BOARD OF DIRECTORS



CEO

LEADERSHIP TEAM

Performance-Based Pay

PROENERGY compensates members of the senior leadership team based on how each performs in regard to the strategic and financial objectives of the business. In the future, performance appraisals for these leaders will include goals aligned to the ESG strategic focus and targets. The Board periodically reviews executive pay structures to ensure fair, competitive pay, and compensation is periodically benchmarked to the external market.

The PROENERGY leadership team directly engages with employees at all levels of our organization to fulfill strategic objectives and report on progress.



OUR POLICIES

PROENERGY has instituted a process to review and update all company policies and procedures for alignment with the long-term sustainability objectives of the ESG program. Over the course of a three-year improvement plan, we will update all our policies and add implementation measures to educate employees.

UPDATED POLICIES

- Code of Business Conduct
- Anti-Bribery and Anti-Corruption Policy
- Supplier Onboarding Process

NEW POLICIES

- Conflict of Interest Policy
- Commercial and Processing Intermediaries Policy
- Drug and Alcohol Policy
- Trade Compliance Policy

NEW CHARTERS

- Business Ethics Committee
- DEI Council

Code of Conduct

Employees who work hard, follow the law, and treat each other with respect improve company performance. The PROENERGY Code of Business Conduct outlines our principles and practices, thus guiding employees on how to conduct global, ethical, and legal business. All employees must confirm that they have read and understood the Code by completing an annual refresher training and signing an acknowledgement form. The Code of Conduct is available publicly at www.proenergyservices.com/about-us/Compliance/

2022 Progress: Updating the Code

Reviewed and updated in 2022, the Code of Business Conduct now includes new or revised policy statements and controls related to human rights, money laundering, modern slavery, and fraud elimination.

Reporting Concerns

PROENERGY encourages reporting activities that are allegedly illegal, unethical, dangerous, or represent a conflict of interest. Employees, customers, contractors, and third-party providers can all anonymously report their concerns by calling a free, 24/7 helpline or logging a concern on the company portal. We prohibit any form of retaliation against anyone who, in good faith, reports violations or suspected violations of the Code of Conduct, company policy, or applicable laws, or who assists in the investigation of a reported violation.

2022 Progress: Establishing an Ethics Committee

PROENERGY established an Ethics Committee that works independently and confidentially to investigate and act on all noncompliance allegations. The committee meets every quarter to review all open matters and guide the investigation process. In its first year, the committee received four anonymous complaints, none of which involved indigenous people. These allegations have all been investigated and addressed per company policies and applicable laws and regulations.



PROENERGY takes our business practices seriously and has an open-door policy for reporting concerns without retaliation.

KEY PROCESSES

Strategic Risk Management

Our multi-pronged approach to risk strategy includes a robust Enterprise Risk Management Program. This effort considers all enduring, active, and emerging risks, along with significant risks and opportunities in the external economic, political, and regulatory environments. Leveraging this enterprise system with up-to-date policies and an internal Ethics Committee, we strive for proactive control over the occurrence and impact of future events.

2022 Progress: Companywide Risk Resource

PROENERGY produced its first formal Enterprise Risk Register, summarizing the top 70 risk areas and respective current controls and improvement actions. This exercise drives awareness and calibrates leaders to quantify and aggregate risk as a standard process.

International Business

As a global company, PROENERGY engages in day-to-day operations that rely on international business relations, as well as importing and exporting products. We focus on conducting fair and effective trade and complying with all applicable trade regulations and government sanctions. Furthermore, we have risk-mitigation measures in place to vet and to monitor all customers and third-party intermediaries.

2022 Progress: Expanded Global Guidelines

PROENERGY has expanded compliance controls with updates to the Trade Compliance Policy, Commercial and Processing Intermediary Policy, Conflict of Interest Policy, and Anti-Bribery and Anti-Corruption Policy. All third-party providers must now comply with the PROENERGY Code of Business Conduct and the Anti-Bribery and Anti-Corruption Policy.



Supply Chain Management

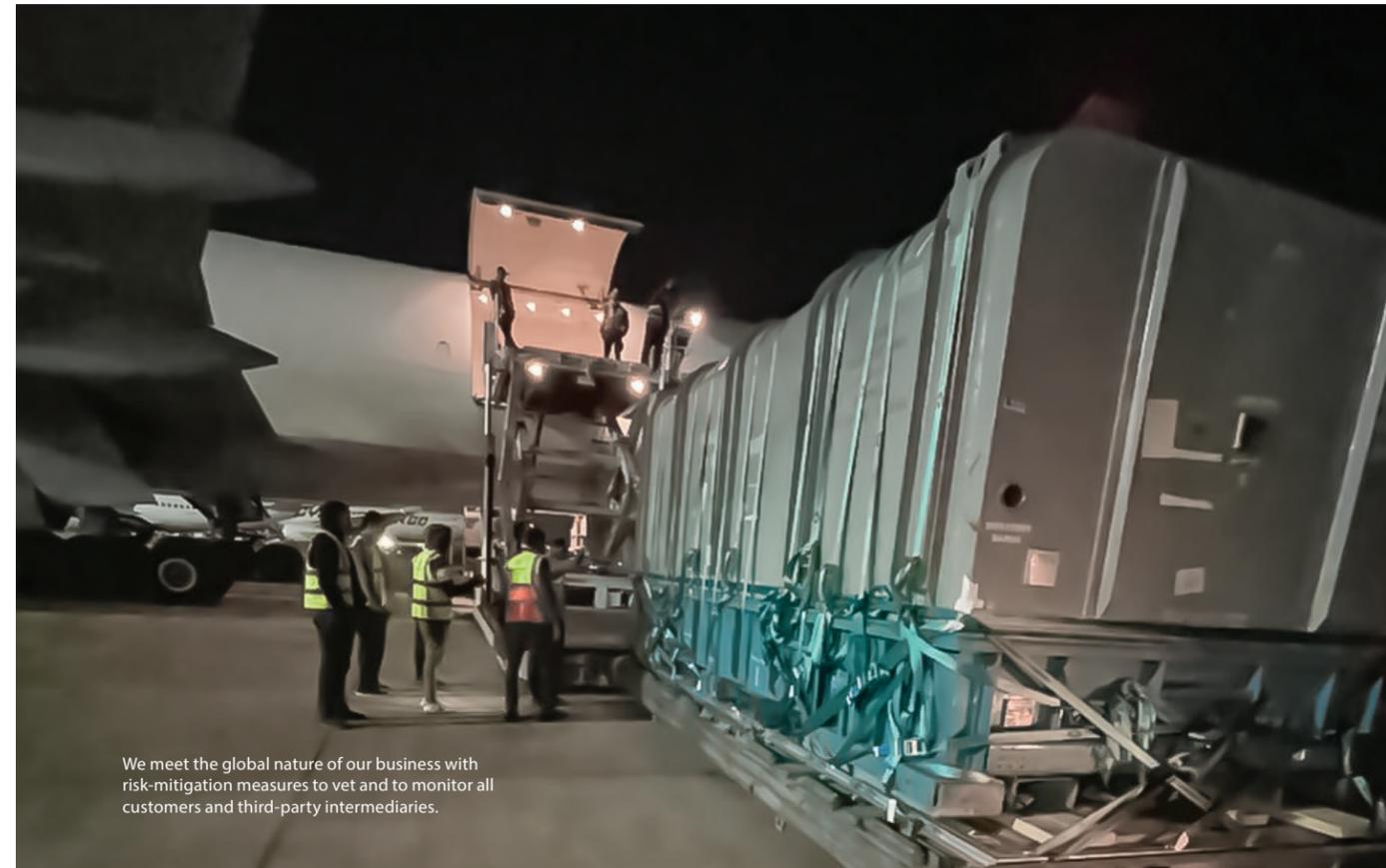
PROENERGY believes in integrity throughout the entire supply chain. We hold all parties in any capacity—including contractors, third parties, business partners, suppliers, and agents—to the same exacting standards as our employees. All commercial and processing agents must read, understand, and comply with our Code of Conduct and Anti-Bribery and Anti-Corruption Policy. All agents must annually confirm compliance by signing and submitting an anti-bribery certificate.

As an additional best practice, we implement, track, and monitor training for employees with direct involvement in our supply chain and procurement procedures. This training enables them to identify and mitigate potential risks regarding ethical supplier business practices and materials sourcing within the PROENERGY supply chain.

With these convictions top of mind, we integrate our global capabilities with key suppliers to secure materials, equipment, and parts. This approach enables PROENERGY to deliver economies of scale and to do it on time in our manufacturing and overhaul operations, field services, engineering, procurement & construction (EPC), power plant operations, and maintenance.

2022 Progress: Improved Supplier Controls

Seeking transparent integrity, we streamlined our entire supply chain governance program. Our efforts included a process to conduct continuous sanction-compliance checks on all suppliers, agents, and customers in addition to further verification and controls to monitor the end users of our products and services. Further, we now have a new small business classification for our supplier onboarding, which enables up-and-coming companies to participate in our supply chain.



We meet the global nature of our business with risk-mitigation measures to vet and to monitor all customers and third-party intermediaries.

GRI CONTENT INDEX

About Our Data

The Global Reporting Initiative (GRI) Standards represent the global best practice for public reporting on environmental, social, and economic impacts. This report has been developed in accordance with GRI 1: Foundation 2021 for transparency and comparability.

Data in this report was collected from internal sources. The baseline data—featured on pages 16 to 17—was vetted through third parties, including Bridge House Advisors and ICF. Dollar amounts listed within the report are in U.S. dollars.

We recognize there are inherent limitations to the accuracy of our reporting data. We work continuously to improve the integrity of our data by strengthening our internal controls and reclassifying, if needed. Any significant changes will be addressed in the following years' report.

GRI Disclosure Number	Description	ESG Report Pages
General		
2-1	Organizational details	8–9, 52–53
2-2	Entities included in the organization's sustainability reporting	52
2-3	Reporting period, frequency, and contact point	7
2-4	Restatements of information	N/A
2-5	External assurance	16–17
2-6	Activities, value chain and other business relationships	8–11
2-7	Employees	10, 38–39, 46
2-8	Workers who are not employees	38
2-9	Governance structure and composition	52–53
2-10	Nomination and selection of the highest governance body	52–53
2-11	Chair of the highest governance body	52–53
2-12	Role of the highest governance body in overseeing the management of impacts	52–53
2-13	Delegation of responsibility for managing impacts	52–53
2-14	Role of the highest governance body in sustainability reporting	52–53
2-15	Conflicts of interest	54–56
2-16	Communication of critical concerns	56
2-17	Collective knowledge of the highest governance body	52
2-18	Evaluation of the performance of the highest governance body	52–53
2-19	Remuneration policies	53
2-20	Process to determine remuneration	52–53
2-21	Annual total compensation ratio	N/A
2-22	Statement on sustainable development strategy	4–5, 18
2-23	Policy commitments	54–55
2-24	Embedding policy commitments	54–55
2-25	Processes to remediate negative impacts	56
2-26	Mechanisms for seeking advice and raising concerns	54–55
2-27	Compliance with laws and regulations	21, 50, 52, 54–55, 56–57
2-29	Approach to stakeholder engagement	7
2-30	Collective bargaining agreements	N/A

Material Topics

3-1	Process to determine material topics	14–15
3-2	List of material topics	14–15
3-3	Management of material topics	14–15

Economic Performance

201-1	Direct economic value generated and distributed	46–47
201-2	Financial implications and other risks and opportunities due to climate change	38–39
201-3	Defined benefit plan obligations and other retirement plans	38

GRI Disclosure Number	Description	ESG Report Pages
Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	46
202-2	Proportion of senior management hired from the local community	52
Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	24–25
203-2	Significant indirect economic impacts	24–25, 48–49
Procurement Practices		
204-1	Proportion of spending on local suppliers	46–47
Anti-Corruption		
205-1	Operations assessed for risks related to corruption	54–57
205-2	Communication and training about anti-corruption policies and procedures	54–57
205-3	Confirmed incidents of corruption and actions taken	54–57
Anti-Competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	54–57
Tax		
207-2	Tax governance, control, and risk management	56
Materials		
301-1	Materials used by weight or volume	41
301-2	Recycled input materials used	29–31
301-3	Reclaimed products and their packaging materials	29–31
Energy		
302-1	Energy consumption within the organization	30–31
302-3	Energy intensity	22–23
302-4	Reduction of energy consumption	28–29
302-5	Reductions in energy requirements of products and services	32

GRI Disclosure Number	Description	ESG Report Pages
Water and Effluents		
303-1	Interactions with water as a shared resource	32
303-2	Management of water discharge-related impacts	32
303-3	Water withdrawal	32
303-4	Water discharge	32
303-5	Water consumption	32
Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
304-2	Significant impacts of activities, products, and services on biodiversity	N/A
304-3	Habitats protected or restored	N/A
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
Emissions		
305-1	Direct (Scope 1) GHG emissions	22–23
305-2	Energy indirect (Scope 2) GHG emissions	22–23
305-4	GHG emissions intensity	22–23
305-5	Reduction of GHG emissions	24–25
305-6	Emissions of ozone-depleting substances (ODS)	N/A
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	22
Waste		
306-1	Waste generation and significant waste-related impacts	28–31
306-2	Management of significant waste-related impacts	28–31
306-3	Waste generated	28–31
306-4	Waste diverted from disposal	28–31
306-5	Waste directed to disposal	28–31
Employment		
401-1	New employee hires and employee turnover	38–39

GRI Disclosure Number	Description	ESG Report Pages
Occupational Health and Safety		
403-1	Occupational health and safety management system	36–37
403-2	Hazard identification, risk assessment, and incident investigation	36 – 37
403-4	Worker participation, consultation, and communication on occupational health and safety	36–37
403-5	Worker training on occupational health and safety	36 – 37
403-6	Promotion of worker health	36–39
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	36–37
403-8	Workers covered by an occupational health and safety management system	36–37
403-9	Work-related injuries	36–37
403-10	Work-related ill health	36–37
Training And Education		
404-1	Average hours of training per year per employee	36
404-2	Programs for upgrading employee skills and transition assistance programs	36
404-3	Percentage of employees receiving regular performance and career development reviews	46
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	7, 38
Non-Discrimination		
406-1	Incidents of discrimination and corrective actions taken	54
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	54
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	54

GRI Disclosure Number	Description	ESG Report Pages
Security Practices		
410-1	Security personnel trained in human rights policies or procedures	54
Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	54
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	42–45
413-2	Operations with significant actual and potential negative impacts on local communities	N/A
Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	26
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A
Marketing and Labeling		
417-2	Incidents of non-compliance concerning product and service information and labeling	N/A
417-3	Incidents of non-compliance concerning marketing communications	N/A
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A

