

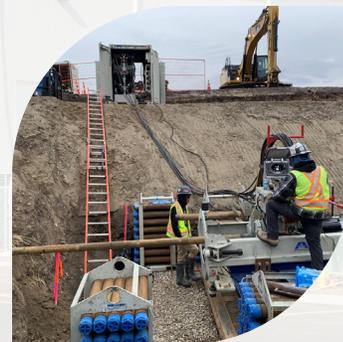


SOMERVILLE

Sustainability Policy & Highlights **2022**



SOMERVILLE



Managing sustainability is good for our business

Welcome to our 2022 Sustainability Policy and Highlights Summary

The world is changing rapidly as business, government and society are sharpening their focus on sustainable business practices. As an industry leading construction firm serving the energy and utilities sector, it is critical that we participate in this by understanding and addressing our environmental and social impacts. That is why we are excited to share our latest sustainability publication, outlining our approach to managing sustainability and some of our most noteworthy achievements from the past few years.

At Robert B. Somerville (Somerville), safety has always been our number one priority. We pride ourselves on delivering high-quality projects with an uncompromising approach to protecting the health and safety of our employees and contractors. We recognize, to achieve continued success as a responsible business, we require more than a dedication to safety. We need to deliver a zero-incident work environment in line with the goal of our Target Zero program. Additionally, we must be a trustworthy member of the communities with which we work, a reliable business partner to our customers, a supportive employer and a responsible steward of the environments where we build. Managing environmental and social factors are critical to ensuring we can manage risk, realize new sources of value and continue to successfully serve our customers.

Somerville strongly values corporate social responsibility, which is why we are continually evolving our approach to sustainability. This means identifying our priority focus areas and supporting customers with their goals, whether they be managing greenhouse gas emissions, supporting Indigenous communities or promoting a sustainable supply chain. It also means preparing for a low-carbon future by supporting our utility customers connect to large scale renewable energy projects.

These efforts also contribute to our company culture and employee success. Though we operate coast to coast, we are a close-knit company that thrives thanks to our unique culture. Our people are what makes Somerville great and we want Somerville to be known as a great place to work for anyone interested in the construction sector.

Going forward, we plan to continually improve our sustainability practices and track record. For now, we are pleased to share our policy and highlights. We aim to build on this report in future years as we expand our data collection and management capabilities to give further visibility and transparency into our environmental and social impacts.

I invite you to explore our report and please reach out to me if you have any questions or would like further information.

Paul Mease, President



Connecting Communities for Over 60 Years

Somerville has been a proud Canadian company for over 60 years. We provide a comprehensive and fully integrated range of infrastructure services across Canada. This includes planning, building and maintaining oil and gas pipelines, power and utility systems, water and sewer, and related facilities.

Somerville's clients include many of Canada's major energy companies, utilities and municipalities. We often work in partnership with other infrastructure construction firms.

Our head office is located in King City, Ontario. We have regional offices across Canada to serve our customers from east to west, including offices in Edmonton and Calgary.

Our work helps to connect communities to services they need and provide critical infrastructure for Canada's energy industry and municipalities. We have approximately 200 corporate full-time employees as part of the Somerville team and draw additional labour from our union partners for our construction projects. We are COR® certified in all jurisdictions where we perform work.



IN ALL AREAS,
SOMERVILLE IS
RECOGNIZED AS SAFE,
EXPERT, RELIABLE,
INNOVATIVE AND FAIR,
CONTRIBUTING TO OUR
COMPANY VISION.

Vision

Be our customers trusted business partner and first choice for utility and energy infrastructure through an unwavering commitment to safety, quality, responsibility and reliability.

Mission

- Target zero health and safety incidents
- Provide a safe and supportive workplace
- Distinguish ourselves as a dependable partner
- Promote and fund employee development and training
- Support the betterment of local communities and Indigenous stakeholders
- Measure our performance and set targets

Sustainability supports our vision to be our customers' trusted business partner and first choice for utility and energy infrastructure.

Objectives and Beliefs

As one of the largest private construction firms in Canada, we recognize that we have an impact on the environment and communities where we build. It is our goal to minimize negative impacts and contribute to positive impacts across all our sites and operations.

We work across Canada, in both rural and urban environments, to construct pipeline and utility infrastructure for a wide range of clients. In doing so, we move soil, use energy and water, generate emissions and alter the land where we build. We also contribute to community organizations, create jobs, employ skilled labour and partner with Indigenous communities. For our business success, it is critical that we track and manage these impacts so we can identify opportunities to improve and better manage project and organizational risks.

Our policy and commitments spell out our ambitions and focus areas. Each commitment and focus area is underpinned by a network of procedures, guidelines and systems. By delivering on these commitments, we support our company's vision. To be a trusted business partner we must continually exceed customer expectations and maintain excellent relationships with all stakeholders.

In sharing this policy, we are achieving more transparent disclosure of our approach to managing sustainability. At Somerville, sustainability encompasses Environmental, Social and Governance (ESG) factors. This means it includes our impacts on the environment, people and how we conduct ourselves as a business. This policy will be used to communicate our priorities to all stakeholders to demonstrate that we are taking action to manage our impacts.



WE EXPECT OUR SUPPLIERS AND CONTRACTORS TO ALSO EMBED OUR COMMITMENTS IN THEIR PRACTICES.

Commitments

This policy and the commitments below outline our specific areas of focus. They demonstrate our proactive approach to improving sustainability performance for the betterment of our company, industry and stakeholders. **We commit to:**

1 Identify and assess ESG factors as a part of the risk and business management processes by:

- Measuring performance of the most important ESG factors for our company and stakeholders
- Reviewing our performance internally with management, employees and our ownership group
- Sharing sustainability performance with customers

2 Build upon our reputation as an industry leader and trustworthy business partner by:

- Working with peers and customers to advocate for advancing environmental and social standards
- Protecting sensitive data of all stakeholders and implementing cybersecurity protocols
- Using experienced labour to deliver exceptional quality and reliable work

3 Mitigate our environmental impacts during construction projects by:

- Implementing spill prevention and remediation practices at all sites
- Monitoring our waste generation and implementing waste reduction and diversion plans for all construction sites
- Documenting all environmental procedures and practices and providing training to ensure best-in-class management of environmental impacts

4 Reduce greenhouse gas (GHG) emissions by:

- Measuring our GHG emissions to establish our baseline and identify reduction opportunities
- Using our skills and expertise in utility infrastructure to support installation of large-scale renewable energy projects and energy storage solutions
- Exploring low-carbon or renewable energy technology in our own operations and equipment

5 Continue to make Somerville a great place to work by:

- Targeting zero health and safety incidents
- Eliminating workplace violence and harassment
- Supporting employee development and training
- Contributing to local charities and community organizations

6 Develop meaningful, respectful and mutually beneficial relationships with Indigenous partners by:

- Procuring from Indigenous businesses and providing employment opportunities
- Investing in communities based on areas of need
- Following the guidance of our Indigenous Community Engagement Policy in all relationships

7 Incorporate sustainable practices in our procurement process by:

- Auditing supplier and contractor practices to ensure compliance with Somerville's health and safety program and workplace harassment principles
- Encouraging and seeking suppliers that align with our policies for best and sustainable practices

Responsibilities

Our President is accountable for firm-wide implementation of the sustainability policy. The management team is responsible for ensuring proper resourcing to implement our policy commitments and to annually report on progress against policy commitments to the executive leadership team and general public. The policy is reviewed annually by the management team and any updates are shared with all employees and labour and supply chain partners. Employees are required to review and acknowledge the policy annually.

It is the responsibility of every employee to follow safe work policies and procedures, contribute to the Somerville health, safety and environmental (HSE) Program and eliminate workplace violence and harassment. Additionally, we expect all employees to act on the above commitments as they relate to their role at Somerville.

We are proud of our accomplishments.

Community Engagement

In 2020, Somerville donated over \$500,000 to various charities in the communities where we work. The total was allocated across Canada based on the share of employees in each region. It is important to us that we donate to organizations and causes that our employees care about. That is why we survey our employees to determine which charities we will focus on. In 2020 the \$500,000 worth of donations was primarily split between children’s charities, hospitals, food banks with each group receiving about 25% of the total. The remaining 25% went to a variety of other community groups. We are very proud of these contributions and continue to support Canadian communities.



Data Privacy Protocols

Data privacy is an increasingly critical function for all businesses and is key to our operations at Somerville. In 2020, we implemented a number of new processes and frameworks to ensure the protection of our stakeholders’ data. This includes implementing an IT-specific risk register, cybersecurity response plan as well as improvements to our internal service desk to optimize access to assistance for all employees. Our disaster recovery and business continuity plans also include detailed steps related to ensuring the availability of IT systems and services.

In order to keep our staff informed, we send a quarterly publication highlighting new cybersecurity trends and risks. We will continue to strengthen our IT systems and protocols as we role out additional training and security protection checks for all employees.



Diversity and Inclusion Training

We have always viewed ourselves as a great place to work and despite our size, consider all employees as part of the Somerville family. We want to continue to attract all those interested in a career in construction and ensure all employees feel safe and secure at work. In 2021, Somerville executives and senior managers participated in diversity and inclusion training. Having received very positive feedback, this training has been provided to all employees and will be mandatory to complete upon hire and on an annual basis.

Understanding and increasing diversity, as well as fostering inclusivity is important to Somerville. We continue this commitment by furthering our training with mandatory webinars for all employees which focuses on diversity, violence, harassment – how to identify it, stop it and report it. Somerville will continuously work to ensure all staff are aware of the policies and procedures and understand their importance. This includes our Diversity and Inclusion Policy and Harassment and Workplace Violence Policy which outline our zero-tolerance approach to harassment and violent actions in the workplace.



GHG Emissions and Fuel Management

In 2015, all Somerville vehicles were fitted with a telematics system. The goal of this system was to reduce our fleets fuel consumption and overall costs as well as provide greater oversight and understanding of company operations. These units track mileage, fuel consumption and idle time. Since the installation, our overall fuel consumption has seen a reduction of 50%-57% in fleet mileage (L/100km) due to factors such as reduced idling time and driver behaviour. Average idle time across the fleet also saw a reduction of 15-17%. With installation complete in 100% of company vehicles, Somerville is currently working to install the system across our other site equipment and machinery. In recognition of these tremendous results, Somerville was awarded ARI's 2016 "Best in Fleet" award for "achievement in leveraging fleet technology to drive efficiencies and cost savings".



Health and Safety

Health and safety is our top priority at Somerville. Under the direction of our Director of Health, Safety and Environment, we have been refreshing some of the elements of our health and safety program to ensure it remains best-in-class and effective. This has included the addition of new and updated programs and systems related to incident investigation, critical risk protocols and a planned re-design of our Health, Safety and Environment Standards manual. In addition, the company's Target Zero program has implemented new initiatives such as a Target Zero Hero crew selected and awarded every month based on a combination of hazard identification reports, field inspection observations and overall good practice. All of these efforts are to ensure our employees embed a safety mindset in everything they do so Somerville can achieve our Target Zero goal of zero incidents.



Indigenous Relations

Somerville believes that it is important to build a workforce that broadly reflects the diversity of the communities in which we do business. As outlined in Somerville's Indigenous Community Engagement Policy, Somerville embraces the opportunity to build relationships with First Nations, Metis and Inuit communities across Canada and is committed to Indigenous procurement, employment, capacity building and community development.

Somerville strives to create mutually beneficial opportunities that can positively contribute to the socio-economic objectives of Indigenous communities. This year, Somerville has signed formal strategic agreements with Indigenous communities in British Columbia, Alberta and Saskatchewan to jointly pursue reciprocally rewarding projects. In addition to providing procurement, employment and capacity building opportunities on our projects, Somerville has funded scholarships for Indigenous trades apprentices across Canada and funded innovative educational programs within elementary, junior high and senior schools in Indigenous communities.

Somerville is a proud member of the Canadian Council for Aboriginal Business (CCAB) and is honored to have successfully completed PAR Committed Phase I within the Progressive Aboriginal Relations (PAR) program. Somerville's PAR-related initiatives include sharing our PAR Leadership Statement with all Somerville staff and providing full-day, in-person Indigenous Cultural Awareness Training to all members of our Senior Leadership Team in Eastern and Western Canada. Somerville is committed to providing on-going leadership and support for the principles outlined within Somerville's Indigenous Community Engagement Policy.



Renewable Energy

In October 2019, Somerville installed solar panels at our Western head office located in Acheson, Alberta. The solar array has a 131 kW capacity and is a grid-tied photovoltaic system. Since the installation, we have produced over 137,000 kWh of electricity and saved over 121,000 lbs in CO2 emissions, equivalent of over 1,600 trees planted.

As an expert builder in municipal infrastructure, Somerville also supports large-scale renewable energy projects as they come online and are connected to existing energy grids, including wind, solar, battery storage, geothermal and hydrogen. We look forward to additional renewable energy projects as Canada's electricity grid transitions to a lower carbon energy mix.



Awards Received

We have received numerous awards throughout our history, primarily for our strong safety performance from organizations like the Certificate of Recognition (COR[®]) program, Pipe Line Contractors Association of Canada, Utility Contractors Association of Ontario and the Workers' Compensation Board.

We have also received recognition for our performance in other areas such as innovation, excavation and fleet management.

▪ PLCAC - Safety Performance Award of Excellence 2021

- Annually, at its convention, the Pipe Line Contractors Association of Canada recognizes regular member firms who have distinguished themselves with exemplary safety performance and safety records over the previous year through the James L. Abraham Safety Performance Awards of Excellence program. These awards are based on the lowest lost-time incident (LTI) frequency rates. Somerville had zero LTI's in 2021.

▪ UCA - Safety Performance Award of Excellence 2021

- This award is given to Contractors working under the jurisdiction of the Utility Contractors Association of Ontario that have the Lowest Accident Frequency Rate for Contractors with greater than 250,000 hours worked in a year. Robert B. Somerville Co. Limited happily received this award for 2021, for achieving an accident frequency rate of zero, which is the pinnacle of safety success for making safety a priority for our workers.

▪ TC Energy CEO Safety Leadership Award 2020

- The CEO Safety Leadership Award represents TC Energy's highest safety honour for project contractors. Somerville received this award as a result of our partnership with TC Energy on its EAS Capacity Enhancement Program. In addition to safety, this award highlights the spirit of collaboration and innovation demonstrated by Somerville. It also recognizes our efforts towards cultivating strong relationships with the community and being viewed as a "good neighbour" by local stakeholders.

▪ ORCGA Excavator of the Year Award – Gas 2019 (Ontario Regional Common Ground Alliance)

- Somerville is proud to have been awarded the ORCGA Excavator of the Year Award – Gas in 2019 at the ORCGA Damage Prevention Symposium. This award is determined by each contractor's individual damage rate which is dependent on the volume of locates requested, measured against the number of digging related damages to underground infrastructure and considers infrastructure owner input.

▪ ARI Best in Fleet Award 2016

- Somerville has been presented with ARI's 2016 "Best in Fleet" award for "Achievement in leveraging fleet technology to drive efficiencies and cost savings". The award is in recognition of best practices, problem solving and real-world client case studies in the areas of fleet safety, maintenance, and telematics.



We collaborate with peers and customers to advocate for industry best practices.

PLCAC

- The PLCAC (Pipe Line Contractors Association of Canada) represents Canadian contractors in the pipeline construction and maintenance industry. The group represents its members in labour relations, liaises with key stakeholders and advocates for the unionized pipeline construction industry.
- Board of Directors includes senior leaders from Somerville and our employees participate on various committees.



CEPA Foundation

- CEPA Foundation (Canadian Energy Pipeline Association) includes pipeline operators as well as stakeholders throughout the supply chains, such as builders, manufacturers, engineers, etc. The goal of the foundation is to bring together all stakeholders to improve pipeline safety, environmental protection, quality and industry performance.
- Somerville is represented on the Board of Directors and our employees participate on various committees.



Utility Contractors Association of Ontario

- The Utility Contractors Association of Ontario represents contractors in the utility construction sector in Ontario.
- Somerville is represented on the Board of Directors and our employees participate on various committees.



Canadian Standards Association

- Somerville leadership participate as working members of the advisory team for the Z662 Oil and Gas pipeline codebook.



SOMERVILLE



For more information please contact us through our website:

<https://www.rbsomerville.com/about/locations/>

Somerville | Corporate Head Office

13176 Dufferin Street

King City, Ontario

Canada, L7B 1K5