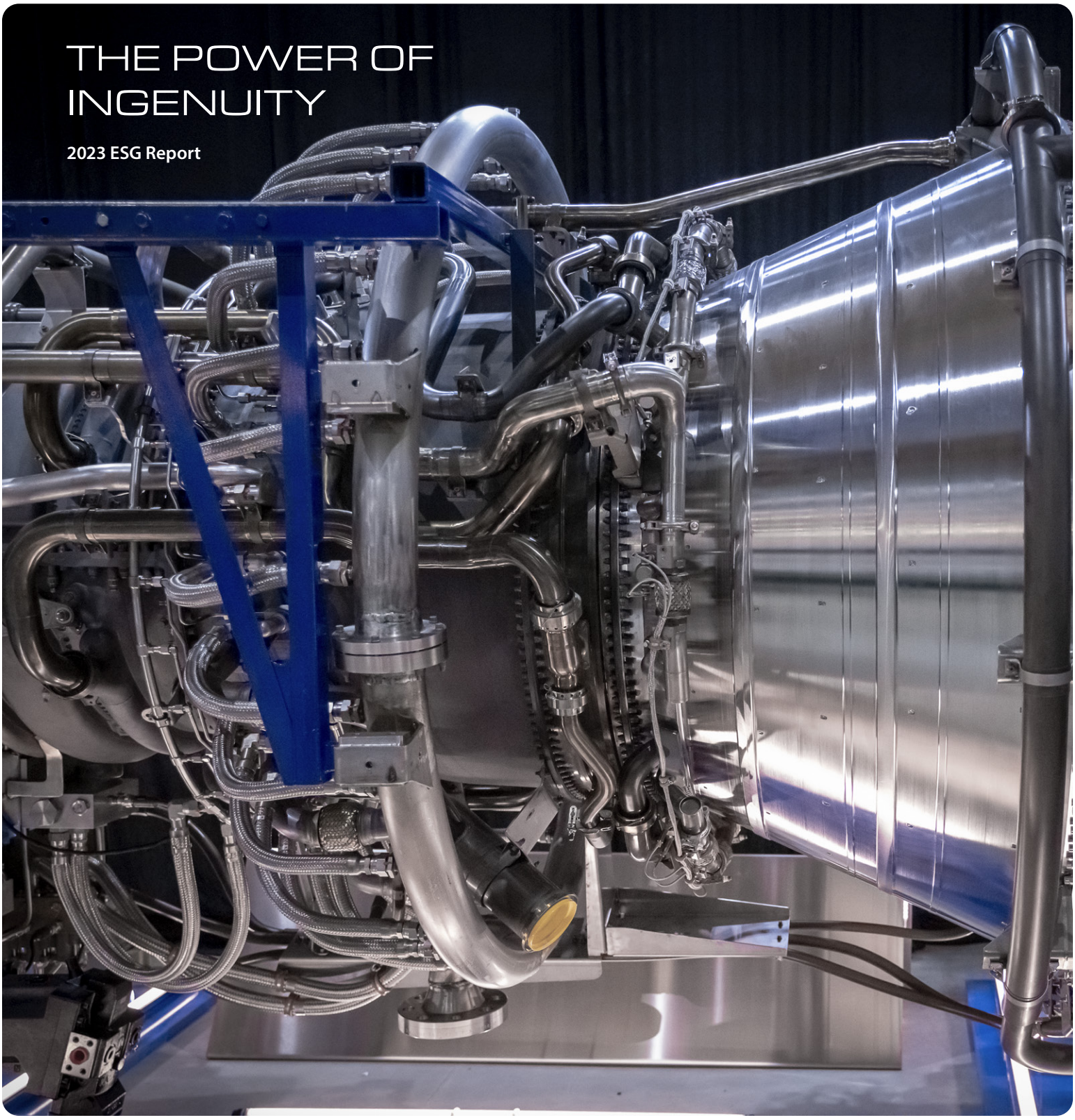
PROENERGY

THE POWER OF INGENUITY

2023 ESG Report



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INTRODUCTION

PROENERGY continues to advance efforts to transform the energy industry. We leverage some of the most skilled and experienced leaders in power generation to serve energy needs while making the world a better place.

Welcome to our second annual Environmental, Social, Governance (ESG) report. At PROENERGY, every one of our employees helps to differentiate our business. Our latest achievement is the PE6000 turbine seen on the cover and below. This turbine, which repurposes a flight engine core for power generation, illustrates the PROENERGY culture. We believe that with talent, hard work, and desire to do the right thing, we can meet energy demand sustainably.

Our ESG journey continues to expand with our business. This report offers an update on our ESG program and measures our positive influence on people, our community, and the planet.

Look out for this emblem throughout our report, which highlights ideas originated by our personnel.

EMPLOYEE INGENUITY AT WORK

A MESSAGE FROM OUR PRESIDENT AND CEO

Jeff and Cara Canon

Join me in striving to make our world a better place by thinking globally and acting locally.

Doing the right thing has been at the heart of our business for more than two decades. As we begin our 22nd year, that core value continues to drive our purpose. We have fostered a team of talented professionals who strive to create innovative solutions for our customers while sustaining a culture of integrity.

Last year, I shared with you our commitment to serving our communities responsibly while continuing to grow the right way. We have made great progress this year to support that agenda. Our apprenticeship program focused on career development for alternative high school graduates. Our employees donated time and resources to support a variety of community improvements. Our Diversity, Equity, and Inclusion (DEI) Committee has continued purposeful discussions and actions so that every team member feels heard and included.

The excellence of this people-focused approach has enabled us to advance lofty company initiatives:

- Providing affordable, dispatchable generation as backup to renewable power to solve grid intermittency.
- Leveraging and expanding our in-house expertise to manufacture critical components that can be difficult to source.
- Launching the PE6000, which utilizes a CF6-80C2 flight engine and parts we designed and produced to provide desperately needed aeroderivative turbines to the market.
- Sending employees home safe every day as we work toward a culture of zero incidents.

I could not be more proud of the nearly 600 individuals that I work alongside. Together, we commit ourselves to being the partner of choice for our customers, investors, and employees while remaining grounded in ESG principles and continuing to do the right thing. Join me in striving to make our world a better place by thinking globally and acting locally.

Jeff Canon
President and CEO

A MESSAGE FROM OUR SVP COMPLIANCE SUSTAINABILITY AND CHIEF COMPLIANCE OFFICER

At PROENERGY, ESG isn't viewed as a compliance program, but rather as a core value that defines our culture.

PROENERGY is in its second year of a formal ESG journey. I am, however, amazed by the energy and enthusiasm of our people as they nurture the company's 20-plus year legacy. Here, ESG isn't viewed as a compliance program, but rather as a core value that defines our culture. This value stems from our commitment to, borrowing our CEO's frequently repeated phrase, "always do the right thing." That means being a responsible business that puts people first and protects the environment.

In our first report, we outlined our ESG roadmap and the strategic drivers for each pillar of ESG. We defined action plans and initiatives to deliver progress on our aspirational goals.

We have confirmed that our business strategy—built on supporting renewable energy sources and energy security—aligns with our ESG objectives. A significant player in the energy sector, PROENERGY makes and services essential energy infrastructure assets vital to lasting economic development. Our EPC projects enrich local communities. Our dispatchable, low-carbon power generation facilities complement intermittent renewable energy sources. With our ambitious long-term goal of building and operating hydrogen fuel–capable power generation facilities, we are taking aggressive steps toward achieving net-zero carbon emissions.

We strengthened our business by building more robust corporate governance and risk management practices while enhancing both internal and external integrity management controls. We took further steps to hold our suppliers and commercial intermediaries to the same high standards of integrity to which we hold ourselves. We also made significant progress in updating policies and procedures for relevance, consistency, and alignment with our ESG objectives.

Led by our IGNITE (Inspire, Grow, Nurture, Influence, Transform, Empower) Team, we drove cultural alignment to ESG with people at the center of all we do. Our constant employee engagement, regular charity and community giving, and a visible commitment to diversity, inclusion, safety, and well-being demonstrate that. We increased our community involvement, collaborated with local universities, and built more robust partnerships with suppliers and customers. We expanded our environmental recycling programs and continued to advance LED lighting in all our facilities. We have continued to build robust ecological compliance programs for improved awareness of energy and natural resource consumption, waste generation, and air pollution.

To continue calibrating a baseline for our business and reflect the impact of all these efforts, we improved our key performance indicators (KPIs) for each pillar. These improvements include adding and adjusting KPIs for more accurate and consistent reporting.

Our second formal ESG report summarizes our accomplishments in 2023. I am proud of what our people achieved this year and look forward to sharing what our people do next.

Gus Eghneim
SVP Compliance Sustainability
and Chief Compliance Officer

OUR COMPANY

What We Do

PROENERGY is a global and vertically integrated energy transition platform. Focused exclusively on fast-start, dispatchable power, our company supports both energy security and renewable growth with complete turbine services, project development, equipment manufacturing, turnkey generation facilities, operations, and maintenance.

With three market-facing businesses, we rise to the challenge of meeting worldwide energy demand.

Aeroderivative Life-Cycle Services

Leveraging the world's only independent Level-IV depot and LM6000 test cell, **AeroAdvantage** delivers life-of-turbine services. Our services leverage specialized experience, in-house manufacturing, and condition-based repair strategies to sustainably extend the life of the LM6000 and LM2500 fleet.

99%
ON-TIME PROJECT TURNAROUND

70+
LM UNITS UNDER TCSA CONTRACT

ISO-9001:2015
CERTIFIED DEPOT

150+
MAJOR OVERHAULS AND HOT SECTIONS

Equipment and EPC+

Offering the first standardized, modular LM6000 plant design with leading construction times and the industry's lowest installed cost, **PowerFLX** delivers dispatchable power facilities proven to perform. Our turnkey EPC+ services—including all equipment, project management, and traditional engineering, procurement, construction (EPC) services—deliver built-in upgrades and enhancements that increase operational efficiency and safety.

100+
TURNKEY EPC INSTALLATIONS

65+
POWERFLX PACKAGES BUILT SINCE 2021

50%
FASTER AND 30% LESS COST THAN ANY COMPETITOR

9 GW
GLOBAL EPC INSTALL

Project Development & Asset Management

As the owner of the world's largest LM6000 fleet, **WattBridge** is an independent power producer that develops and operates gas-fired, carbon-negative, hydrogen-ready dispatchable power plants. The WattBridge platform is proven to deliver repeatable energy security in any market.

1,920 MW
IN COMMERCIAL OPERATION

99%
RELIABILITY PERFORMANCE IN 2023

40%
INCREASE IN FLEET NET GENERATION YOY

2,400 MW
IN OPERATION BY 2024

OUR COMPANY

How We Deliver

576 EMPLOYEES *IN 2023*

PEOPLE

Talent runs through our entire workforce. Our leadership team sets the pace for the organization by leveraging experience that dates to the first LM installations. Employees—from engineering experts solving emergent issues to front-line employees at customer sites—continuously innovate to deliver world-class services, plants, and power generation.

20+ YEARS *IN THE INDUSTRY*

EXPERIENCE

Our sole focus on aeroderivatives compounds experience. Acquired over more than two decades, our unique knowledge base spans from plant development, to operations and maintenance, to decommissioning. This understanding inspires innovative products, service strategies, and manufacturing techniques that support energy security with greater speed and efficiency than anyone else.

600K SQ FT *UNDER ROOF*

INFRASTRUCTURE

PROENERGY headquarters is a global hub for aeroderivative excellence. Located in Sedalia, Missouri, our campus offers life-of-turbine services, equipment manufacturing, and a home for our decarbonization programs. It features the world's only independent Level-IV aeroderivative turbine depot and string-test facility, world-class manufacturing capabilities for packages and engines, and a $200 million inventory in spares and parts.

Answering the Call for Ingenuity in the Energy Transition

Natural gas is the fuel of the energy transition. With both overall demand and renewable installations growing, grid resilience requires additional dispatchable generation to support wind and solar. Last year, the globe added 42.9 GW[1] of gas turbines and, according to the IEA[2], natural gas–fired generation in the U.S. achieved its highest ever portion of the power-generation mix.

Aeroderivative turbines are shouldering the additional load. In the U.S. alone, aeroderivative usage and output have broken new records[3] with the LM6000 comprising 19 percent of the fleet, 13 percent of the load, and 26 percent of all starts. Despite the accelerated need for aeroderivative parts, turbines, and plants, parts supply is low, depot times remain high, and building new facilities remains prohibitively expensive.

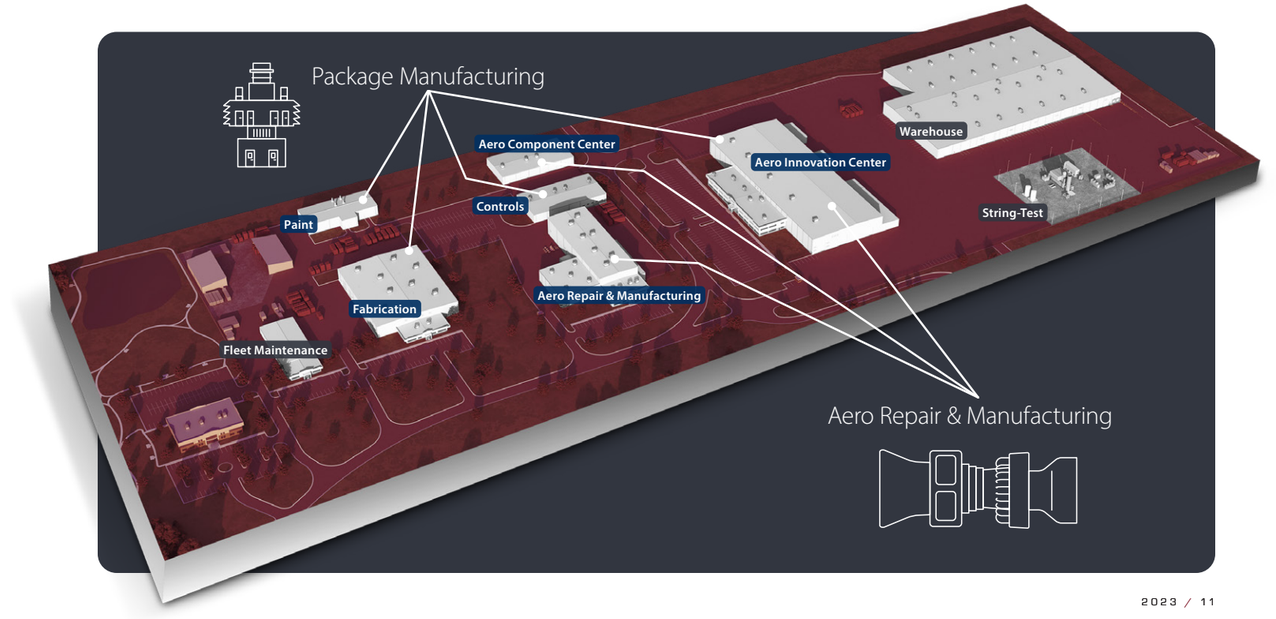
PROENERGY takes a proactive stance toward supporting the global LM fleet. Leveraging the expertise of our people and advanced manufacturing capabilities, we manage our own pipeline of components, from parts to engines. Our multi-pronged approach includes sourcing from strategic vendors, manufacturing parts, refurbishing engines with condition-based repairs, and repurposing aircraft cores to make the PE6000 engine. These coordinated efforts conserve raw resources while meeting robust demand, increasing energy security, and reducing our impact.

**Sources:*

1 McCoy's Power Reports

2 IEA (International Energy Agency). Electricity 2024: Analysis and Forecast to 2026

3 Simpfany



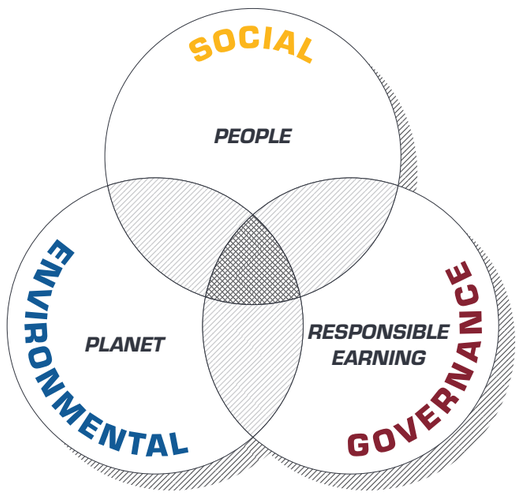
ESG COMMITMENT

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 are interconnected.

Our company's ESG program is administrated by the Board of Director's Compliance and Sustainability Committee. Under guidance and authority of the Board with direct reporting responsibility to the CEO, the SVP Compliance Sustainability and Chief Compliance Officer drives our sustainability strategies in everything we do.* We monitor and report on the advancement of our sustainability initiatives globally.

The ESG program supports the United Nations (UN) Sustainable Development Goals, a blueprint for a sustainable future for all. It focuses on three strategic areas through the following pillars:

**Refer to the Governance section, p. 48, for more information on our performance structure.*



Year after year, our company carries forward these pillars with demonstrated commitment and resolve. We strive to do the right thing within each ESG domain while tracking our journey.

PROENERGY commits to...

- developing innovative solutions, reducing our environmental footprint, enhancing energy security, and accelerating the energy transition. We work continuously to assess, monitor, and reduce our impact on the planet.
- empowering 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.
- sustaining a culture of integrity and accountability. We are dedicated to ethical business practices and equitable compensation. We are also committed to risk-based policies, procedures, and controls that drive transparency, responsible decisions, and responsible earning.
- driving improvements year on year by measuring and reporting our progress to internal and external stakeholders.

BUSINESS STRATEGIC FOCUS

The long-term business strategy at PROENERGY creates value for our organization and stakeholders. We stay focused on improvements, and we measure and report on performance.

WE CONTINUE TO PRIORITIZE THE FOLLOWING STRATEGIC ACTIONS:

1

INTERNATIONAL EXPANSION

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

2

ALTERNATIVE FUEL INITIATIVE

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

3

ENERGY SECURITY

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

4

ESG PERFORMANCE MONITORING

Benchmark our progress relative to peer companies.

PROENERGY strives for visibility and transparency in reporting ESG performance objectives:

ENVIRONMENTAL

- Carbon emission (Scopes 1 & 2)
- Sulfur dioxide (SO_2), 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 leased / owned 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

ENVIRONMENTAL

PRESERVING OUR WORLD

PROENERGY believes in conserving natural resources.

Enlisting the ingenuity of our people, PROENERGY advances technology by giving flight engines new life, explores clean energy through world-class partnerships, and preserves nature by creating facilities with an energy-dense footprint.

Operating to Save the Earth

Through a centralized and vertically integrated business model, PROENERGY applies unique capabilities for the wise use of resources. Pages 18 to 29 describe how we limit effects across the natural elements, including air, water, and land.

CLEAN AIR

Our 2023 report covers hydrocarbon usage as well as Scope 1 and Scope 2 greenhouse gas (GHG) emissions. Furthermore, it highlights our collaboration with a Tier-1 research university to drive the energy transition forward using low-carbon fuels.

LESS WASTE

While PROENERGY repurposes aircraft engines into new machines for power generation, we also take action to reduce and recycle industrial and office waste.

CLEAN WATER

For responsible water use in plant operations, PROENERGY is developing wet-fogging technology and treating non-potable surface supply to help maximize power output while reducing emissions.

LESS LAND

PROENERGY commissioned 672 MW across two power generation sites this year, which like all other PowerFLX plants maximize megawatts per acre.

Environmental Regulatory Reporting

Type	Amount	
	2022	2023
Environmental notices of violation (NOVs)	0	3*
Environmental audits / assessments	4†	1‡
Environmental spills	1§	0

**Two NOVs resulted from minor non-compliances due to pollution control equipment process malfunctions. These NOVs were corrected and resolved with no penalty. The third NOV resulted from a voluntary disclosure of a minor non-compliance during a voluntary internal audit. To date, no penalties have been issued and no follow-up with the agency is required.*

†Findings tracked and addressed in compliance with environmental law.

‡The company selects sites based on commissioning and risk factors; therefore, a rotation of assessments occurs.

§ Reported to the Texas Commission on Environmental Quality and remediated in compliance with regulations.

Top Processes

PROENERGY meets environmental compliance obligations and tracks ongoing progress. By measuring and reporting on energy usage, emissions, spills, and waste discharges, we set improvement goals that minimize our impact.

Our Environmental Health and Safety (EH&S) Manual and our Environmental Compliance Program articulate the company expectations, including those for safe work, regulatory compliance, and permitting. These programs help us to centralize and oversee audit performance, improvement initiatives, and related activities. Furthermore, applicable programs and rules guide each office, manufacturing, and operational facility, where facility supervisors confirm training, monitoring, auditing, and record maintenance.

CLEAN AIR

Quantifying and Tracking Scope 1 and Scope 2 Emissions

As an environmental steward, PROENERGY seeks to minimize emissions. Using 2023 data, we establish a benchmark for Scope 1 and Scope 2 GHG emissions to inform our improvement goals going forward.

Scope 1 GHG emissions include those from sources directly owned by PROENERGY to include plant operations and fleet vehicles. **Scope 2** GHG emissions include non-renewable electricity energy consumption from our business operations at our Sedalia, Missouri, and Houston, Texas, locations, as well as our WattBridge facilities.

The WattBridge fleet grew by 672 MW to generate 1,920 MW—enough to power 1.6 million homes—and overall emissions increased accordingly. Notably, emissions did not increase for PM_{10} due to using a more representative and lower emission factor for 2023.

How We Calculate Scope 1 and Scope 2 Emissions

Scope 1 emissions for WattBridge facilities are measured by actual plant operations; assumed and non-measurable trace emissions are not included. For Scope 1, carbon dioxide (CO_2) emissions are calculated using factors from Table C-1 to Subpart C of 40 CFR Part 98, and from Table 2 of "EPA Emission Factors for Greenhouse Gas Inventories." NO_X is directly measured using continuous emissions monitoring systems installed on all units. Volatile organic compounds (VOC) and PM_{10} emissions were calculated through a short-term emission test to create a representative annual total based on turbine configuration and location. SO_2 is calculated based on sulfur content in the fuel.

Scope 2 emissions were calculated by aggregating electricity consumption in megawatt-hours (MWh) and a regional conversion factor as established by the U.S. Environmental Protection Agency (EPA) Emissions & Generation Resource Integrated Database (eGRID) Power Profiler.

WattBridge Fleet Emissions (short tons)

	2022	2023
	1,248 MW	*1,920 MW*
NOx	103.7	118.6
SO2	3.7	5.5
VOC	17.3	19.9
PM_{10}	45.3	45.3

Scope 1 and Scope 2 Greenhouse Gas Emissions

	Unit of Measure	2022	2023
Direct GHG Emissions – Scope 1			
All GHGs	short tons CO_2	—	1,074,110
Indirect GHG Emissions – Scope 2			
Sedalia Non-Renewable Energy Consumption			
	% of electricity from non-renewable sources	62.2	62.2
	kilowatt-hour	4,637,707	5,341,433
Texas Non-Renewable Energy Consumption			
	% of electricity from non-renewable sources	77.9	77.9
	kilowatt-hour	9,479,720	13,186,334
Total Non-Renewable Energy Consumption	kilowatt-hour	14,117,427	18,527,767

PROENERGY Carbon Footprint (CO_2 in short tons)

	2022	2023
Sedalia Campus	5,856	6,984
Houston Campus	1,619	361
WattBridge Generating Facilities	785,495 *1,248 MW*	1,077,972 *1,920 MW*
Total	792,970	1,085,317

Hydrocarbon Usage Sedalia Campus

	2022	2023
Natural Gas (CCF)	353,380	375,521
Gasoline (gal)	2,905*	2,872
Diesel (gal)	11,377	8,030
Propane (lb)	3,518	4,405
Gas Fleet Vehicles (gal)	4,004	5,261
Diesel Fleet Vehicles (gal)	239.1	336

**This ESG report makes a correction to 2022 gasoline usage, originally reported as 665 gallons and now updated to 2,905 gallons.*

Hydrocarbon Usage Houston Campus

	2022	2023
Natural Gas (CCF)	0	0
Gasoline (gal)	5,079	0
Diesel (gal)	109,574	174
Propane (lb)	0	0
Gas Fleet Vehicles (gal)	5,213	7,319
Diesel Fleet Vehicles (gal)	0	0

Hydrocarbon Usage WattBridge Generating Fleet

	2022	2023
Natural Gas (CCF)	130,387,504	156,391,949
Gasoline (gal)	0	5,796
Diesel (gal)	0	84,591
Propane (lb)	0	0
Gas Fleet Vehicles (gal)	0	0
Diesel Fleet Vehicles (gal)	0	0

In 2023, custody of diesel and gasoline usage was transferred from the Houston campus to the WattBridge generating facilities. This change accounts for the decrease in Houston usage and the increase at WattBridge plants from 2022 to 2023.

PROENERGY tracks carbon footprint in terms of emissions and hydrocarbon usage. The charts at left break out information by our Sedalia campus, Houston campus, and WattBridge facilities.

Our Sedalia campus increased electricity usage after the complete commissioning of a climate-controlled machining center with 16 cutting-edge stations in our advanced manufacturing center. The energy demand for the center was partially offset by advancing our shop LED lighting initiative to 75 percent completion.

CLEAN AIR

World-Class Partnership To Advance Low-Carbon Fuels

PROENERGY signed a memorandum of understanding (MOU) with the University of Houston (UH), a Tier-One research institute, intending to conduct joint research on hydrogen combustion in aeroderivative gas turbines. Our goal is to develop and drive commercial-scale, hydrogen-fueled power generation. Collaboration began with an entourage of UH traveling to the Sedalia campus to set the foundation for coordination. The PROENERGY engineering team and academic researchers will collaborate on challenges that include metallurgy, flame-speed modeling, high-temperature coatings, and more to accelerate the R&D process.

For 2024, we will progress alliances with UH to include participation in the Gutierrez Energy Management Institute (GEMI) and the UH Energy Transition Institute. We aim to contribute to the university's various initiatives to advance energy education and research, with a focus on technology and market segments that stimulate our industry's transition to a low-carbon economy and benefit the State of Texas and the Greater Houston area.

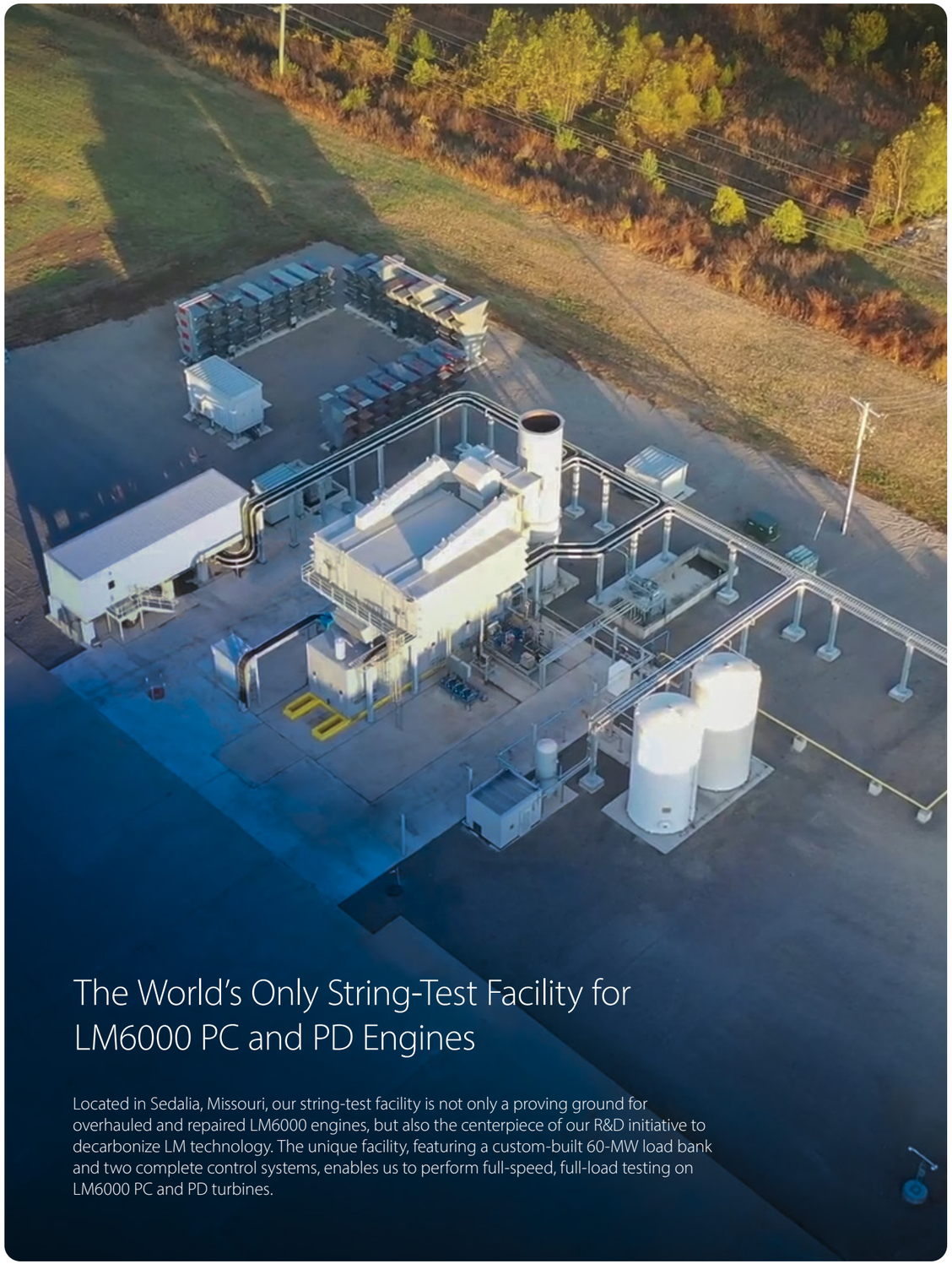
Advancement in the Hydrogen Alternative Fuel Initiative

PROENERGY engineering advanced our hydrogen initiative in 2023 with the creation of a detailed combustion model. Because hydrogen burns faster than natural gas, engineers must understand flame behavior and its interaction with combustion equipment. This model—developed entirely in house—lays the foundation for equipment modifications that might be necessary to attain our goal of 100 percent hydrogen combustion in the future.

H_2
AND OTHER LOW-CARBON FUELS

PROENERGY Conference Promotes Collaboration on Decarbonization

Created for and by current LM users, the annual PROENERGY Conference brought together 210 professionals from various industries and featured a global session on the energy transition and hydrogen. Our SVP Sustainability moderated a panel of global experts—including the Managing Director from ETN, Chief Energy Officer from UH, Program Manager of Gas Turbines R&D from EPRI, Managing Director from Tanmeia, and VP Engineering from PROENERGY—who discussed the path forward to increase usage of low-carbon fuels.



The World's Only String-Test Facility for LM6000 PC and PD Engines

Located in Sedalia, Missouri, our string-test facility is not only a proving ground for overhauled and repaired LM6000 engines, but also the centerpiece of our R&D initiative to decarbonize LM technology. The unique facility, featuring a custom-built 60-MW load bank and two complete control systems, enables us to perform full-speed, full-load testing on LM6000 PC and PD turbines.

$115M
program investment

48 MW
output for firm power

40,000+ HOMES
powered by **1 ENGINE**

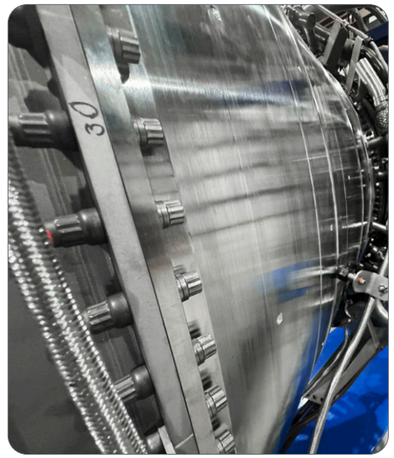
Repurposed Aircraft Engine Core Debuts in PE6000 Aeroderivative Turbine

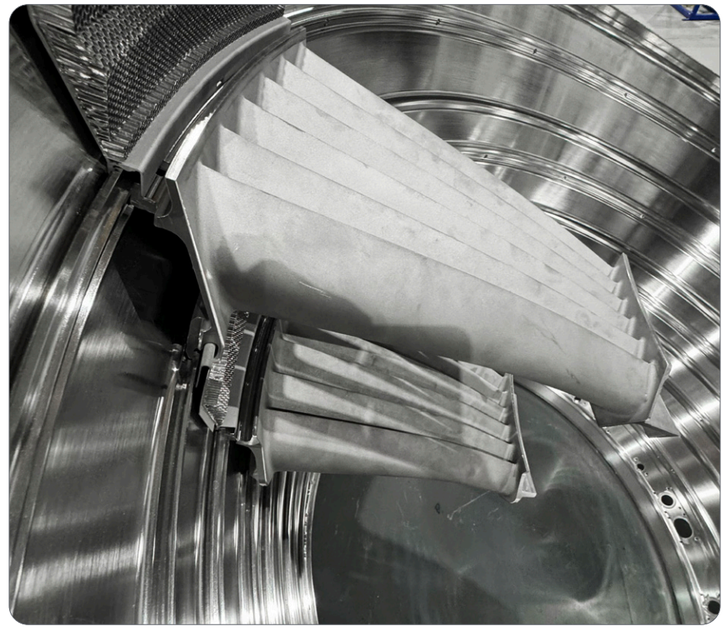
PROENERGY gives flight engines new life in dispatchable power generation as PE6000 aeroderivative turbines. The PE6000 begins with a CF6-80C2 engine core, found in aircraft including the Boeing 747 and overhauled in Sedalia by our experts. Repurposing the flight core saves at least 3,000 lb of superalloys per turbine and reduces the carbon footprint for a new engine with all virgin materials by 4.2 short tons CO_2e.*

The core is matched to newly manufactured aeroderivative parts made at our campus or by our select partners. Capable of generating 48 MW with water-spray injection, each PE6000 delivers reliable generation for 40,000 homes. With units installed for validation in Texas and further production ongoing, these engines will soon provide grid-firming support for millions.

**Assumes a carbon footprint of 2.8 tons per 2,000 lb of superalloys*

In-House Production for the Planet





Our 90-acre facility delivers aeroderivative services and new equipment with minimal outsourcing and fewer resources, and the intent with our PE6000 is no different. Leveraging the shop equipment and talent within our all-in-one campus, we added more PE6000 parts—including LPT blades, LPT disks, LPT nozzles, LPC stators, and HPC airfoils—to our in-house production line. This self-sufficiency will reduce the carbon footprint associated with shipping new parts around the world and save us significant costs per engine.

From Concept to Commercial Operation

The concept of matching a flight engine core with aeroderivative parts was born and executed through a collaboration between RWE, a major European utility, and PROENERGY. The first engine uses market available aeroderivative components, and it has run in several locations globally with more than 180 starts and 8,000 run hours. It is now permanently installed in Germany.

LESS WASTE

When painting packages, manufacturing critical parts, or overhauling gas turbines, PROENERGY seeks to conserve materials and reduce impact. In 2024, we expect to implement formal waste minimization plans in our shops and power plant operations.

Paint Efficiencies Increase Productivity While Reducing Waste

Technology investments that include a plural paint system and BECCA solvent recapture unit have optimized our painting process to use less product and generate less waste even as work has increased over the years. In 2023, we used approximately 5,040 gallons of paint and accumulated roughly 11,500 lb of waste while covering more equipment—including 13 complete power blocks, eight additional anti-icing units, six line-side cubicle sets, and four winterization enclosures. Compared to 2022, this represents 2,700 fewer gallons of paint and a 3,400 lb reduction in waste.

Shop Recycling Total Volume (short tons)

	2022	2023
Steel	691	380
Stainless	31.9	6.9
Copper	12.5	0.4
High-Value Alloys	3.1	0
Total	738	387

Metals Recycled for Waste Minimization and Recirculation

Whether manufacturing packages or machining LM6000 parts, we strive to minimize waste and put steel and copper back into circulation. In 2023, we recycled 387 tons of steel. The year-over-year reduction is due to the discontinuation of our heavy industrial services, which historically had been the prime generator of scrap, and to inventory evaluations for scrap determination, which are consistent with a depreciation schedule. Furthermore in 2023, we delayed recycling of high-value alloys until we accumulate sufficient volumes in 2024.

387 TONS OF STEEL
RECYCLED IN 2023

Environmentalism takes many forms throughout our value chain. Our single-source, turnkey EPC services execute power-generation facility construction, from site preparation to startup and commissioning, in harmony with nature.

For a project in Arizona, our crews cleared 15 acres and rented a woodchipper to transform brush and trees into mulch, thereby reducing landfill use to zero. And, when discovering beehives onsite, the crews contracted with a local service to safely remove and relocate the pollinators to a new home.

LESS WASTE

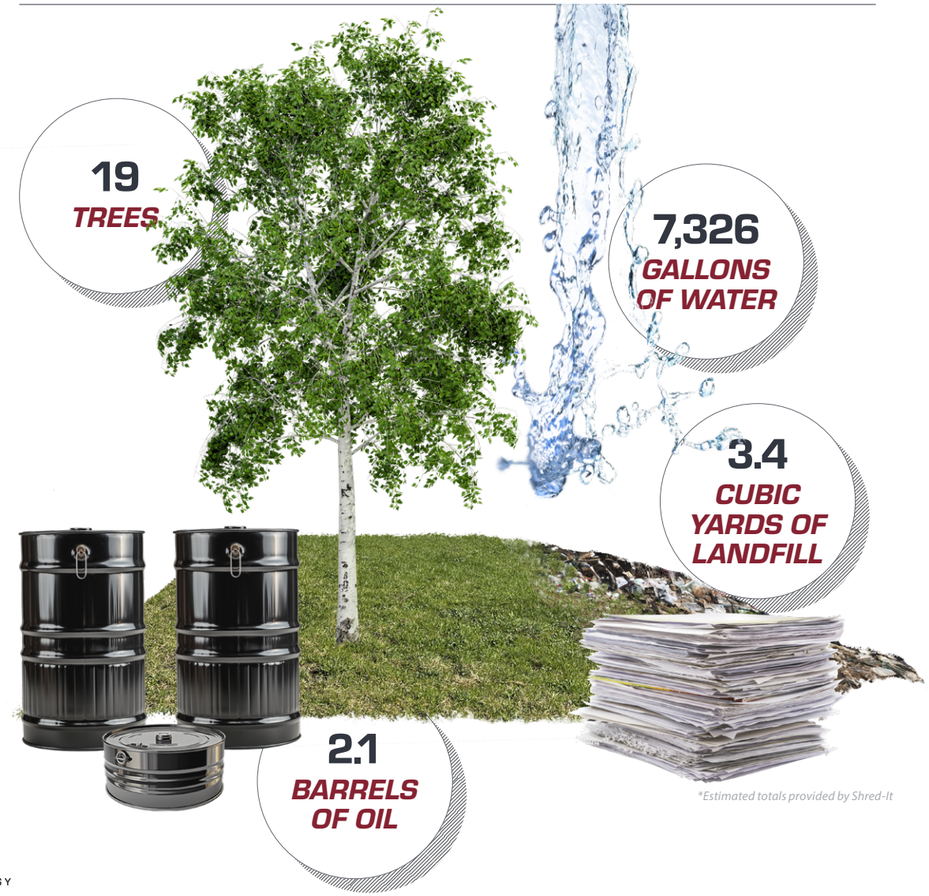
Recycling Program Begins in Sedalia for Concurrent Campus Initiatives

PROENERGY recycles materials whenever possible. In 2023, our Sedalia campus began its program by partnering with paper and metal recycling companies while our Houston office continued recycling metal, paper, and plastic. The collections are quantified by weight to benchmark progress. In 2024, we plan to advance the recycling programs at both campuses to include batteries.

Paper Waste Recycled with Vendor, Reduced by Digitizing Documents

At our headquarters in Sedalia, we encourage paper recycling by placing shredding bins throughout our campus. A vendor picks up, measures, and recycles the paper waste, which totaled 2,100 lb. In a parallel effort to reduce the use of paper, our fabrication and quality team digitized quality inspection documents via the maintenance, repair, operations (MRO) system.

PAPER RECYCLING IN SEDALIA SAVED*



*Estimated totals provided by Shred-It

LED Lighting Conversion at 75 Percent Completion in Sedalia Shops

Our efforts to convert shop operations from fluorescent bulbs to efficient LED lighting continued this year. In Sedalia, we increased completion from 30 percent in 2022 to 75 percent in 2023. In 2024, the initiative will continue as we plan to progress the conversion in Sedalia and install LED lights in the new Houston campus. Increases in electricity usage are due to the previously mentioned expansions of our manufacturing capabilities in Sedalia and the addition of 672 MW to the WattBridge fleet.

Office Recycling Total Volume (lb)

	2022	2023
Houston Campus		
Metal, Paper, and Plastic	597	917
Sedalia Campus		
Paper	—	2,101
Total	597	3,018

Electricity Usage (kWh)

	2022	2023
Sedalia Campus	7,456,120	8,597,513
Houston Campus	706,472	705,792
WattBridge Generating Facilities	11,462,617 *1,248 MW*	16,221,466 *(1,920 MW)*
Total	19,625,209	25,524,771

CLEAN WATER

Wet Fogging R&D Initiative On Schedule To Maximize Power Responsibly

Water makes it possible to maximize power output and minimize emissions from our WattBridge fleet, even in extreme heat, and we prioritize its responsible use in PROENERGY operations. Our wet fogging R&D initiative is helping us to make the best use of this limited resource in increasingly common hot weather conditions. After a multi-year pursuit, we are finalizing the program in collaboration with a third-party R&D partner, Caldwell. Our most recent test at the Brotman Generating Station achieved a power increase above 5 percent, more than halfway to our goal of 10 percent.

Power-Augmentation Water System Uses Non-Potable Supply, Set To Reduce Personnel and Emissions

The Topaz Generating Facility—a 10x LM6000 power plant in our WattBridge fleet—leverages nearby, non-potable surface water instead of well or city water to maximize power output to 480 MW during hot days. An onsite treatment system removes the high sediment content and demineralizes the water. Based on plans initiated in 2023, the facility is working to replace the manned, diesel water pump in the system with automatic, electric ones in 2024. This upgrade will not only reduce carbon emissions but also eliminate the need for personnel oversight near operating equipment.

Further in 2024, we plan to formally assess and report on opportunities for water conservation in project design and operations.

Water Usage (million gallons)

	2022	2023
Sedalia Campus	16.2	9.7
Houston Campus	0.3	—*
WattBridge Generating Facilities	199.7 *1,248 MW*	222.0 *1,920 MW*
Total	216.2	240.1

**Ongoing construction of the new PROENERGY Houston campus necessitated moving to a smaller office in the middle of 2023 with 75 percent of employees working from home. For this reason, accurate data is unavailable; however, it can be assumed that water consumption would not have exceeded the figure for 2022, 300,000 gallons, based on downsizing the office during the second half of the year.*

Wet fogging injects mist inside the gas turbine air inlet to boost performance to nameplate capacity.

LESS LAND

Energy-Dense Footprint Repeated at Two New WattBridge Sites

Land is an essential yet finite resource, and PROENERGY treats it as such with the innovative design of our PowerFLX solution. Each standardized 2x LM6000 power block packs energy into a small footprint that scales to 12 units and beyond for either WattBridge or third-party customers.

As reported in 2022, the power island averages an energy density of 87 MW/acre, which surpasses other energy-transition technologies. Taken further, the average energy density for a complete facility with balance of plant (BOP) varies from site to site but still surpasses alternatives. In fact, energy density typically improves with multi-unit projects because the BOP takes up a lesser percentage of the total area.

Despite the variations in customers, locations, and requirements, all PowerFLX sites economize on space while delivering megawatts to meet demand. The all-time energy density average for commissioned sites through 2023—a total of 10 facilities with 56 LM6000 units—amounts to 47.4 MW/acre. As the number of installations increase, we will continue to report on this cumulative metric.

0.5 MW / ACRE
Average Solar Energy Density

0.03 MW / ACRE
Average Wind Energy Density

47.4 MW / ACRE
Average PowerFLX Energy Density with Complete BOP

SOCIAL

CARING FOR PEOPLE

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

Ingenuity is about more than challenging ourselves, it is about helping others. We apply ingenuity as an employer, a local business, and a global energy transition platform to make a meaningful difference in all the lives we touch.

Bettering Lives All Around

Our organization understands that power comes with responsibility. While we achieve new milestones, we endeavor to share our success with our employees, suppliers, customers, and communities. Read pages 32 to 45 for more.

A SAFETY-FIRST CULTURE

To create a secure environment for all, PROENERGY deployed training, piloted programs, and developed digital resources for immediate application in the workplace.

WELL-ROUNDED WORKFORCE

PROENERGY took a holistic approach to organizational health by holding in-person and virtual wellness fairs, championing diversity, and commending exceptional employees.

SUCCESSFUL PARTNERS

PROENERGY fortified our supply chain by reducing supplier numbers and building mutually beneficial partnerships with international, domestic, small, and women-owned businesses.

THRIVING COMMUNITIES

From local to global levels, PROENERGY and its employees contributed resources, time, and energy to enhance the quality of life across ages and borders.

ELEVATED ECONOMIES

PROENERGY injected millions into nearby economies with the execution of four turnkey power generation projects in Texas and beyond.

ELECTRIFIED WORLD

As WattBridge expanded to own the world's largest LM6000 commercial fleet, PROENERGY delivered reliable energy security in the face of climate extremes.

Robust Safety Systems

Applicable to all our personnel regardless of location, our Safety and Security Program includes robust policies and procedures that empower all employees with Stop Work Authority to halt unsafe work at any time. As part of our efforts to reduce risk in 2023, we strengthened the incident investigation process, enacted preventative measures, and improved safety alert communications.

A SAFETY-FIRST CULTURE

PROENERGY believes that a safe workplace not only promotes physical well-being, but also encourages mental health, discourages absenteeism, and reduces turnover.

Over the last two decades, our company has created and maintained a strong safety culture. We cultivate it year after year because, like ESG, safety is a journey of continuous improvement. The following chart depicts our safety metrics since 2021, which fall well below the Occupational Safety and Health Administration (OSHA) averages for our industry.

Health and Safety Statistics/Metrics

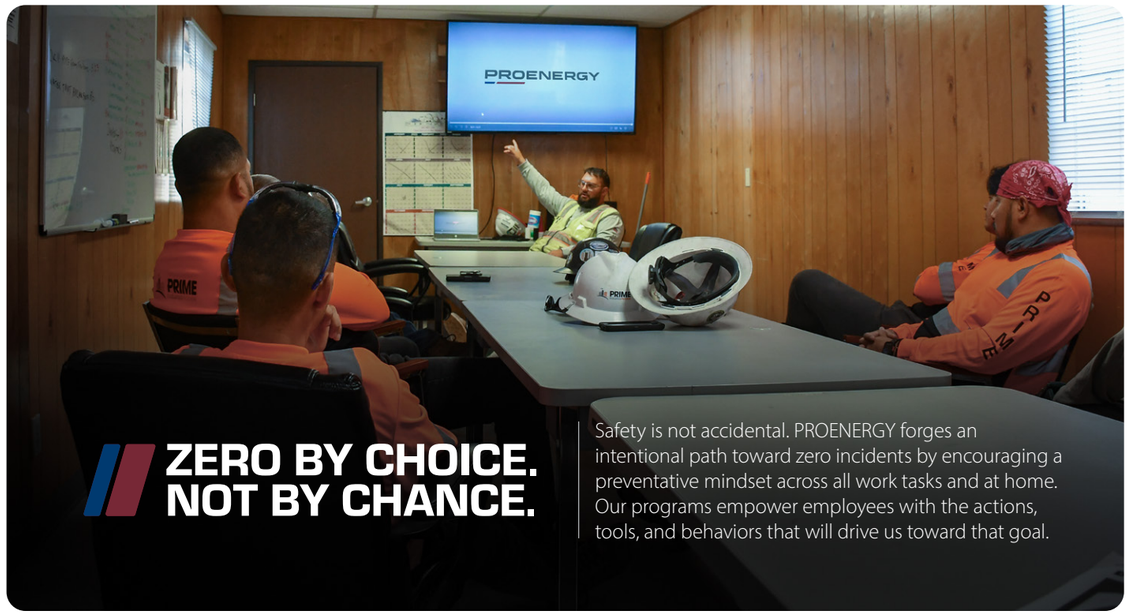
Years	2023	2022	2021
OSHA Total Recordable Incident Rate (TRIR)	1.16	0.65	0.77
*Industry Average**	—	*2.1*	*2.4*
Total # of OSHA Recordable Injuries	**7**	**4**	**5**
OSHA Lost Time Incident Rate (LTIR)	0.00	0.16	0.15
*Industry Average**	—	*0.6*	*0.9*
Total Number of Lost Time Injuries	**0**	**1**	**1**
OSHA Citations	0	0	0
Experience Modifier Rate (EMR)	0.76	0.94	0.81
# of Labor Hours Worked	1,207,391	1,231,015	1,296,944
Average # of Employees	576	525	625

** US BLS NAIS Code 333611 – Turbine and Turbine Generator Set Units Manufacturing*

— Data for 2023 not yet available

Safety Assessments

	2022	2023
Third-Party Generating Stations	—	1
WattBridge Generating Stations	4	9
Sedalia Campus	—	1
Total	4	11



Two-Tier Safety Initiative Leads by Example

Our initiative promotes safety with practical behaviors from the bottom up and top down. The leadership tier of 80 PROENERGY managers and supervisors sets the conditions for safe behavior by writing and sharing personal safety commitments and then emulating these activities throughout the year and at the start of every meeting. The employee tier empowers personnel to stop unsafe work in any setting and emphasizes on-the-job rules.

Safety Is for Dummies Highlights Proper Equipment Usage

Safety awareness can go viral. This campaign started on the shop floor of the packaging facility and spread to the fabrication and paint buildings. Three mannequins dressed in personal protective equipment (PPE) get employees talking and texting on the right and wrong use of PPE. Periodically changing the mannequin's PPE keeps the campaign going and proper usage top of mind.

Gloves Study Maximizes Hand Protection

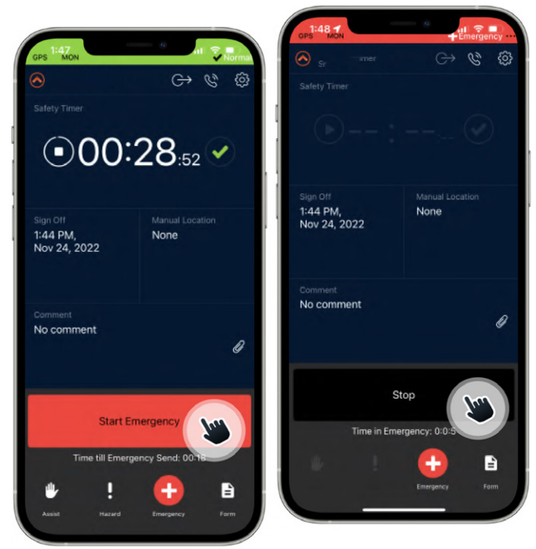
Maximizing glove use will minimize hand injuries. After rolling out a policy on mandatory glove use, we initiated a pilot study that relies entirely on employee feedback to test and select the optimal gloves for protection and dexterity. As a next step, we will consider features—such as touchscreen-friendliness or cut-resistance—and match the gloves to the application and associated hazards.

Safety Data Sheets Go Digital

Key communication on chemicals is simpler and faster to locate. We transitioned safety data sheets (SDSs) from hard copies to electronic ones accessible via computer or phone. QR codes posted around the shops make it easy for anyone to scan and locate information on hazardous materials.

Lone Worker Program Provides Backup Support

Planned in 2023 and kicked off in January 2024, the lone worker program is made for O&M employees who work between 3 a.m. and 10 a.m. A phone-based application enables the worker to make periodic check-ins, report hazards, or signal SOS. If a check-in is missed, the remote operating center reaches out to them.



SAFETY TRAINING

Segmented Training Aligns with Operational Needs

PROENERGY is customizing safety training to match differing needs across our businesses. In addition to revising on-site education for EPC services, we developed formal hands-on learning paths for O&M and Field Services. Further, we're supplementing our hands-on operational training with computer-based training (CBT), piloted for O&M. In 2024, we will produce an official learning pathway for the Sedalia campus in addition to expanding CBT training.

Kaizen Classes Empower Teams To Take Charge of Safety

Based on a Japanese business concept meaning "continuous improvement," Kaizen classes empowered our employees to identify and control risks. This bottom-up approach encouraged them to raise ideas rather than just follow orders. After a half-day of in-class discussion, participants applied their learning on the shop floor. A given class may create as many as 15 original ideas for improvement.

Lifesaving Skills for PROENERGY Employees

PROENERGY expanded lifesaving courses and equipment beyond Sedalia. Coinciding with updates to our first aid and automated external defibrillator (AED) cabinets, we coordinated CPR / AED training and certification in Houston for 60 people. In support of a customer EPC project in Arizona, we conducted a similar class led by a PROENERGY employee who is a certified trainer and decorated combat medic.

Electrical Training Covers Safety Essentials

Forty-five of our employees—including 17 EPC, 25 O&M, and three safety staff—completed a two-day course on the National Fire Protection Association (NFPA) 70E standard safety. The course provided in-depth instruction on the essentials of electrical safety, including PPE, hazards, and OSHA regulations.

Simulation Teaches How To Firefight Like a Pro

Hands-on training for Sedalia staff taught them proper operation of a fire extinguisher to avoid serious consequences to people and property. In a controlled environment on our campus, they learned efficient use of equipment to put out a simulated fire.

Refresher on Rigging for EPC Sites

Our Remy Jade Generating Station served as the pilot location for in-house rigging training that will now extend to all EPC sites. This refresher course teaches employees how to safely lift heavy items with cranes and other construction equipment.

OSHA Construction Training at EPC Sites

Remy Jade also hosted a 10-hour class led by an OSHA-certified PROENERGY employee. This course—conducted on rainout days to avoid disrupting the schedule—covered standards and requirements for the construction industry in addition to safety awareness of jobsite hazards.

WORK IMPROVEMENTS

Employee-Led Paint Shop Innovations Reduce Hazards

Sedalia paint shop employees devised two new features to enhance safety and productivity. First, a fall arrest system with four trolleys enables workers to tie off on any component and freely move when climbing on packages and working in confined areas. Second, catwalks on either side of the blast booth enable blasting a large majority of components without a step ladder.

Overhead Crane System for Waterjet Enhances Safety, Supports Productivity

At our controls shop, a recently installed overhead crane system replaces the need for a vacuum lift and forklift to move cumbersome material in and out of the waterjet. Thanks to this employee-initiated idea, a single person can operate the crane to put 8- x 4-foot sheets on the waterjet table for cutting control cabinet doors and making turbine brackets. The method enables safe, efficient transfers without the jerky movements and awkward placement of the past method.

Controls Shop Solutions Avoid Tripping and Back Injuries

Built by our on-campus crating department, vertical panels and easels make work safer and easier in our controls shop. The vertical panels take the place of pallets to fit four units in half the space, avoid trip hazards, and alleviate injuries. An alternative to shop carts, easels provide a steady, immobile surface to wire panels while easing strain on the back.

O&M Locations Improve Oil Barrel Storage

Constructing purpose-built facilities for oil storage at all WattBridge plants enables us to significantly reduce the chance of spills. The facilities include spill-containment berms and a broad concrete area to store palletized 55-gallon oil drums for efficient moving. Added lights improve visibility and dedicated electrical outlets avoid extension cords hazards.

EPC Engineering Improves Pad Eye To Safeguard Against Falls

Based on feedback from our EPC and O&M teams, PROENERGY engineers created a solution that eliminates the need to add and remove temporary fall protection lines. The air inlet now has two holes engineered into the pad eye: the top enables lifts while the bottom enables permanent fall protection. In 2024, the lines will ship as part of the as-built package from Sedalia.

Adjusted Work Schedules Promote Safe Work in Desert Heat

At an Arizona EPC job site, we adjusted workday schedules to finish before the heat of the day, with a 5:30 a.m. shift start and 2:30 p.m. shift close. In between, we prioritized hydration with mandatory water and electrolyte breaks. The modifications enabled our crews to operate during 59 straight days of 100 plus degrees Fahrenheit in 2023, and they will help them work there at several more sites for years to come.

WELL-ROUNDED WORKFORCE

DEI Council Members Convene and Publish Inaugural Newsletter

Focused on employee inclusion and involvement, our DEI Council and its five representatives accomplished much in 2023. In addition to publishing the first DEI newsletter, the council helped to recognize veterans in our organization with lapel pins, as well as those at the 2023 PROENERGY Conference with an honor guard. In 2024, the council will advance our DEI plans with training and development, community investment, and recruitment and retention.

Virtual Health and Wellness Fair Hosted for the 1st Time

In addition to the onsite Health and Wellness Fair in Sedalia, we hosted a virtual fair for all our employees. The fair brought in representatives from our insurance and 401k providers in addition to health providers, who informed participants on financial and physical wellness.

IGNITE Team Events Build Community Among Peers

Comprised of 10 employee representatives, our IGNITE Team led community-building efforts with both internal and external events in 2023. The team will guide employees to observe a social calendar of world events and charity campaigns in 2024.

Assistance Program Serves 3 Employees in Need

Our employee assistance program identified three individuals who needed help due to challenging circumstances in 2023. The program provides a monetary donation to personnel experiencing health issues, personal hardship, or death of a close family member.

Employee Excellence Award Honors 5 of Our Own

This award recognizes personnel who exhibit the core values of our company to create a more positive work environment. Over the course of the year, supervisors or employees submitted nominations for co-workers along with justifications, and we honored five winners.

Multiple Internal Activities Hosted

During 2023, the IGNITE Team sponsored many activities to promote socializing and camaraderie. See Thriving Communities on pages 40 to 41 for more on IGNITE community involvement.

Company Events

March	Employee Appreciation Day with individual desserts at the Sedalia buildings.
April	Campus potlucks and concert ticket giveaways at the Sedalia and Houston campuses.
June	Electrolyte ice pops to beat the heat in Sedalia, Houston, and all worksites in Texas, Illinois, Arizona, and California.
July	Blood drive hosted by the American Red Cross in Sedalia.
August	Kona Ice brought 2 trucks serving the Sedalia campus.
	Ice cream social provided frozen treats to Houston.
October	Blood drive hosted by the American Red Cross in Sedalia.
	Halloween family event with trick-or-treat activities for 130+ attendees in Sedalia.
December	Christmas in Vegas casino-style party with games, prizes, and food for 350+ in Sedalia.
	Christmas dinner with music and prizes at an upscale hotel in Houston.

EMPLOYEE EVENT HIGHLIGHTS

5 INTERNAL AWARDS GIVEN FOR DEMONSTRATING CORE VALUES

130+ EMPLOYEES AND FAMILY MEMBERS ENJOYED TRICK-OR-TREAT EVENT

350+ ATTENDEES JOINED CHRISTMAS PARTY IN SEDALIA

EMPLOYMENT METRICS

576 TOTAL HEADCOUNT

423 FULL TIME EMPLOYEES

153 VARIABLE EMPLOYEES

7.5% FEMALE

33% HISPANIC, BLACK, OR ASIAN

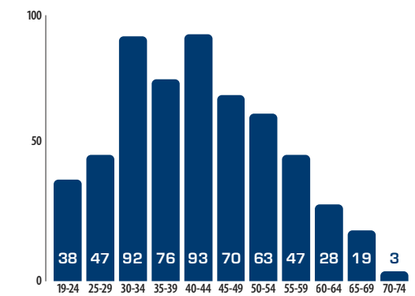
EMPLOYEE RETENTION

8.5% HAS 5-10 YEARS OF SERVICE

11.5% HAS 10 YEARS OF SERVICE

20 YEARS LONGEST-SERVING EMPLOYEE

AGE DISTRIBUTION



SUCCESSFUL PARTNERS

Robust, Simplified Supply Chain Fosters Mutual Benefits

PROENERGY creates mutually beneficial relationships by treating our suppliers as partners. Supply chain improvements in 2023 reduced our total number of vendors while creating long-term agreements with strategic suppliers. This simplification increases the value of our connections by giving our suppliers more of our business, creating a culture of partnership, and facilitating the development of quality solutions for our company and our customers.

During 2023, our company placed orders totaling more than $572 million with approximately 1,200 different suppliers. The top 100 suppliers accounted for the majority of total expenditures, thus affecting the financial growth of our partners, as well as the economic prosperity of local and global communities.

We spent approximately $482 million, or 84 percent of the total, with suppliers in the U.S. Of this amount, we spent $8.7 million with self-declared small businesses and $3.4 million with women-owned small businesses. We are currently working to better identify our small-business suppliers for next year.

SUPPLIER SPEND IN 2023

$572M *TOTAL*

$482M
WITH BUSINESSES INSIDE THE U.S.

$8.7M
WITH SMALL U.S. BUSINESSES

$3.4M
WITH WOMEN-OWNED U.S. BUSINESSES

THRIVING COMMUNITES

Charity may start at home, but it affects the world. In 2023, PROENERGY carried on a robust charitable giving program encompassing corporate philanthropy and employee contributions. Our company nurtured existing long-term relationships and engaged with new entities to make an enduring impact. We were generous with time and resources, including more than $234,000 in donations.

DOZENS OF LOCAL STUDENTS TOUR OUR FACILITIES

Throughout 2023, PROENERGY opened doors to educate student groups on our hometown opportunities. Sedalia-area high school students experienced our headquarters, and Houston trade school students toured the WattBridge Topaz Generating Station. Groups included:

- Science class learning about energy from Marshall High School
- 25 students from Future Business Leaders of America chapter at Northwest High School
- 12 students from Whittier High School, the Sedalia alternative school
- 14 students from Texas City Industrial Trade School

TEAM OF 26 CLEANS UP NEIGHBORHOOD ON UNITED WAY DAY OF ACTION

In addition to sponsoring teambuilding activities in 2023, IGNITE gathered the largest PROENERGY team ever to participate in United Way community improvements. More than two dozen employees and family members cleaned up the Hubbard Park neighborhood by trimming grass, painting porches, and clearing sheds and sidewalks.

MISSOURI GRANT HELPS PROENERGY BRIDGE GAP FROM EDUCATION TO EMPLOYMENT

At a forum with Missouri legislators, our SVP Human Resources Chaunta Foster explained how our business is thriving because of the Missouri One Start grant. This initiative helped to provide multi-year technical, soft skills, and leadership training for in-state employees. CAD Designer Taylor Renick shared her personal success story, from PROENERGY intern to full-time employee and new homeowner.

500 STUDENTS ENGAGED AT SEPTAGON CONSTRUCTION CAREER DAY

Our SVP Human Resources, Chaunta Foster, and I&E Supervisor, Chris Lentz, engaged with hundreds of students on the technical work opportunities we offer at a career day hosted by a local construction company. They illustrated career opportunities with mockups of instrumentation and controls systems and a sampling of welding techniques.

THE POWER OF INGENUITY | TO SUPPORT OTHERS

$234K
DONATED TO LOCAL & GLOBAL ORGANIZATIONS IN 2023

ELEVATE PROGRAM PUTS 4 APPRENTICES ON PATH TO JOB SUCCESS

In September of 2023, we kicked off a two-year apprenticeship program for students from a local alternative high school. The first cohort of four apprentices—one of whom is a first-generation high school graduate—completed 8-week rotations on the Sedalia campus to become well-rounded and multiskilled employees.

DONATIONS TO HOMETOWN CHARITIES TOTAL $65K+

More than 70 employees donated through voluntary payroll deduction to two local charities. Our Sedalia campus gave to United Way of Pettis County, one of our long-time beneficiaries in Sedalia, along with an employer match. Our Houston campus donated to Harmony Public Schools, a student-centered and STEM-focused district. Total employee and employer contributions to both exceeded $65,000.

MANUFACTURING EXPERTISE GUIDES COLLEGE ADVISORY GROUP

Our Aero Manufacturing Manager, Brandon Harrison, joined the advisory committee of State Fair Community College (SFCC), a public college in Sedalia. He provided guidance on the school's advanced manufacturing programs to ensure employable graduates with in-demand skills.

INTERNSHIP PROGRAM PROVIDES HANDS-ON EXPERIENCE, LEADS TO NEW HIRES

PROENERGY gained valuable support while providing hands-on experience to college students from Missouri S&T and the University of Missouri. Interns included two students in gas turbine engineering, two students in PowerFLX engineering, and one student in Human Resources (HR). The program resulted in two new hires: one for HR at the end of 2023 and one for PowerFLX in 2024.

ELEVATED ECONOMIES

PowerFLX Projects Continue Powerful Impact

Installing our PowerFLX solution—the first and only standardized, modular LM6000 power plant—during 2023 has injected local U.S. economies with $22.3 million. This influx results from the employee per diems, project supplies, and rental equipment associated with the projects.

Construction was active on four facilities with 26 LM6000 units last year. Our total track record for commissioned LM6000 sites over a 21-year period comes to 12 facilities with 62 power-generation units for both third-party customers and WattBridge.

The below chart gives a detailed overview of the financial lift provided by each of these projects. In 2024, we expect to help more communities through PowerFLX installations, as well as expand our international partnerships and improve our influence on world economic growth and prosperity.

Economic Lift from PowerFLX in 2023

Generating Station	Project 1, Texas	Project 2, Texas	Project 3, Texas	Project 4, Arizona	Total
Units	8	8	8	2	26
Per Diem	$610K	$1.96M	$2.55M	$1.68M	$6.80M
Travel and Lodging	—	$30K	—	$50K	$80K
Rentals	$540K	$1.46M	$1.75M	$1.49M	$5.24M
Vendors	$1.66M	$2.44M	$4.08M	$2.01M	$10.2M
Total	$2.81M	$5.88M	$8.39M	$5.22M	$22.3M

$22M+ INJECTED
INTO LOCAL ECONOMIES WITH POWERFLX PROJECTS IN 2023

ELECTRIFIED WORLD

WattBridge Owns the Largest LM6000 Fleet in the World

Leveraging the manufacturing, engineering, and commissioning prowess of PROENERGY, WattBridge began commercial operations at its fourth and fifth facilities, the 288-MW Mark One Generating Station and the 384-MW Brotman Generating Station, respectively.

The rapid expansion of the portfolio—from six LM6000 units in January 2021 to 40 units generating 1,920 MW for 1.6 million homes today—makes WattBridge the largest LM6000 owner in the world. In 2024, we plan to advance energy security with 2,400 MW in operation, as well as additional plans for dispatchable generation in load-constrained areas.

Exceptional Reliability As Fleet Showed Prodigious Growth

The WattBridge fleet expanded by 672 MW while maintaining reliable performance in 2023. Between 2022 and 2023, the fleet exhibited approximate increases of 35 percent in net generation and 40 percent in number of starts. At the same time, it achieved 98.9 percent start reliability and 97.3 percent availability (EAF).

1,920 MW
NOW OPERATING IN GROWING WATTBRIDGE PORTFOLIO

WattBridge Fleet Performance

	2022 *1,248 MW*	2023 *1,920 MW*
# of Starts	5,549	7,484
Start Reliability	98.2%	98.9%
Net Generation (MWh)	1,332,956	1,855,759
EAF (availability)	97.2%	97.3%
EFORd	4.8%	2.8%

WattBridge Boosts Grid Reliability in Summer Extremes

During a record-breaking summer in ERCOT with 11 conservation appeals and 1 emergency alert, WattBridge plants filled an ultracritical role and responded when needed. Load growth and intense weather—including the second hottest August in more than 120 years and 10 new all-time peak demand records—tested grid reliability.

From June to September, the WattBridge fleet delivered grid-firming performance by shouldering 36 percent of the total ERCOT simple-cycle aeroderivative load. The fleet achieved greater than 99 percent start reliability, 98 percent availability, and 20 percent net capacity factor. The fleet ran an average of 4 to 5 hours per day versus the typical 1 to 2 hours for peaking units.

Summer and Winter ERCOT Inspections Find Zero Issues

PROENERGY weatherizes power plants against cold and hot weather events in compliance with a rule implemented after Winter Storm Uri. Our techniques help to protect equipment and support reliable performance when dispatchable power is needed most. In 2023, ERCOT conducted one summer weather inspection and two winter weather inspections of WattBridge sites, which resulted in zero findings.

>98.9%
START RELIABILITY FOR WATTBRIDGE FLEET IN 2023

GOVERNANCE

UPHOLDING OUR VALUES

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

Our values set the foundation of company business. From there, we apply ingenuity to improve our policies and procedures, clarify our expectations, and digitize processes.

Embedded Integrity for Responsible Business

Ethics, integrity, and compliance have power. We embed these principles at all levels so that everyone is empowered to make the right decision. Pages 48 to 53 explain how we maintain trust inside and outside our organization.

OUR LEADERSHIP

Our Board of Directors and business leaders set the company's strategic objectives while the Human Resources team, Ethics Committee, and DEI Council administer independent execution and improvement of compliance programs.

OUR POLICIES

PROENERGY continued with policy updates to the Employee Manual and digital information for alignment with the corporate ESG strategy.

KEY PROCESSES

We reduced risk to our business by validating quality management for depot services, achieving compliance for remote operations, and improving processes within our warehouse and supply chain.

Core Values

PROENERGY sets forth universal values while embracing a diverse workforce. These qualities unite everyone—no matter their age, race, gender, or background—so we all work in alignment and toward our common goal.

TEAMWORK
Challenge and support one another.

INTEGRITY
Be responsible and accountable.

CHANGE
Embrace it!

FOCUS
Deliver excellence to our customers.

EDUCATION
Pursue growth through learning.

FAITH
Believe that anything is possible.

OUR LEADERSHIP

Ownership Structure

ProEnergy Holding Company, Inc. (PROENERGY) is a joint ownership comprised of the Canon Trust and two private equity investors: Eos Partners 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.

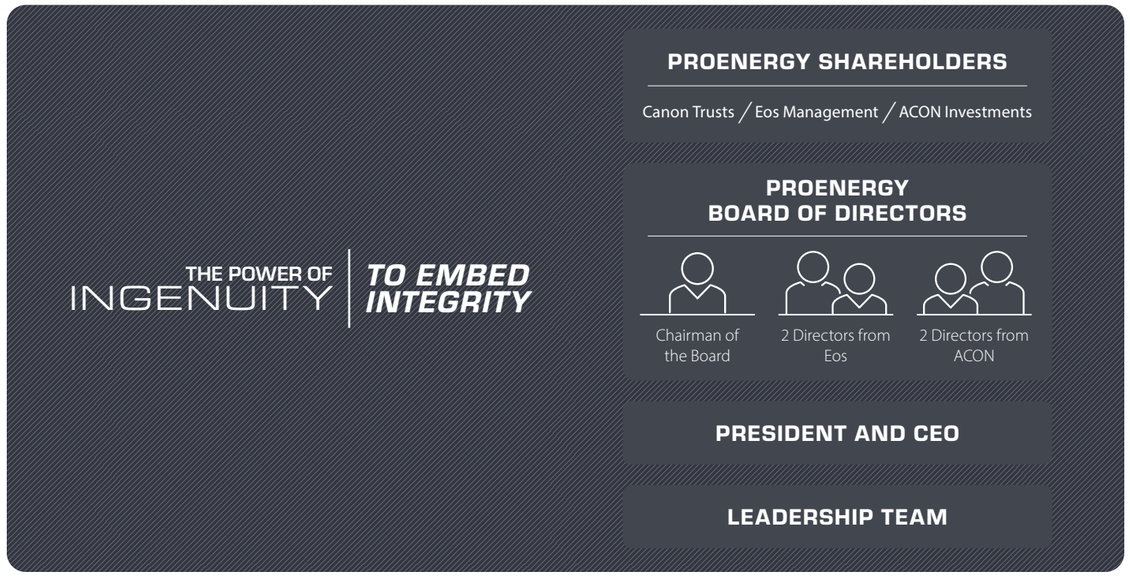
Board of Directors

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 President and 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 Leaders

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.



Ethics Committee

Established in 2022 and led by the Chief Compliance Officer, our Ethics Committee monitors, tracks, investigates, and acts on all noncompliance allegations. The committee meets every quarter to review concerns raised by employees, customers, contractors, and third-party providers in an independent and confidential manner. These concerns include anonymous reports from our free, 24/7 helpline and online company portal on allegedly illegal, unethical, or dangerous activities, or conflicts of interest.

Ethics Program

PROENERGY completed a third-party assessment of its compliance program. Engaged in early 2023, a consultant assessed the company's anti-corruption compliance program and conducted transaction testing to identify potential risk areas, possible compliance violations, or both. While there were no findings of violations, the report presented recommendations to improve compliance effectiveness, all of which have been implemented. See Business Policies on page 51 to read about the related policy.

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.

2023 Progress: Closed 3 Reported Complaints

The Ethics Committee received three anonymous complaints, all of which related to improper employee conduct and none of which involved indigenous people. These complaints have since been investigated, addressed, and closed according to company policies, as well as applicable laws and regulations.

Coinciding with the efforts of the committee, we have taken steps to standardize our ethics training program by formulating an established curriculum for onboarding new employees and commercial intermediaries, in addition to an annual refresher. In 2024, the Ethics Committee will introduce two new programs: a "Spotlight on Ethics Month" annual campaign to raise compliance awareness and an annual compliance survey to benchmark our progress.

DEI Council

Our DEI Council provides insight into our workplace and helps us to create equitable opportunities for all. The SVP Human Resources acts as the executive sponsor, two members are nominated from the executive team, and three members are solicited from varying job levels, departments, and locations. Members serve two-year terms and meet once a quarter to advance DEI goals, which include creating events or communications, informing executive leadership, relaying employee feedback, maintaining a progress scorecard, and more.

2023 Progress: Plans on DEI Perception and Training Communicated

In its first newsletter, the council highlighted upcoming efforts to benchmark companywide DEI perception. In 2024, the council will help us to deliver training that eliminates conscious and unconscious bias and supports recruiting diverse talent.

OUR POLICIES

UPDATED POLICIES

- Employee Handbook
  - Drug and Alcohol Policy
  - Paid Time Off (PTO) Policy
- Anti-Bribery and Anti-Corruption Policy
- Commercial Intermediary Policy
- Watchlist Country Policy

NEW POLICIES

- Password Protection Policy
- Password Construction Guidelines
- Data Storage and Retention Policy
- Supplier Approval Policy
- Supplier Surveillance Policy

Employee Handbook

Respect for the individual is the hallmark of our employee philosophy. The PROENERGY Employee Handbook highlights that fact with comprehensive workplace policies from people, to professionalism, to property. In addition to explaining employee expectations, the handbook details our commitment to the personal and professional well-being of our team members, and outlines the guidelines, policies, and benefits that apply to them.

2023 Progress: Policy Improvement Plan Continues in Its 2nd Year

PROENERGY continued an ongoing plan to review and modify key policies and procedures. In addition to updating our DEI statement, we focused on modifying our Drug and Alcohol Policy and PTO Policy. Further, we expanded our employee feedback process by adding a formal, documented mid-year performance review to accompany the existing end-of-year review. In 2024, we will finalize a re-launch of the Employee Handbook to include finance, legal, and technology policies.

2023 Progress: Drug and Alcohol Policy Revised Safe, Healthy Work Environment

Our employees and contractors have the right to work with persons free from the effects of alcohol and drugs. Employees who use illegal drugs or alcohol, or abuse controlled substances, when reporting to work pose a significant threat to their safety and other's. Our updated policy aims to provide a safe environment in which law-abiding workers prevent accidents or dangerous incidents.

2023 Progress: PTO Policy Updates Support Work-Life Balance

Developed in 2023 and implemented at the beginning of 2024, our revised PTO policy gives employees greater flexibility while our organization continues to thrive. Full-time employees received PTO increases across the board. Key changes to enhance overall well-being include consolidation of sick leave and vacation, an increase in PTO accrual rates, and an upfront PTO allocation of 40 hours in January.

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Digital Technology Policies

Today we rely on digital tools to increase productivity and advance the business. Our digital policies govern the use of technology—including company computers, Internet / e-mail services, and social media—to safeguard digital assets and maintain data privacy. These procedures cover who can access sensitive information and how we retain documents.

2023 Progress: Password Policies Help Secure Personal and Work Information

Because a password is a critical component of information security, we updated two password policies: one on protection and another on construction. These policies advise all users—including employees, contractors, and vendors—on best practices.

2023 Progress: Data Storage and Document Retention Policy

This policy aims to strike a balance between business needs and individual rights. It provides guidelines on retaining data for a reasonable period to meet legal and regulatory obligations while respecting privacy rights and minimizing unnecessary storage. These procedures will help us to store data only as long as needed, reduce storage costs, accelerate decision making, and enhance security.

Business Policies

PROENERGY engages daily with customers, contractors, and suppliers. Our business policies define expectations and guidelines to help us mitigate risk and maintain a culture of transparency and accountability. In addition to the implementing the following guidelines, we updated our Enterprise Risk Register in 2023 to ensure all enduring, active, and emerging risks are identified and controlled.

2023 Progress: Multiple Policies Incorporate Third-Party Recommendations

Following an independent, third-party compliance assessment as part of our Ethics Program, PROENERGY incorporated recommendations and reissued the Gifts and Hospitality Policy, Anti-Bribery and Anti-Corruption Policy, Commercial Intermediary Policy, and Watchlist Country Policy. All employees received the updated standards.

2023 Progress: New Supplier Policies Formalize Processes in Vendor Relationships

PROENERGY formalized the vendor-relationship process with the Supplier Approval and Supplier Surveillance Policies. The Supplier Approval Policy outlines the procedures to approve vendors that meet business and quality standards. The Supplier Surveillance Policy establishes an audit process to obtain evidence of compliance with PROENERGY procedures and requirements.

KEY PROCESSES

ISO 9001:2015–Certified Aero Depot Services

PROENERGY maintains a robust internal QA / QC program to deliver quality in every project. Our company headquarters in Sedalia, Missouri, hosts Level-IV depot and manufacturing facilities. In keeping with our quality standards, the depot services meet or exceed the requirements of ISO 9000, an internationally recognized quality management standard.

2023 Progress: Zero Findings in ISO Standard Recertification Audit
After an independent third-party audit, our depot services received ISO 9001:2015 recertification. The auditor evaluated our facilities, which impressed him with their appearance inside and out, and he interviewed our employees, who showed pride and ownership in their work. His report included zero findings and concluded that PROENERGY culture displays universal and continual improvement of our quality management system.

Ready-To-Ship Parts Inventory

Our 250,000-sq. ft warehouse houses a permanent, climate-controlled inventory of more than $200 million in parts, featuring consumable spares, fuel nozzles, hot sections, lease engines, and custom-engineered components. We ship the parts requested by customers in just one day, which calls for thorough cataloging and efficient tracking in order to meet expectations.

2023 Progress: Digitalization and 5S Lean Principles To Facilitate Organization, Productivity
PROENERGY is improving warehouse workflows, reducing repair times, and serving critical customer needs through the implementation of digital technology and the 5S Lean philosophy. We streamlined our processes for incoming and outgoing parts with barcoding, handheld receiving devices, and a consolidated interface in the MRO system. As a next step, we are pursuing 5S methods to enhance workplace organization and will leverage these technological improvements with the revised procedures.

NERC CIP Compliance

In both Sedalia and Houston, PROENERGY remote operating centers (ROCs) adhere to the North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) standards. Meeting these compliance standards enhances the safety of our critical infrastructure and ensures sustainable power for communities during critical periods.

2023 Progress: ROCs Earn the Medium-Impact NERC CIP Designation
Our ROCs earned the medium-impact facility designation, NERC-CIP-004-6, which will require ongoing and additional requirements to include periodic cybersecurity awareness. PROENERGY now remotely operates more than 50 LM6000 turbines from these facilities, which enables our company to play a key role in energy security. To create awareness on the importance of digital security, we now distribute newsletters every quarter.

Supply Chain Management

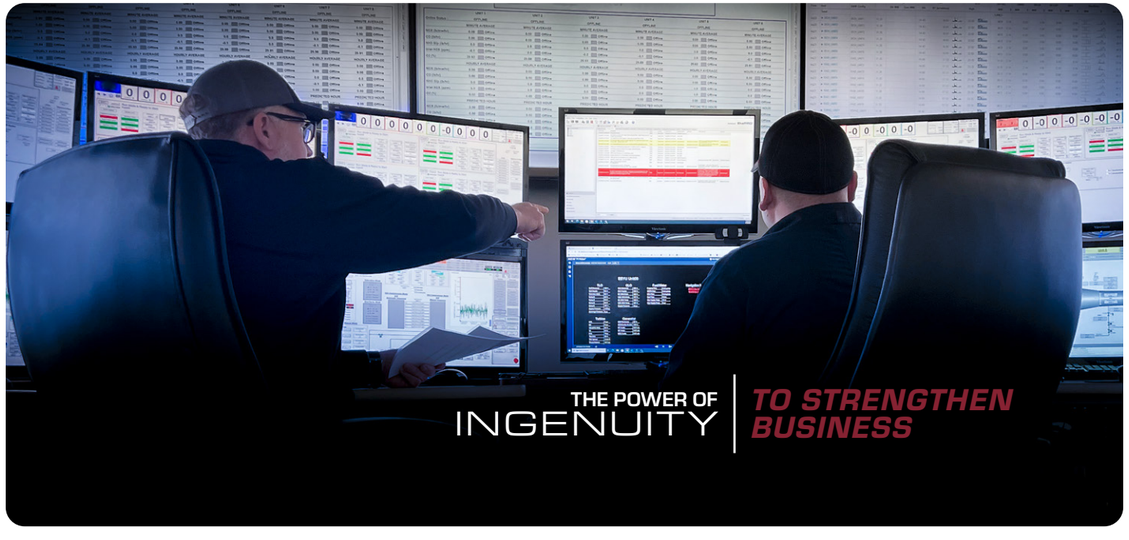
PROENERGY holds our global suppliers—including contractors, third parties, business partners, suppliers, and agents—to a high standard of integrity. We expect our suppliers to comply with our Code of Conduct and Anti-Bribery Policy. At the same time, we implement training for employees to identify and mitigate risks concerning ethical business and materials sourcing. These measures set a solid foundation for product delivery, customer satisfaction, corporate reputation, and financial performance. See Successful Partners on pages 38 to 39 for more on our supplier relationships.

2023 Progress: Stronger Supply Chain
PROENERGY made multiple improvements to strengthen our supply chain: we added controls to manage suppliers, launched two new systems, and created new procedures. With these in place, we advance our objective for on-time delivery of the right part at the lowest cost.

On-Time Delivery: To secure delivery, a new Supplier Portal website enables uploading documents, accepting purchase orders, and managing shipments. Also, a digital warehouse receiving system, mentioned in Ready-to-Ship Parts Inventory on page 52, enables personnel to inventory products more efficiently.

Right Part: To enhance quality, a new quality management process takes suppliers through four steps: pre-approval, approval, qualification, and surveillance. We can then obtain necessary documentation, conduct audits, qualify components, and continue improvements.

Lowest Cost: To control cost, reducing the supply base and consolidating volume with existing suppliers brought our total active suppliers from more than 3,500 to 1,200. We introduced new lower-cost suppliers when re-sourcing, and we also identified strategic partners for long-term agreements to secure greater capacity.



GRI CONTENT INDEX

About Our Data

The Global Reporting Initiative (GRI) Standards represent the global best practice for public reporting on environment, 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, and 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, 48
2-2	Entities included in the organization's sustainability reporting	48
2-3	Reporting period, frequency and contact point	6–7
2-4	Restatements of information	N/A
2-5	External assurance	49, 51-52
2-6	Activities, value chain and other business relationships	8–10
2-7	Employees	10, 25, 28, 35–37, 40–41, 50
2-8	Workers who are not employees	37
2-9	Governance structure and composition	48
2-10	Nomination and selection of the highest governance body	48
2-11	Chair of the highest governance body	48
2-12	Role of the highest governance body in overseeing the management of impacts	48
2-13	Delegation of responsibility for managing impacts	48
2-14	Role of the highest governance body in sustainability reporting	48
2-15	Conflicts of interest	49
2-16	Communication of critical concerns	31, 51
2-17	Collective knowledge of the highest governance body	48
2-18	Evaluation of the performance of the highest governance body	50
2-19	Remuneration policies	
2-20	Process to determine remuneration	
2-21	Annual total compensation ratio	N/A
2-22	Statement on sustainable development strategy	4–5, 14
2-23	Policy commitments	50–51
2-24	Embedding policy commitments	50–51
2-25	Processes to remediate negative impacts	49
2-26	Mechanisms for seeking advice and raising concerns	49
2-27	Compliance with laws and regulations	17, 45–47, 49–53
2-29	Approach to stakeholder engagement	7
2-30	Collective bargaining agreements	N/A
Material Topics		
3-1	Process to determine material topics	No updates for 2023.
3-2	List of material topics	No updates for 2023.
3-3	Management of material topics	No updates for 2023.
Economic Performance		
201-1	Direct economic value generated and distributed	38–39, 42–43
201-2	Financial implications and other risks and opportunities due to climate change	42–45
201-3	Defined benefit plan obligations and other retirement plans	36
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202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
202-2	Proportion of senior management hired from the local community	
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203-1	Infrastructure investments and services supported	21–23
203-2	Significant indirect economic impacts	21–23, 44–45
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204-1	Proportion of spending on local suppliers	42–43
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205-1	Operations assessed for risks related to corruption	50–53
205-2	Communication and training about anti-corruption policies and procedures	50–53
205-3	Confirmed incidents of corruption and actions taken	49
Anti-Competitve Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	49–51
Tax		
207-2	Tax governance, control, and risk management	50–53
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301-1	Materials used by weight or volume	24, 26–28
301-2	Recycled input materials used	22, 28
301-3	Reclaimed products and their packaging materials	No updates for 2023.
Energy		
302-1	Energy consumption within the organization	19, 27
302-3	Energy intensity	18–19
302-4	Reduction of energy consumption	22, 26–27
302-5	Reductions in energy requirements of products and services	22, 28
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303-1	Interactions with water as a shared resource	28
303-2	Management of water discharge-related impacts	28
303-3	Water withdrawal	28
303-4	Water discharge	28
303-5	Water consumption	28
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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	25
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	18–19
305-2	Energy indirect (Scope 2) GHG emissions	18–19
305-4	GHG emissions intensity	18–19
305-5	Reduction of GHG emissions	20–23
305-6	Emissions of ozone-depleting substances (ODS)	N/A
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	18
Waste		
306-1	Waste generation and significant waste-related impacts	22–27
306-2	Management of significant waste-related impacts	22–27
306-3	Waste generated	22–27
306-4	Waste diverted from disposal	22–27
306-5	Waste directed to disposal	22–27
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401-1	New employee hires and employee turnover	36–37
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403-1	Occupational health and safety management system	31, 33
403-2	Hazard identification, risk assessment, and incident investigation	31–32
403-4	Worker participation, consultation, and communication on occupational health and safety	32–35
403-5	Worker training on occupational health and safety	34
403-6	Promotion of worker health	32–36
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	32–35
403-8	Workers covered by an occupational health and safety management system	32–35
403-9	Work-related injuries	32
403-10	Work-related ill health	32
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404-1	Average hours of training per year per employee	34
404-2	Programs for upgrading employee skills and transition assistance programs	32–34
404-3	Percentage of employees receiving regular performance and career development reviews	36–37
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410-1	Security personnel trained in human rights policies or procedures	53
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411-1	Incidents of violations involving rights of indigenous peoples	49
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413-1	Operations with local community engagement, impact assessments, and development programs	40–43
413-2	Operations with significant actual and potential negative impacts on local communities	N/A
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416-1	Assessment of the health and safety impacts of product and service categories	18–19
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