Together for Tomorrow, as We Make the World a Better Place

David J. Cox, NIA President

Joe Mlachak, National Sales Manager, Fit Tight Covers, Evansville, IN
Earth Leaders Summit: April 2021

- The United States submitted a new “nationally determined contribution” (NDC) under the Paris Agreement setting an economy-wide emissions greenhouse gas target of a 50-52% reduction below 2005 levels in 2030.
- Canada will strengthen its NDC to a 40-45% reduction from 2005 levels by 2030, a significant increase over its previous target to reduce emissions 30% below 2005 levels by 2030.
- China has pledged carbon neutral by 2060, but start in 2030.
NEW VOCABULARY FOR SURE!

• Greenhouse gas (GHG) emissions
  • Scope 1 (company only), Scope 2 (includes energy we buy), Scope 3 (employees, suppliers—i.e., track business travel!)

• Carbon capture utilization and storage (CCUS or CCS)

• Green, Blue, and Grey Hydrogen

• Blue and Green Ammonia

• Black, Grey, Blue, and Green Methanol

• Green hydrogen from electrolysis

• Embodied Carbon = total GHG emissions arising from the manufacturing, transportation, installation, maintenance, and disposal of building materials.

• Environmental Product Declarations (EPD) & Life Cycle Assessments (LCA)
THE BREADTH OF ESG

Environmental:
- Climate change
- Carbon emissions
- Energy efficiency
- Water scarcity
- Waste management
- Pollution mitigation

Social:
- Diversity and inclusion
- Workplace health and safety
- Labor standards
- Supply chain management
- Product safety
- Community impact

Governance:
- Board composition
- Executive compensation
- Political contributions
- Shareholder rights
- Accounting & reporting

Safety of employees.....
# NEXTERA SUSTAINABILITY GOALS TIED TO UN’S SDGs

<table>
<thead>
<tr>
<th>SDG</th>
<th>Our Approach</th>
</tr>
</thead>
</table>
| 7. Affordable and Clean Energy | Our investment in emissions-free and clean generation has reduced the impact on the air we breathe and demonstrates our commitment to environmental protection and stewardship. Our strategy is based on generating and delivering clean energy and building energy infrastructure that’s reliable and affordable.  
   
   We expect that our investments in emissions-free wind and solar generation, innovative battery storage technology, low-emissions natural gas generation, safe and emissions-free nuclear power, industry-leading energy efficiency programs and transmission lines designed to deliver energy where it’s needed when it’s needed will enable us to continue providing a wide range of benefits to our many valued stakeholders.  
   
   » From 2019-2030, FPL plans to install more than 30 million solar panels – resulting in more than 10,000 new megawatts of solar in Florida.  
   
   » From 2019-2022, NEER expects to bring online an additional 3,800 to 7,300 megawatts of clean, emissions-free solar energy.  
   
   » Our capital investments also will help us meet our goal of reducing our carbon dioxide (CO2) emissions rate 67% by 2025 from a 2005 baseline. |

| 9. Industry, Innovation and Infrastructure | As one of the largest electric power and energy infrastructure companies in North America and a leader in the renewable energy industry, NextEra Energy is committed to building a sustainable energy future that is affordable, reliable and clean.  
   
   By investing in smart infrastructure and innovative clean energy solutions, we are helping to build a sustainable energy future that is affordable, reliable and clean.  
   
   » Over the past decade, we have invested ~$100 billion in infrastructure capital deployment, making us the largest U.S. infrastructure investor in the energy industry and one of the largest capital investors across any industry in the U.S. over this period. |
Climate Disclosure Regulation Is the Biggest Addition to Company Disclosures Since the Great Depression.

Sustainability Accounting Standards Board (SASB) Metrics & SEC Reporting Consistencies for Public Companies.

These Reports “Help Investors Understand Climate-Related Risks Companies Face and How They Are Managing Them.”
EXAMPLES: RATING SCORES OF ENVIRONMENTAL SOCIAL GOVERNANCE

MSCI

MSCI CLIMATE

IMPLIED TEMPERATURE RISE over 4°C

LAGGARD ≥ 3.8°C
MISALIGNED > 2°C ≤ 3.8°C
2°C ALIGNED ≤ 2°C

2°C Trajectory

Phillis 66

Industry Group: Refiners & Pipelines
Country: United States of America

ESG Risk Rating
32.7 High Risk

Last Update: Oct 9, 2021

PHILLIPS 66
(PSX)

Industry: Oil & Gas Refining, Marketing, Transportation & Storage
Country/Region: United States of America

Phillis 66’s rating remains unchanged since June, 2019.

ESG Rating history
MSCI ESG Rating history data over the last five years or since records began.

ESG Rating distribution
MSCI AOW Index constituents oil & gas refining, marketing, transportation & storage, n=43.

We focus on the key issues material to the oil & gas refining, marketing, transportation & storage industry. Here is how Phillips 66 compares to industry peers. MSCI also evaluates companies on their controversial business activities (weapons, tobacco, gambling, global norms and principles etc.) and sustainable impact solutions (renewable energy, health, education etc.). This information is only factored into the MSCI ESG Ratings from a financial risk perspective. For more details, visit the ESG investing page.
AstraZeneca’s ‘Ambition Zero Carbon’ strategy to eliminate emissions by 2025 and be carbon negative across the entire value chain by 2030

PUBLISHED: 22 January 2020

The $1bn programme will include the launch of next-generation respiratory inhalers and a wide range of energy initiatives to reduce climate impact to zero
NEW YORK CITY LOCAL LAW 97 OF 2019
(CLIMATE MOBILIZATION ACT)

• Beginning in 2024, buildings over 25,000 square feet will have to meet carbon emissions limits based on the facility’s occupancy group type.

• Carbon Emissions Limits Per Occupancy Group (KGCO₂e/sf) IE – Daycare 7.58, Health Care 23.81

Beginning May 1st, 2025

• This reporting must occur annually and the report must be prepared by a registered design professional.
OFFSETTING CO2 EMISSIONS – MECHANICAL INSULATION IS AN OBVIOUS CHOICE!

We could plant 360 trees\(^{(2)}\)

We could replace (310) 43-watt incandescent light bulbs with LED light bulbs\(^{(3)}\)

Or we could insulate approximately 8’ of bare 4” pipe operating @ 350°F with 2” of insulation\(^{(4)}\)

---


(2) http://www.tenmilliontrees.org/trees/. Typical tree on average saves 50 pounds/yr. of CO2.

(3) EPA states medium growth coniferous or deciduous tree, planted in an urban setting and allowed to grow for 10 years, sequesters 232 and 36.0 lbs. of carbon, respectively.

(4) https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator. Replace a 43W incandescent that operates 8 hours a day would reduce CO2 58 lbs/yr. for 30 years.

(4) Cell: CIP insulation is Greener than trees. Insulation Outlook Jan 2009

One full size pickup truck\(^{(1)}\) that is driven 20,000 miles emits approximately 18,000 lbs of CO2.
Imagine driving down the road and for every mile, you dump 52 jugs of something along the way.
ENVIRONMENTAL PRODUCT DECLARATION

This is all part of the information used to create a Life Cycle Analysis

• A1 = Raw Materials
• A2 = Raw Materials Transportation
• A3 = Manufacturing
• A4 = Distribution
• A5 = Installation
• C1 = Deconstruction
• C2 = Transport to End of Life
• C3 = Waste Processing
• C4 = End of Life Disposal
Joe Mlachak
National Sales Manager
Fit Tight Covers
OVERVIEW

• How did we identify customer as a quality target?
• Results of the Appraisal
• Key Takeaways
• Net Zero Goals: Read the Fine Print
HOW DID WE IDENTIFY ASTRAZENECA AS TARGET?

• Published global initiative to be carbon neutral by 2025
• Leveraged public information to obtain meeting
• Existing, aging facility with complex piping system
• There was a win-win opportunity
RESULTS OF APPRAISAL

• Upgrading the insulation on the items identified would result in estimated savings of:
  • $93,761 per year

• Cost to operate the identified items as currently insulated:
  • $101,651 per year

• Cost to operate the identified items if upgraded:
  • $7,890 per year

• Reduction in heat flow:
  • 28,060,191 kBTU per year

• Reduction in CO$_2$ emissions:
  • 4,492,880 pounds per year

• Reduction in NO$_x$ emissions:
  • 8,994 pounds per year
REDUCED GHG EMISSIONS

**CO₂ Emissions Per Year**
- Current CO₂ Emissions: 4,861,377
- Upgraded CO₂ Emissions: 377,497

**NOₓ Emissions Per Year**
- Current NOₓ Emissions: 9,751
- Upgraded NOₓ Emissions: 757
GHG EQUIVALENCIES CALCULATOR

Greenhouse gas emissions avoided by

1. 1,105
   Tons of waste recycled instead of landfilled

2. 158
   Garbage trucks of waste recycled instead of landfilled

3. 138,268
   Trash bags of waste recycled instead of landfilled

4. 0.702
   Wind turbines running for a year

5. 123,450
   Incandescent lamps switched to LEDs

Carbon sequestered by

1. 53,732
   Tree seedlings grown for 10 years

2. 4,244
   Acres of U.S. forests in one year

3. 22
   Acres of U.S. forests preserved from conversion to cropland in one year
OTHER BENEFITS

• Improved Process Control
  • Better insulated process piping results in more easily controlled process systems

• Reduced Boiler Usage
  • Reduction in chemical treatment
  • Reduced maintenance
  • Improved lifespan

• Improved Working Conditions
  • Reduced ambient temperatures
  • Reduced ambient noise

• Personnel Protection
  • OSHA standard 1910.261(k)(11) states: *Steam and hot-water pipes*. All exposed steam and hot-water pipes within 7 feet of the floor or working platform or within 15 inches measured horizontally from stairways, ramps, or fixed ladders shall be covered with an insulating material or guarded in such manner as to prevent contact.
  • Industry standard is to insulate anything 140°F or more
Our potential customer base is growing
  • A fifth of the world’s largest companies have net zero goals

Carbon is a new Currency
  • Format your presentations accordingly (EPA Calculator)

Published carbon goals help get meetings!!

New roles specific to energy and company-wide committees

Ask questions that will help you get the W
  • Simple payback goals
  • Green House Gas Goals
  • Shared pools of money to fund project

Thermal images are impactful!!

Challenge yourself
  • First appraisal will feel clunky, but it will get easier over time
  • Be different than your competition; educate customers and add value

PRV exposed at 355F
The Climate Pledge 2040 (theclimatepledge.com)

A Fifth of the World's Largest Companies Committed to Net Zero Targets

2040
- Amazon
- Pepsico
- IBM
- jetBlue
- Siemens
- Mercedes-Benz
- Verizon

2030
- Apple
- Ikea
- Burger King
- Facebook
- Jacob's Engineering

2025
- AstraZeneca
- O2
- Bloomberg LP
- WPP

“The companies together represent sales of $14 Trillion” Forbes Magazine, March 2021
CONSTRUCTION USERS ROUNDTABLE MEETING NOV 9 (B) FLORIDA

The Star of the Show . . . No, Not Hugh Jackman

Dave Cox, President, National Insulation Association and
Michelle M. Jones, Executive Vice president/CEO, National Insulation Association

We all know them. Quiet, unassuming people who remain out of the spotlight, yet dependable, effective, confident, and successful. We’re taking this analogy and applying it to the systems of the built environment. No spotlight grabber, but truly the star of the show - efficient, reliable, smart, and if protected/properly maintained, will improve efficiency, save money, provide safety, and reduce your carbon footprint!

Join us for a discussion that will showcase the sustainability aspect of the mechanical insulation system.


Contractors: Bechtel, Black & Veatch, BrandSafway, Brock, Fluor, Holder, Jacobs, KBR, Kiewit, Kokosing, McDermott, PCL, Turner, Zachry Industrial
CALCULATE YOUR SAVINGS

• Understand EPA website to show on quotes: GHG savings and offsets

www.epa.gov/energy/greenhouse-gas-equivalencies-calculator