



# EVERSOURCE

## Supplier Sustainability Partner Guide



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### Welcome!

Supplier Sustainability is constantly evolving, and we are always looking for new ways to engage with our suppliers. We are recognized as a leader in environmental, social, and governance (ESG) and strive to find opportunities to extend our commitment throughout our value chain.

We seek to work with suppliers that share our commitment to environmental stewardship, social responsibility, and ethical business practices. One example of how we are demonstrating climate leadership is our commitment to make our operations carbon neutral by 2030. We are also looking into our supply chain reduce these indirect emissions.

This guide outlines Eversource's approach to Supplier Sustainability. The Annual RFI Questionnaire, Sustainability RFP/SPQ questions, and processes are intended to draw out sustainability opportunities as well as identify risks to improve our sustainable supply chain practices. The sustainability practices outlined in this guide and used in Eversource's supply chain allow us to assign scores to suppliers so that we can track progress, monitor trends, and create sustainable supply chain goals. Results of our supplier engagements on sustainability are also described in our Annual Sustainability Report that many of our key stakeholders, including investors, use to learn about Eversource's sustainability performance. By proactively addressing emerging stakeholder expectations, suppliers can adapt over time rather than all at once.

**IF YOU HAVE ANY QUESTIONS** regarding any sustainability practices outlined in this document, please reach out to Procurements **Supplier Sustainability Lead, Carina Yorski** at [Carina.Yorski@Eversource.com](mailto:Carina.Yorski@Eversource.com).



### The Importance of Sustainability at Eversource

As stated in our Sustainability Report:

#### We are committed to industry leadership in Environmental, Social, and Governance (ESG)

Conducting our business with integrity in a socially and environmentally responsible manner earns the trust of our customers, attracts talented new employees, and demonstrates our shared responsibility of restoring our planet. Environmental, social, and governance (ESG) initiatives are fully integrated into the policies and principles that govern our company.



#### Environmental

We are committed to environmental stewardship and to minimizing our impact on the environment. With climate change as one of the most pressing challenges we face, we understand the importance of reducing emissions. One important example of our continued leadership in this area is setting an industry-leading goal to have our operations be carbon neutral by 2030. As a leader in clean energy, we also support ambitious state and regional emission reduction goals.

#### Social

With our society continuing to face social justice issues, we have a responsibility at Eversource to protect the rights and celebrate the differences of our employees, customers, and neighbors. We have the power to make a positive impact and provide solutions that will drive diversity, equity, and inclusion. Our Diversity and Inclusion Strategic Plan focuses on racial and social justice and accelerating progress on making positive change in our workplace and communities. It addresses racism and inequality, building a more inclusive workplace, increasing our leadership commitment, and further enhancing support for our diverse communities and suppliers. We have senior-level executives dedicated to diversity, inclusion and equity. We also formed a dedicated Racial Equity Task Force to provide advice, thoughts and views on the company's progress, plans and activities focused on racial equity and social justice efforts, particularly in the areas of talent acquisition and development, inclusion, and support to the diverse communities we serve.

#### Governance

Our Eversource Code of Business Conduct communicates our commitment to conducting our business ethically, respectfully and honestly and to support our employees in their day-to-day decision-making. Exemplifying the importance of sustainability in our business, our Governance, Environmental and Social Responsibility Committee has oversight of environmental, human capital management and social responsibility strategy, programs and policies.

#### TO READ MORE ON EVERSOURCE'S SUSTAINABILITY REPORT, GO TO:

<https://www.eversource.com/content/ct-c/residential/about/sustainability>

## Eversource’s Supplier Sustainability Program

Eversource's Supplier Sustainability Program strategy is comprised of four steps allowing us to engage with our suppliers for responsible sourcing by using the sustainability data in bid evaluations, supplier relationship meetings, and annual goals.

- I. **Supplier Data Inputs:** As the relationship between Eversource and our suppliers progresses, our expectations for suppliers’ practices do as well:



**SRM suppliers:** EUISSCA Questionnaire targeted at our SRM (Supplier Relationship Management) suppliers

**Top 70% of spend:** Detailed Annual Sustainability Questionnaire targeted at suppliers who represent 70% of Eversource annual spend

**Suppliers participating in sourcing event:** Suppliers are asked to update Sustainability Practices Profile and must complete Contract Sustainability Opportunities question

**All suppliers that register with Eversource in Ariba sourcing:** At the time of registration, Suppliers Sustainability Practices Profile and acknowledgment of Supplier Code of Conduct established in Supplier Profile Questionnaire

- II. **Review:** Using the data from Supplier inputs, we can identify opportunities
- III. **Plan:** Eversource has numerous reports that we use to monitor Supplier Sustainability and plan for improvements
- IV. **Improve:** Focusing on areas identified for improvement, Eversource will work with specific suppliers to develop improvement plans and track performance

## Suppliers Data Inputs

### 1.1 Sustainability Practices that Supplier Employs – SPQ and Bid Process

The information that is collected within the Supplier Profile Questionnaire and during the bid process in Ariba provides a summarized look at a supplier’s sustainability practices. This question is asked during supplier registration in the SPQ and is also asked again during the bid process where suppliers have the opportunity to update any progress. Once the supplier has set baseline responses to this question, the previous response will pre-populate for any future bids that the supplier participates in. If the supplier chooses to update during the bid process, this will automatically update the response in their organizational profile, which is where the supplier sustainability profile data is stored. The scores that procurement assigns to each vendor based on their response (along with the Eversource Sustainability Opportunity question (4.2), provide a sustainability score for the RFP Evaluation. Whenever a supplier updates their response, their score will be revised accordingly.

See section titled **Resources to learn more on ways you can improve your Sustainability Score**

▼ 6.5.1 Sustainability Practices That Your Company Employs ▼

6.5.1.1 Does your organization have programs or practices related to the following Sustainability areas?

- Sustainable Waste Management Practices (Minimizing Waste Generation, Prioritizing Recycling/Reuse, Responsible Waste Disposal and Treatment)
- Water Conservation Measures
- Pollution Mitigation Initiatives (Land, Air, or Water)
- Greenhouse Gas (GHG) Emission Reduction Initiatives/Climate Initiatives
- Social Responsibility Programs (Diversity, Equity & Inclusion, Social Justice, Programs to Support Local Communities)
- Workforce Investment (Safety and Employee Development)

▼

Answer

6.5.1.2 Select the Sustainability practices that your company employs in day-to-day operations and describe in the comment section. ▼

- Sustainable Waste Management Practices (Minimizing Waste Generation, Prioritizing Recycling/Reuse, Responsible Waste Disposal and Treatment)
- Water Conservation Measures
- Pollution Mitigation Initiatives (Land, Air, or Water)
- Greenhouse Gas (GHG) Emission Reduction Initiatives/Climate Initiatives
- Social Responsibility Programs (Diversity, Equity & Inclusion, Social Justice, Programs to Support Local Communities)
- Workforce Investment (Safety and Employee Development)

### 1.2 Eversource Sustainability Opportunity Question in RFX

During the bid process, suppliers are also asked to provide any sustainability opportunity that can be implemented for the specific project they are bidding on for the Contract at Eversource. This question is also used as part of the bid-evaluation process.

▼ 6.5.2 Eversource Sustainability Opportunities ▼

6.5.2.1 Do you have any sustainability opportunities available for this specific Eversource proposal?

Examples:

- Sustainable Waste Management Practices (Minimizing Waste Generation, Prioritizing Recycling/Reuse, Responsible Waste Disposal and Treatment)
- Water Conservation Measures
- Pollution Mitigation Initiatives (Land, Air, or Water)
- Greenhouse Gas (GHG) Emission Reduction Initiatives/Climate Initiatives
- Social Responsibility Programs (Diversity, Equity & Inclusion, Social Justice, Programs to Support Local Communities)
- Workforce Investment (Safety and Employee Development)

▼

Answer

6.5.2.2 Select the category of the sustainability opportunity available for this specific Eversource proposal ▼  ▼

- Sustainable Waste Management Practices (Minimizing Waste Generation, Prioritizing Recycling/Reuse, Responsible Waste Disposal and Treatment)
- Water Conservation Measures
- Pollution Mitigation Initiatives (Land, Air, or Water)
- Greenhouse Gas (GHG) Emission Reduction Initiatives/Climate Initiatives
- Social Responsibility Programs (Diversity, Equity & Inclusion, Social Justice, Programs to Support Local Communities)
- Workforce Investment (Safety and Employee Development)

6.5.2.3 Describe the sustainability opportunity available for this specific Eversource proposal ▼  ▼

### 1.2.1 Examples of Opportunities

The following table provides examples of opportunities that you as the supplier can consider working with Eversource to implement. These opportunities are **examples** to help you think of an opportunity that would benefit the bid in question. You are encouraged to think outside the box to come up with opportunities. This may be something that your company has done with other customers or a new pilot! You can work with your procurement agent if you would like assistance. Most of these opportunities provide both sides with savings and may help your company become more sustainable if you choose to adopt the opportunity as a standard practice!

Opportunity Category	Example of Opportunity
Sustainable Waste Management Practices	<ul style="list-style-type: none"> <li>• For contract duration, supplier agrees to reuse containers/pallets/reels that materials are being delivered with and reuse them for future deliveries</li> <li>• Reuse of excess or removed material from site</li> <li>• Develop circular business models (use of recycled materials in production, eliminating consumables, designing for extended use, etc.)</li> </ul>



	<ul style="list-style-type: none"> <li>• Consider zero waste opportunities for specific projects</li> </ul>
Water Conservation Measures	<ul style="list-style-type: none"> <li>• When designing facilities, consider installing fixtures or appliance with highest water efficiency ratings</li> <li>• Consider local water risks when siting and developing your manufacturing facilities</li> <li>• Measure water consumption on all projects or in your facilities and set quantifiable targets to drive reductions</li> </ul>
Pollution Mitigation Initiatives	<ul style="list-style-type: none"> <li>• Use environmentally safe paints (ex. latex) and cleaning products whenever possible</li> <li>• Reduce the use of aerosol products</li> <li>• Develop carbon neutral/net zero company commitment</li> <li>• Develop climate change policy</li> <li>• Upgrading heating/cooling equipment to be more energy efficient</li> <li>• Quantify air pollution in their supply chain/manufacturing process</li> <li>• Collect data to develop emission inventories for major pollutants</li> </ul>
GHG Emission Reduction Initiatives	<ul style="list-style-type: none"> <li>• Converting fleet to electric or hybrid vehicles wherever possible, or a goal to have X percentage by X date</li> <li>• Optimize routes to reduce miles driven or implement jobsite carpool program</li> <li>• Use biodiesel or ultra-low sulfur fuel heavy equipment to reduce GHG emissions</li> <li>• Consolidation of scheduled delivery trips (Ex. Delivery ad-hoc to 1x per week)</li> <li>• Consider energy efficiency audits or programs for your operations</li> <li>• Design products, processes, and systems to reduce GHG emissions in their material content, construction, use and disposal</li> <li>• Consider the use to renewables to power your operations</li> </ul>
Social Responsibility Programs	<ul style="list-style-type: none"> <li>• Set goals to increase employee and supplier diversity</li> <li>• Promote employment opportunities for military, disabled and disadvantaged workers</li> <li>• Commitment to charitable giving and employee volunteerism to support local communities</li> <li>• Source subcontractors and suppliers locally or from diverse suppliers</li> </ul>
Workforce Investment	<ul style="list-style-type: none"> <li>• Project hires X number of additional interns or programs to train additional employees</li> <li>• Increase safety expectations for project</li> </ul>

### 1.3 Annual Sustainability Questionnaire

Eversource Procurement targets vendors who comprise our top 70% of spend to complete an additional detailed Annual Sustainability Questionnaire, which is sent out as an RFI in Ariba Sourcing. The questionnaire



consists of “Yes/No” and multiple-choice questions regarding Environmental, Labor and Human Rights, Code of Conduct, and Safety. The information collected:

- Provides an in-depth look at our top Suppliers sustainability practices
- Provides Eversource targeted areas to improve our overall Supplier Sustainability Performance
- Gives individual Suppliers targeted areas to improve their Sustainability Performance
- The Annual Sustainability Questionnaire results in standardized benchmark scores for all key suppliers during the annual SRM review

### 1.4 The Sustainability Project (TSP) Questionnaire

Eversource is also a member of the Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA). We ask our Supplier Relationship Management (SRM) suppliers to participate in their annual Sustainability Questionnaire through TSP. This questionnaire is very detailed and provides a score for suppliers to track their progress and compare scores against industry peers to benchmark performance. Eversource currently targets our SRM suppliers to complete this questionnaire, but any suppliers interested in participating in the survey to improve their sustainability performance are welcome to participate.

**TO READ MORE ON TSP, GO TO:**

<https://www.euissca.org/the-sustainability-project.html>

**Resources help improve your Sustainability Score**

*Please note that Eversource does not manage the webpages below and the resources are for your educational purposes.*

Resource	Link to Webpage
Learn about Sustainable Development Goals	<a href="https://www.un.org/sustainabledevelopment/sustainable-development-goals/">https://www.un.org/sustainabledevelopment/sustainable-development-goals/</a>
Learn about an option for Reporting your GHG Emissions	<ul style="list-style-type: none"> <li>• <a href="https://www.epa.gov/ghgreporting">https://www.epa.gov/ghgreporting</a></li> <li>• <a href="https://www.epa.gov/ghgemissions/overview-greenhouse-gases">https://www.epa.gov/ghgemissions/overview-greenhouse-gases</a></li> <li>• <a href="https://ghgprotocol.org/">https://ghgprotocol.org/</a></li> <li>• <a href="https://www.cdp.net/en">https://www.cdp.net/en</a></li> </ul>
Learn about EPA’s best management practices for reducing water waste:	<a href="https://www.epa.gov/watersense/best-management-practices">https://www.epa.gov/watersense/best-management-practices</a>
Learn About becoming a Supplier Affiliate Member with EUSSCA to learn best practices and set goals as a company ( <b>Learn more in section 6</b> )	<a href="https://www.euissca.org/supplier-affiliate-membership.html">https://www.euissca.org/supplier-affiliate-membership.html</a>
Identify improvement opportunities and track progress over time with ‘The Sustainability Project’	<a href="http://www.tspproject.org">www.tspproject.org</a>
Learn more about Diversity and Inclusion in MA	<a href="https://www.mass.gov/orgs/supplier-diversity-office-sdo">https://www.mass.gov/orgs/supplier-diversity-office-sdo</a>
Learn more about Diversity and Inclusion in CT	<a href="https://portal.ct.gov/DAS/Services/For-Agencies-and-Municipalities/Procurement/Supplier-Diversity">https://portal.ct.gov/DAS/Services/For-Agencies-and-Municipalities/Procurement/Supplier-Diversity</a>

## Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA)

Eversource belongs to EUISSCA, which is a great resource to improve Suppliers Sustainability Practices. The Alliance aspires to be known as the leader in establishing a robust and sustainable electric utility industry supply chain. Suppliers looking for ideas on how to become more sustainable are encouraged to join EUISSCA to learn more about sustainability, network with industry peers, and identify opportunities to improve.

TO READ MORE ON EUISSCA, GO TO THEIR HOMEPAGE:

<https://www.euissca.org/>

### 1.5 Supplier Affiliate Membership (SAM)

As stated on EUISSCA’s webpage, “**Supplier Affiliate Membership (SAM)** is open to firms and/or individuals that have an interest in advancing sustainability within the electric utility supply chain. These firms may provide goods and services to the industry, but cannot be engaged in the transmission, distribution, brokerage, or sale of electricity in any part of their entity.

**Benefits of Membership:**

**Benefits of Membership:**

- **Access:** Participate in year-round activities, and forums with decision makers and influencers
- **Recognition:** Display your Supplier Affiliate Member logo on your website, brochures and business cards to identify your company as one with a special focus on electric utility sustainability
- **Expertise:** Expand your expertise by becoming a regular participant in our Practice Sharing Sessions
- **Discounts:** Take advantage of discounts and visibility in our Supplier Affiliate Member Only Showcase during the Annual Sourcing Conference (limited number of spots available each year)”

TO READ MORE, GO TO EUISSCA SAM HOMEPAGE:

<https://www.euissca.org/supplier-affiliate-membership.html>

