

CLIMATE TRANSITION PLAN



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FOREWORD

As a leading engineering, procurement, and construction (EPC) company, Fluor embraces our role in supporting the climate transition. We have an execution toolbox, best-in-class talent, and global footprint to help the world decarbonize.

From 2021 through 2024, during the ‘fix and build’ phase of the company’s ‘building a better future’ strategy, we focused on repairing the balance sheet and building quality backlog. Now, we are evolving to the next phase of our strategy, ‘grow and execute’ (2025-2028), with a focus on sustained growth and project delivery.

In alignment with our business strategy, our Climate Transition Plan helps us focus on mitigating increasingly severe climate risks for our clients; supporting alignment on climate action within the organization; improving credibility with investors and other stakeholders; and identifying long-term value creation opportunities in a changing regulatory and market environment.

The landscape of mandatory climate disclosures is evolving rapidly, and these regulations require more transparency on transition planning. Our Climate Transition Plan serves as our blueprint for articulating our current approach and future priorities as we continue to build a sustainable and resilient future for the company and society. Our plan also highlights the progress we have made since publishing our Climate Action Plan in 2023, which includes conducting a climate risk assessment for our global operations, expanding our greenhouse gas (GHG) emissions boundary to cover construction sites, and maintaining carbon neutrality for Scopes 1 and 2 GHG emissions at our offices.

As a result of our accelerated climate actions over the last few years, we have significantly reduced the company’s carbon footprint. We recognize that continued engagement with our stakeholders can provide opportunities for additional reductions. Beyond leadership-level accountability, this also includes employee, client, and supply chain engagement. Through our collective efforts, we are proud to help shape the future of our industry and, ultimately, build a better world.

We look forward to putting this plan into action to strengthen our resilience and continue delivering value for our clients and stakeholders.



Nicole Davies

Executive Vice President
Corporate Development, Strategy & Sustainability

EXECUTIVE SUMMARY

Our Climate Transition Plan details our climate-related ambitions and demonstrates their alignment with our business strategy, addressing both the low carbon transition and increasing physical climate risks. This readiness is underpinned by a robust climate risk management framework and initiatives aimed at enhancing resilience that will be supported by actions to elevate our level of maturity, such as expanding our GHG emissions boundary over time.

Our climate ambitions are identified and explained in this plan.

The first section of our plan, [Setting Goals and Targets](#), outlines our approach and ambitions related to GHG emissions calculation and management. It describes our Net Zero 2023 initiative, under which we achieved carbon neutrality for Scopes 1 and 2 across our offices, supported by energy consumption reduction, low carbon energy purchases, energy attribute certificates (EACs), and carbon offsets.

Looking forward, we will evaluate the use of EACs and carbon offsets as we seek opportunities to improve energy efficiency and purchase more renewable energy. We are expanding our reporting boundary to include project sites where we have operational control and develop a Scope 3 GHG emissions boundary in alignment with evolving global climate disclosure frameworks.

The second section of our plan, [Business Strategy-aligned Climate Action](#), demonstrates how our climate ambitions are aligned with our business strategy. [Section 2.1](#) describes our approach to managing climate risks, informed by our recent global climate risk assessment.

In [Section 2.2](#), we describe our work supporting the transition to a low carbon economy, which includes carbon capture, adopting low carbon energy sources, green steel production, and sustainable construction materials. We discuss the dependencies, i.e., the key external factors and conditions required for a successful delivery of our climate ambitions in [Section 2.3](#).

[Section 3](#) covers our engagement with third parties relevant to advancing our transition ambitions. In [Section 3.1](#), we highlight our initiatives to ensure the resilience of our value chain, recognizing its importance to maintain operational stability and advance on climate goals.

[Section 3.2](#) shows how we engage with industries, policymakers, and communities directly affected by our work on issues relevant to climate and sustainability.

The final section of our plan, [Effective Governance and Progress Tracking](#), outlines our governance around climate-related issues. [Section 4.1](#) describes board and management climate-related responsibilities. [Section 4.2](#) describes our process of collecting sustainability data.

A glossary of terms, acronyms, and abbreviations used throughout this plan is located at the end of the document.

1. SETTING GOALS AND TARGETS

1.1 Our Climate Ambitions

Fluor Corporation remains committed to integrating sustainability into our core business strategy. As part of our Climate Transition Plan, we are outlining our climate-related achievements and goals in alignment with our business objectives.

Our climate ambitions, as identified and explained in this plan, include:

- ▶ Maintaining carbon neutrality of office Scopes 1 and 2 GHG emissions;
- ▶ Expanding Scope 3 data for offices and Scopes 1, 2, and 3 data for a collection of global project sites in our GHG emissions data inventory;¹
- ▶ Integrating climate risk into our risk management processes, informed by a comprehensive global climate risk and opportunity assessment; and
- ▶ Growing our services supporting the low carbon transition based on client demand, market conditions, and policy frameworks, enabling us to pursue transition opportunities.

We are continuously making progress on our climate ambitions, and we outline related initiatives throughout this plan.

1.2 Our GHG Emissions

1.2.1 Overview of our GHG Emissions

Our data inventory currently includes Scope 1 and 2 data for our offices. We have expanded our GHG emission inventory boundary to include Scope 3 data for our offices and Scope 1, 2, and 3 data for a collection of project sites that are representative of global sites over which we have operational control.

A high-level breakdown of our GHG emissions can be found below.

- ▶ Our **Scope 1** emission sources include:
 - Fuel combustion in stationary and mobile equipment;
 - Fuel combustion in fleet vehicles (owned and/or leased); and
 - Fugitive emissions of refrigerants used in building cooling systems.
- ▶ Our **Scope 2** emission sources include indirect emissions associated with purchased electricity, heat, and steam at Fluor operations.
- ▶ We collect and report on business-related air travel in our annual Sustainability Data Disclosures. We are also in the process of developing an inventory of other relevant categories of our **Scope 3** emissions in line with the Greenhouse Gas (GHG) Protocol, which serves as the foundational basis for calculating emissions under relevant climate regulations, including the Corporate

¹ Our data inventory currently includes Scopes 1 and 2 and limited Scope 3 GHG emissions for our offices. Beginning in 2026, we will include expanded data for Scope 3 for our offices and Scopes 1, 2, and 3 for a collection of project sites that are representative of the global pool of sites over which we have operational control.

Sustainability Reporting Directive (CSRD). During 2025, we started collecting Scope 3 data for applicable categories. This effort is essential to understanding the full impact of our value chain and identifying opportunities for reduction. We are engaging with stakeholders and leveraging commercial software to ensure accurate and transparent reporting.

All Fluor offices are required to report on stationary and mobile fuel consumption, refrigerants use, and electricity and heat use, where applicable. Each Fluor office provides data that is entered into our database. Where Fluor shares office facilities without a separate meter, emissions are apportioned by percentage of total area occupied by Fluor.

In 2025, we developed an inventory for our Scope 3 emissions for Fluor offices and all scopes of GHG emissions for Fluor construction projects. Collecting data for all relevant categories and having inventories in place for offices' Scope 3 emissions, as well as construction projects' Scopes 1, 2, and 3 emissions, will allow Fluor to further track our progress on energy reductions. This will also allow us to better manage relevant climate-related risks and opportunities, for example, those relating to GHG emissions reporting.

Further information on the data inventory quantification methodology, including specific sources for each emission factor, is detailed in Fluor's Greenhouse Gas Inventory Management Plan, which is published annually [on our website](#). The 2026 Inventory Management Plan will address project sites and Scope 3 GHG emissions.

1.2.2 Reducing our GHG Emissions

In 2023, we achieved carbon neutrality² across our offices by decreasing operational Scope 1 and Scope 2 GHG emissions.³ Our goal is to maintain this status, which is based on four pillars.

— Reducing Energy Consumption

In 2025, our combined Scope 1 and Scope 2 market-based GHG emissions totaled approximately 2,800 metric tons of carbon dioxide equivalent (tCO₂e), which was a 59% reduction from our 2024 total (before carbon offsets applied). Between 2024 and 2025, we experienced a reduction of approximately 43,300 gigajoules in direct energy consumption and 60,600 gigajoules in indirect energy consumption. This was achieved through the divestiture of subsidiary operations and by minimizing our energy consumption, for example, by upgrading fleet to hybrid or electric vehicles.

In the future, we intend to further reduce our energy consumption, both by increasing the energy efficiency of our offices and by continuing to make our vehicle fleet more environmentally friendly. Currently 24 offices globally have fleet vehicles, with approximately 46% of these offices having at least one electric or hybrid vehicle within their fleet, a 15% increase from 2024.

— Purchasing Low- Or Zero-Carbon Energy or Energy Bundled with Renewable EACs

Where feasible, office teams purchase power from low- or zero-carbon energy sources, such as biomass, wind, and solar. EACs purchased by us are bundled with the purchased power and are

² For the purpose of this goal, we define carbon neutrality as net balance of Scopes 1 and 2 CO₂e emitted minus retired offsets, EACs, and other similar instruments.

³ The limited assurance report related to our achievement of our carbon neutrality initiative can be found [here](#).

retired. Looking ahead, we are exploring ways to reduce our utilization of EACs and increase the use of renewable energy sources wherever feasible.

— Purchasing Unbundled EACs

Our purchase of unbundled EACs to address remaining Scope 2 electricity emissions is managed through an energy broker, where EACs are available for purchase. These certificates are sourced within the same grid region or as close as possible to the Fluor operations to which they are applied and then are retired. Using this approach enables the appropriate credit to be assigned to the relevant region. EACs we purchase meet Scope 2 Quality Criteria described in the GHG Protocol Scope 2 Guidance.

— Purchasing High-Quality Offsets

To achieve and maintain carbon neutrality for Scopes 1 and 2 across our offices, we purchase high-quality offsets for Scope 1 and Scope 2 emissions associated with heat and steam purchases and for electricity in locations where EACs are not available.

The offsets we purchase meet the criteria of additionality, permanence, leakage, and double counting.⁴ They are also certified through several globally recognized certifying programs, such as the Sustainable Development Verified Impact Standard (SD VSta) or VCS/Verra (Verified Carbon Standard).

Since 2023, we have invested in a peatland protection and restoration project in the Rimba Raya Biodiversity Reserve (project Verra ID: 674), which avoids planned land use conversion in peat swamp forests in Central Kalimantan, Indonesia. It's one of the largest REDD+ (Reducing Emissions from Deforestation and Forest Degradation) projects, protecting over 47,000 hectares of high-carbon tropical ecosystems. The project follows the VM0004 methodology and has been certified through Verra's Sustainable Development Verified Impact Standard, the Climate, Community and Biodiversity Alliance (Gold verification level), as well as the REDD+ framework. In 2025, we purchased approximately 2,800 tCO₂e of offsets from the project, down from 6,740 tCO₂e in 2024 and 12,070 tCO₂e in 2023. These offsets supplement actions to reduce emissions, and our goal is to continue decreasing the use of them.

We remain focused on reducing our climate footprint. Relevant opportunities include upgrading our fleet to lower-emission vehicles, which will drive further reductions. We continue to evaluate use of unbundled EACs and carbon offsets while considering energy efficiency, renewable energy procurement, and operational improvements.

We have expanded our reporting boundary to include project sites over which we have operational control, further strengthening our climate accountability. We are continuously refining our inventory of Scope 3 emissions in line with evolving global climate disclosure regulations.

⁴ As described in the World Resources Institute's GHG Protocol and the Oxford Principles for Net Zero Aligned Carbon Offsetting

2. BUSINESS STRATEGY-ALIGNED CLIMATE ACTION

At Fluor, we develop and pursue our climate ambitions in alignment with our business strategy. Given that the value we create is enabled by our client work, our ability to improve our climate performance is significantly influenced by our clients' ambitions and, more broadly, the decarbonization pace of the economy. However, we do undertake our own initiatives enabling us to make progress.

In this section, we outline:

- ▶ In [Section 2.1](#), our approach to climate risk and opportunity management;
- ▶ In [Section 2.2](#), an overview of our scalable work supporting the transition to a low carbon economy;
- ▶ In [Section 2.3](#), the dependencies of our transition plan.

2.1 Climate Risk and Opportunity Management

We manage risks and opportunities through a project-specific risk management framework. Every project establishes a baseline (contract, schedule, execution plan, commercial terms), and risks are identified, quantified for cost and schedule impact, and managed with action plans. Inputs to the project risk management framework include a library of prior risks and a standard set of those commonly encountered in engineering, with climate considerations integrated case by case. For example, climate-related acute hazards were recognized as key risks during our support of an [LNG export facility development in Canada](#), which led us to develop mitigation measures and monitor the relevant aspects throughout project execution. Our project risk assessments extend beyond physical sites to supply chain, with relevant initiatives outlined in [Section 3.1](#).

In 2024, we undertook a comprehensive climate risk and opportunity assessment across our global operations. The assessment was designed to identify, prioritize and quantify physical and transition climate-related risks and opportunities, in alignment with relevant regulatory frameworks (the CSRD, AASB S2 and California Senate Bill 261) and stakeholder expectations. We also developed a dedicated Australia-specific assessment, building on the findings of the global study, to ensure compliance with the AASB S2 reporting requirements. As climate change becomes more salient, it will be considered during our risk management process both at the project and corporate level.

2.1.1 Physical Risk Assessment

For physical risks, we assessed exposure to eight key climate hazards, for 15 major offices (representing over 80% of total revenue in 2024) and 22 key project sites (representing 56% of total 2024 project site revenue) across three climate scenarios and two time horizons. A breakdown of the approach can be found in Table 1.

Locations analyzed	▶ 15 major offices representing over 80% of total office revenue in 2024 ▶ 22 key project sites representing 56% of total 2024 site revenue
Hazards covered	▶ Coastal inundation ▶ Riverine flooding ▶ Surface water flooding ▶ Soil movement ▶ Extreme wind ▶ Forest fires ▶ Extreme heat ▶ Freeze-thaw cycles
Scenarios used	▶ RCP 2.6 (1.5°C warming) ▶ RCP 4.5 (2.5-3°C warming) ▶ RCP 8.5 (4°C warming, worst-case)
Time horizons considered	▶ 2030 (short-term) ▶ 2050 (long-term)

Table 1. Overview of approach to our physical risk assessment

For each scenario and time horizon, the financial impact was calculated as the sum of property damage and business interruption risk, with materiality thresholds set for revenue, earnings before taxes, and operating profit. Property damage was estimated using real estate insurance values, while business interruption was based on projected revenue losses due to operational disruptions.

The key findings from the physical risk assessment are:

- ▶ The most significant hazards are coastal inundation, extreme heat, and riverine flooding;
- ▶ In the short term (by 2030), the estimated financial impact on offices and project sites is non-material across all three climate scenarios considered;
- ▶ Across both timeframes and all scenarios, business interruption is expected to account for most of the financial impact, while property damage is expected to remain relatively limited for the offices and projects analyzed;
- ▶ Looking ahead to 2050, the financial impact on offices and project sites is expected to rise significantly in the most severe scenario (RCP 8.5), with a substantial percentage increase compared to the short-term outlook, as outlined in Figure 1.

Many of our offices are leased, which helps minimize the impact of potential property damage to our business. We will be reviewing the relevant hazards and taking appropriate decisions in terms of office leases when necessary. Each of our offices has a contingency plan that allows us to respond to hazards. Additionally, the risk of business interruption is expected to be partially mitigated by Fluor's capacity to support remote work for our office-based employees if required. This arrangement proved effective during the COVID-19 pandemic.

As for project interruptions, Fluor's prime contracts and subcontracts contain force majeure clauses, which enable the company to negotiate schedule extensions and recover increased project costs resulting from physical disruptions at job sites. We also aim to improve our climate risk management by increasingly integrating it into our project risk management frameworks.

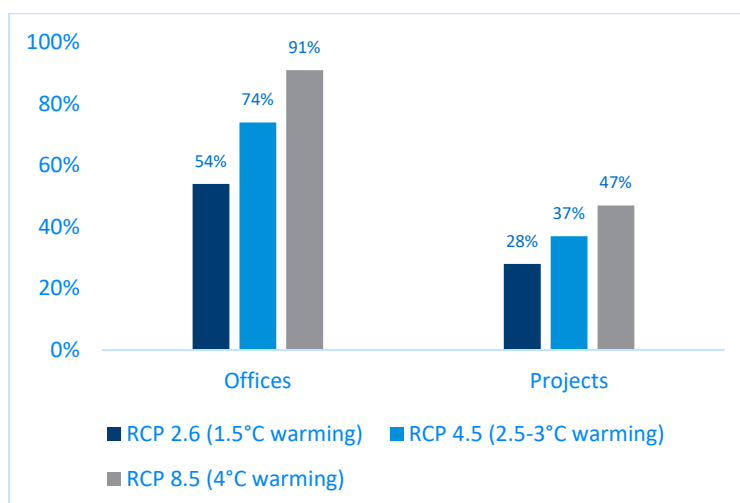


Figure 1. Projected increase in financial impact from physical climate risks for key Fluor offices and project sites (2030-2050, across three RCP climate scenarios)

2.1.2 Transition Risk Assessment

The transition risk assessment was supported by industry benchmarking and stakeholder interviews, with the risks and opportunities ranked by likelihood and impact across the three RCP scenarios considered in the physical risk assessment, and across three time horizons: 2030, 2040, and 2050. The assessment allowed us to prioritize five risks and four opportunities for quantifying expected financial impact on our business. Table 2 summarizes the approach to the transition risk assessment.

Business operations analyzed	▶ Global operations ▶ Operations in Australia (for compliance with AASB S2)
Priority risks (selected for financial impact quantification)	▶ GHG emissions reporting requirements ▶ Rapid advancement of low carbon technology ▶ Schedule delays ▶ Increasing responsibilities related to design and engineering standard of care
Priority opportunities (selected for financial impact quantification)	▶ Energy transition ▶ Sustainable design and green building standards ▶ Water management ▶ Climate change adaptation and resilience
Scenarios used	▶ RCP 2.6 (1.5°C warming) ▶ RCP 4.5 (2.5-3°C warming) ▶ RCP 8.5 (4°C warming, worst-case)
Time horizons considered	▶ 2030 (short-term) ▶ 2040 (medium-term) ▶ 2050 (long-term)

Table 2. Overview of approach to our transition risk assessment

The key findings from the transition risk assessment are:

- ▶ Key risks include challenges in GHG emissions reporting and the expected quick advancement of low carbon technology, as well as schedule delays and growing obligations for design and engineering standards of care;
- ▶ A transition to a low carbon economy (1.5°C scenario) presents a greater opportunity to Fluor than a risk. Under this scenario, we can expect to see increasing demand for energy transition related work, including carbon capture, hydrogen, battery chemicals, nuclear, and renewables;
- ▶ Some opportunities were also identified under a high-emission scenario, under which we could support clients in adapting to climate change and strengthening resilience, such as conducting infrastructure upgrades or improving water management processes.

We are taking steps to identify appropriate actions based on the findings of our climate risk assessment. We will be developing response measures to effectively mitigate the identified risks and position ourselves strategically to capture the identified opportunities on top of ensuring regulatory compliance.

Below, we outline the examples of our work that support the low carbon transition, which we can scale up to respond to evolving client demand.

2.2 Our Work Supporting the Transition to a Low Carbon Economy

This sub-section outlines our work that helps advance a transition to a low carbon economy. It encompasses supporting our clients with transitioning to low carbon energy sources, carbon capture, and low carbon steel production, as well as sustainable construction. We aim to further develop these services, expanding their share in our revenue mix, if enabled by client demand. Descriptions of our work in these areas are supported by specific project examples below.

2.2.1 Carbon Capture

We deliver end-to-end EPC solutions for carbon capture projects, encompassing CO₂ compression and transportation. Leveraging deep expertise, we support clients in achieving net zero targets and reducing global carbon emissions.

As a single-source provider, we offer both proprietary technology and integrated EPC services to ensure efficient project execution. Our ongoing advancements in solvent formulation help minimize energy usage, capital expenditures, and costs.

Our team of carbon capture specialists brings innovative, field-proven solutions to life through Fluor's patented CO₂ recovery technologies, which include the following:

- ▶ The **Econamine FG PlusSM** technology uses a solvent to capture CO₂ from post-combustion sources
- ▶ The **Fluor SolventSM** process uses a dry propylene solvent to remove CO₂ from gas streams
- ▶ The **EconamineSM** technology uses diglycolamine as the aqueous solvent for hydrogen sulfide (H₂S) and CO₂ removal from gas streams

At the same time, we are technology-agnostic and can also deliver carbon capture projects using other technologies besides our own, responding to client needs.

2.2.2 Transitioning to Low Carbon Energy Sources

We are advancing the energy transition through integrated solutions across renewable fuels and chemicals, battery storage, hydrogen, and nuclear power. We also support decarbonization by transforming refineries and building new facilities for renewable fuels, such as biodiesel and sustainable aviation fuel. Our solutions also help sustainable battery technology, covering the entire value chain from mineral extraction to energy storage systems. We accelerate hydrogen adoption by delivering cost-effective production, storage and transport solutions, including green and blue hydrogen. Lastly, with nearly 100 million hours of nuclear project experience, we continue to support our clients with traditional reactor technology and the deployment of small modular reactors and modernization initiatives.

2.2.3 Helping Low-Emission Steel Production

We partner with leading steel producers worldwide to decarbonize operations through early-phase studies and large-scale projects. Our strategy focuses on three areas: reducing emissions in operations, using alternative energy sources, and implementing carbon mitigation technologies. We design energy-efficient electric arc furnace facilities, optimizing scrap handling and promoting reuse of byproducts. We also support the integration of renewable energy and explore hydrogen-based direct reduced iron production to eliminate carbon emissions from traditional steel production processes.

Additionally, as outlined above, we are advancing carbon capture and storage (CCS), leveraging proprietary solutions to lower emissions from existing facilities. Through these initiatives, we are helping the steel industry transition toward a low carbon future.

2.2.4 Sustainable Construction

With licensed engineers among our staff, we integrate sustainability into our construction practices through recognized frameworks and certifications. As a Gold member of the U.S. Green Building Council® (USGBC), we employ numerous LEED-accredited professionals, including a LEED Fellow, and have delivered multiple LEED-certified facilities across sectors including advanced technology, life sciences and infrastructure. We also apply the Institute for Sustainable Infrastructure (ISI) Envision® framework in our work and maintain a team of Envision Sustainability Professionals to embed sustainable design principles across our work, even in cases when formal certification is not pursued. In 2025, we had two projects certified to a third-party multi-attribute sustainability standard, five active projects seeking such certification, and 58 other projects with significant sustainability attributes.

We are a charter member of the Construction Industry Institute (CII). We are active in research teams as leads or participants, and we participate in CII events and conferences. We have contributed to a number of research projects related to sustainability in construction,⁵ and we implement that research in our own projects.

⁵ These research projects include [RT-250 Sustainable Design & Construction](#), [RT-304 Sustainability Practices and Metrics for the Construction Phase of Capital Projects](#), [RT-380 Circularity in Capital Projects: Innovation and Opportunities](#), and [RT-411 Addressing Decarbonization in the Construction of Capital Projects](#).

2.2.5 Examples of our Work Supporting the Transition to a Low Carbon Economy

Carbon Capture

Building One of the World's First Large-Scale CCS Facilities

We played a key role in building the Quest Carbon Capture and Storage project in Alberta, Canada – one of the world's first large-scale CCS facilities. We designed and constructed the CO₂ capture system, which included advanced equipment to separate, compress, and prepare CO₂ for safe storage. To improve efficiency and safety, we used a modular construction approach, assembling 69 large pre-built sections onsite.

The Quest project, developed by Shell, captures up to 1.2 million tCO₂ each year from hydrogen production, equivalent to roughly 600,000 round-trip transatlantic flights per passenger, or around 2.4% of Shell's Scope 1 CO₂e emissions in 2024. Thanks to the technology used in the project, instead of releasing this greenhouse gas into the atmosphere, the CO₂ is transported through an 80-kilometer pipeline and stored 2,300 meters underground in a secure geological formation. Completed in 2015, Quest has received multiple awards for innovation and sustainability. More information on this work can be found [here](#).



Low Carbon Energy Sources

Transforming Waste-Based Materials for Cleaner Air Travel

We provided front-end engineering and design for the UK's first commercial-scale Sustainable Aviation Fuel (SAF) refinery – supporting national net zero ambitions by enabling large-scale

production of lower-carbon aviation fuel. The project supports efforts to reduce GHG emissions in aviation, one of the most challenging sectors to decarbonize.

In collaboration between LanzaJet and British Airways, the project is expected to deliver a facility capable of producing approximately 90,000 metric tons (30 million gallons) of SAF annually, significantly reducing lifecycle carbon emissions from air travel. When fully operational, this fuel production capacity is projected to reduce annual CO₂ emissions by an estimated 230,000 metric tons, or the equivalent to removing 26,000 domestic UK flights per year – supporting cleaner air, climate resilience, and progress toward UK decarbonization targets.

The facility is designed to convert second-generation ethanol derived from agricultural residues and woody biomass. Using LanzaJet's Alcohol-to-Jet technology to produce second-generation ethanol from waste-based and renewable materials, it promotes circular economic principles while reducing reliance on fossil fuels.

Transitioning a Refinery to Lower-Carbon Diesel

We supported HF Sinclair in transforming its refinery in Wyoming into a Renewable Diesel Unit, helping the client move toward more sustainable operations. The transformed facility can process about 6,000 barrels per day of renewable feedstocks like soybean oil and animal fats, turning them into cleaner diesel and small amounts of renewable naphtha. With the estimated avoided emissions of renewable fuel made from soybean compared to traditional diesel at approximately 1,100 tCO₂ per day,⁶ this conversion not only reduces environmental impact but also supports HF Sinclair's commitment to sustainability while improving profitability.

Renewable diesel is a low carbon fuel that performs like traditional diesel but produces fewer GHG emissions. It is made from materials that might otherwise go to waste, making it a practical alternative offering lower climate footprint.

Supporting the Development of One of the Biggest U.S. Solar Energy Facilities

We partnered with LS Power to deliver the Centinela Solar Energy Facility in California, one of the largest solar projects in the United States. This 170-megawatt site now provides clean, renewable energy to the southwestern United States, helping reduce reliance on fossil fuels, contributing to an annual saving of approximately 324,000 tCO₂, equivalent to annual GHG emissions of 68,000 cars. The project stimulated job creation in Imperial Valley, an area struggling with above-average unemployment rates, and prioritized local hiring and suppliers to support the community. Approximately 350 union craft workers were employed during the project's peak phase.

Sustainability was a key focus of the engagement, with a recycling program that recovered 300,000 pounds of cable scrap, 34,000 pallets and 93,000 pounds of cardboard from the project. Safety was also a top priority. Fluor completed more than 700,000 work hours without a recordable incident. The team implemented bilingual safety training and special measures to protect workers and wildlife, even in extreme desert heat.

This project demonstrates how large-scale renewable energy developments can deliver climate benefits while supporting local economies and maintaining high safety standards.

⁶ Estimate based on California Air Resources Board (CARB)-reported Carbon Intensity for soybean oil pathway and operation at nameplate capacity during 2025. Actual avoided GHG emissions may differ.

Low-Emission Steel

Supporting the World's First Green Steel Mill

Fluor was chosen by Stegra to deliver engineering services for the world's first renewable hydrogen-based integrated green steel mill, H2 Green Steel, located in Boden, Sweden.

The project scope included the design of a melt shop and casting, rolling, and finishing facilities for the steelmaking plant. Once operational, the H2 Green Steel site should produce 5 million metric tons of steel annually by 2030, achieving up to a 95% reduction in CO₂ emissions compared to traditional blast furnace methods. In 2023, the project received a €1.5 billion private equity investment, Europe's largest that year.

More information on this work can be found [here](#).



2.2.6 Sustainable Construction

Safeguarding Sustainable Building Certification

We provided engineering, procurement, construction management, commissioning, qualification, and validation services for Bayer's Cell Therapy Launch Facility in Berkeley, California. It has been designated the first industrial manufacturing facility in the Western United States to achieve a LEED v4 Platinum Certification, the highest level of recognition for sustainable building practices. The project was also named the 2025 Facility of the Year for Social Impact – Unmet Medical Needs by the International Society for Pharmaceutical Engineering.

The facility achieves 52.6% energy cost savings with LED lights, efficient fixtures, heat pumps, and rooftop solar. It features 100% process water reduction, manages 98% of rainfall onsite, uses high-efficiency plumbing, contains 65% recycled materials, and maximizes land use.

2.2.7 Sustainable Transportation

Battery-Grade Lithium Hydroxide for Electric Vehicles

We provided project management, engineering, procurement and construction management for the Covalent Lithium operation in Western Australia. The facilities are designed to produce approximately 50,000 metric tons of battery-grade lithium hydroxide per year, supporting Australia's role in the battery materials supply chain – enough lithium for approximately one million electric cars annually. With a long-life resource base, the operation supports long-term lithium production to contribute to domestic production and Australia's position in the global battery market.

Mass Transit Modernization Program

Advancing one of the most significant transit investments in Chicago's history, the Chicago Transit Authority's Red and Purple Modernization (RPM) Phase One Project represents the first major milestone in a comprehensive, multi-phase program to renew and improve the city's busiest transit lines. Fluor, with our project partners, replaced 1.3 miles of aging elevated infrastructure with a modern segmental bridge, upgraded rail systems and four stations, eliminating slow zones and improving reliability while creating new public space beneath the structure. The upgrades strengthen Chicago's transit core and provide safer, faster, and more reliable service for years to come.

LAX Automated People Mover

A Fluor joint venture was selected to design, build, finance, operate and maintain the Los Angeles International Airport (LAX) Automated People Mover (APM). It will provide access to the airline terminals for passengers and employees.

The ISI Envision® framework has been used for developing the APM to deliver exceptional improvements in the social, economic, and environmental conditions of the community. The system will feature a fleet of 44 fully electric vehicles, which partly recharge themselves through regenerative braking. The operations control center and maintenance facility are planned to generate almost half of their energy from solar power and aim for LEED Gold Certification. These improvements have enabled the team to offset CO₂ emissions equal to 12 million vehicle miles.

2.2.8 General Sustainability Support

Carbon Neutrality Roadmap for Net Zero by 2050, Circular Economy, Energy Efficiency

We conducted comprehensive sustainability studies for the SASREF+ project, focusing on net zero decarbonization, circular economy, energy optimization, and green energy. These efforts aim to proactively shape investment-grade, giga-scale crude-to-chemicals programs.

From the early design phase of a world-scale ethane cracker, we collaborated with stakeholders to develop a sustainability execution plan with defined milestones and deliverables. To support the client's net zero by 2050 target, we provided techno-economic evaluations for carbon capture, solar energy, blue hydrogen, electrification, and carbon offsets, and delivered a roadmap outlining short-, mid-, and long-term initiatives.

For circular economy objectives, we assessed multiple ESG-driven initiatives, including water conservation, waste minimization through the 4Rs (remove, reduce, reuse, recycle), and advanced automation such as robotic leak detection.⁷

This approach reflects the SASREF+ project's strong commitment to decarbonization, circular economy, energy efficiency, water conservation, and responsible material sourcing. By integrating sustainability from the early design phase, we minimized upfront costs and avoided expensive retrofits later in the project lifecycle.

2.3 Dependencies of our Climate Transition Plan

The extent to which we will be able to advance on our commitments will be substantially influenced by the pace of the transition of the economy, as well as the ambitions of our clients. The key dependencies we recognize for progressing the ambitions outlined in this plan include:

- ▶ Client demand and market support for low carbon transition related work
- ▶ Relevant policy incentives
- ▶ Broader stakeholder endorsement of the transition
- ▶ Global supply chain readiness and political stability

These dependencies are described in more detail below.

Strong client demand and market support are crucial for our climate ambitions. As an engineering and construction services provider, our greatest climate impact comes through projects we deliver. Progressing our transition ambitions is therefore dependent on our clients' climate goals and investment in low carbon projects.

In recent years, we have supported energy transition projects. For example, our partnership with Dow on the Path2Zero project in Canada – designing the world's first net zero emissions ethylene complex – demonstrates how bold client initiatives create opportunities for us to deliver climate solutions. Such projects depend on clients prioritizing sustainability and being willing to invest in new technologies upfront.

Policy incentives are critical in enabling us to better progress our ambitions. We operate in a heavily regulated industry and face rapidly evolving climate-related regulations. Compliance will require ongoing effort in data gathering, auditing, and reporting. At the same time, climate-forward policies can create opportunities for us. Government incentives for renewable energy, carbon capture, and other green projects can stimulate demand for related services.

Our plan will be bolstered by these supportive policies to enlarge the market for our work supporting the transition. For instance, national and regional commitments to net zero and regulations limiting emissions can lead to new projects in retrofitting facilities, building carbon-neutral infrastructure, and developing cleaner energy sources – areas where we can contribute.

We proactively respond to regulatory requirements, as demonstrated by our work toward aligning with the CSRD, AASB S2, and California Senate Bills 261 and 253. We also participate in industry initiatives and engage with relevant regulatory bodies, as outlined in the [External Engagement](#) section.

⁷ [Sustainability and the Energy Transition Alabbas \(Saudi Aramco\)](#)

Broader stakeholder expectations and evolving market trends shape external support for improving our climate performance. Beyond direct clients, other stakeholders – such as employees, industry partners, and the public – increasingly expect companies like Fluor to address climate change. Societal pressure for corporate responsibility remains, and businesses may be expected to be transparent about their climate actions, creating a need for Fluor’s Climate Transition Plan to address certain disclosure and performance standards.

Provided these trends continue, we will be able to expand our services in renewables, energy transition, and environmental remediation. Additionally, maintaining a good reputation on sustainability can influence our ability to successfully pursue business opportunities and attract talent. Our goals and initiatives related to sustainability described throughout this document demonstrate our desire to satisfy stakeholder expectations.

Global supply chain readiness and geopolitical stability are external factors that will influence how we are able to make progress toward our ambitions. Large engineering projects rely on complex, global supply chains for materials, equipment, and technology. For us to help clients decarbonize, low carbon equipment and materials (e.g., carbon capture units, green steel, advanced nuclear components) need to be available at scale. Thus, the readiness of suppliers to deliver new technology is a dependency: our plan assumes that our supply chain, including partners and vendors, continues to innovate and ramp up production of increasingly climate-friendly solutions.

Supply chain resilience is also key. Recent years have shown how geopolitical events can disrupt supply chains, causing a shift to “near-shoring” or “friend-shoring” in critical industries. We anticipate and mitigate such risks, but prolonged instability could hinder access to essential components for our projects supporting the low carbon transition. Additionally, geopolitical factors affect the macroeconomic climate for investment. International agreements (or conflicts) on climate can accelerate (or hamper) project development. Our ambitions are dependent on a relatively stable geopolitical environment that supports cross-border collaboration on climate initiatives. If geopolitical tensions restrict our ability to operate in certain regions or obtain climate-tech supplies, the pace of implementing transition projects can decrease. To mitigate the associated risks, we undertake various initiatives aimed at increasing supply chain resilience, as outlined in the [Ensuring Value Chain Resilience](#) section.

To summarize, a predictable and cooperative global environment that is ambitious in terms of climate action, both related to consumers and policymakers, together with robust and increasingly sustainable supply chain networks are external conditions that will significantly influence Fluor’s climate transition outcomes.

3. EXTERNAL ENGAGEMENT

3.1 Ensuring Value Chain Resilience

We acknowledge that a resilient value chain is critical for maintaining operational stability and advancing climate ambitions. External factors, ranging from geopolitical shifts and climate-related disruptions can have significant impacts on schedules, pricing, and overall project outcomes. Building resilience within the value chain allows us to make informed decisions on our climate ambitions (e.g., related to Scope 3 GHG emissions management), as well as manage risks more effectively, supporting long-term business continuity.

Our procurement approach continues to increase visibility into sustainability-related aspects of our supply chain and to identify suppliers that offer products which have lower-than-average climate footprint in line with evolving client expectations.

We categorize suppliers into strategic, evaluated, and prequalified to enhance our ability to engage on topics such as GHG emissions and environmental performance. Understanding where our suppliers operate adds important context to this environmental engagement, as geographic factors often influence regulatory requirements, climate-related risks, and local sustainability expectations. This visibility helps us anticipate evolving regulations and manage associated risks. This proactive approach supports efforts to strengthen supply chain resilience by diversifying our supplier base when needed.

Complementing this, our Supply Chain team conducts periodic data collection, including GHG emissions, at our work locations. Together, these activities enhance our understanding of supplier sustainability engagement and inform strategic supply chain decision-making.

As a founding member of the Supply Chain Sustainability School (SCSS) in the United States, we support employees and suppliers with access to leading sustainability learning resources. In 2025, we hosted four SCSS webinars for employees and select suppliers, with more than 250 participants from 15 companies.

More broadly, we are taking steps to further embed sustainability principles into our supply chain and procurement activities. We also require all suppliers and contractors to comply with our [Business Conduct and Ethics Expectations for Suppliers and Contractors](#) and to ensure their suppliers and contractors also follow these requirements. As part of these expectations, suppliers and contractors are required to, among other things:

- ▶ Maintain compliance and work to minimize potential negative impacts to biodiversity and ecosystems;
- ▶ Select and utilize suppliers and subcontractors who demonstrate practices consistent with environmentally responsible conduct;
- ▶ Partner with Fluor to identify and, where feasible, collaborate on sustainability improvements that benefit our clients, our company, and the communities in which we work and share the knowledge gained with their supply base so that they can benefit from sustainability best practices and implement them.

Together, the initiatives mentioned in this section allow us to mitigate disruption risks in today's dynamic business environment, as well as to identify effective supply chain engagement opportunities to progress on our climate ambitions.

3.2 Industry, Policy, and Community Engagement

We engage with industry bodies and the public sector on topics relevant to climate and sustainability. We are a Gold member of the USGBC, through which we support the development of sustainable construction research (as described in the [Business Strategy-aligned Climate Action](#) section). We also engage with the U.S. Chamber of Commerce, primarily seeking clarity on relevant legislative processes, including those relevant to climate change and sustainability.

In 2025, some of the significant organizations with which Fluor and our employees were associated included industry and professional bodies, such as the Conference Board councils, the CII, the USGBC, the ISI, and the National Safety Council. We also work with the American Society of Civil

Engineers, where our representative contributes to the Society's sustainability standard update. Through these associations, we contributed technical expertise, supported the development of industry guidance, and remained engaged on topics relevant to engineering, construction, sustainability, safety, and workforce development.

In 2024, we influenced UK energy and decarbonization policy through our leadership in the British Chemical Engineering Contractors Association (BCECA), with a Fluor representative chairing the BCECA Board. In 2024, BCECA members engaged in sessions on major energy projects, such as the £1.5 billion [Hynet Cluster](#), and contributed policy input to the UK Government's "[Modern Industrial Strategy](#)," supporting clean energy and resilient supply chains. Fluor's perspectives matched BCECA's advocacy, with our Chair providing engineering expertise and project data for association submissions. These actions also supported our own sustainable project goals and had a direct influence on policy through industry engagement.

At the same time, our sustainability-related public sector engagements are focused on ensuring compliance with regulations, such as the EU's CSRD, Corporate Sustainability Due Diligence Directive (CSDDD), EU Deforestation Regulation (EUDR), and Carbon Border Adjustment Mechanism (CBAM), as well as California Senate Bills 261 and 253 and Australia's AASB S2. The public bodies with which we have engaged include the European Commission and the U.S. State Department. We often approach them together with our peers, individually, or through trade associations, with the objective of gaining clarity on upcoming regulatory changes.

We engage with communities in areas impacted by our projects. Our approach is built on a foundation of respecting local customs, following applicable regulatory frameworks, and maintaining a transparent stakeholder dialogue. For example, during our recent support of a liquefied natural gas (LNG) development built on the traditional territory of the Haisla Nation in British Columbia, Canada, we drew upon a decade-long relationship with the local community, which led to a robust consultation and collaboration with seven local Indigenous groups. We facilitated economic participation through substantial contracting with Indigenous businesses, prioritized hiring practices, and tailored training programs to help ensure the concerns and cultural needs of Indigenous communities were respected throughout the project's development.

The engagements mentioned help us navigate climate regulatory frameworks, set realistic GHG emissions reduction ambitions when we have appropriate data, and improve climate and social risks management. They also guide our GHG emissions management and allow us to adapt our low carbon offering to evolving market trends.

4. EFFECTIVE GOVERNANCE AND PROGRESS TRACKING

4.1 Board and Management Climate-Related Responsibilities

Our transition ambitions and progress are overseen by our Board of Directors. The Board guides our Climate Transition Plan, evaluates relevant risks, and contributes to public policy and stakeholder engagement. Climate change-related risks and opportunities are monitored through the Board's Governance Committee, which receives updates from management on climate-related performance and challenges, as required. These updates can include our climate strategy, public reporting, and progress toward ambitions.

We have also established a Sustainability Committee, which supports advancing our transition. It is responsible for leading and coordinating our sustainability policies, strategies, and programs and overseeing sustainability and climate-related disclosures, as well as performing yearly evaluations

of environmental impacts, risks, and opportunities. The committee is led by the chair, who reports to the Executive Vice President of Corporate Development, Strategy & Sustainability. The chair works with the business lines and disciplines to develop the company's sustainability policy, procedures, and communications. The chair coordinates responses to annual sustainability disclosures and other sustainability-related publications and oversees administration of the sustainability software that is used for GHG emissions data collection.

As shown in the organizational chart in Figure 2, the Sustainability Committee consists of members from business groups and functions, including Business Development, Community Relations, Compliance & Ethics, Corporate Affairs, Government Relations, Health, Safety & Environment (HSE), Human Resources, Investor Relations, Legal (including Governance), Strategic Planning, and Supply Chain. Every member of the Sustainability Committee has climate-related responsibilities, and the committee regularly works on issues addressing climate and sustainability topics within Fluor's operations and supply chain. Recent examples include Double Materiality Assessment workshops and our Climate Scenario Analysis.

Our management actively undertakes climate-related initiatives regularly, including considering climate-related risks in our projects or considering sustainability factors of potential suppliers.

4.2 Sustainability Data Collection

At Fluor, we began collecting GHG emission data from all offices in 2006 and have been reporting our calculated GHG emissions since the publication of our first sustainability report in 2008. We have implemented a centralized process for GHG emissions data collection and calculation across our facilities to record sustainability performance indicators, including GHG emissions, waste generation, water conservation, and community engagement.

To date, we have relied on our proprietary Sustainability Performance Indicator Management System to collect relevant data. However, to streamline the relevant processes in preparation for reporting obligations, we have recently introduced a new commercial software. Its implementation enables a consistent, standardized global process for the collection of sustainability data, including environmental, social, and governance metrics, to comply with Fluor, client, and regulatory reporting. To ensure consistency, a centralized team of data collectors gathers information monthly using standardized templates and enters the office and project site data into the software.



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Figure 2. Climate Governance at Fluor

At the same time, the sustainability team monitors energy reduction initiatives globally, allowing us to effectively track progress on office-level initiatives (such as installing solar panel arrays, replacing non-efficient appliances or switching to LED lights) as well as overall, company-wide progress.

5. GLOSSARY

Australian Accounting Standards Board (AASB) S2: A reporting standard developed by the Australian Accounting Standards Board that requires entities to disclose material climate-related risks and opportunities, including governance, strategy, risk management, and metrics and targets, to support transparent and decision-useful information for investors and other stakeholders. AASB S2 is closely aligned with the International Financial Reporting Standards (IFRS) S2 standard.

California Senate Bill 261: A California law requiring large companies (with annual revenues exceeding \$500 million and doing business in California) to publicly disclose, on a biennial basis, their climate-related financial risks and the measures taken to manage them, in alignment with the Task Force on Climate-related Financial Disclosures (TCFD).

California Senate Bill 253: A California law requiring large companies (with annual revenues exceeding \$1 billion and doing business in California) to annually disclose their GHG emissions, including Scope 1, Scope 2, and Scope 3 emissions, in accordance with recognized standards such as the GHG Protocol.

Carbon offsets: A carbon offset project is a specific activity or set of activities intended to reduce GHG emissions, increase carbon storage or enhance GHG removal from the atmosphere. While the reduction in GHG emissions can be used to offset those generated elsewhere, the resulting reductions must be real, permanent, verified, and retired. The offset credits issued for verified reductions must be enforceable.

Carbon Border Adjustment Mechanism (CBAM): A European Union (EU) regulation, (2023/956), requiring importers of certain carbon-intensive goods to report and, from 2026, pay for the GHG emissions embedded in those imports through a carbon pricing mechanism aligned with the EU Emissions Trading System, aiming to prevent carbon leakage and ensure a level playing field.

Carbon capture and storage (CCS): The process of capturing carbon dioxide (CO₂) from industrial sources and transporting it for permanent storage (typically in geological formations) to prevent its release to the atmosphere.

Carbon dioxide equivalent (CO₂e): A unit of measurement that expresses the climate impact of different GHGs in terms of the amount of carbon dioxide that would cause the same warming effect.

Corporate Sustainability Due Diligence Directive (CSDDD): An EU directive requiring large companies to identify, prevent, and mitigate adverse human rights and environmental impacts across their operations and value chains.

Corporate Sustainability Reporting Directive (CSRD): An EU regulation requiring in-scope companies to disclose sustainability information (including climate-related risks, impacts, metrics and targets) in line with the European Sustainability Reporting Standards.

Energy Attribution Certificates (EACs): Instruments that certify the origin of a unit of energy, typically electricity, from a specific source, such as renewable energy. In the case of Fluor, each

EAC verifies that one megawatt hour (MWh) was generated and added to the grid by a specific renewable source, such as wind or solar plants.

EU Deforestation Regulation (EUDR): An EU regulation, (EU) 2023/1115, requiring companies that place, make available or export certain commodities and derived products in the EU to ensure they are deforestation-free, legally produced in the country of origin, and supported by due diligence demonstrating compliance.

Greenhouse gas (GHG) emissions: Emission of gases that trap heat in the Earth's atmosphere, causing temperature increases. They are typically reported in carbon dioxide equivalent (CO₂e) units to reflect their relative global warming potential.

Greenhouse Gas (GHG) Protocol: A globally recognized framework for measuring, managing, and reporting greenhouse gas emissions across organizations, cities, and countries.

Institute for Sustainable Infrastructure (ISI): An education and research nonprofit that advances sustainable, resilient, and equitable civil infrastructure through the Envision framework.

International Financial Reporting Standards (IFRS) S2: A standard issued by the International Sustainability Standards Board (ISSB) that requires disclosure of climate-related risks and opportunities within governance, strategy, risk management, and metrics and targets.

Intergovernmental Panel on Climate Change (IPCC): A United Nations body that assesses and synthesizes the scientific evidence on climate change, its impacts and risks, and options for mitigation and adaptation, providing authoritative reports to inform global policy and decision-making.

Leadership in Energy and Environmental Design (LEED): A green building certification system developed by the USGBC that evaluates buildings across sustainability categories (e.g., energy and water efficiency, materials, and indoor environmental quality) and awards certification levels.

Liquefied natural gas (LNG): Natural gas that has been cooled to a liquid state.

Reducing Emissions from Deforestation and Forest Degradation (REDD+) projects: Climate mitigation initiatives that assign economic value to standing forests, enabling more than 67 developing countries to report over 14 billion metric tons of emission reductions. These projects sell carbon credits, funding community-based forest protection, sustainable agriculture, and patrols. The “plus” symbol in the abbreviation refers to “the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.”

Representative Concentration Pathway (RCP): A GHG concentration trajectory used by the IPCC to model potential future climate outcomes (e.g., RCP 2.6, 4.5, 8.5).

Sustainability Performance Indicator Management System (SPIMS): Fluor's proprietary database for collecting sustainability data built in alignment with the GHG Protocol.

Sustainable Development Verified Impact Standard (SD VISTa): A standard for certifying the sustainable development benefits of social and environmental projects.

Supply Chain Sustainability School (SCSS): A virtual learning platform centered around sustainability, which aims to upskill those working within, or aspiring to work within, the built environment sector.

Verified Carbon Standard (VCS): A standard for certifying carbon credits to offset emissions.