

Project selection guidelines – FAQ

Background

As part of our commitment to sustainability, GHD has developed **Project Selection Guidelines and Project Selection Guidelines – Fossil Fuels**. These documents have been approved by our Board and are aligned with our strategy, purpose and vision. The guidelines also address external drivers, including financial services stakeholders (i.e. our financiers and insurers) viewing fossil fuel projects as an increasing business risk.

Will GHD work on fossil fuel projects?

We recognise that there is an ongoing role for fossil fuels as part of the global energy transition. GHD has not taken a hard line on fossil fuels.

As part of our guidelines, we will seek to avoid certain types of projects including those related to greenfield thermal coal mines, brownfield thermal coal mine expansions (except in support of low-carbon energy solutions), new coal-fired or oil-fired power stations, expansion of existing coal-fired or oil-fired power stations, and greenfield oil exploration or production. For further detail please, refer to our Project Selection Guidelines – Fossil Fuels <https://www.ghd.com/en/about-us/project-selection-guidelines.aspx>

Why has GHD excluded certain types of projects?

The guidelines were informed by many references, including the International Energy Agency's net zero roadmap for the global energy sector. We have excluded certain types of projects because they do not support the energy transition, are not aligned to our sustainability and ESG commitments or could represent a significant business risk.

Will GHD still work on natural gas projects? Why?

Our guidelines recognise that gas is an essential component of the energy mix as the world transitions to renewable sources. For this reason, we will continue to work on gas projects in the short and medium term.

Are we turning our back on some clients by doing this?

No - the guidelines apply to specific projects, not clients. They do not affect our client commitment nor our ability to support our clients on projects that are in alignment with our project selection guidelines. We are ready to help clients across industries improve their environmental and social performance and to support a more sustainable economy and society.

If new coal mines are going to be built anyway, wouldn't GHD be rather part of the project to ensure they are being undertaken in the most sustainable way?

We have considered this perspective in developing our project selection guidelines, but ultimately, we decided that certain types of projects are simply not aligned with our sustainability obligations and could pose significant business risk.

Which countries do these guidelines apply to? What about developing countries?

Our Project Selection Guidelines are global in scope and do not make an exception for projects in developing countries. In developing countries, as in every geography where we operate, our vision is to make water, energy and communities sustainable for generations to come.

When will the guidelines take effect?

These guidelines are already in effect. In February 2023, the Project Selection Guidelines will be integrated into GHD's various tools and processes to assess which projects to pursue.

Will GHD review or update its guidelines?

The Board has determined to review the guidelines annually to ensure they are aligned with our business strategy, sustainability commitments and technical knowledge.

How are the project selection guidelines being communicated to clients?

Client Relationship Managers will brief clients about this change. We are also asking all our people to communicate this change to your client if it affects the sort of work, we are willing to do for them going forward. Please note that GHD's **first ESG Report**, released in November 2022 includes these guidelines.