

Project Selection Standard - FAQ

Background

In compliance with the GHD Sustainability & Social Responsibility Policy, GHD adheres to our [Project Selection Standard and Project Selection Standard – Fossil Fuels](#). These governance documents have been approved by our Board and help us to employ resources on projects that realise our [purpose and vision](#) and align with our Make It Real Strategy. As guided by our Sustainability Way principles of Decarbonisation and Technical and Scientific Integrity, the development of the Project Selection Standard – Fossil Fuels was informed by research from external technical organisations on the role of fossil fuel development and use in the transition to a low-carbon future. The standard also addresses external drivers, including key clients and 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 all fossil fuels.

As part of our standard, 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 and expansion of existing coal-fired or oil-fired power stations. For further detail please, refer to our [Project Selection Standard – Fossil Fuels](#).

Why has GHD excluded certain types of projects?

The standard was 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 Purpose, Vision, strategy and [sustainability commitments or could represent a significant business risk](#).

Will GHD still work on natural gas projects? Why?

Our standard recognises that gas is an essential component of the energy mix as the world transitions away from energy sources like coal 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 standard applies 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 standard. 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 rather be 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 standard, but ultimately we decided that certain types of projects are simply not aligned with our Purpose, Vision, strategy and sustainability obligations and could pose significant business risk.

Which countries do the standard apply to? What about developing countries?

Our Fossil Fuel Project Selection Standard is global. Consideration of the challenges faced by developing countries informed our position on natural gas projects. Natural gas is the most realistic option for many developing countries to transition away from thermal coal.

Will GHD review or update its standard?

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