UN Global Compact Communication on Progress FY22 Report

December 2022

HATCH

Statement of support from our CEO

In 2020, Hatch confirmed our support of the Ten Principles of the United Nations Global Compact (UNGC) in the pillars of Human Rights, Labor, Environment, and Anti-Corruption. In addition, Hatch published our inaugural UN Global Compact Communication on Progress (CoP) Report, which provided a baseline of Hatch's status within these pillars, along with examples of how our work is helping action those Sustainable Development Goals (SDGs) that are most influenced by Hatch's business. We also described a summary of our planned actions for 2022 to help tackle the world's toughest challenges.

The last two years have seen an incredible amount of positive change in the world. More companies, governments, communities, and world citizens are recognizing the need for change and are rising to the challenge. At Hatch, we are driven by our climate change business practice, which functions across each of our main sectors, and creates a center of focus for the delivery of our climate change services, strategies, and technologies.

We continue to work with our clients and other stakeholders to support the advancement of the UN SDGs. And as always, guided by our Manifesto, we seek to incorporate these Principles into all our activities, whether related to the management of our business, or to the projects and engagements we undertake for our clients in the metals, energy, and infrastructure sectors.

It is my pleasure to provide this 2022 UN Global Compact CoP update as promised. We welcome your feedback and look forward to providing another update in 2023.

Sincerely,

John Bianchini
Chief Executive Officer

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About Hatch

Who we are

Hatch provides professional engineering, technology, and consulting services to the metals, energy, and infrastructure market sectors. Founded more than sixty-five years ago, our global network of 10,000 professionals work on the world's toughest challenges, spanning over 150 countries, and approximately US$50 billion of capital projects under management at any given time.

Our organization is passionately committed to the pursuit of a better world through positive change. Hatch is employee-owned and independent, which enables us to approach our business and client relationships with a long-term view. We are committed to their lasting success, and that of the communities in which we work. Our global communities benefit from the integration of this long-term view into our strategy, staff development, and investment decision-making. Our exceptional diverse teams combine engineering and business knowledge, working in partnership with our clients to design and deliver complex capital projects, optimize operations, develop and implement new technologies, and develop successful business strategies. At Hatch, we ensure that technical solutions to our clients' challenges optimize environmental protection, economic prosperity, social justice, and cultural vibrancy. We want businesses, ecosystems, and communities to thrive, both now and into the future.

Current projects

Tata Steel's Green Steel

Hell's Kitchen Integrated Lithium and Power Project

GO Expansion - On-Corridor Works

SunCable Australia-Asia PowerLink Project

Li-Cycle Hub Warehouse

Compañía Minera Doña Inés de Collahuasi Thickener

Xe-100 Technology Development Program Engineering Support Services

Lesotho Highlands Water Project Polihali Dam Diversion Tunnels

Our Manifesto

OUR VISION

We are **passionately** committed to the pursuit of a ***better world*** through **POSITIVE CHANGE**.

OUR MISSION

TOGETHER we create **unprecedented** outcomes for our clients by **partnering with them** to develop **better ideas.**

Our ***exceptional, diverse teams*** combine vast engineering and business knowledge, applying them to the **world's toughest challenges.**

We build practical **SOLUTIONS** that are **SAFE**, **INNOVATIVE**, & **sustainable.**

OUR VALUES

DOING OUR **homework**

INNOVATING all that we do

Acting *like* **OWNERS**

Achieving **NO** harm

Encouraging a **flat, connected organization**

Engaging great people who make a **difference**

nurturing long-term relationships

Thinking **globally**; acting **locally**

ENSURING **cost** effective, efficient **delivery**

Living our **commitments** with *integrity*

Being unconditionally **HONEST**

"We believe in exceptional ideas delivered with exceptional service."

Hatch's Manifesto summarizes our vision and the guiding principles that direct our activity. Based on our founders' early principles, Hatch has built an unwavering and strong reputation for conducting business with integrity, earning the respect and trust of our clients, employees, and the communities in which we work. We are guided by our corporate polices and commitments, which can be found online at About Hatch and attached in the Appendix of this report.

Sustainability Policy

Sustainability requires the optimization of environmental, social, and economic outcomes. This ensures ecosystems are maintained, communities thrive, and society prospers, now and in the future. Sustainability is at the core of how we deliver value to our clients as a socially responsible company.

Health and Safety Policy

The safety of our employees, visitors, and contractors is always top of mind. We work with our clients and partners, using structured systems and processes to prioritize safety, always.

Quality Policy

At Hatch, we are committed to meeting and exceeding our clients' expectations in all that we do. This commitment is enabled and supported by practices and processes embedded in all Hatch projects, which deliver quantifiable value to our clients.

Diversity & Inclusion

We are committed to diversity and inclusion (D&I) because a diverse and fully inclusive work environment fosters a plurality of thought and perspectives that solve challenging problems and creates value for our clients, for our communities, and for the world at large.

Indigenous Peoples Policy

Our relationships with Indigenous Peoples in our communities around the world are based on the values of honesty, respect, and transparency. We understand that our ability to deliver successful projects on behalf of our clients is enhanced by our knowledge and understanding of these peoples and their histories, cultures, protocols, values, aspirations, and governments.

Hatch Climate Change Statement

We apply a disciplined approach to the climate change challenges our clients face by integrating scientific-technical evaluation and socio-economic analysis into our projects from conceptual development, through design and construction, to commissioning and operations.

Organization of report

As a professional services provider, Hatch's actions in support of the UN Global Compact occur through both the management of our own operations and the assignments undertaken on behalf of our clients. While there is overlap, we support the Ten Principles primarily through our operations, and the advancement of the SDGs primarily through the work we carry out with our clients. This report has been organized accordingly.

The Ten Principles of the UN Global Compact

Corporate sustainability is found at the core of a company's value system in how it conducts business. This must incorporate the fundamental responsibilities in the areas of Human Rights, Labor, Environment, and Anti-Corruption. The Ten Principles are:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Our commitment to the

Ten Principles of the UN Global Compact

Pillar 1: Human Rights

Assessment, policy, and goals

Our human rights policies focus on the well-being of our employees, clients, suppliers, and the communities in which we operate and do business. We are governed at the global level by our Code of Conduct. All of our employees abide by it, creating a culture that fosters transparency as it empowers our people with the correct tools to avoid, identify, and respond to ethics-related issues. Our Code of Conduct applies to all persons working for us or on our behalf in any capacity.

Implementation

Analyzing our exposure to human rights risks is part of our business process in every country in which we operate, including the risk of exposure to modern slavery.

Although we operate in some jurisdictions with higher human rights risks, these risks are mitigated by the fact that the majority of our workforce are permanent employees or employed on contracts that pay at or above the relevant minimum wage in each jurisdiction. We manage our workforce in accordance with all applicable local laws and in keeping with international best practice.

Our standard terms allow all employees and those on contract to terminate their employment on notice. An unbiased workplace grievance resolution procedure is also available to all employees, contractors/subcontractors, work experience students, volunteers, and those who conduct work with and on behalf of Hatch. This procedure documents the steps to be taken to address grievances, founded on the principles of timeliness, natural justice (fair treatment for all parties and no pre-judgement), and sensitivity. Employees are entitled to an independent investigator and support person. We provide a confidential mechanism for any employee or stakeholder to voice a concern. The global director of human resources monitors Hatch's confidential hotline and manages each situation to satisfactory conclusion.

> ***Principle 1:***
>
> Businesses should support and respect the protection of internationally proclaimed human rights.
>
> ***Principle 2:***
>
> Businesses should make sure that they are not complicit in human rights abuses.

Proactive actions undertaken related to human rights address:

- Creating a healthy and safe workplace
- Ensuring the well-being of our people, those we manage, and the communities in which we operate
- Managing human rights risks in our supply chain
- Empowering our communities.

Creating a healthy and safe workplace

Health and safety is a core principle of our Manifesto and takes priority in everything we do. We consider *no harm* to be a basic human right and we are governed in our work by our Health and Safety Policy. Global safety statistics are gathered and reported on a monthly basis, and all safety incidents are immediately reported to Hatch management. Results are presented in our global health and safety performance summary for the last twelve months, provided below.

12 month rolling - September 2022

It is our policy to walk away from projects where working or living conditions are unsafe or otherwise unacceptable for our people and our clients' people. Prior to the commencement of projects in new settings, a reconnaissance team is deployed to assess health and safety risks to people and the surrounding communities, including potential risks to mental health. In collaboration with local representatives, this team develops proactive strategies to mitigate these risks as a condition of doing business.

We continuously monitor our health and safety progress and improve our programs. In 2020, Hatch created a new chief medical officer (CMO) position, as well as occupational health nurse positions to assist in continually improving our programs to support physical health, mental health, and overall wellness for our employees.

We have also partnered with health specialists from the Cleveland Clinic and International SOS to advise and provide guidance on developing health and well-being concerns that could impact our staff. Our health and safety training programs are comprehensive and continually updated to incorporate new, technically relevant information and guidance to our people.

Keeping our employees and communities safe during the COVID-19 pandemic, while continuing to fulfill our client engagements, has been a focus over the last two years. Our response was guided by our CMO and comprised both mitigation (e.g., monitoring symptoms in all offices, restricting travel, ensuring physical distancing in offices, and implementing non-contact rules) and segregation (e.g., self-isolation of symptomatic individuals and recent travelers, rotation of project teams) to keep employees safe and productive. As we moved back into Hatch offices and client sites throughout 2022, we continued to prioritize the health and well-being of our employees.

Hatch continues to support the COVID-19 vaccine rollout in each of our jurisdictions, and we have implemented a mandatory vaccination policy to be employed with Hatch. We have an executive team along with our two medical officers and nurse practitioners who meet quarterly to review the status of COVID-19 and all health and safety matters.

Managing human rights risks in our supply chain

Hatch's supply chain includes:

- Subconsultants to support the professional services we provide
- Goods and services that support our operations such as office leases, utilities, IT hardware and software, office equipment, marketing material, stationary supplies, catering and cleaning services, and personal protective equipment
- Procurement that we perform as agents on behalf of our clients
- Procurement for Hatch-supplied technologies.

As there is the potential for human rights risks in Hatch's supply chain, we have produced an internal process guide with respect to worker welfare (the Worker Welfare Guide) to help manage these risks and ensure we are not inadvertently complicit in human rights abuses. This guide is based on the UN Universal Declaration of Human Rights and the International Labor Organization, and addresses many of the key issues within the UK and Australian Modern Slavery Acts. The Worker Welfare Guide provides the information contractors in our supply chain need to hold an equal regard for health, safety, and human welfare. Hatch is currently in the process of implementing the Worker Welfare Guide across all our client engagements, with a particular focus on our large projects in high-risk jurisdictions.

Hatch has had no incidents of human rights abuses alleged or brought to our attention.

Empowering our communities

Successful projects need to be developed in collaboration with local communities to create real benefits, particularly for the most vulnerable members of society. We strive to leave the communities in which we work better than we found them, creating a brighter future for all. This ambition is implemented through four principles:

- Engage early, openly, and honestly in a sustained manner with local communities
- Build long-term and mutually beneficial relationships with local communities and businesses
- Promote opportunities within our organization and with our clients to foster engagement and participation with local communities
- Respect the rights of Indigenous Peoples to maintain and strengthen their own institutions, cultures, and traditions, and to pursue economic development in keeping with their needs and aspirations.

In South Africa, we remain steadfast in our commitment to face local challenges and make a real difference. With this in mind, we have created inroads across aspects such as stronger diversity and inclusion, community upliftment, and defeating poverty. Additional information on our internal programs with our people is provided in the "Labor" section of this report.

Within the Africa, Europe, and Middle East regions, we maintain focus on increased access to education with an emphasis on science, technology, engineering, arts, and math (STEAM) through our involvement in school development programs. Throughout 2022, we have provided support through bursaries and study aids, grade 12 assistance programs, support of university chairs, and the Minerals Education Trust Fund. We also actively support the very successful African Academy, the Olico Computer Training School, and Maths Lab.

In Australia, we formed the Indigenous Working Group to develop an internal Indigenous engagement vision and strategy and to drive implementation initiative. The working group has been focusing on improving cultural awareness within the organization, along with the identification of opportunities for scholarships and sponsorships that support our Indigenous engagement vision. We have partnered with CareerTrackers, an Aboriginal and Torres Strait Islander internship program, with the aim of converting students from interns into full-time employees upon completion of their university degree.

For more information on our community involvement, including our philanthropic initiatives, please visit Community Involvement.

Path forward

The main activities planned for the next twelve months under this pillar are to:

- Review the alignment of our policies to the UNGC Principles and refine as required
- Roll out our Worker Welfare Guide to all operating regions, accompanied by mandatory training
- Refine our monitoring and reporting mechanism to track results of job creation initiatives for local communities.

Pillar 2: Labor

Assessment, policy, and goals

Hatch fully supports the four principles that comprise the Labor Pillar of the UN Global Compact. Our goal is to be the employer of choice in all our operating regions where we comply with or exceed labor standards. Our staff is primarily comprised of highly educated and skilled engineers, technologists, scientists, and management consultants, which requires working conditions and employment benefits at or near the top of the marketplace.

All employees negotiate their terms of employment and are free to leave at any time; we do not force labor and do not use child labor. Hatch is committed to the elimination of discrimination and believes that a diverse and fully inclusive work environment fosters a plurality of thought and perspectives that solve challenging problems and create value.

Implementation

In partnership with our legal team, we monitor and adjust employment conditions through a globally distributed human resources team of more than 160 professionals, which ensures compliance with the Labor Principle. Supply chain management and the health and safety of our staff are discussed under the “Human Rights” section of this report.

Principle 3:
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4:
Businesses should ensure the elimination of all forms of forced and compulsory labor.

Principle 5:
Businesses should uphold the effective abolition of child labor.

Principle 6:
Businesses should ensure the elimination of discrimination in respect of employment and occupation.

As an outcome, Hatch's average voluntary attrition rate for the reporting year was up from 7 percent to 12 percent, compared to typical industry rates in this market of attrition closer to 20 percent globally. The quality of our workplace and employment practices is demonstrated with the following examples of Hatch employment and workplace awards:

- **Canada's Top 100 Employer:** Recognized for offering an exceptional, progressive work environment and forward-thinking human resources policies.
- **Canada's Best Managed Companies:** For overall business performance and sustained growth.
- **Brazil Great Place to Work (GPTW) Certificate 2022:** For offering exceptional employee engagement and culture as determined by survey results from employees.
- **Canada's Greenest Employers 2022:** Recognizes employers that lead the nation in creating a culture of environmental awareness in their organizations by developing exceptional sustainability initiatives.
- **Canada's Best Diversity Employers 2022:** Recognizes organizations that are creating diverse and inclusive workplaces.
- **Top Graduate Employers 2022, Australian Association of Graduate Employers:** Recognition for offering the best place to work for graduates entering the workforce as determined by a survey of graduates.
- **Canada's Top Employer for Young People 2022:** For offering the best workplace and development programs, such as the professional development program (PDP) for young professionals.

Our focus areas under the Labor Pillar are creating employment and skills development opportunities in emerging economies and fostering a diverse and inclusive environment.

Hatch named one of Canada's Top 100 Employers

Skills development

Hatch is committed to the skills development of its people. We offer a diverse curriculum of technical and professional development programs, and more recently, a series of leadership development programs aimed at creating a stronger alignment between leadership behaviors and our vision, mission, and values. We have improved our formal career development process to ensure that our employees can more easily seek feedback on how to develop their careers and engage in dialogue with their sponsor, mentor, or manager, with a particular focus on our young professionals with less than three years of work experience.

Employee development follows the 70:20:10 model, where 70 percent of learning takes place through experiences gained in stretch assignments and on-the-job training, 20 percent through mentorship and exposure to others, and 10 percent through education, such as instructor-led courses and e-learning.

1. Creating employment and skills development opportunities in emerging economies.

We are actively involved in creating local employment and skills development opportunities through client engagements based in emerging economies. For many of our projects in remote regions of countries such as El Salvador, New Caledonia, Mozambique, and Brazil, we employ between 200 and 500 local and regional employees directly or through our on-site project contractors.

2. In South Africa, we continue to implement programs for the development of our nearly 1,200 local staff.

Since 2019, we are proud to have achieved and maintained a Level 1 Broad-Based Black Economic Empowerment (B-BBEE) rating. B-BEEE is a program launched by the South African government to encourage businesses to integrate black people in the workspace, and to support black businesses and give back to underserved black communities affected by land repossession. We began our transformation journey in 2001, well before the B-BBEE legislation was put into place. Since then, we have consistently updated our plan to evolve with the program's requirements, and have exceeded the targets in many areas, with ownership being a key focus.

3. Fostering a diverse and inclusive environment.

We have set a goal to have 40 percent self-identifying women at Hatch by the end of 2023. Policies and procedures that have been implemented to achieve this goal include ensuring equal gender balance for all interviews in recruitment, documented rationale for our hiring decisions, and our committed support of women in STEAM education programs to increase the pool of candidates. These initiatives have resulted in the female headcount growing to over 32.5 percent in 2022, from 28 percent in 2017.

We are also striving to increase female participation in leadership positions. We carefully monitor promotion and compensation rates for women and have implemented an internal leadership-driven sponsorship program with the goal of accelerating the development of high-performing women.

Path forward

The main activities planned for the next twelve months under this pillar include:

- Deliver the bespoke Manifesto Driven Leadership program to all permanent employees through to the end of 2023. The program focuses on our Manifesto and on increasing emotional intelligence.
- Launch the Hatch People Leader Essentials program for new and existing people leaders, training them on key supervisory skills such as delegating, coaching, and managing conflict.
- Continue Phase 2 of our Hatch e-learning management system upgrade. This upgrade aims to better serve our employees by assigning learning based on appropriate attributes, such as role and location, to ensure that everyone is empowered and aligned with success. The upgrade also aims to provide access to learning that will aid in overall career development and allows us to track and monitor program completions and feedback. Phase 1 of the Hatch Learning system was completed in May 2022, transforming our learning landscape for employees, contractors, and clients.

Pillar 3: Environment

Assessment, policy, and goals

We are passionately committed to the development of a future shaped by an economically, socially, and environmentally sustainable global society. With this in mind, Hatch fully supports the UN Global Compact's Environmental Principles under this pillar. Our commitment is captured in our Sustainability Policy.

Implementation

Through our Environment and Sustainability Solutions business practice, we actively work to improve the environment for our clients, communities, and the world in which we live. Through expertise in water, air, land, biodiversity, and restoration, protecting and improving the environment is a core goal within Hatch. In addition, Hatch has established a goal to achieve net-zero carbon emissions (scope 1 and 2) in our operations by 2030. A key success factor in achieving this goal is our commitment to robust energy and GHG emissions data.

Throughout 2022, we undertook a comprehensive process of validating and updating this data. We are improving data compilation and assessment methodologies that will be adapted for each of our core delivery offices for use in the coming years, and produced our first GHG emissions inventory for the 2021 calendar year, consistent with the GHG Protocol.

Principle 7:

Businesses should support a precautionary approach to environmental challenges.

Principle 8:

Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9:

Businesses should encourage the development and diffusion of environmentally friendly technologies.

Hatch is also developing its own decarbonization roadmap based on the expertise we have gained by providing studies for over 200 global client sites. We have several GHG reduction initiatives currently under consideration based on intermediate findings, including electrification of company vehicles, conventional solar PV or wind with energy storage, energy efficiency retrofits, and renewable energy certificates.

Hatch is addressing scope 3 by developing a reduction pathway as part of the sustainability roadmap. We have several initiatives under exploration including our collaboration with major suppliers on establishing their own net-zero targets, reducing business travel, encouraging behavioral changes, and offsets for residual emissions. We are also exploring negative emissions technologies, including carbon capture utilization, storage for clients, and our own investment evaluations. We expect these solutions to play a key role in our net-zero strategy.

Most recently, Hatch has engaged a sustainability ratings partner. Findings from this third-party auditor are being used to inform Hatch's position in our net-zero strategy with an objective to improve our emissions profile, policies, and practices across the value chain.

Our efforts surrounding Pillar 3 are demonstrated through our work on Glencore's Process Gas Project and Particulate Emissions Project, which comprised a CAD$288 million investment by Glencore to reduce sulfur dioxide (SO_2) and particulate emissions and improve productivity at the Sudbury Smelter. Hatch was engaged to respond to the government-mandated SO_2 and emissions-reduction requirements, providing full engineering, procurement, and construction management (EPCM) services for process upgrades.

The safe and successful execution of these services helped ensure that smelter operations remain in compliance with the federal and provincial regulations by reducing allowable emissions of SO_2 and heavy metals, and reduced $S0_2$ measured in the community by 65 percent.

Path forward

The main activities planned for the next twelve months under this pillar are to:

- Finalize our decarbonization roadmap and set a scope 3 target across our global operations
- Incorporate strengthened sustainable procurement practices, along with the development of a detailed sustainable procurement policy
- Produce an updated Environmental, Social, and Governance Report for 2023
- Report annually on our progress to net-zero in our operations from 2023 to 2030.

Process Gas Project and the Particulate Emissions Project, Sudbury Smelter

Pillar 4: Anti-Corruption

Assessment, policy, and goals

Based on our founders' early principles, we are committed to maintaining our reputation and high standards of ethical behavior in the conduct of our business. Our ethics mandate can be found here, demonstrating our support for the Anti-Corruption Pillar of the UNGC.

Hatch has a Whistleblowing Policy that is applicable to all employees, as well as external consultants, contractors, and agency staff while working for Hatch. The policy requires reporting on the following: Criminal offenses, failure to comply with legal obligations, actions that endanger the health or safety of employees or the public, actions that cause damage to the environment, and/or actions that are intended to conceal any of the above.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Implementation

Hatch's Code of Conduct requires employees to comply with anti-corruption legislation when doing business in and outside their home countries. Additionally, Hatch has a Signing and Approvals Policy, along with pursuit review processes that form part of our internal controls to manage our compliance obligations. We work closely with our banking partners to ensure compliance with relevant anti-money laundering and terrorism financing legislation and prohibit any acts of corruption, bribery, or improper influencing of decision-makers.

Hatch has a responsibility to know and understand our clients, partners, and subcontractors to avoid engagements that may conflict with international sanctions, export control, anti-corruption, or similar legislation that can pose a reputational risk.

Hatch processes provide for the review of potential clients and third parties to assist in the process of knowing who we are doing business with. Our commercial and legal practices support this effort and help us understand their company and business, their principal representatives, and their current and past business practices.

In 2017, Hatch implemented our Social and Ethics Committee to assist our Board of Directors with oversight of social and ethical matters and to ensure that our company remains a committed socially responsible citizen. The committee's primary role is to supplement, support, and advise on the effectiveness of management's efforts in respect to social, ethical, and sustainable development-related matters.

The committee is mandated to draw these matters to the attention of the Board and to report, through one of its members, to shareholders at our annual general meeting.

When confronted with corruptions challenges, either directly or indirectly, we have an internal reporting and management process.

Path forward

The main activities planned for the next twelve months under this pillar are:

- Review the Hatch Code of Conduct and update as needed to fully reflect the UNGC Anti-Corruption Pillar, supported by staff training
- Review and update the mandate of the Social and Ethics Committee to reflect emerging developments across the societies in which we operate and ensure alignment with the Ten Principles
- Establish a quarterly review and reporting process for the ongoing evaluation of Hatch's commitment to the UNGC to advise the Board on opportunities for continuous improvement.

Advancing the SDGs

Under the guidelines of the UN Global Compact, we have committed to operating our business in ways that meet the fundamental responsibilities in the areas of Human Rights, Labor, Environment, and Anti-Corruption. At the heart of this framework are the 17 SDGs—goals of urgent action to end poverty, improve health and education, foster economic growth, and diminish inequality, all while tackling the effects of climate change.

Hatch's strong view is that engineering, and firms such as ours, play an essential role in advancing the SDGs. Creating practical solutions to difficult challenges and then building them is at the core of what Hatch does; our work in the infrastructure, energy, and mining/metals sectors provides tangible examples of the crucial role engineering plays in advancing the UN SDGs.

The below SDGs are those which pertain to the services we provide and the industries we work in and can thus have a positive impact in.

Annual progress on select Goals

2 ZERO HUNGER

Goal 2:
Zero Hunger

As our populations grow and there is a greater migration to urban locations, we are putting pressure on available farmland—cultivated land that can sustain growing crops. Unfortunately, creating more cultivated land mass often results in deforestation, which has an impact on our climate, so a more balanced and sustainable solution is required.

We need to be more productive in using existing and new sources of agricultural land. To maintain food accessibility, we need to adapt to our changing climate. Our work in the fertilizer industry helps support more cost-effective and sustainable production of fertilizers, which will be vital to the future well-being of the earth's population and food security.

Fertilizers can also make farms more resilient to climate change by maximizing the potential of increasingly scarce arable land and thereby preserving more of our forests and ecosystems. To support the delivery of fertilizers, more resilient infrastructure must be constructed to withstand increasingly harsh weather conditions and the effects of climate change.

As an example, Hatch is currently working on the BHP Jansen potash mine, which, when complete, will add significant new supply of this vital fertilizer to the global supply. It is expected that the new capacity will come online by the end of 2026. We are also supporting the expansion of new port facilities as a part of this project.

Hatch is working closely with other fertilizer producers of both potash and phosphate to expand capacity and to become more energy sustainable into the future.

Source: BHP

5 GENDER EQUALITY

Goal 5: Gender Equality

As an engineering and professional services consultancy, we understand that there are many challenges facing women in engineering and other STEM professions. According to Engineers Canada, only 18 percent of newly licensed engineers in Canada are women.

But we also understand that a diverse and fully inclusive work environment fosters a plurality of thought and perspectives that solve challenging problems and create value for our clients, for our communities, and for the world at large.

On a monthly basis, we monitor and report the composition of our management, along with the overall female headcount, hiring, and voluntary attrition to the board of directors and global management team so that we can understand the impact of our efforts on our talent pipeline.

Hatch's 2022 gender strategy initiatives include:

- A commitment to our goal of a workforce comprised, globally, of at least 40 percent women by 2023.
- A diverse slate hiring strategy, with a goal to have one-third of all experienced-hire and one-half of student and young professional interview slates be women.
- Launching a regional online platform to clearly communicate flexible work options, improved parental leave offerings, and lifestyle leave, all of which aim to accommodate the diverse needs of our employees.
- Supporting our emerging female leaders by encouraging participation in internal and industry programs which provide mentoring and training, amongst other opportunities.
- Ensuring gender neutral language in job advertisements and striving to achieve gender-balanced panels for interviews.
- Annual comprehensive gender pay equity reviews, ensuring a fair space where people can be their best.
- An inclusive leadership development program. The program addresses unconscious bias in the workplace and skills to shape more inclusive teams.
- Improving the degree to which we foster skills development of female engineers.
- A zero-tolerance policy of gender-based harassment and discrimination, sexual harassment, and bullying.

5 GENDER EQUALITY

Goal 5: Gender Equality

In addition to our commitment to creating a gender-balanced work environment within Hatch, we are incorporating diversity and inclusion into our clients' projects through a diverse and inclusive design initiative. This initiative helps create a more inclusive workplace environment by incorporating the unique ideas, opinions, and perspectives of project stakeholders into the project development process to eliminate barriers and create inclusive and accessible solutions.

Our six-step process is depicted below:

collect a diverse set of ideas and perspectives

consult with stakeholders to understand their needs

remove barriers by fostering a safe and supportive environment

design for all, not just the majority

create tools that help incorporate D&I design considerations

improve by seeking out areas to strengthen D&I design implementation

Gender equity roundtables were also initiated in 2022. These virtual roundtables focus on gender equity issues, including imposter syndrome, retaining female employees at Hatch, income equity, and more. The roundtables act as a platform to openly discuss these topics in a safe space and help form strategies to overcome these challenges.

6 CLEAN WATER AND SANITATION

Goal 6: Clean Water and Sanitation

Urban development strategies must account for the effects that high density precipitation and flash floods will have on new housing developments, energy access, transportation, communications, and other community-related infrastructure. The integrity and potential redesign of existing infrastructure such as roads, communication corridors, energy and water distribution, and drainage systems must also be evaluated, along with the way consumers use and reuse water.

The Xhora Water Supply Scheme is in the Eastern Cape province of South Africa and will ultimately serve 70,000 people and the town of Elliotdale. Prior to this water supply scheme, the majority of people accessed water from streams and springs surrounding their villages.

The development and construction of safe and sustainable water supplies provides substantial health benefits, reduces the economic burden of water collection, and stimulates local economic development.

Hatch is supporting the Amathole District Municipality to implement the Xhora Water Supply Scheme. The first phase of the scheme involves a river abstraction, as well as an off-channel storage dam, water treatment works, 190 km of bulk mains including five pump stations, 48 reservoirs and 700 km of reticulation. The Off-Channel Storage Dam is critical to providing assurance of supply, and is designed to minimize environmental impacts located in a small section of the river catchment. It was critical to ensure the environmental instream flow requirements were met for both the tributary on which the dam was constructed and the river with the abstraction.

Xhora Off-Channel Storage Dam

7 AFFORDABLE AND CLEAN ENERGY

Goal 7: Affordable and Clean Energy

Companies are facing an evolving market where decarbonization and sustainability are at the forefront of decision-making associated with financing and economics, environmental stewardship, and corporate responsibility. We are committed to designing and building practical solutions that reduce the presence of GHG and adapt our built and natural environments to unavoidable climate change-related impacts. This commitment encompasses the following strategies:

- Avoids carbon combustion
- Reduces carbon usage
- Removes carbonaceous gases from our atmosphere
- Improves society's resilience to earth's changing climate.

We operate our business and carry out engagements for our clients with methodologies, tools, and teams that enable us to achieve these strategies with the goal of continuous improvement.

Ultimately, we are working with people to provide affordable, clean energy. Our 50-year relationship with the Volta River Authority and our recent retrofitting of the Kpong generating station in Ghana highlights our commitment to the engineering, procurement, construction, and project management of sustainable energy by prolonging the life of these facilities and generating clean energy for the West African population.

There is growing interest in the development of small modular reactor (SMR) technology—another example of our work in helping expand clean energy supply in communities and industries where electrical grids are smaller, poorly developed, or absent.

To assist the Province of Ontario with the assessment of the benefits and risks associated with deployment of SMRs, Hatch was contracted to perform a feasibility study for the Ministry of Energy to examine the deployment feasibility of SMRs in northern Ontario as a means of providing power to remote mines. The study evaluated several SMR designs against pre-determined criteria for off-grid, remote mining applications including environmental impact, economics, licensability in Canada, availability of funding to advance deployment, and the time required to achieve commercial operation. Key findings include that SMRs are expected to be economically competitive against the incumbent diesel energy sources with significant power cost-savings, and that SMRs represent a low-carbon power source that can meet or exceed the reliability requirements of mining operations.

Hatch-VRA Project Team for Kpong GS Retrofit Project

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Goal 9: Industry, Innovation, and Infrastructure

Hatch's work in the transportation market showcases our commitment to a sustainable world. While we must recognize that the transportation of goods and people has played a major role in global warming, as well as other destabilizing effects on the planet, transportation remains a fundamental element of society.

The key to sustainable transportation system design is in addressing the entire life cycle of the project. We must examine the life of the system or the element—a train, for example—and consider where the materials originate, how it is built, how it will operate, and at the end of its life, how it will be decommissioned and recycled. Each step presents opportunities to address Goal Nine.

The Caltrain Peninsula Corridor Electrification Program (PCEP) operates commuter rail service from San Francisco south through Silicon Valley to San Jose, with extended service to Gilroy, California. Since 2006, Hatch has been engaged to help Caltrain develop a strategy to replace the existing diesel service with modern electric trainsets.

This objective was mandated by Caltrain's board of directors in a commitment to the community to improve local air quality, water quality (due to the risk of diesel spills), and ultimately to reduce greenhouse gas emissions.

Hatch has been with Caltrain every step of the way, and we are proud to report that the electric trains were christened in a public event in September 2022, with fully electrified service scheduled to begin in 2024. The positive environmental impact that this truly transformational project will have is threefold:

1. The reduction and eventual elimination of the use of diesel fuel will provide a direct reduction in pollutants at the source and will eliminate the associated environmental impact of petroleum extraction, refining, and transportation.
2. The Caltrain corridor between San Francisco and San Jose has 21 intermediate stations, averaging just 2.3 miles between each stop. Thus, these trains spend a lot of time with brakes applied. Electric trains can recover most of this energy through the use of regenerative braking by feeding that power back to the grid.
3. The use of electric trainsets will allow Caltrain to modify its operating schedule in a way that provides commuters with more frequent access to intermediate stations, and shorter overall trip times. This service improvement will attract more patrons that currently commute by car, reducing their emissions and the number of cars on the road.

Caltrain Peninsula Corridor Electrification Program

11 SUSTAINABLE CITIES AND COMMUNITIES

Goal 11: Sustainable Cities and Communities

Hatch supports municipalities to address the critical challenges associated with improving the quality of life for growing populations, while reducing the impact on natural assets and systems. In order to advise on and support the delivery of infrastructure that underpins sustainable positive change at scale for cities, Hatch collates data, evidence, and insight to enable sustainable, transparent, and inclusive decisions to be made.

Our portfolio of work includes supporting the development of a new town in Canada, which will be a cutting-edge sustainable community where small town and rural lifestyles co-exist, anchored by a lively, dense core with a rail and transport hub. Hatch is advising on framework area planning on infrastructure, economic development, and place-making to ensure that the development will be multi-generational, 15-minute neighborhoods with a people-and-planet-first approach to design.

The emerging domestic offshore wind industry presents a significant opportunity to advance the nation's clean energy and economic development goals. The federal government established a target of deploying 30 gigawatts of offshore wind in the United States by 2030. Hatch created an investment opportunity "guidebook" for a developer interested in developing an offshore wind farm off New York and New Jersey. This guidebook includes a strategic investment study to determine the optimal strategy for investing in a range of social, economic, and sustainable projects in these states. It strategically aligns investments with these states' offshore wind ambitions and renewable energy goals, with attention to maximizing social, economic, and environmental returns on investments.

In the UK, we are currently developing a social value strategy for a central London skyscraper that prioritizes both sustainability and social impact during demolition, construction, and operational phases. The configuration and design are specifically future-proofed as a quasi-public resource including an optimal mix of commercial office spaces combined with flexible amenity space to support quantified local needs over time and offers a public green space on the top floors of the building addressing evidenced calls for additional publicly accessible green space within the city.

We have been involved in the development of a 50-year Master Plan for Durban Aerotropolis in South Africa, which will be the catalyst for spatial and economic transformation and will be a smart city geared to attract sustained investment and deliver world class infrastructural development. The new urban environment will be developed around existing infrastructure, including the King Shaka International Airport, and will take advantage of increasing global connectivity.

In Australia, we are building a better connected, more livable Australia through the Shaping Great Places initiative. With Australia's rapidly increasing population, we recognize the importance of creating livable, sustainable, and connected neighborhoods. This will be achieved through developments with enhanced mobility through cycling, walking, and mass transit.

Durban Aerotropolis

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Goal 12: Responsible Consumption and Production

A massive driver of change across all industries is the reduction of greenhouse gas emissions. As many of our clients, particularly steel producers from around the world, look to reduce their impact on the environment, their attention has turned to blast furnace production. One of the highest producers of emissions in the world, blast furnace production of iron needs an innovative change.

Every tonne of steel produced in a blast furnace produces two tonnes of CO_2 emissions. As a leading technical expert in the field of steelmaking, Hatch has developed a unique solution to address the issue: the Continuous Reduced Iron Steelmaking Process (CRISP). Low carbon, 'green' steel is essential as we transition to electric cars, and clean energy production, and is thus foundational for addressing climate change.

Along these lines, Tata Steel has announced that Hatch will be part of the team to deliver the hydrogen route to make green steel at its Ijmuiden plant in the Netherlands. More specifically, we will provide the engineering for the reducing electric furnace (REF) package, which, when coupled with a direct reduced iron (DRI) plant, will enable the production of green steel using hydrogen.

The hydrogen route project is part of Tata Steel's commitment to produce steel with zero carbon emissions by 2045. To achieve this goal, Tata Steel will convert its steelmaking facilities from coal-based to hydrogen-based utilizing direct reduced ironmaking (DRI) technology.

Due to the use of renewable electricity and green hydrogen, the CO_2 emissions associated with steel production are considerably lower than the blast furnace process. Scrap can also be recycled in the new process, which means even greater circularity. The DRI + electric furnace route allows the production of the same high-quality steel that Tata Steel is recognized for.

Construction of the world's largest tailings thickener—which has a diameter of 124 meters and steep floor slopes—has been completed jointly by AVA Montajes and Hatch Chile. The project consisted of an EPC contract, developing the last phase of the detailed engineering started by a third party, including procurement, construction, and commissioning of the third high rate thickener, HRT 4001, of the Ujina plant owned by Compañía Minera Doña Inés de Collahuasi (CMDIC).

This project is strategic for CMDIC, since it allows them to support operations over the next 20 years. This is because the treatment and final disposal of tailings produced during the concentration process, as well as the maximization of process water recovery, is one of the most critical aspects in copper concentrate processes.

Construction of the world's largest tailing thickener

Goal 13:
Climate Action

This year we have continued to grow our efforts in helping our clients achieve their decarbonization objectives and net-zero ambitions. We have reformed our organizational structure to increase focus on battery metal supply chains and technologies as well as the emerging green metals market. Our new Battery Market Solutions practice aims to support clients in their efforts to supply critical metals and materials into battery supply chains, which will continue to enable the global energy transition.

Within our Climate Change practice, we have completed decarbonization assignments for more than 200 global sites for clients across mining and metals, energy, and infrastructure sectors. With a 65-year history of designing and building some of the most complex industrial facilities and infrastructure, we have the engineering and business knowledge to develop actionable decarbonization strategies for the hardest to abate industries such as iron and steel, alumina and aluminum, ferroalloys, and oil and gas.

As part of our mission to build practical solutions that are safe, innovative, and sustainable, many of the opportunities identified through these roadmaps have now progressed toward implementation through the project life cycle process. Some of these include:

- Biofuels and renewable fuels for mines, biomass, and biochar for drying and smelting
- Heat recovery from off-gases and slags
- Boiler electrification and thermal storage for green steam
- Green hydrogen for alumina calcination and iron ore induration
- Carbon capture and storage
- Deployment of onsite renewables and energy storage solutions.

This past year we have also provided product carbon intensity services to many of our clients as they seek to understand their product carbon footprints and respond to customer demand to lower scope 3 GHG emissions.

As part of this work, we have helped clients identify how they can lower their own value chain emissions for products in the nickel, aluminum, and steel markets. This includes collaboration with both upstream suppliers and downstream customers to identify technology solutions and recycled material options to increase the availability of low-emissions metals products to global supply chains.

We strive to help our clients understand the opportunities that will emerge for their business through reducing their product carbon footprints, providing a strong incentive for them to pursue decarbonization activities.

Building sustainable solutions

17 PARTNERSHIPS FOR THE GOALS

Goal 17: Partnerships for the Goals

Darlington Nuclear Generating Station

A successful project needs to do more than deliver its intended business purpose. It must wholeheartedly embrace the mantra of leaving the community better equipped to thrive and prosper, ensuring a brighter future for the lives it affects.

With a comprehensive toolkit and applied experiences, we find opportunities between the needs of the project and the capacity of the host community. The result is a roadmap for sustainable socioeconomic growth and development for communities, our clients, and their stakeholders. Ultimately, the goal is to leave a positive legacy in the community—one greater than the project itself. In doing so, we want our work to be a catalyst for long-term growth and to support decisions that allow our clients to operate and live in our project communities with integrity.

Notable industry partnerships include ongoing support of new technologies that can assist our clients in achieving their climate commitments:

- Tata Steel announced that Hatch will be part of the team to deliver the hydrogen route to make green steel at its IJmuiden plant in the Netherlands. Hatch named to team delivering Tata Steel's green steel hydrogen route at IJmuiden Works
- Ontario Power Generation (OPG) announced the selection of the proponent team to deliver the Darlington New Nuclear Project (DNNP). The DNNP will feature GE-Hitachi's (GEH) BWRX-300 small modular reactor (SMR) technology as an integral part of this transformational and industry leading program. The team will deliver engineering, construction, and modularization services as well as the manufacturing of safety-related components. Hatch expects to provide key engineering and project delivery services. Hatch part of the team selected to deliver transformational Darlington New Nuclear Project
- Hatch is pleased to announce our membership with the International Lithium Association (ILiA) as a founding associate member. The International Lithium Association was established in late September 2021 to provide a central, global voice for lithium producers and their stakeholders, and to promote a sustainable and responsible future for the lithium value chain. Hatch joins the International Lithium Association as a founding associate member
- Hatch and First Pac West renewed their joint venture agreement that outlines the continuing business strategy between Hatch and First Pac West, a proud Canadian Indigenous-owned company that offers a unique system for workforce accommodation and a wide variety of other multi-use facilities in remote areas or areas with infrastructure challenges. Hatch signs joint-venture agreement with First Pac West

Contact us

Whatever our clients envision, our engineers can design and build. With over six decades of business and technical experience in the mining, energy, and infrastructure sectors, we know your business and understand that your challenges are changing rapidly.

We respond quickly with solutions that are smarter, more efficient, and innovative. We draw upon our 9,000 staff with experience in over 150 countries to challenge the status quo and create positive change for our clients, our employees, and the communities we serve.

Email us: globalcompact@hatch.com

hatch.com

HATCH

Appendix

Sustainability Policy

Hatch's Manifesto defines our unwavering vision for our organization in one concise statement: *We are passionately committed to the pursuit of a better world through positive change.*

Delivering positive change for the clients and communities we serve requires safe, innovative, and practical solutions that are sustainable for the long term.

We define sustainability as the optimization of environmental protection, economic prosperity, social justice, and cultural vibrancy to ensure that businesses, ecosystems, and communities thrive, now and in the future.

This sustainability policy provides the basis for delivering sustainable solutions, and a framework for setting and reviewing sustainability objectives and targets in our work.

Our commitment

- We protect the environment and prevent pollution while operating facilities in a sustainable manner.
- We fulfil all of Hatch's compliance obligations.
- We ensure the continual improvement of our environmental management systems to enhance performance.
- We seek innovative solutions that deliver sustainable results for our clients and communities.
- We encourage our suppliers to adopt sustainable practices.

Our goals

- Optimize environmental, social, economic, and cultural performance in all aspects of our business.
- Plan, design, and implement projects that focus on creating sustainable value for our clients and their communities.
- Follow the Hatch Project LifeCycle Process, incorporating sustainability principles in all aspects of our services.
- Operate our own facilities in a safe, environmentally, and socially responsible manner while managing our footprint.
- Develop, employ, and disseminate innovative technologies and methods that integrate sustainability into our business and our clients' facilities.
- Contribute to the communities in which we live and work through initiatives such as volunteering and charitable giving, with a focus on educational scholarships.
- Provide employees with training and opportunities to integrate sustainability into their work.
- Establish goals, objectives, and key performance indicators to measure progress towards achieving our sustainability goals and commitments.
- Regularly review our projects and business sustainability initiatives to capture insights and promote continual improvement.
- Achieve carbon neutral operations by 2030.
- Communicate our achievements annually.

Responsibility and accountability

Responsibility and accountability for sustainability begins with the CEO and senior leaders, but our success depends on every employee integrating sustainability principles into their daily activities.

John Bianchini
Chief Executive Officer
April 2021

Health and Safety Policy

At Hatch, health and safety is a core value. Nothing is more important than the well-being of our employees, clients, partners, and the public. Our goal of No Harm, clearly stated in our Manifesto, requires us to deliver the highest level of health and safety performance in all work environments and communities with a focus on continual improvement and sustainability.

To accomplish our goal of No Harm, we will:

- embed this policy into our business practices by establishing objectives, targets, and a plan that focuses on meeting our goal
- implement "Designing for Safety" principles as we plan, design, construct, and commission facilities for our clients
- implement a health and safety management system on all engagements that include the Hatch Safety Fundamentals
- provide healthy and safe workplace facilities and environments, which includes promoting mental wellness for our staff
- strive to continually improve our performance through innovative ideas
- comply with all applicable legislation
- regularly review our overall company performance, as well as our performance on individual engagements
- provide employees with the required training, opportunity, and support to recognize and manage hazards and risks by implementing control measures
- communicate and facilitate participation with our employees, clients, contractors, and other stakeholders

Responsibility and accountability:

- the ultimate accountability for leading the implementation of this policy resides with the CEO, together with all senior business leaders and associates
- every Hatch engagement manager is responsible for including adequate time and resources for the implementation of this policy for their engagements

Hatch employees are accountable for:

- being familiar with Hatch's health and safety requirements
- their own health and safety
- executing activities and actions so that they do not place other employees, clients, or partners at risk
- reporting all at-risk behaviors and unsafe conditions to their supervisor and/or senior leadership
- looking out for colleagues and intervening as required
- behaving in accordance with this policy

John Bianchini
Chief Executive Officer
January 2021

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HATCH

Return to Policies

Quality Policy

At Hatch, quality is a core value. We are passionately committed to the pursuit of a better world through positive change, making lasting contributions to our clients' financial, social, and environmental performance.

We deliver positive change by listening to our clients' requirements, then combining our exceptional ideas with exceptional service to provide valuable solutions across our clients businesses. We learn from organizational knowledge and analyze our business performance to sustain a culture of continual improvement.

Our commitment

- We deliver excellence, as measured by our clients, when we study, plan, design, construct, and commission safe, sustainable, and innovative solutions.
- We build quality into our deliverables by adhering to the specific requirements outlined by our clients, complying with statutory and regulatory legislations, and observing all applicable codes and standards.
- We complete all client deliverables on time and on budget, and in accordance with our agreed-upon parameters, to deliver stated business outcomes for our clients and for Hatch.
- We uphold a culture of caring for our people.
- We maintain organizational knowledge at every stage of the employee lifecycle, including recruitment, training, and mentoring.
- We are internally motivated to apply a risk-based approach to how we plan, review, and continually improve the Hatch Business System and tools. We ensure these are efficient and effective for delivering practical solutions to our clients.

Responsibility and accountability

The ultimate responsibility for leading the implementation of this policy resides with the CEO, together with senior business leaders and Associates. However, our success depends on every project manager actively implementing this policy on their projects, and on every employee applying a disciplined approach to preparing, checking, approving, and delivering quality deliverables for our clients.

John Bianchini
Chief Executive Officer
March 2021

HATCH

Return to Policies

Our commitment to Diversity and Inclusion

We are committed to diversity and inclusion because of the simple belief that a diverse and a fully inclusive work environment fosters a plurality of thought and perspectives that solves challenging problems and creates value for our clients, for our communities, and for the world at large.

Hatch's vision for diversity and inclusion builds on our core values, including the belief that we are entrepreneurs with a technical soul. Entrepreneurship speaks to a mindset, a way of thinking and acting like an owner, and a passion to pursue goals others might not have the courage to take on. Building from our core as engineers, scientists, and technologists, we use our skills and this mindset to tackle the world's greatest challenges. A diverse workforce allows us to unlock the complete potential of our team who will improve our clients' businesses, thereby shaping the future of the world we live in, contributing in a meaningful way to society's advancement, and creating positive change.

Our commitment to diversity and inclusion intends to enable that positive change. We are proud that our organization is home to 9,000 employees who—regardless of gender, ethnicity, race, sexual orientation, disability, and way of thinking—are celebrated and their unique strengths harnessed to create outcomes that leave a positive legacy in the communities we serve and call home.

The purpose of all our diversity and inclusion initiatives is to support the continued nurturing of a collaborative workforce that leverages its diversity at every level of our organization and cultivates an inclusive work environment for all. In addition to our global programs, each of our six regions (Eastern Canada; Western Canada; USA; South America; Australia and Asia; Africa, Europe, and the Middle East) also educates and empowers our diverse workforce through relevant local programs.

John Bianchini
Chairman & Chief Executive Officer
January 2021

HATCH

Return to Policies

Indigenous Peoples Policy

Hatch's relationship with Indigenous Peoples is based on the values of honesty, respect and transparency. Our ability to deliver reliable, innovative solutions for our clients globally is enhanced by our knowledge and understanding of the histories, cultures, protocols, values, aspirations, and governments of Indigenous Peoples.

Our Commitments

- To engage early, openly, and honestly in a sustained manner with Indigenous Peoples.
- To build long-term and mutually beneficial relationships with Indigenous Peoples and businesses.
- To promote opportunities, within our organization and also with our clients, that foster engagement and participation with Indigenous Peoples.
- To respect the rights of Indigenous Peoples to maintain and strengthen their own institutions, cultures and traditions, and to pursue their development in keeping with their needs and aspirations.

Our Goals

- Attract, train and retain Indigenous employees at all levels of our organization.
- Provide programs and build partnerships that facilitate access to educational opportunities for Indigenous Peoples in communities where we operate.
- Identify opportunities for meaningful and targeted community investment.
- Support the development and success of Indigenous businesses.
- Work with clients and partners to build sustainable economies in Indigenous communities.
- Promote awareness and understanding of Indigenous Peoples' rights, cultures, values, and histories in our workforce.
- Review our projects and business practices on an ongoing basis, building a framework for engagement and participation with Indigenous Peoples.

Responsibility and Accountability

Responsibility and accountability for Indigenous Peoples engagement begins with the CEO, senior leaders and project managers. We will encourage our employees to learn about and understand the traditions, values, and aspirations of Indigenous Peoples.

John Bianchini
Chief Executive Officer
March 2018

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Hatch Climate Change Statement

December 2020

HATCH

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1 Vision

We are passionately committed to the development of a future shaped by a sustainable[1] global society. We recognize that climate change is largely caused by human activity and hinders this vision by negatively affecting natural ecosystems, economic returns, and community development. The resolution of this complex global problem will require multiple simultaneous strategies. As "entrepreneurs with a technical soul" actively participating in the metals, energy and infrastructure sectors, Hatch is uniquely positioned, and obligated, to affect positive change on this issue as it is amongst the toughest challenges of our era.

1. Hatch sustainability definition: the synergistic relationship between economic performance, environmental protection, and community engagement for all stakeholders.

2 Mission and Goals

Using our exceptional diverse teams, we aspire to apply our vast technical and business knowledge to designing and building practical, safe, and innovative solutions to combat climate change. Hatch takes a scientific, evidence-based approach to develop solutions pursuing the twin goals of:

1. Reducing the release into, and ultimately the presence of greenhouse gases (GHG) in our atmosphere
2. Adapting our built and natural environments for climate change impacts.

While we pursue these objectives, we recognize that society must also maintain the rights and aspirations of communities in developing economies to prosper, requiring access to affordable, cleaner energy, and energy transitions that help lift people from poverty. One objective cannot take priority over the other – both are essential to sustainable development. Under all currently plausible scenarios, carbon-based fuels will continue to play a significant role in the energy mix for the near term, and into the transition to net zero emissions by 2050.

Hatch intends to take a leading role in achieving these objectives by investigating, developing, and implementing the following strategies simultaneously, over what may be a prolonged period of transition away from carbon:

1. Avoidance of carbon combustion (including the reduction in demand for energy and products requiring carbon)
2. Reduction of CO_2 generated by improving the efficient use of carbon
3. Removal and sequestration of carbonaceous gases from our atmosphere (either at point source or directly from the atmosphere)
4. Improvement of society's resilience to the Earth's changing climate.

We also recognize that changes to policy and legislation are required to achieve the goals and objectives outlined in the Paris Agreement[2]. Even though governments will take leading roles in achieving these objectives, we intend to take part, work collaboratively, and actively participate in climate change-related activities.

We operate our business and carry out engagements for our clients with methodologies, tools, and teams consistent with these goals, and we seek to continually improve them.

2. A landmark agreement to combat climate change and to accelerate and intensify the actions and investments to a low carbon future created the United Nations Framework Convention on Climate Change (UNFCCC) on December 12, 2015.

3 Context – The Science of Climate Change

Climate change is defined as the change to long-term weather patterns brought on by the accumulation of carbonaceous gases in our atmosphere, forming a greenhouse effect. The science behind this phenomenon comprehends that the cycle of oxidation and reduction of the Earth's carbon inventory has been taking place for billions of years (Figure 1). In the current epoch, these processes resulted in a concentration of GHG that was in a relatively steady state, allowing the development of life, including human civilization. Carbon was initially oxidized by natural processes, and later by human intervention; carbon dioxide was reduced by the natural process of photosynthesis in plant material, fixing carbon as biomass both on land and in our oceans.

The Carbon Cycle

Figure 1: The Carbon Cycle

Since the onset of the Industrial Revolution, when the combustion of carbon sources was increasingly done to enable industrial processes and the urbanization of society, the rate of carbon oxidation has far exceeded the rate of carbon reduction. As a result, the concentration of GHGs in the atmosphere has risen continually and has not yet reached a new steady state as more and more carbon has been used to support the Earth's growing population. Natural processes of carbon reduction (i.e., fixation as biomass) cannot keep up–this has been exacerbated by the reduction of land and ocean ecosystems containing plants. Figure 2 illustrates this trend and the increasing rate at which carbonaceous gases are entering the atmosphere. It also shows the sheer magnitude of the challenge to move the Earth's carbon balance in a positive direction.

Figure 2: Carbon Oxidation vs. Reduction by Year (Global Carbon Budget 2019, Friedlingstein et al.)

These mechanisms have been widely studied by the scientific community and the findings are indisputable. Hatch therefore accepts this data, the resulting analyses, and many of the recommended strategies. Specifically, we recognize the Intergovernmental Panel on Climate Change (IPCC)'s scientific findings that climate warming is unequivocal and caused by human activities. We welcome the United Nations' Paris Agreement on climate change, which came into effect on November 4, 2016, seeking to limit global warming to between 1.5 to 2 degrees Celsius above pre-industrial levels.

Recognizing that over 1 degree Celsius of this warming has already occurred, immediate and sustained actions are required to significantly reduce atmospheric GHGs and we acknowledge that many of our clients' businesses are among the biggest contributors to GHG emissions (Figure 3) :

- Large mining and metals extraction companies,
- Oil and gas producers
- Power generators and utilities
- Urban transit operators
- The major municipalities of the world
- Large industrial rail and marine operators.

Source: IPCC (2014). Based on global emissions from 2010. Details about the sources included in these estimates can be found in the *Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change*.

Figure 3: Global Greenhouse Gas Emissions by Economic Sector

Most if not all of these clients understand their contribution to GHG emissions and are also among the most active in looking for solutions to minimize them. It is also recognized that their businesses represent major contributions to the global economy and that they support the advancement of growing populations in developing nations. The challenge is to balance the need for energy, materials, and transport to run our society while emitting less GHGs.

The pursuit of this balance will inevitably result in a prolonged and difficult phase of transition for industries, communities, and environments. Several studies investigating plausible future scenarios indicate the energy and materials supply system of the future will be something of a patchwork. Some countries and sectors of the economy could de-carbonize in the coming decades (e.g., the OECD countries), while others will likely require more time to develop techno-economic solutions (e.g., developing countries and some energy-intensive heavy industries). This suggests that the world will require a means of achieving "negative" emissions in some geographies and sectors to offset remaining emissions.

Accomplishing this goal is a global challenge that requires our Hatch team to combine innovative engineering with business knowledge to create transformative change across all sectors of the economy

4 Our Role

Hatch has the opportunity to play an important role in finding and implementing solutions to climate change challenges. We are a multi-disciplined professional services firm, that chooses, and has built capabilities, to support our clients across the life cycle of their business–from concept development, through design and construction, to operations and, if needed, close-out.

The role we have chosen is to be a **participating leader,** continuing to support our clients in the metals, energy, and infrastructure sectors, as they seek sustainable development in their businesses in the face of climate change, ultimately assisting them in transitioning to a much lower carbon footprint. This support is not a passive one but a visible, proactive, evidence-driven, and sometimes provocative one, based on passionate energy and a positive attitude focused on delivering new ideas with exceptional service.

Like our clients, we recognize that the environment and the communities in which we live are stakeholders in this pursuit, leading to complex and sometimes seemingly contradictory objectives. This has the potential of putting stakeholders at opposite ends of a debate, creating conflict. As evidence-based decision-makers and experts with many of the skills needed to find solutions, we choose to participate, advise, collaborate, influence, and implement. Our opinions are respected and our voices are loud, so we choose to use them from within the debate, and not from the sidelines as protestors, nor as absent observers.

In these difficult situations, we will use the values in our corporate Manifesto as our guide. We also look outside of Hatch to help develop our practices and methodologies and will strive to continuously improve them. Importantly, we are an active participant in the UN Sustainable Development Goals (Figure 4) into the way we work and conduct business.

Figure 4: UN Sustainable Development Goals

4.1 External – Clients

Our solutions have the greatest positive impact on climate change when incorporated directly into the life cycle of our clients' businesses. As a result, we are active in collaborative, targeted, action-oriented, multi-sector initiatives that address our clients' specific technical, environmental, social, and financial issues. We apply a disciplined approach to the climate change challenges our clients face by integrating scientific-technical evaluation and socio-economic analysis into our projects from conceptual development, through design and construction, to commissioning and operations.

Specifically, we aspire to support our clients in reducing their net carbon footprint by:

- Helping our clients be responsible stewards of the resources that people need and want to improve their lives, and that society needs for a sustainable future while helping them shift their product mix to a more sustainable one
- Working as partners to design, procure, and construct assets that produce the minimum volume of GHGs
- Developing and introducing new technologies that mitigate climate change
- Enhancing their shift to cleaner energy generation
- Supporting the operation of their facilities to enhance the efficient use of carbon
- Working with their stakeholders, including employees, investors, and community participants to achieve consensus on climate change issues.

4.2 Internal – Hatch

Operating our own business sustainably helps to achieve our climate change goals. This means running a safe, efficient, and socially and professionally responsible business that is profitable. An important aspiration is to transition to net-zero carbon emissions in running our own business by 2030.

Operating in this fashion is consistent with our Manifesto and has the benefits of building trust and a positive reputation with our clients, our employees, and the communities in which we live and work. Our sustainable operation will allow our voices to be heard and enhance the adoption of our solutions, ideas, and opinions, especially in situations of conflict. It also helps to build team spirit and our appeal as an employer of choice.

4.3 For Communities

As agents of positive change, we aim to play a positive role in the communities where we operate and in the wider society. In partnership with our clients we contribute to the awareness and understanding of climate change through the enhancement of STEAM (Science, Technology, Engineering, Arts, and Mathematics) education, development of skills and capabilities in the wider community, uplifting of local economies and creation of jobs, development of local suppliers, support of cultural institutions in their education mission, and the active engagement of community support services for those affected by climate change.

5 Specific Pathways

An enormous undertaking will be required to achieve the objective of mitigating climate change, particularly in light of a population growing to about nine billion by mid-century. Our specific contribution will be to work with our clients in implementing measures around the four key strategies noted above:

1. Avoidance of carbon combustion
2. Reduction and efficient use of carbon
3. Removal and sequestration of carbonaceous gases from our atmosphere (as point source or directly from the atmosphere)
4. Improvement of society's resilience to the Earth's changing climate

We recognize that the value of the solutions developed in each of these strategies decreases from 1 to 4. Hatch seeks to actively engage in projects and initiatives that address the climate change challenge using these strategies.

Specific industry approaches and examples are given below.

Avoidance of Carbon Combustion

Power
Solar, Wind, Water, Nuclear, Storage, Microgrid

Transport
EV (from NCP), Hydrogen (from NCP)

Oil & Gas
Solvents (Nsolv)

Materials
H2 as reductant, electrolysis

Agriculture
Plant-based protein (less mammals)

Reduction and Efficient Use of Carbon

Power
More efficient thermal cycles, Transfer to CH_4

Transport
New combustion technologies, hybrid

Materials
Better use of reductants

Oil & Gas
Capture flare gases, SA-SAGD

Carbon Capture and Utilization/Sequestration

CO_2 Concentration
Enzymes, CO_2 solutions, ammonia – SkyTree, amines

CO_2 Mineralization
High pressure autoclaves

CO_2 Sequestration
Weyburn EOR

Biomass Enhancement
Genetic-engineered trees and diatoms

CO_2 Scrubbing
Amines, KOH or $Ca(OH)_2$,

CO_2 Reduction
$CO_2 \rightarrow CO$ or CO & H_2 – Opus 12

Adv. Bioconversion
Algae reactors

Improved Resiliency

Communities
Sea walls, levy schemes, green protection areas

Buildings
Storm resistant structures

Industry
Coastal storm protection, emergency planning protocols, fires safety, new control systems, waste structures, water usage

Marine
Adapt ports to higher ocean levels

Urban Plans
Local farming, mass transit, recycled water, fire breaks

6 Required Skillsets

The four pathways of our approach to mitigating climate change require a comprehensive set of skills that reside throughout Hatch, as summarized in the table below.

Heavy industries
Metals, Power, Oil & Gas
	• Renewable power generation
	• Process engineering, modeling and simulation
	• Gas handling and scrubbing
	• Chemical reactor design
	• Effluent management
	• Tailings management
	• Biotechnology
	• Data management
		• Electrical grid management
		  • Nuclear design
		  • High-voltage Design
		  • Master planning for government and regulators
		• Energy efficiency auditing
		• Operational efficiency auditing
		• Automation/digital

Cities and Urban Infrastructure	• Urban economics • Master planning • Land usage • Transit planning	• Transport electrification • Coast resiliency • Ecosystem management
Discipline engineering	• Civil • Structural • Mechanical	• Piping • Electrical • Instrumentation
Project implementation	• Project execution and delivery methodologies, particularly for unique first-of-a-kind projects • Brownfield execution	• Program management • Innovation, R&D, and technology management
Associated skills	• Government relations • Policy design • Investor relations • First Nation relations • Climate-related risk and investment analytics	• Sustainability strategy design • Permitting • Lifecycle analysis • Environmental and Social Impact Assessments

6.1 Working with Others

We recognize at Hatch that our objectives cannot be achieved on our own so collaboration with partners and other stakeholders is essential.

Some of the key partnerships needed include the following:

- Universities undertaking fundamental research into emerging technologies
- Suppliers of emerging technologies
- Policy makers.

7 Hatch Organization

We are introducing a new practice around climate change; it will function across all three of our main sectors and will be established as a new business practice. The objectives/responsibilities of this new practice are outlined below:

- Create a center of focus for the delivery of climate change-related services to ensure:
  - A coordinated market approach to foster client engagement, including for a new base of clients that is expected to emerge
  - Efficient and consistent delivery of climate change services
  - An integrated platform of tools and methodologies, technical expertise, and a home for our growing roster of qualifications.
- Develop and maintain specific expertise around:
  - Tools and methodologies for greenhouse gas related calculations/assessments and development of abatement strategies
  - Status of applicable commercial and emerging technologies,
  - Subject areas not presently ingrained in our current business, such as carbon capture, utilization and storage
  - Business impact assessments, economic analysis, and risk management strategies under different transition and physical impact scenarios
  - Policy and regulatory barriers, enablers, and engagement strategies.
- Incubate the development of tools, methodologies, and service offerings for continuous improvement and external thought leadership with eventual integration across all our sectors, business units, and practices.

A great deal of activity is already occurring, and our clients will benefit from a coordinated and integrated approach of these core skills across all of our market sectors, business units, and business/delivery practices.

The new practice will be called the Climate Change and Sustainability business practice. It will be sponsored by John Bianchini and led by Frank Porretta.

Return to Policies

HATCH