Our Reason for Being

Our Why

We’re engineering a better future.

Our What

We deliver the infrastructure technology our world needs.

The very core of our business is to relentlessly pursue solutions based on advanced material science, engineering and inspection technologies that assist in protecting the environment, extending asset life and reducing the requirement for other resources.

Our How

WE ENGAGE

We work with our customers to understand their specific markets and needs. Our deep expertise allows us to fully appreciate and address their challenges. We are a true partner every step of the way.

WE INNOVATE

Using our expertise and creative minds, we imagine new possibilities. With purpose and agility, we solve complex challenges and deliver innovative technologies.

WE CREATE

We develop innovative and reliable products, equipment and systems. Our commitment to quality ensures consistent and enduring results for our customers and ourselves.

From minimizing our impact on the environment, to investing in our people, to long-term strategic planning, we are always working to engineer a better future.
**Shawcor at a Glance**

- **Composite Systems**: We manufacture flexible, and environmentally friendly composite systems and solutions.
- **Automotive and Industrial**: We supply specialty wire and cable and integrated heat shrink solutions for severe industrial environments, and automotive electrical systems.
- **Pipeline and Pipe Services**: We provide pipeline protection and inspection solutions, as well as facilities and engineering services.

**Revenue by operating segment**
- Composite Systems: 33%
- Automotive and Industrial: 23%
- Pipeline and Pipe Service: 44%

**Revenue by geography**
- North America: 70%
- Europe, Middle East, Africa, Russia: 19%
- Latin America: 7%
- Asia Pacific: 4%

- **16 countries**
- **3,800 employees worldwide**
- **$1.1 B annual revenue**
This publication is Shawcor’s third annual Environmental, Social & Governance (ESG) report covering the reporting period from January 1, 2021 to December 31, 2021. It outlines our commitment to serving critical infrastructure markets with highly engineered solutions in an environmentally and socially responsible manner. Our business segments invest heavily in technology and solutions that enable our customers to responsibly renew and enhance critical infrastructure while lowering risk and environmental impact.

Information and data contained herein applies only to the Company’s wholly owned operations. Dollar values are in Canadian dollars unless otherwise stated. This report is written with reference to the guidelines, terminology and select disclosures from the 2021 Global Reporting Initiative (GRI) framework and the Sustainability Accounting Standards Board (SASB) framework. In addition, the report outlines Shawcor’s alignment with the United Nations Sustainable Development Goals (UN SDGs) where relevant and appropriate.

Restatements have been made for select 2019 and 2020 data due to refinements in our data collection systems and business changes. See Appendix for more details.

Any questions on this report can be directed to esg@shawcor.com.
Message from the CEO

While 2021 was another year of substantial global challenges, it was a highly productive year for Shawcor. Through the incredibly hard work and continuing engagement, innovation and creativity of our team members around the world, this organization delivered on its commitment to developing infrastructure technology our world needs.

Thanks to our talented and dedicated teams, every business segment posted strong year-over-year growth in profitability. We continued to deliver our high-quality products and solutions from a more cost and energy efficient footprint, and we prioritized investments into those businesses best positioned to benefit from long-term macroeconomic trends. As a result, we saw record demand for our infrastructure and industrial offerings. None of this would have been possible without our valued workforce, which is why, at every level of leadership, the well-being of our people remained a top priority.

In this report, you’ll see how we measured up, and how we have turned the challenges of the last few years into substantial opportunities. By ensuring good business and good stewardship are always intertwined, we have reduced our Scope 1 and 2 greenhouse gas emissions by 32% from our baseline, putting us more than halfway towards our 2030 ambition; we have revised our Board Committee structure to provide greater oversight of our work to address climate-related risks and opportunities; and we have expanded our portfolio of local and global ESG initiatives.

We remain committed to creating a more diverse, equitable, and inclusive workplace at all levels of Shawcor. The more diverse and inclusive we are, the better we are—as individuals, as a team, and as a company. Viewing hiring and promotion opportunities through a diversity, equity and inclusion lens is essential, but that’s just the start, which is why we have also carried out broad awareness campaigns and revised our internal policies.

Holding ourselves accountable for respectful behaviour, inclusionary practices and eliminating unconscious bias are some of the ways we create a safe and equitable workplace. That’s how we inspire a diverse, talented, employee population to build long-term careers here, and inspire new team members to join us on this journey. Like many organizations, we have plenty of opportunities to improve, but I’m very proud of the meaningful progress made in 2021 toward our senior management diversity goals.

During 2021 we maintained our emphasis on the mental and physical well-being of every single team member, striving to deliver an incident- and injury-free (IIF) workplace. This focus has been further amplified entering 2022 as we improve training protocols, engineer risks out of our operations and invest in an enhanced supervisory presence at key sites.

We are committed to being changemakers—to creating a healthier, safer, more equitable world for our employees, their families, our communities and all our stakeholders.

Every day I’m inspired by the passionate and talented people I work with here at Shawcor. Together, we are so excited to be engineering a better future.

Michael Reeves
President and CEO
## 2021 ESG Highlights*

### Environment

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Description</th>
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<tbody>
<tr>
<td>8,732 tonnes reduction in Scope 1 and Scope 2 emissions</td>
<td>8,732</td>
<td>8,732 tonnes reduction in Scope 1 and Scope 2 emissions</td>
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<tr>
<td>11% decrease in total Scope 1 and Scope 2 emissions</td>
<td>11%</td>
<td>11% decrease in total Scope 1 and Scope 2 emissions</td>
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<tr>
<td>1,625 tonnes of CO₂ avoided by shifting to renewable electricity</td>
<td>1,625</td>
<td>1,625 tonnes of CO₂ avoided by shifting to renewable electricity</td>
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<tr>
<td>10% decrease in energy consumption</td>
<td>10%</td>
<td>10% decrease in energy consumption</td>
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<tr>
<td>8% decrease in emissions intensity</td>
<td>8%</td>
<td>8% decrease in emissions intensity</td>
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<tr>
<td>GHG emissions database implemented</td>
<td>GHG</td>
<td>GHG emissions database implemented</td>
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<tr>
<td>+28% increase in renewable energy usage</td>
<td>+28%</td>
<td>+28% increase in renewable energy usage</td>
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*All 2021 highlights are as at December 31, 2021 or as compared to performance in 2020.
### SOCIAL

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>New hires (salaried)</td>
<td>167</td>
<td>flexible work programs implemented including remote work and reduced hours programs</td>
</tr>
<tr>
<td>Total diversity in senior management</td>
<td>39%</td>
<td>4.3 Total Recordable Case Frequency (TRCF)</td>
</tr>
<tr>
<td>Female representation on Board of Directors</td>
<td>29%</td>
<td>60% reduction in vehicle incident rate from 2020</td>
</tr>
<tr>
<td>Site implemented fork lift training and safety management system</td>
<td>100%</td>
<td>IVMS* with coaching-based driving program</td>
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### GOVERNANCE

**Climate Focus**

Updated Board Committee structure to include the Governance and Sustainability Committee for increased oversight of ESG.

**Leadership**

Mike Reeves, Shawcor CEO, appointed Co-Chair of the Energy and Workforce and Technology Council to help empower the energy workforce of the future.

**100%** of sites implemented ESG initiatives
ESG Ambitions

In 2020, we released our 2030 ambitions and shared our vision of an incident- and injury-free workplace. We committed to taking bold action in three focus areas and implemented key strategies to work towards our goals. We are proud to share the progress we achieved in 2021 and the actions we plan to take to make further improvements.

2030 AMBITIONS

<table>
<thead>
<tr>
<th>Ambition</th>
<th>2019 Baseline</th>
<th>2021 Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Footprint optimization</td>
<td>100%</td>
<td>-32%</td>
</tr>
<tr>
<td>Energy efficiency upgrades</td>
<td>2019 Baseline 24%</td>
<td>+15pp</td>
</tr>
<tr>
<td>Lower-carbon energy sourcing</td>
<td></td>
<td></td>
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<tr>
<td>Investment in renewables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collaboration with customers and suppliers to optimize supply chain</td>
<td></td>
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<tr>
<td>Awareness and training</td>
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<tr>
<td>Hiring and promotion practices</td>
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<tr>
<td>External collaborations and resources for employees</td>
<td></td>
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</tr>
<tr>
<td>Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process improvements</td>
<td></td>
<td></td>
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<tr>
<td>Investments in Safety Infrastructure</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CONSISTENT AMBITION

Incident- and injury-free vision

Total Recordable Case Frequency (TRCF) 4.3
Materiality and Stakeholder Engagement

Our Approach to Materiality

Understanding materiality helps us focus on topics that are most relevant for the communities we operate in and the people we work with. In doing so, we ensure our sustainability strategy is guided by those who are most impacted by what we do. Each year, Shawcor is committed to assessing the sustainability issues material to our company by continuing to engage with our stakeholders.

For 2021, we conducted an informal internal materiality assessment to identify economic, social and environmental issues that most affect our key stakeholder groups. These issues were cross-referenced with the Global Reporting Initiative (GRI) standard to align with material issues in our industry. We then completed an analysis of Shawcor’s business activities and their impact on the economy, environment and society to better understand which of these issues are the most significant for our company.

Once our assessment was completed, we were able to narrow our focus and determine our three priority areas for 2021: climate adaptation, resilience and transition; diversity, equity and inclusion; and a safe and healthy work environment.

PRIORITY ISSUES

Climate Adaptation, Resilience and Transition
- GHG emission reduction
- Transition to clean energy
- Energy efficiency

Diversity, Equity and Inclusion
- Employee diversity and inclusion
- Board diversity and independence
- Non-discrimination and equal opportunity

Safe and Healthy Work Environment
- Occupational health and safety
- Asset integrity and critical incident management
Our Stakeholders

Engaging stakeholders is integral to our progress as a company, and in our efforts to improve our impacts on people and the planet. In 2021, we undertook an exercise to identify and map Shawcor’s key stakeholder groups so we can better understand our impact and manage risks. Stakeholder groups were identified by reviewing our company’s annual filings, audit reports and investor presentations.

Employees

Our engaged and motivated team is the driving force behind Shawcor’s success. We rely on our team members to champion sustainability, identify opportunities for improvement, and maintain an ethical business culture.

Customers

Maintaining the highest standard of quality and integrity in our products is essential. Just as our customers rely on us for managing their own social and environmental impact, we rely on them for the financial sustainability of our business.

Suppliers

We value our long-standing relationships with our suppliers, and we work in partnership with them to ensure sustainability and accountability across our value chain.

Regulators

Shawcor is committed to meeting or exceeding all regulations, and is an active partner when working with regulators to protect communities and the environment.

Shareholders

Part of meeting our commitments to investors includes strong risk management across our ecosystem and minimizing any negative social, environmental and economic impacts of our operations to ensure Shawcor’s long-term sustainability as a business.

Local Communities

Shawcor actively considers the local communities where we work and live, whether we’re at our head office in Toronto, or at any of our locations across the globe. We invest in our communities, not just because it’s good for business, but because it’s the right thing to do.
1.0 ENVIRONMENT

Management and Stewardship

To achieve sustainable, responsible growth, we know we must understand the risks and opportunities created by both a changing climate and threats more broadly to the environment, biodiversity and our ecosystems.
1.1 Sustainable Growth

At Shawcor, achieving sustainable and responsible growth extends from improving our operational efficiencies with a focus on mitigating our impact, to supporting our customers in their own environmental stewardship.

Solving ecological and environmental challenges has always been core to our product development. Delivering solutions to protect the environment while meeting customers’ needs is central to our contribution toward sustainable development.

Our Footprint

At Shawcor, sustainability is embedded in our strategy and operational processes.

We’re keenly aware that assessing the environmental effects of our direct operations and managing risk is fundamental to environmental stewardship. Shawcor actively manages compliance, regulatory frameworks, and emerging technology landscapes to make progress toward reducing our greenhouse gas (GHG) footprint and energy use. Our environmental management activities extend to actively enabling our customers to reduce their emissions through our product innovation.

Building on our track record of climate ambitions and related disclosures, we’re now evaluating pathways to advance our climate initiatives, and optimize our operations through a mitigation lens.

Our climate ambitions focus on four key areas:

1. Optimizing our production footprint, and identifying opportunities related to energy efficiency.
2. Sourcing cleaner energy, investing in renewables, and entering green power partnerships and contracts.
3. Empowering our customers, and partnering with suppliers, to optimize supply chains and reduce supply chain-related emissions.
4. Enhancing visibility and management of climate-related risks and opportunities.
Energy Management

Having already achieved a decrease in our emissions intensity value from our 2019 baseline, and a decrease in our total energy consumption as of 2021, we continue to evaluate opportunities to optimize our operations, conserve energy, and shift to lower-carbon sources.

Energy consumed at each Shawcor facility is tracked through:

- Electric utility bills
- Natural gas utility bills and invoices
- Fuel invoices (propane, diesel and gasoline)

10% decrease in energy consumption in 2021
Our Progress

In 2021, we also transitioned to a formal, more robust data collection system to better manage our energy and greenhouse gas emissions inventory. In implementing this new system, we carried out an extensive re-evaluation of our historic energy consumption and Scope 1 and 2 emissions data, leading to more accurate figures which are restated in the Appendix tables.

2019

GHG Baseline
Conducted our first baseline GHG inventory. Emitted 98.8 thousand metric tonnes of Scope 1 and Scope 2 greenhouse gases.

2020

2030 Ambitions
We released our 2030 ambitions: a 50% Reduction in Scope 1 and Scope 2 Emissions by 2030.

2021

32% Emissions Reduction
We achieved a 32% reduction in Scope 1 and Scope 2 emissions from 2019 baseline, in alignment with our 2030 ambitions.

2021

32% Emissions Reduction
We achieved a 32% reduction in Scope 1 and Scope 2 emissions from 2019 baseline, in alignment with our 2030 ambitions.
Mitigating our GHG emissions

We remain committed to our 2030 aspirations to reduce our greenhouse gas emissions, both in our operations and through our diverse portfolio of products and solutions.

In 2021, Shawcor continued to initiate changes across our operations to reduce our emissions.

EMISSIONS REDUCTION PROJECT HIGHLIGHTS

Battery-Powered Pallet Trucks
Anaheim, USA
Our Anaheim facility replaced propane-powered forklifts with battery-powered pallet trucks. This shift resulted in additional benefits in the form of reduced forklift hours onsite.

LEED Certification
Houston, USA
The Beltway Lakes Houston Campus property is a 165,000 ft² LEED-certified facility which promotes sustainable building design, water and energy efficiency, sustainable materials and construction and indoor environmental quality.

Green Power Contract
Rheinbach, Germany
Offsetting the equivalent of roughly 1,625 tonnes of CO₂e in 2021.

LED Lighting
Edmonton, Canada
An energy efficiency upgrade to shift to low-carbon LED lights in Edmonton and Anaheim.

EV Charging Stations and 100% Renewable Power
Orkanger, Norway
Orkanger has been 100% powered by hydroelectricity since 2018, and the site now includes several new, renewable-powered electric vehicle (EV) charging stations.
Supporting a Lower-Carbon Future

We leverage operational excellence, technological innovation and product design to offer solutions that help customers reduce their own emissions. By providing products and solutions that enable renewable energy generation, electrification, and carbon capture and storage, we’re supporting the shift toward cleaner energy.

We have solutions within all three of our business segments that support renewable energy generation, with applications for solar, wind and geothermal projects. We also aid in the safe transition towards automotive electrification with our DSG-Canusa heat shrink products, which provide protection as temperatures and voltages within vehicles increase. Our reliable and high-quality ShawFlex wire and cable products are depended upon as cities build out mass transit networks and nuclear operators upgrade reactors. Our pipe coating technologies and composite pipe products facilitate efficient and reliable flows of liquids such as natural gas which will be an integral part of the energy transition.

In addition to our current applications, addressing emerging markets, like Hydrogen Transportation and Carbon Capture and Storage (CCS), is a high priority for us at Shawcor. Non-metallic linepipe materials can offer a significant advantage over steel pipes in these services due to their corrosion and embrittlement resistance. Our coatings are also well-suited to protect pipelines used to transport captured carbon for utilization or sequestration. We are dedicated to sustainable energy solutions and are developing technologies to meet industry demands.

Sustainability within our products

Composite Systems 4" FlexPipe

Used in water transfer and gas distribution, the composite linepipe is a more energy-efficient solution than steel pipes. Compared to the installation of 100 kilometers of 6" steel pipe, the installation of our Composite Systems 4" FlexPipe requires no heavy equipment, such as side booms, uses 15% fewer mobilization trucks and a 60% smaller crew size, reducing potential safety hazards.

Composite Systems Reinforced Thermoplastic Pipe

Our spoolable glass fiber reinforced thermoplastic pipe is 50% less carbon intensive than standard carbon steel pipe and provides an anti-corrosion solution for flowlines.

Shawcor’s products align with SDG 7: Affordable and Clean Energy, Target 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.
SUPPORTING NUCLEAR ENERGY GENERATION

Shawcor has been manufacturing ShawFlex wire and cable products for the nuclear industry for over 30 years—the result of our material science expertise, customer commitment, quality systems, and manufacturing flexibility. Our products, including our recently upgraded EQ cable that meets IEEE383 and 323 Class 1E requirements for nuclear power generating sites, are qualified for use in containment areas within the nuclear reactor, supporting safer conditions for nuclear operators while generating carbon-free nuclear energy.

SUPPORTING CARBON CAPTURE WITH THE NORTHERN LIGHTS PROJECT

Part of a larger Norwegian CCS project known as “Longship,” the Northern Lights installation will capture and transport CO₂ from industrial sources in the Oslofjord region to an offshore subsurface storage complex in the North Sea. Shawcor’s Orkanger, Norway facility provides coatings to protect the pipeline, which was under construction at the time of this report. This installation will mark the world’s first open-source CO₂ transport and storage infrastructure to deliver carbon storage as a service. The Northern Lights installation aims to enable industrial emitters to capture emissions that cannot otherwise be avoided from reaching the atmosphere, providing a safe and permanent storage option for removing CO₂ from the air. The initial phase will capture 1.5M tonnes of CO₂. A potential second phase may add a further capacity of 3.5M tonnes CO₂, bringing the total future capacity for the Northern Lights installation to 5M tonnes CO₂.
Protecting and Managing Water

Water Management

Shawcor’s commitment to responsible water management includes minimizing and mitigating our impact on shared water resources through best practices and robust water management systems that ensure long-term sustainability.

Shawcor is in the process of reviewing its water data coverage to accurately benchmark and disclose our performance. We have also begun to further evaluate our water dependency in potential areas of water stress. Our products and services are dedicated to the protection, management, and conservation of water.

CLOSED LOOP SYSTEMS

Shawcor’s Calgary facilities have integrated a chilled water system, which recirculates 12,994 litres of soft, chemically untreated water in an entirely enclosed loop, only exchanged with the city’s water systems at a frequency of 2 – 3 years.

+297% increase in water efficiency with the installation of lightweight water nozzles with flow control technology at Drummondville’s wet grinding station.
Empowering our Customers

As we aim to reduce our own water footprint, we also focus on helping our customers protect and manage their water resources. We continue to build on our core water storage capabilities so that we can provide comprehensive water-quality solutions for communities around the world.

WATER-QUALITY SOLUTIONS WITH HYDROCHAIN™

Building on composite systems’ fiberglass tank technology, with decades of proven performance and environmental protection, HydroChain stormwater products provide a sustainable three-prong stormwater solution: managing water volumes, preventing water pollution in groundwater and waterways, and restoring water quality. The HydroChain product line offers a complete water-quality solution and includes pretreatment, filtration, storage, infiltration and conveyance products.

In the early months of the product-line launch in 2021, several thousand HydroChain stormwater chambers shipped to a wide range of projects—from apartment complexes to e-commerce warehouses and big box stores, and from manufacturing facilities to colleges and hotels.

These products are also a perfect fit for many of Shawcor’s fuel customers. Two of Shawcor’s largest fuel customers installed the HydroChain stormwater chambers along with Xerxes fuel tanks at new convenience stores built in the Midwest. In one of the installations, a HydroChain Prime Separator was also installed to provide pretreatment before the stormwater was discharged.

Using soy resins to manufacture the chambers has significant sustainability advantages. Without compromising the product’s mechanical and thermal behaviour, it offsets the product’s carbon footprint and reduces the use of other construction materials and processes with higher carbon footprints.

The way the chambers snapped together so easily made it an easy installation for the crew. And because these chambers are smaller than most other chambers, one person can handle them, which makes it a safer installation, too.* — Installation contractor supervisor

An installer looks for a safe, efficient installation process. That’s exactly what the crew at a new nine-building apartment complex experienced when installing the 433 HydroChain stormwater chambers, which provide a total storage capacity of 26,000 ft³ (736 m³) of runoff for the eight-acre site.
XERXES® FIBERGLASS TANKS PROTECT THE ENVIRONMENT

When left unmanaged, wastewater, stormwater and rainwater all have the potential of polluting waterways and groundwater, ultimately adding to the critical issue of clean water shortages. Increasingly endangered clean water supplies throughout North America—even in historically water-rich regions can only be reversed when addressed in every way possible.

The collection, treatment and management of all kinds of water have never been more interconnected. In locations without reliable municipal water supplies, the need is acute—especially for potable water, fire protection, onsite wastewater and rainwater collection tanks.

The same benefits that made fiberglass the material of choice for underground fuel storage carry over to the storage of all types of water. No matter what kind of liquid is being stored or treated underground, composite structures offer wide-ranging sustainability benefits and strong environmental protection.

A recent example is the use of Xerxes fiberglass rainwater tanks installed at the West Coast headquarters of a multinational tech company. Each time collected rainwater is reused at sites such as this—for irrigation, greywater or drinking water, freshwater sources are protected and the depletion of aquifers can be mitigated.
NAPA VALLEY WINERY

Three Xerxes wastewater tanks (with treatment components installed) result in the annual reuse of 1.35 million+ gallons of water. This clean water is used in numerous ways, including vineyard irrigation. Both the winery and land have been Napa Green-certified, which means they meet all the regulatory components needed for environmental sustainability, including water conservation and efficiency.

Xerxes tanks translate to the annual reuse of 1 million gallons of rainwater at the Milwaukee Greenhouses. Rainwater collected on the 60,000 ft² glass rooftop at the Midwest greenhouse site is filtered, disinfected and redistributed for year-round irrigation inside the greenhouses.

That’s the amount of water we would have had to source from somewhere else. Our water now has two life cycles.*

— Winery Manager

NON-DESTRUCTIVE INLINE INSPECTION

Water pipelines play a significant role for industries, including industrial mining and sanitation, as well as for communities around the world, ensuring seamless water systems integration and distribution. Pipelines must be assessed regularly to mitigate risks, maintain a safe environment, and ensure consistent use—all of which assist in holding pipeline operations within operational limits and in increasing their operational lifespans. Preventing disbondment of pipeline coatings is critical to preventing material from entering the pipeline and contaminating water, for instance, or preventing pipeline leaks or bursts that could result in flooding of the surrounding area or a loss of pressure if cracks are present. Shawcor’s inline inspections leverage tools called smart pigs that use non-destructive examination techniques to detect corrosion or damage to a pipeline before it becomes an environmental hazard.

BATHYMETRIC INSPECTION

Shawcor’s engineering team offers bathymetric survey inspections that avoid the typically intrusive waterbody crossing inspection process, which can lead to negative environmental impacts and the need for sediment control. We empower decision-makers with enough resolution to ensure confident environmental and integrity management, so the best remediation pathways are identified. Bathymetry surveys use sonar readings and GPS to create complete, high-resolution riverbed maps.
1.2 Managing our Waste

Waste Management at Shawcor

Shawcor strives to minimize waste generation at our facilities by optimizing our operations and supply chains, as well as utilizing materials that can be reused and recycled.

We introduced a Waste Management and Contingency Plan as part of our Health, Safety and Environment Standard in 2020, defining location-specific waste management responsibilities and legislative compliance for each operational jurisdiction. The Joint Health and Safety Committee (JHSC) and Site Leadership Team (SLT) at each site ensure adherence to the Standard.

HAZARDOUS MATERIAL HANDLING AND WASTE MANAGEMENT

We inspect hazardous material and hazardous waste storage areas for compliance with both regulatory standards and Shawcor’s own standards, implementing corrective actions where required. Each facility assigns waste and hazardous waste management responsibilities to trained personnel. These personnel safely identify waste by stream, including recyclables or hazardous waste, and manage disposal or storage onsite. Designated onsite storage areas are managed in accordance with local regulations. Ultimately, waste and recyclable materials are handled offsite through certified and approved third parties.

In 2021, Shawcor’s top waste and recyclable streams included scrap metal, accumulators or batteries, paper, general waste, grit, polyethylene, polypropylene, industrial effluent, aqueous cleaning solution, aluminium silicate and/or desiccant.

All Shawcor sites conduct reviews of waste storage areas, safety practices, and environmental spot checks.
Green Teams

Green Teams, an employee-led initiative, have the goal of creating a sustainable culture and environment at our facilities.

The launch of this initiative has been a popular and exciting opportunity for employee engagement with broader community-led initiatives and volunteer groups. It started in our Pipeline and Pipe Services Segment, and in 2021 it expanded company-wide.

One focus of our Green Teams is to identify waste handling and improvement opportunities while maintaining compliance with jurisdictional waste management requirements. Several facility-wide programs leverage partnerships with local waste collectors to educate teams and create a culture of circularity.

Our Shawcor Green Teams align with SDG 12: Responsible Consumption and Production, Target 12.4. By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle in accordance with international frameworks, and significantly reduce their release into the air, water and soil to minimize their adverse impacts on human health and the environment.
GALVANIZING OUR GREEN TEAMS TO HELP THEIR OWN COMMUNITIES IMPROVE WASTE MANAGEMENT PROCESSES

Anaheim Green Team

29,240 lbs of cardboard and paper waste recycled

The equivalent of 249 trees saved

29,240 lbs

Seguin Green Team

Our Seguin Green Team was launched in 2021, and is currently in planning phases for events to establish a hazardous waste day and/or cleanup day events, and plant trees alongside community volunteers.

102,340 gallons of water use avoided

Tipton Green Team

Our Tipton Green Team launched a sidewalk cleanup event for the city’s downtown core. The team also initiated its first tree-planting event, planting 97 trees in October, in an effort to contribute to the replacement of some of the 3.5 – 4 million trees lost during powerful storm Derecho that passed through Iowa state in August of 2020.

5,260 gallons of oil saved

Hagerstown Green Team

Our Hagerstown Green Team partnered with members of the C&O Canal National Park Service to remove litter and invasive species from the park environment.

$877 in cost savings from landfill tipping costs

Calgary Green Team

Our Calgary Green Team joined a community-led group of volunteers to coordinate litter and waste collection at the Old Refinery Park. Other clean-up projects by the team have included:

- Waste audits of Shawcor Calgary’s West Production Bay and East Warehouse, where 31 waste streams were identified and 13 of those were diverted from landfills.
- Implemented streamlined reduction of fiberglass scrap.
- Created recycling presentations to help with office moves.
- Established a recurring furniture auction event.

SHAWCOR 2021 ESG REPORT

SHAWCOR 2021 ESG REPORT
Our Shawcor Team

Shawcor’s global employees are our most valuable stakeholders and ambassadors. Our diverse, committed and talented team, representing over 20 different nationalities, creates the products and solutions that drive our mutual success and development.
2.1 Our People

Training and Development

Ensuring our people have access to quality training opportunities so they can continue to learn and build capacity is a priority for Shawcor. We are committed to developing employees so they can advance within the organization.

Since its inception in 2018, our Frontline Management Training (FMT) Program has provided training to over 250 managers and supervisors.

We have instituted the Shawcor Education Assistance Standard which outlines the Company’s commitment to furthering work-related knowledge for our employees.

Our Tuition Refund Program reimburses employees for 100% of the cost of approved college or university courses upon successful completion, up to a maximum of $5,000 each calendar year.

In support of DE&I at Shawcor, we have established a leadership development program to offer a mix of internal and external development opportunities for future leaders. Our goal is to make sure that high-potential employees from within our diverse talent pool are encouraged to further enhance their leadership capabilities and skills and realize their full potential.

Shawcor also facilitates employee development through frequent and transparent engagement. 100% of our full-time salaried employees receive mid-year and annual reviews to evaluate their performance and potential for future growth. We use structured performance management processes and tools to set specific, measurable, achievable, relevant, timebound (SMART) objectives and continuously look for opportunities to improve how we engage with employees and support them in developing their careers at Shawcor, whether full-time or part-time.

Remuneration

To create a fair and transparent process for pay, Shawcor has a Board Compensation and Organizational Development Committee, which works in partnership with a third-party consulting firm to oversee executive remuneration.

Shawcor’s training, development and remuneration policies align with SDG 8: Decent Work and Economic Growth, Target 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
Creating a Safe and Healthy Work Environment

Shawcor is committed to providing an environment that encourages and supports the physical, psychological and social well-being of our employees. Our vision is an incident- and injury-free (IIF) work environment for our employees, contractors, and other stakeholders, with no harm to the environment, enabled by Shawcor’s Health, Safety and Environmental Management System (HSEMS). To work towards that vision, we continuously search for new ways to effectively manage risks and improve our health and safety performance year after year.

“We continue to innovate solutions that allow for improved health and well-being within our workforce. As an example, we recently redesigned our offshore Automated Ultrasonic Testing System to reduce the weight from 75 pounds to 46 pounds. For a technician on a typical offshore shift, this reduces the total amount lifted by about 7,000 pounds, reducing back and repetitive motion injuries.”

– Mike Reeves, President and CEO

Our vision is an incident- and injury-free work environment for our employees, contractors, and other stakeholders, with no harm to the environment.
SHAWCOR’S HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEM (HSEMS)

Our HSEMS is based on an objective risk assessment process that identifies, assesses, and manages risks, and applies to all business units, employees and people acting on behalf of Shawcor, worldwide. It also serves as a guide for newly acquired businesses to ensure they align with Shawcor’s health, safety and environmental (HSE) policies.

We work to strengthen the HSEMS through ongoing feedback and evaluation. At every management meeting, our business leaders provide updates and observations related to near misses, incidents and lessons learned from their respective groups. All managers, supervisors, employees and supervised contractors incorporate Plan, Do, Check, Act (PDCA) practices into work procedures, planning and implementation so that lessons learned are fed back into the system to achieve continuous improvement and ever-improving safety practices.

Shawcor’s HSEMS incorporates best practices from various International HSE standards, including:

- ISO 14001 Environmental Management Systems
- OHSAS 18001 Occupational Health and Safety Management Systems
- ISO 19011 Guidelines for Quality and/or Environmental Management Systems Auditing
- ISO 31010 Risk Assessment Techniques

HSEMS Breakdown

The HSEMS is closely aligned with Shawcor’s Code of Conduct, IIF vision, and PDCA cycle. Our overarching HSE Policy is implemented throughout the organization through corporate-level management system procedures, standard requirements and best practice guidelines pertaining to activities, products and services, and division and site-specific programs which incorporate regulatory and client-driven requirements.
HSEMS Procedure Cycle

Our 15 HSEMS procedures are aligned with the Plan, Do, Check, Act (PDCA) methodology:

**Plan**
Establish objectives and processes necessary to deliver results in accordance with the organization’s HSE policy.

- Policy, leadership and commitment
- Risk assessment and management of change
- Legal and other requirements
- Goals and objectives

**Do**
Implement the processes.

- Resources, roles and responsibilities
- Training and competence
- Communication and engagement
- Documentation, records and controls
- Implementation of operational controls
- Emergency preparedness and security

**Act**
Take action to continually improve the performance of the HSE System.

- Management review and continual improvement

**Check**
Monitor and measure the processes against HSE policy, objectives, targets, legal and other requirements, and report the results.

- Monitoring and measuring of results
- Incident reporting and analysis
- HSE auditing
- Non-conformance, preventive and corrective actions

Our HSEMS includes four key elements:

- **Continual Improvement**
  The HSE performance of each division and site is evaluated against our corporate goals and objectives as part of our annual HSEMS review process, with any subsequent recommendations to improve performance incorporated into the HSEMS.

- **Processes**
  Having robust processes in place allows everyone to stay safe on the job. These processes include Field Level Hazard Assessments (FLHA), Hazard Identification, Job Hazard Analysis (JSA), Safe Operating Procedures (SOP), Advanced Safety Audits (ASA), Tool Box Talks (TBT), 5S Audits, DMP Meetings, Zone Meetings, and others.

- **Take 5**
  All employees are encouraged to take five minutes before starting non-standard or non-routine tasks to identify potential hazards and put in place the controls necessary to prevent injuries or incidents.

- **Stop Work Authority**
  Employees are empowered to challenge and communicate any unsafe acts or conditions and stop work at any time without fear or risk of reprisal.
HAZARD IDENTIFICATION
AND RISK MANAGEMENT

We believe that identifying and mitigating HSE risks is a shared responsibility, and we expect all employees, managers and contractors to understand Shawcor’s HSE Policies and Systems, and contribute to the identification, mitigation and elimination of hazards and risks. Our Global HSE Policy is available electronically and posted at all sites, and we use frequent HSE Alerts and Hazard ID postings to share information throughout the company on a regular basis.

Hazards, risks, and risk reduction measures are evaluated at all levels (corporate, divisional and site) in accordance with Shawcor’s Global Standard for Risk Assessment and Management of Change. The Standard applies to all Shawcor activities, products and services and provides a methodology for the identification of health and safety hazards and risks in existing or planned activities, products, and services, which can then be managed using our hierarchy of controls to eliminate hazards and minimize risks.

Within each division and site, HSE teams, comprised of members experienced in operations and HSE, work with staff to maintain a Hazards and Aspect Registry. Each registry outlines:

• The unit’s specific activities, products and services
• The associated risks, likelihoods of occurrence, and the impacts of each risk
• Reduction, elimination and management strategies

Risk Assessment Process

We assess risk using the Shawcor Risk Assessment Matrix where risk is calculated by multiplying the worst probable severity of an occurrence by the likelihood of that occurrence. The final severity and likelihood ratings are determined by site leadership. All high and medium risks are reduced to the lowest practical level using our hierarchy of controls. Once the appropriate control measures have been identified, they are documented in Shawcor’s Hazards and Aspect Registry. Where permanent controls have been implemented, the risk is re-evaluated to determine any residual risk in the workplace.
PREVENTION AND MITIGATION OF HEALTH AND SAFETY RISKS

We continuously monitor our work sites for possible risks to individual health and safety and to the environment. Whenever we identify a significant risk of harm, we ensure adequate operational control measures are implemented. Our hierarchy of controls, from most preferred to least preferred, comprises:

1. **Elimination**
   - We eliminate the risk by removing the aspect and/or hazard.

2. **Substitution**
   - We use another activity, product or service to get the job done.

3. **Engineering**
   - We incorporate design modifications such as barriers, guards, automation, or reformulation to mitigate the risk.

4. **Administration**
   - We implement the required procedures, permits, signs, training, inspections, maintenance, etc. as needed.

5. **Personal Protective Equipment (PPE)**
   - We stipulate the use of PPE, along with extensive training so that all employees understand the proper way to use and maintain their PPE. We consider this to be the least effective control possible, only to be used after other mitigating controls have been implemented and/or exhausted.

**Driving Safely**

All Shawcor Company vehicles have an in-vehicle monitoring system (IVMS) which records data about each driver’s behaviour and vehicle use, including dates, times, speed, acceleration, deceleration, and safety belt use. We use Smart Drive, our IVMS system, together with Shawcor’s Global Driving Standard, to define the minimum motor vehicle safety standards for employees operating or riding in Company vehicles, improve driver behaviour and performance, and most importantly, help reduce and eliminate vehicle incidents and fatalities. Data from Smart Drive is downloaded, analyzed, and communicated weekly to supervisors, and used to provide drivers with regular performance feedback, coaching for improvement and skills development. Smart Drive is also used to identify and recognize drivers who have driven more than 10,000 miles without any unsafe driving events in a year and to thank them for their conscientious efforts to keep themselves and others safe.

In 2021, our **vehicle incident rate decreased by 60%**.
**AUDITS AND INVESTIGATIONS**

All Shawcor employees are encouraged to contribute to HSE, whether through joint health and safety committees, site leadership team meetings, toolbox talks, safety stand-downs, or safety audits. HSE-themed events and internal audits are incorporated into our annual performance objectives throughout the organization, and site managers’ monthly audits incorporate employee feedback on incidents, near misses and hazard identification to further engage employees in promoting a safety-first work culture.

Shawcor has a Joint Health and Safety Committee (JHSC), chaired by management and worker representatives to discuss specific health and safety issues and find resolutions through engagement.

Incident investigations are conducted for all incidents, as soon as any immediate health and safety concerns have been addressed. Injuries, illnesses, environmental incidents and property damage are analyzed to determine root causes and lessons learned. Injuries and illnesses are also assessed in accordance with U.S. Occupational Health and Safety Administration (OSHA) standards.

**HSE Audits In 2021**

Formal HSE worksite audits are based on risk assessments, historical HSE performance, compliance performance and previous audit findings. Audits are conducted every one to three years based on the level of risk associated with each site.

**2021 Audits**

- **11** formal corporate HSE audits conducted
- **3,657** internal inspections conducted
- **20,722** employee observations submitted

**WORK-RELATED INJURY AND ILL HEALTH**

Shawcor takes any risks or incidents related to workplace injury or ill health seriously, and we are always looking for opportunities to improve and ultimately reach our long-term vision of an incident- and injury-free workplace.

All work-related incidents are investigated by members of the HSE and leadership teams, and captured in our HSE software. Corrective actions are addressed and recommendations resulting from the analysis are integrated into the HSEMS as required.

We also have programs in place to assess possible exposure to work-related hazards that pose a risk of ill health to employees, such as noise, air contaminants, and chemical, biological, physical, safety, or ergonomic hazards.

Potential occupational health hazards are identified and managed through our risk management program, internal HSE audits, external regulatory compliance audits, and industrial hygiene audits, as required on a site-by-site basis.
Shawcor provides comprehensive benefits packages for all employees in accordance with local legislation and regional practices. Benefits packages are further tailored to meet the unique needs of Shawcor employees located in different countries of operation in order to support their health and wellness in a holistic manner.

Some examples of customized health and wellness benefits we offer to employees around the world include:

**Canada – Maternity and Parental Leave Top-Up**
In addition to the standard Maternity and Paternity leave that is available to all eligible Shawcor employees through government-funded programs, we also offer a supplemental top-up payment to increase the benefit amount they receive during their leave. This program is designed to provide additional support and peace of mind for employees as they recover from childbirth, bond with, and care for their newborn or adopted children.

**US – Club Shawfit**
In the US, our Club Shawfit program incentivizes Shawcor employees and their spouses to protect their health against common preventable illnesses and to proactively maintain their health through regular participation in wellness activities and programs. The exam incentive provides monthly payments to employees and spouses when they complete a routine physical exam and a preventative exam or vaccination once a year. The activity incentive provides monthly payments to employees and spouses when they participate in eligible wellness activities every month, which can include mental health courses, workouts, jogging, cycling or sports coaching.

**UK – Caboodle Bike Scheme**
Our Cycle to Work scheme in the UK allows Shawcor employees to save up to 42% on the cost of a new bicycle, bike accessories or even an electric bike that they can use to cycle to work. This partnership with Caboodle, encourages employees to cycle to work, which keeps them fit while saving them money and reducing their carbon footprint.

**Other Regions – Various Custom Benefit Programs**
In regions outside our North American and European operations, we offer other benefits coverages that address unique needs specific to each location. These include:

- Cash benefits for special occasions such as significant life events and local holidays.
- Benefits to assist with commuting to work.
- Cycle to Work benefits programs.
- Free meals and free shuttle buses to work.
- Meals vouchers to assist with the purchase of groceries.

Shawcor’s health and wellness benefits align with **SDG 3: Good Health and Well-Being, Target 3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
MENTAL HEALTH

Supporting the mental health of Shawcor employees remained a key priority for us in 2021. Through a series of initiatives delivered via different mediums to reach all our employees, we emphasized the importance of developing resilience, recognizing and proactively managing mental health challenges, and reaching out for help when it is needed.

Mental health initiatives launched in 2021 included:

- Providing employees with mental health resources and empowering leaders with the tools and training they need to better support employees.
- Facilitating a session entitled “How to Lead with Mental Health in Mind”.
- Placing mental health posters in prominent locations around our facilities to raise awareness and reduce the stigma associated with mental health.
- Enhancing the mental health coverage offered through our employee benefits plan in Canada by expanding the mental health practitioners’ coverage to be more inclusive, and doubling the annual limit for mental health services.
- Rolling out “Mental Health Moments” to provide useful information on topics such as healthy mental fitness habits, what to do when you’re feeling blue, and Seasonal Affective Disorder. These Mental Health Moments are then integrated into toolbox talks at the beginning of regular meetings to encourage conversations around mental health and promote a transparent culture.

In 2022, we will be partnering with Headversity, a leading mental health platform, to introduce new online wellness programs for Canadian employees and their family members so that they can continue to build mental health awareness, understanding and resiliency.

“Leaders set the example when it comes to mental health awareness and support. So, what can we do? Be vulnerable about our own mental health and prioritize empathy toward others. It’s important for leaders to show that we’re human. Being vulnerable doesn’t make you a weak leader, but a strong, brave and authentic one.”

– Robert Unzen, Director of HR
Diversity, Equity and Inclusion

We aim to make Shawcor a place where every employee, client and stakeholder feels safe and respected by embracing that we come from:

DISTINCT
Cultures and Communities

DIFFERENT
Experiences and Abilities

DIVERSE
Gender Identities and Relationships

Shawcor’s diverse workforce reflects the global nature of our operations. We firmly believe that fostering a culture of inclusion and creating safe spaces for all employees to contribute their ideas, insights and perspectives helps us increase employee engagement, spark innovation, and make better decisions. Over the past few years, we have implemented a number of programs which aim to enhance diversity in gender, race, colour, age, religion, ethnicity, physical ability, national origin and sexual orientation throughout our leadership teams and workforce, in accordance with our Global Code of Conduct and bias-free hiring practices.

We will not tolerate disrespect and, as outlined in our Whistleblower Policy, there is a mechanism for any employee to report bad behaviour.

“The best companies are comprised of workforces that reflect the world around them. We are dedicated to being one of those companies. The more diverse and inclusive we are, the more we enable teams to build a culture that will drive success and better serve all our stakeholders.”

– Geoff Smith, Chief People and HSE Officer

Diversity Metrics

We track and disclose diversity throughout the Company, starting with Shawcor’s Board of Directors and senior management, to Shawcor employees across the globe. Diversity metrics currently tracked include gender, age, members of visible minority groups, persons with disabilities, and members of Indigenous groups for our Board of Directors and senior management in accordance with CBCA requirements, and gender and age diversity for all salaried Shawcor employees across the world. Disclosure of the number of members of each of the above-noted groups is obtained through voluntary self-identification. More information on these policies is available in our Management Information Circular.
DIVERSITY, EQUITY AND INCLUSION (DE&I) INITIATIVE

Shawcor’s DE&I Initiative helps us increase awareness and understanding so we can pave the way for an increasingly diverse and representative workforce. We have a DE&I Committee that meets weekly to expand and roll out various DE&I programs, which are based on three fundamental pillars.

1. Awareness
   In 2021, our DE&I Committee focused on creating awareness through knowledge sharing, communicating, and creating partnerships.

   - Knowledge Sharing
     We launched our Internal Learning Series in October with live panel discussions on the topics of:
     - My Diversity & Inclusion Experience at Shawcor
     - Understanding & Reducing Unconscious Bias in the Workplace
     - Collaborative Intelligence: Building a diverse network of people to produce intelligent outcomes

   - Communicating
     We brought in external guest speakers to share their perspectives. These presentations included:
     - Developmental Disabilities Centre of Calgary (DDRC): Understanding and Accommodating Disabilities in the Workplace
     - Centre for Newcomers: Diversity and Cultural Competency Training
     - Envision Group: What is Diversity?
     - Pride Centre of Edmonton: Understanding Inclusion and Diversity for Gender and Sexuality

   - Creating Partnerships
     We created Mind to Mind, a mentorship initiative which brings together senior leaders and high potential employees so they can learn from each other. The initiative is open to all Shawcor employees with an aim to increase diversity and inclusion in senior management. It includes an internal program (currently being piloted) and an external executive leadership program in conjunction with the Energy Workforce & Technology Council.

2. Integration
   In 2022, we will be focusing on the integration of DE&I principles throughout our organization and within our daily practices. These initiatives will celebrate diversity, put diversity into action, establish our diversity baseline, and launch new employee resource groups.

   - Celebrate Diversity
     • Black History Month
     • International Women’s Month
     • Ramadan
     • Pride at Work

   - Establish Diversity Baseline
     • Launch of Self-Identification Survey

   - Diversity in Action
     Establish meaningful partnerships:
     • LGBTQ+ (Education and Impact)
     • Indigenous Groups (Operator Team)

   - Launch of Employee Resource Groups
     • Women’s Network

3. Connection
   At Shawcor, we strive to connect DE&I with our actions and decision-making throughout the Company. In 2021, we approached this connection in many ways, by:
   - Creating avenues of connection between employees, the Company, and their colleagues
   - Working towards having visible and relatable representation at all levels of the Company
   - Using inclusive language
   - Ensuring that our policies and procedures are inclusive and encourage DE&I
   - Targeting a more diverse hiring pool for new positions

These initiatives have resulted in more conversations about DE&I between employees and more networking throughout the Company.

In 2022, as we continue to focus on building connections to DE&I at Shawcor, we look forward to new upcoming initiatives including a partnership with Pride at Work Canada, an organization that will assist us in fostering inclusivity and supporting employees from all communities and backgrounds, primarily through education and support services.
BIAS-FREE HIRING PRACTICES

Shawcor is committed to equal employment, advancement and the right of all individuals to be free from discrimination or harassment based on factors including, but not limited to, gender, race, colour, age, religion, ethnicity, physical ability, national origin and sexual orientation. Building on the unconscious bias training delivered to all employees in 2020, we continued our journey of learning, and unlearning in 2021, by expanding awareness, reformulating our job postings to be more inclusive, and having more open and honest conversations about recognizing, tackling and eliminating bias within our hiring practices. We welcome and encourage applications from people with disabilities, and ensure that accommodations are available on request for candidates in all aspects of our recruitment and selection process.

Shawcor’s commitment to diversity, equity and inclusion throughout the company aligns with SDG 5: Gender Equality, Target 5.1: End all forms of discrimination against all women and girls everywhere.

DE&I POLICIES

Strong policies establish a solid foundation upon which we can build and achieve our DE&I objectives and vision. At Shawcor we have several key policies in place to facilitate and ensure an inclusive, equitable, and diverse environment throughout the Company.

Board of Directors Diversity

Our Board Diversity Policy outlines our commitment to diversity at the highest levels of our company. Read the Governance section for more details.

Senior Management Diversity

In 2021, there was a 15% overall increase in diversity—eight members of Shawcor’s senior management team (39%), out of a total of 18, were recognized as diverse as defined by the Canada Business Corporations Act disclosure requirements.

- Female: 17%
- Visible minority: 17%
- Disabled: 6%
- Indigenous: 6%

Shawcor develops executive talent pools with diversity in mind and conducts annual reviews of talent depth and strength. While all candidates must be highly qualified based on skills, experience, knowledge and personal capabilities, we are also committed to promoting diversity and inclusion of gender, race, colour, age, religion, ethnicity, physical ability, national origin and sexual orientation in our senior management.
Family Support Policies

Shawcor aims to provide a supportive environment for employees with families through family-friendly benefits and policies such as our parental leave top-ups offered to employees in Canada, and opportunities for remote work and flexible working hours across the company. Our comprehensive retirement and benefits programs such as Registered Retirement Savings Plans (RRSPs) and health and dental benefits help families stay healthy and save for the future.

Labour and Employment

We are committed to providing a workplace free of discrimination based on gender, race, colour, age, religion, ethnicity, physical ability, national origin and sexual orientation and any other characteristic protected by law. All employees and individuals within Shawcor or acting on behalf of our organization must adhere to our Labour and Employment Policy, which stipulates workplace conduct that is inclusionary and free from discrimination and any form of harassment.

Diversity in our Workforce

Our global salaried employee population at the end of December 2021:

- Female: 27%
- Age Distribution:
  - < 30: 15%
  - 30 – 50: 58%
  - > 50: 27%

After just a few months of working at Shawcor, I can see for myself that beyond the mental health resources, both managers and other employees are kind and willing to share. This makes me feel that it’s a safe workplace for people to be open if they are struggling.

– New Composite Systems employee
2.2 Community Investment

Investing in the communities where we live and work isn’t just the right thing to do, it also supports our business by creating new economic opportunities and ensuring a happy, healthy workforce. We believe partnering with local and regional nonprofit and civil society organizations allows us to support and align with the goals and needs of local communities, which can provide further benefits in the long term.

Through multiple initiatives, including emergency response, environmental awareness and protection, social programs, philanthropic activities, and education and training, we strive to enhance the social and physical well-being of local communities.

Community investment activities we supported in 2021 included:

• Raised $180,000 for employees impacted by severe flooding in our office in Rheinbach, Germany. Shawcor offices around the world came together to support our Rheinbach colleagues by hosting fundraisers and collecting donations.

• Participated in the annual Enbridge Ride to Conquer Cancer. Over the last five years, Shawcor has raised approximately $168,084.

• Donated $10,000 to Habitat for Humanity for building houses for local families in need.

• Donated $20,000 to the Saugeen Memorial Hospital Foundation CT Campaign.

• Our Calgary Green Team raised $6,062 for the Alberta Cancer Foundation through a Coco Brooks fundraiser, a hockey jersey auction, an auction of excess furniture from a recent office move, and through the sale of a truck that was no longer needed for operations.

• Shawcor has been a member of the University of British Columbia Pipeline Integrity Institute (UBC PII) since 2014. We continue to support education and collaboration on various research projects related to pipeline integrity by providing technical guidance and direction to future technical engineering students.
Memberships in Industry Organizations

Shawcor is a proud member of the following Canadian organizations:

- Human Resources Professionals Association (HRPA) Ontario
- Chartered Professionals in Human Resources (CPHR) Alberta
- Energy Workforce & Technology Council (EWTC)
- Conference Board of Canada (CBoC)
- Electro Federation Canada (EFC)
- Professional Engineers Association
- Nuclear Energy Association
- University of British Columbia Pipeline Integrity Institute (UBC PII)
- Canadian Standards Association (CSA)

In 2021, Shawcor leaders contributed to several major industry organizations in key membership and leadership roles:

**Mike Reeves**
President and Chief Executive Officer
Co-Chair of the Energy Workforce and Technology Council

**Frank Cistrome**
President Automotive and Industrial
Vice Chair Executive of Electro Federation Canada

**Catherine Lam**
Group Leader Coatings
Technical Coatings Sub-Committee Member of Canadian Standards Association

**Meghan MacEachern**
Director External Communications & ESG
Member of EWTC ESG Committee and CBoC Corporate Responsibility and Sustainability Council (CRSC)

**Geoff Smith**
Chief People and HSE Officer
Member of the EWTC Diversity and Inclusion Committee and Member of the Governing Body for the Evanta Toronto CHRO Community
3.0 GOVERNANCE

Corporate Governance

At Shawcor, we understand that having a sustainable business requires strong governance and diligent oversight to minimize risks and guide decision-making. Our governance policies and procedures are strategically designed to meet a high standard of practice, particularly at the Board level.
3.1 Oversight of ESG

Integral to the role of Shawcor’s Board in overseeing corporate strategy is the Board’s oversight of the Company’s ESG strategy. This includes ensuring that ESG-related risks have been accounted for and mitigated against but also that the Company is able to capture ESG-related opportunities. Although the Board has delegated oversight of specific elements of ESG strategy to each of its Audit, Compensation & Organizational Development and Governance & Sustainability Committees, overall stewardship of ESG strategy remains at the Board level.

We see sustainability as an essential part of how we operate and integrate ESG considerations into the highest levels of decision-making.

In 2021, as part of our effort to promote increased accountability and enhance our ESG and Health and Safety performance, we proposed incorporating key metrics such as Hazard Identification and Total Recordable Case Frequency into our Corporate Incentive Plan for 2022.

Shawcor conforms with:

- National Policy 58-201 Corporate Governance Guidelines, issued by the Canadian Securities Administrators
- Canada Business Corporations Act
Board of Directors

Shawcor’s Board of Directors is made up of a diverse grouping of business leaders each having deep and varied skill-sets which inform their approach to oversight and guidance of Shawcor’s business, including in respect of ESG matters. Our directors bring a wealth of knowledge from professions such as engineering, health and safety, finance, law, technology and human resources.

Of the seven Directors who formed our Board in 2021, six are independent and are spread across three committees with members and chairs appointed annually. They are responsible for ensuring Shawcor aligns with emerging industry, business and ESG trends appropriately balances risk, reflects long-term market fundamentals, and meets public policy, legal and regulatory requirements.

We benchmark against multiple sources to ensure we’re meeting industry best practices in ESG, oversight and reporting at the Board level, including our Canadian and American peers, Sustainability Accounting Standards Board (SASB) standards, and the Canadian Coalition for Good Governance.

BOARD COMMITTEES

Audit Committee
- Oversight of Shawcor’s internal control and management information systems
- Oversight of external and internal audits and financial disclosures
- Quarterly business and financial reports
- Information systems, privacy and cyber security management
- Financial and enterprise risk review and management
- Code of Conduct and whistleblower reports

Governance and Sustainability Committee
- Oversight of Shawcor’s corporate governance
- Quarterly HSE audit reports
- Regulatory and legal matters
- Privacy management
- Board recruitment, renewal and diversity
- Policy management
- GHG reduction ambitions and energy efficiency efforts
- ESG benchmarking, disclosure and reporting
- Board, Committee and Director evaluation and oversight

Compensation and Organizational Development Committee
- Oversight of Shawcor’s compensation philosophy
- Community and employee engagement
- Succession planning and talent management
- Labour relations, DE&I, and HR policies
- Compensation policies
- Executive development
Board Diversity

Strong governance and innovation go hand in hand with having representative voices and unique perspectives at the table, which is why Shawcor is committed to actively improving diversity at the Board level.

Our goal is to promote diversity of gender, international background, age and ethnicity, including Indigenous peoples and visible minorities.

This commitment to diversity is also reflected in our Board Diversity Policy which guides the identification and nomination of directors. As part of this policy, Shawcor’s Governance and Sustainability Committee must adhere to the following requirements when selecting Board members:

- Consider only candidates who are highly qualified based on their talents, experience, expertise and personal skills, character and qualities
- Take into account criteria that promotes diversity, including gender, international background, age, disability and ethnicity
- Engage qualified independent external advisors to assist in the search for candidates that meet the Board’s skills, experience and diversity criteria
- Direct advisors that the set of prospective candidates presented should be comprised of at least 50% female candidates when current female independent directors make up less than 30% of the Board.

Our Board Diversity Policy

We believe that a Board comprised of highly qualified directors from diverse backgrounds who reflect the demographics of the markets in which the Company operates, as well as the Company’s shareholder, customer and employee base, will enhance Board decision-making.
Enterprise Risk Management

CYBERSECURITY

Shawcor depends on the availability, capacity, reliability and security of its IT systems and infrastructure to operate its business, from day-to-day communications, to engineering tools, to financial analysis. This reliance exposes us to a variety of cybersecurity risks which are growing in both complexity and frequency, such as phishing, fraud or cyberattacks. Minimizing cybersecurity risks reduces Shawcor’s exposure to potential operational disruptions, data breaches, financial losses, and reputational risks.

Shawcor has a comprehensive security program to minimize these threats, including endpoint protection, detection, and automated response. We also leverage a third-party 24-hour Security Operations Centre to monitor and alert on any threats, indications of threats, or incidents.

Our Security-First, Defense-in-Depth Design Philosophy:

- All new IT projects are reviewed through a security lens in partnership with our security group, business partners and our IT operations team.
- We maintain employee protocols on email communications and electronic devices, and all computers and portable electronic devices are encrypted.
- We deliver monthly security training and simulations across our entire user audience.
- We conduct annual cybersecurity assessments to evaluate our systems and incident response.
- We maintain a centralized IT risk register that is reviewed quarterly.

We’re aligned with ISO 27001 Security Standards, NIST Cyber Security Framework, and the UK Cyber Essentials.

CUSTOMER AND EMPLOYEE PRIVACY

At Shawcor, we respect the privacy of our employees and ensure the proper collection, use, and protection of personal data. We ensure the preservation of confidentiality of both our and our customers’ data, and we require the same of third parties who process this data on our behalf.

Shawcor’s Privacy Policy adheres to all privacy laws and standards applicable in the jurisdictions in which we operate, including but not limited to:

- The Personal Information Protection and Electronic Documents Act
- The Alberta Personal Information Protection Act
- The British Columbia Personal Information Protection Act
- The Quebec Act respecting the protection of information in the private sector
- The European Union General Data Protection Regulation
- The Brazilian General Data Protection Act.
Ethics and Compliance

For Shawcor, respect and integrity serve as the foundation of our company and are rooted across all our business practices.

EMPLOYEE ETHICS

Maintaining high ethical standards isn’t just the right thing to do, it also minimizes risks from government fines or restrictions, potential litigation, and reputational damages. Shawcor holds the highest standard of ethics across our organization and we expect the same of individual employees as well.

We maintain an open-door policy across the organization and actively encourage employees to seek guidance and report concerns.

We have a Global Code of Conduct which governs the behaviour of our directors, officers and employees, setting expectations for integrity, ethics and accountability. Each year, every employee is required to review the Code of Conduct, and must provide written acknowledgement of compliance.

The Code of Conduct sets out clear, straightforward procedures for reporting potential violations. In 2021, a hotline was monitored by Shawcor’s Senior Vice President and General Counsel, who reports to our Audit Committee at least quarterly. These procedures are outlined in our Code of Conduct.

Shawcor also has designated contacts in Human Resources and on our Legal team who are available to all employees who want to raise a concern or ask questions. All concerns and requests for advice are treated confidentially.

For more information on how Shawcor protects whistleblowers, read our recently implemented Whistleblower Policy.
ANTI-CORRUPTION AND ANTI-BRIBERY

As a global company, Shawcor takes anti-corruption and anti-bribery very seriously, and we are committed to preventing corruption and bribery at every level of our operations.

Our Board Governance and Sustainability Committee takes an active role in reviewing the fairness of any potential transactions in which a director or officer might be involved or connected.

No material reports related to possible violations of our Code of Conduct by directors or officers were made to our Board of Directors in 2021.

All Board members, senior management and employees are required to review and understand Shawcor's anti-corruption policies and procedures, and participate in training on anti-corruption. All Shawcor vendors are also required to comply with our anti-corruption and anti-bribery policies.

Our legal team supports our commitment to ethics by providing training for senior management, employees, and suppliers where appropriate. Training is tailored to the specific location and project, outlining both our global values and issues specifically relevant for participants.

Our anti-corruption and anti-bribery efforts align with SDG 16: Peace, Justice and Strong Institutions, Target 16.5: Substantially reduce corruption and bribery in all their forms.
Shareholder Engagement

As a public company, Shawcor has a responsibility to communicate with our shareholders, and we are committed to engaging with integrity and transparency. Our Shareholder Engagement Policy outlines what’s expected of our Board of Directors, and our commitments when engaging with shareholders, which include how information is shared, when, and by whom.

Annual Meetings
Our annual meetings are webcast live, allowing shareholders to interact with our Board, CEO, CFO and senior management from anywhere.

Earnings Calls
We host earnings calls every quarter that are open to all shareholders and webcast live with a Q&A period.

Conferences
Shawcor’s senior management regularly speak at investor and industry conferences.

Personal Interactions
Our senior management host company site visits and often meet one-on-one with shareholders as part of our regular engagement efforts.

Investor Relations
Shawcor’s Investor Relations Department is readily available to facilitate conversations with our shareholders and provide public information when needed.

Shawcor.com
Press releases, financial and corporate information and our investor presentations can all be found on our website at any time.

Say on Pay
Shawcor has implemented a Say on Pay policy to gauge shareholders’ views on executive compensation. In our commitment to transparency and shareholder responsiveness, a non-binding advisory vote is held at each annual shareholder meeting to empower shareholders with an opportunity to have their say on executive pay. Our shareholders were supportive in their Say on Pay vote in 2021, with 97.83% of the votes cast in favour of our approach to executive compensation.
Supply Chain Management

Some of the greatest violations of local and international laws can come from a lack of oversight along a company’s supply chain, which is why Shawcor’s commitment to ethics and integrity extends beyond our own operations to our suppliers as well.

To promote and safeguard competition and deter anti-competitive behaviour, suppliers are expected to refrain from engaging in any act that improperly reduces competition. We comply with applicable export, import and trade laws in all countries of operation and we expect our suppliers to do the same. Suppliers are also expected to comply with applicable anti-corruption and anti-bribery laws and are prohibited from offering or taking any bribe or kickback.

To learn more about our policies, refer to our Shawcor Supplier Compliance Statement and Global Code of Conduct.

Respect for Human Rights, Anti-Slavery and Anti-Trafficking

Human rights, anti-slavery and anti-trafficking are fundamental expectations of any business, organization, or jurisdiction. Adherence to related international laws is essential for both Shawcor and our suppliers—it promotes justice, equity, and morality, as well as a more stable, sustainable supply chain.

Shawcor’s Human Rights Statement outlines our commitments and expectations on human rights. Key components of this statement are included below:

- **Freedom from Discrimination and Harassment:** Shawcor does not tolerate discrimination or harassment of any kind, including on the basis of ethnicity, race, religion, sex, or gender.
- **Legal Working Hours and Labour Practices:** We adhere to applicable laws and regulations related to working hours, such as maximum hour limits and break time requirements.
- **Freedom of Association:** Shawcor respects our employees’ right to form or join or not join a labour union without fear of punishment or retaliation.
- **Provisions of Fair Working Conditions and Wages:** Shawcor is committed to providing equitable access to employment opportunities and career considerations. We also adhere to all applicable wage laws.
- **Prohibition of Child and Forced Labour:** We comply with section 54(1) of the Modern Slavery Act 2015, opposing the use of forced labour, human trafficking and child labour at any of our operations.

Shawcor expects suppliers to conduct business in a manner that aligns with our core values. This includes requiring a contractual commitment to demonstrate that their workplace is free from discrimination and harassment of any kind. Suppliers must also comply with laws on fair working hours and wages, as well as labour regulations and codes.

To learn more about our human rights, anti-slavery and anti-trafficking policies, read our Human Rights Statement and Anti-slavery and Human Trafficking Statement.

Our commitment to human rights aligns with SDG 16: Peace, Justice and Strong Institutions, Target 16.3: Promote the rule of law at the national and international levels and ensure equal access to justice for all.
Quality Management System

Supplier Quality
A competitive bidding process is based on transparency, non-discrimination, and equal treatment of bidders. We work diligently to maintain high standards of quality management to honour these values when working with our suppliers and customers.

Our supplier performance is managed through pre-qualification, due diligence, verification, and auditing with key performance indicators to ensure consistent delivery on expectations. Suppliers are accountable for ensuring their subcontractors and third-party suppliers follow our standards as well.

Setting Standards for Quality Across our Operations
Shawcor follows rigorous regulatory, ISO, industry and testing protocols to ensure all our products and services meet specified requirements. We expect every Shawcor manufacturing site to track four operational metrics:

- First-time quality
- Material variance and waste
- Downtime
- Efficiency

These metrics are used across our operations as a diagnostic tool to identify opportunities for performance improvement, and are used as categories for cost and material reduction projects.

Climate-Related Supplier Engagement
Shawcor actively works with suppliers to qualify their lower-emission materials for use in our processes. Through these supplier partnerships, we have introduced improvements and developments to the procurement of some of the highest emission-contributing raw materials in our operations, including ore, cement, polyethylene and other polyolefins, abrasive steel blasting media and metal wire. Going forward, we plan to expand our efforts to include other materials and streamline our global supplier emissions reduction strategy to minimize our environmental impact even further.
A Message on Forward Looking Statements

This report contains forward-looking information within the meaning of applicable securities laws. Words such as “may”, “will”, “should”, “anticipate”, “plan”, “expect”, “believe”, “predict”, “estimate” or similar expressions or terminology are used to identify forward-looking information. In addition, any statement concerning future performance, ongoing strategies or prospects, and possible actions taken by the Company are also forward-looking information. This forward-looking information is based on assumptions, estimates and analysis made in the light of the Company’s experience and the perception of trends, current conditions and expected developments, as well as other factors that are believed by the Company to be reasonable and relevant in the circumstances. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance, outcomes or achievements to be materially different from those predicted, expressed or implied by the forward-looking information. Additional information on the risks and uncertainties on the Company’s business can be found in the Company’s current Annual Information Form, annual and quarterly reports and in other reports and filings made with the applicable Canadian securities regulatory authorities and available at sedar.com and shawcor.com. The forward-looking information is provided as of the date of this report and the Company does not assume any obligation to update or revise the forward-looking information to reflect new events or circumstances, except as required by law. Our forward-looking information related to ESG matters contained in this report, are based on certain key estimates and assumptions and are subject to risks and uncertainties, both known and unknown, including but not limited to: our ability to successfully implement our strategic priorities and whether they will yield the expected benefits (or on their anticipated timelines), the Company’s plans and strategies to improve ESG performance, that current technologies or technologies that are anticipated to be available are sufficient to achieve our ESG goals, including reductions in GHG emissions targets, our ability to develop, access or implement some or all of the technology necessary to efficiently and effectively achieve GHG emissions targets and ambitions, the commercial viability and scalability of GHG emission reduction strategies and related technology and products, as well as the development and execution of implementing strategies to meet our sustainability commitments and GHG emissions targets and ambitions, the anticipated costs and impacts on our operations and financial results of adopting these technologies or strategies and the availability of data, samples and information necessary to develop and evaluate the Company’s targets, goals, programs and strategies. In addition, many of the standards and metrics used in preparing this report, including any underlying data used in preparing such metrics, continue to evolve and are based on expectations and assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees. Certain ESG-related statements may be based on expectations and assumptions that are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. Calculations and statistics included in ESG Statements may be based on historical estimates, assumptions and projections and therefore subject to change. The standards and metrics used, and the expectations and assumptions they are based on, have not been externally assured or verified by any independent third party. Moreover, our disclosures based on any assumptions required to make some of the disclosures in this report, and the timelines involved, materiality is inherently difficult to assess for distant future periods. Additionally, inclusion or absence of information in the Company’s ESG-related statements should not be construed to represent any belief regarding the materiality or financial impact of that information. Given the uncertainties and assumptions required to make some of the disclosures in this report, and the timelines involved, materiality is inherently difficult to assess for distant future periods. Moreover, given the inherent uncertainty of the estimates, assumptions and timelines contained in this report, we may not be able to anticipate whether or the degree to which we will or will not be able to meet our plans, targets or goals in advance. The complete text of Shawcor’s non-ESG related statement on forward looking information is included at the outset of the Company’s Second Quarter 2022 Management Discussion and Analysis (MD&A) report dated August 11, 2022, which is available on SEDAR and on the Company’s website at shawcor.com.
## Appendix – 2021 Performance

### Gender Diversity by Region (Permanent Employees)

<table>
<thead>
<tr>
<th>Region</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>USA</td>
<td>17%</td>
<td>83%</td>
</tr>
<tr>
<td>UAE</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>Indonesia &amp; Malaysia</td>
<td>23%</td>
<td>77%</td>
</tr>
<tr>
<td>Europe</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>China</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>South America and Mexico</td>
<td>21%</td>
<td>79%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27%</strong></td>
<td><strong>73%</strong></td>
</tr>
</tbody>
</table>

1. The reported number of employees is the employee headcount as of year-end 2021.
2. Employee breakdown by gender and region only accounts for full-time salaried force. Part-time and hourly employee breakdowns not disclosed.

### Board and Executive Diversity

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Diversity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>12%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Persons with Disabilities</td>
<td>6%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Indigenous Persons</td>
<td>6%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Visible Minority</td>
<td>12%</td>
<td>8%</td>
<td>17%</td>
</tr>
<tr>
<td>Total diversity in senior management</td>
<td>24%</td>
<td>23%</td>
<td>39%</td>
</tr>
<tr>
<td><strong>Board Diversity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>20%</td>
<td>33%</td>
<td>29%</td>
</tr>
<tr>
<td>Persons with Disabilities</td>
<td>Not reported</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Indigenous Persons</td>
<td>Not reported</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Visible Minority</td>
<td>Not reported</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Board Tenure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 – 3 years</td>
<td>10%</td>
<td>30%</td>
<td>57%</td>
</tr>
<tr>
<td>4 – 7 years</td>
<td>50%</td>
<td>50%</td>
<td>29%</td>
</tr>
<tr>
<td>8 – 11 years</td>
<td>20%</td>
<td>20%</td>
<td>14%</td>
</tr>
<tr>
<td>12+ years</td>
<td>20%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Board Age Distribution</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 55</td>
<td>10%</td>
<td>20%</td>
<td>14%</td>
</tr>
<tr>
<td>55 – 60</td>
<td>30%</td>
<td>20%</td>
<td>14%</td>
</tr>
<tr>
<td>61 – 65</td>
<td>30%</td>
<td>50%</td>
<td>29%</td>
</tr>
<tr>
<td>&gt; 66</td>
<td>30%</td>
<td>10%</td>
<td>43%</td>
</tr>
</tbody>
</table>

*Shawcor established our baseline for tracking Board demographic data in 2020 with a revised methodology. 2019 and 2020 data reflected in this report therefore will appear different than data reported in previous years.
### Energy Consumption

<table>
<thead>
<tr>
<th>Description</th>
<th>2019(^1) (Baseline Year)</th>
<th>2020(^1)</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>126,926</td>
<td>95,450</td>
<td>100,472</td>
</tr>
<tr>
<td>Renewable Sources</td>
<td>17,226</td>
<td>19,864</td>
<td>25,376</td>
</tr>
<tr>
<td>Non-Renewable Sources</td>
<td>109,700</td>
<td>75,586</td>
<td>75,096</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>89,306</td>
<td>94,844</td>
<td>80,987</td>
</tr>
<tr>
<td>Diesel Fuel</td>
<td>47,335</td>
<td>48,631</td>
<td>31,203</td>
</tr>
<tr>
<td>Propane</td>
<td>1,415</td>
<td>2,140</td>
<td>2,583</td>
</tr>
<tr>
<td>Gasoline</td>
<td>6,484</td>
<td>5,704</td>
<td>5,884</td>
</tr>
<tr>
<td>Total Energy Used</td>
<td>271,466</td>
<td>246,770</td>
<td>221,229</td>
</tr>
<tr>
<td>Renewable Sources Energy</td>
<td>17,226</td>
<td>19,864</td>
<td>25,376</td>
</tr>
<tr>
<td>Non-Renewable Sources Energy</td>
<td>254,240</td>
<td>226,906</td>
<td>195,753</td>
</tr>
<tr>
<td>Energy Intensity ratio</td>
<td>Metric tonnes of energy consumed in megawatt hours (MWh) per $1M in revenue</td>
<td>203</td>
<td>208</td>
</tr>
</tbody>
</table>

1. This report includes restated energy consumption values for 2019 and 2020, resulting from improvements to our data collection systems, along with adjustments associated with structural changes to the business.

### Greenhouse Gas Emissions

<table>
<thead>
<tr>
<th>Units</th>
<th>2019(^6) (Baseline Year)</th>
<th>2020(^6)</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 Emissions</td>
<td>33,002</td>
<td>34,529</td>
<td>26,743</td>
</tr>
<tr>
<td>(all location-based)(^2)</td>
<td>65,903</td>
<td>41,710</td>
<td>42,395</td>
</tr>
<tr>
<td>(market-based and location-based)(^3)</td>
<td>65,793</td>
<td>41,557</td>
<td>40,611</td>
</tr>
<tr>
<td>Scope 3 Emissions</td>
<td>5,617</td>
<td>1,498</td>
<td>941</td>
</tr>
<tr>
<td>(Scope 1 and Scope 2) globally</td>
<td>98,795</td>
<td>76,086</td>
<td>67,354</td>
</tr>
</tbody>
</table>

1. Shawcor’s carbon accounting methodology follows the GHG Protocol’s Corporate Standard.
2. This calculation is based on utilizing location-based emission factors for all facilities, including the ones where market-based agreements are in place, for comparison and transparency. Our location-based emission factors are derived from the Environmental Protection Agency (EPA)’s eGRID database (for USA facilities), Canada’s National Inventory (for Canadian facilities) and guidance from the International Energy Agency (for international facilities).
3. This calculation is based on emission factors from specific market-based agreements in place at various Shawcor facilities (such as renewable energy contracts, power purchase agreements, and onsite renewable electricity generation) and location-based emission factors for all other facilities utilizing grid electricity.
4. Reported Scope 3 emissions are for air travel booked through the Company travel system only.
5. Shawcor uses a combination of location-based (grid electricity and market-based electricity) and location-based emission factors for all other facilities utilizing grid electricity.
6. This report includes restated GHG emissions values for 2019 and 2020, resulting from improvements to our data collection systems, along with adjustments associated with structural changes to the business.
## Health and Safety Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatalities</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TRCF&lt;sup&gt;1&lt;/sup&gt;</td>
<td>6</td>
<td>3.5</td>
<td>4.3</td>
</tr>
<tr>
<td>TRIR&lt;sup&gt;2&lt;/sup&gt;</td>
<td>1.2</td>
<td>0.7</td>
<td>0.9</td>
</tr>
<tr>
<td>LTCF&lt;sup&gt;3&lt;/sup&gt;</td>
<td>1.8</td>
<td>0.8</td>
<td>1.8</td>
</tr>
<tr>
<td>HPCF&lt;sup&gt;4&lt;/sup&gt;</td>
<td>5.0</td>
<td>2.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Formal Corporate HSE Audits Conducted</td>
<td>11</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Internal Inspections Conducted</td>
<td>6,595</td>
<td>6,071</td>
<td>3,657</td>
</tr>
<tr>
<td>Employee Observations Submitted</td>
<td>37,446</td>
<td>22,990</td>
<td>20,722</td>
</tr>
<tr>
<td>Hours Worked</td>
<td>14,261,088</td>
<td>12,275,112</td>
<td>9,920,944</td>
</tr>
<tr>
<td>Training Hours Logged</td>
<td>156,036</td>
<td>94,116</td>
<td>53,771</td>
</tr>
<tr>
<td>Training Hours per 1000 Hours Worked</td>
<td>10.9</td>
<td>7.7</td>
<td>5.4</td>
</tr>
<tr>
<td>Vehicle Incident Rate&lt;sup&gt;5&lt;/sup&gt;</td>
<td>1.5</td>
<td>1.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Most Frequent Injury Types</td>
<td>Laceration, Sprain, Fracture</td>
<td>Laceration, Sprain, Fracture</td>
<td>Laceration, Sprain, Fracture</td>
</tr>
<tr>
<td>Most Frequent Injury Location</td>
<td>Finger/Hand, Foot/Ankle, Arm</td>
<td>Finger/Hand, Foot/Ankle, Arm</td>
<td>Finger/Hand, Foot/Ankle, Back</td>
</tr>
</tbody>
</table>

1. Total Recordable Case Frequency (TRCF) is defined as (total recordable cases / total working hours) x 1,000,000 hours.
2. Total Recordable Incident Rate (TRIR) is defined as (number of recordable work-related injuries / number of hours worked) x 1,000,000 hours.
3. Lost Time Case Frequency (LTCF) is defined as the number of lost working days associated with a reported work-related injury or illness / 1,000,000 hours.
4. High Potential Case Frequency (HPCF) is defined as total number of high potential cases / total working hours x 1,000,000 hours.
5. Vehicle Incident Rate is defined as total vehicle incidents / 1,000,000 miles.
Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) Disclosure Index

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>GRI Code</th>
<th>Description</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-1</td>
<td></td>
<td>Organizational details</td>
<td>Report page 2, Legal name: Shawcor Ltd., Legal form: Public sector, Location of headquarters: Toronto, ON, Canada, Countries of operation: Argentina, Brazil, Canada, China, Germany, Indonesia, Italy, Mexico, Malaysia, Netherlands, Norway, United Arab Emirates, United State of America, Singapore, Scotland and United Kingdom</td>
</tr>
<tr>
<td>2-2</td>
<td></td>
<td>Entities included in the organization’s sustainability reporting</td>
<td>Report pages 3, 4, All the entities in the organization’s financial reporting are also included in its sustainability reporting.</td>
</tr>
<tr>
<td>2-3</td>
<td></td>
<td>Reporting Period, frequency and contact point</td>
<td>Report page 4, Sustainability reporting is conducted annually for the reporting period January 1 to December 31, Financial reporting is conducted quarterly, Sustainability reporting commences during the third quarter financial reporting period due to the time required to collect sustainability data from all our businesses, Contact point for report: <a href="mailto:esg@shawcor.com">esg@shawcor.com</a></td>
</tr>
<tr>
<td>RT-IG-000.B</td>
<td>2-4</td>
<td>Restatements of information</td>
<td>Report pages 4, 52, 53</td>
</tr>
<tr>
<td>2-5</td>
<td></td>
<td>External assurance</td>
<td>Our sustainability reporting has not undergone external assurance. All information presented in our 2021 ESG report has been collected and reported transparently. We constantly work to improve the quality and accuracy of the information we report by conducting intensive reviews by our internal subject matter experts and approval by senior management.</td>
</tr>
<tr>
<td>2-6</td>
<td></td>
<td>Activities, value chain and other business relationships</td>
<td>Report pages 3, 4, 2021 Annual Information Form, pages 17 – 21, Shawcor Investor Centre</td>
</tr>
<tr>
<td>2-7</td>
<td></td>
<td>Employees</td>
<td>Report page 3, Gender Diversity by Region Table</td>
</tr>
<tr>
<td>SASB Code</td>
<td>GRI Code</td>
<td>Description</td>
<td>Reference</td>
</tr>
<tr>
<td>-----------</td>
<td>----------</td>
<td>------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------</td>
</tr>
<tr>
<td>2-9</td>
<td></td>
<td>Governance structure and composition</td>
<td>Board and Executive Diversity Table Report page 43</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2022 Management Proxy Circular, pages 17, 29</td>
</tr>
<tr>
<td>2-10</td>
<td></td>
<td>Nomination and selection of the highest governance body</td>
<td>2022 Management Proxy Circular, page 21</td>
</tr>
<tr>
<td>2-11</td>
<td></td>
<td>Chair of the highest governance body</td>
<td>2022 Management Proxy Circular, page 5</td>
</tr>
<tr>
<td>2-12</td>
<td></td>
<td>Role of the highest governance body in overseeing the management of impacts</td>
<td>Report page 42</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2022 Management Proxy Circular, pages 26 – 30, 60, 61</td>
</tr>
<tr>
<td>2-14</td>
<td></td>
<td>Role of the highest governance body in sustainability reporting</td>
<td>Report pages 42, 43, 44</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2022 Management Proxy Circular, pages 26 – 30, 60 – 61</td>
</tr>
<tr>
<td>2-15</td>
<td></td>
<td>Conflicts of interest</td>
<td>2022 Management Proxy Circular, pages 20, 58</td>
</tr>
<tr>
<td>2-16</td>
<td></td>
<td>Communication of critical concerns</td>
<td>Report pages 46, 47</td>
</tr>
<tr>
<td>2-17</td>
<td></td>
<td>Collective knowledge of the highest governance body</td>
<td>2022 Management Proxy Circular, pages 19 – 20</td>
</tr>
<tr>
<td>2-18</td>
<td></td>
<td>Evaluation of the performance of the highest governance body</td>
<td>2022 Management Proxy Circular, pages 15, 16, 26, 27</td>
</tr>
<tr>
<td>2-20</td>
<td></td>
<td>Process to determine remuneration</td>
<td>Report page 26</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2022 Management Proxy Circular, pages 31 – 33</td>
</tr>
<tr>
<td>2-22</td>
<td></td>
<td>Statement on sustainable development strategy</td>
<td>Report page 5</td>
</tr>
</tbody>
</table>

Shawcor’s remuneration process is overseen by the Compensation and Organizational Development Committee, which includes three Independent Board Directors and independent third-party remuneration consultancy, Willis Tower Watson.

Results of votes on remuneration policies and proposals are reported off-record.
<table>
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<th>SASB Code</th>
<th>GRI Code</th>
<th>Description</th>
<th>Reference</th>
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<tr>
<td>IF-EN-510a.3</td>
<td>2-23</td>
<td>Policy commitments</td>
<td>Shawcor’s policy commitments are approved at the Board level (most senior level in the organization). They are applicable to all of Shawcor and our subsidiaries and are publicly available on our <a href="#">website</a>. Commitments do not stipulate following the precautionary principle.</td>
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<tr>
<td>RT-EE-510a1</td>
<td></td>
<td></td>
<td>Report page 42, 43</td>
</tr>
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<td>TC-TL-220a1</td>
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<td>Report page 42, 43</td>
</tr>
<tr>
<td>EM-SV-530a1</td>
<td>2-24</td>
<td>Embedding policy commitments</td>
<td>2022 Management Proxy Circular, pages 13, 14, 30</td>
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<td>2021 Annual Information Form, page 30</td>
</tr>
<tr>
<td>EM-SV-540a1</td>
<td>2-25</td>
<td>Processes to remediate negative impacts</td>
<td>2022 Management Proxy Circular, pages 13, 14, 30</td>
</tr>
<tr>
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<td>2021 Annual Information Form, page 30</td>
</tr>
<tr>
<td>2-26</td>
<td></td>
<td>Mechanisms for seeking advice and raising concerns</td>
<td>Report page 46</td>
</tr>
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<td>2-27</td>
<td></td>
<td>Compliance with laws and regulations</td>
<td>2021 Annual Information Form, pages 25, 51</td>
</tr>
<tr>
<td>2-28</td>
<td></td>
<td>Membership associations</td>
<td>Report page 40</td>
</tr>
<tr>
<td>2-29</td>
<td></td>
<td>Approach to stakeholder engagement</td>
<td>Report pages 9, 10</td>
</tr>
<tr>
<td>2-30</td>
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<td>Collective bargaining agreements</td>
<td>Approximately 300 employees globally or 8% are covered by collective bargaining agreements.</td>
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<td>3-1</td>
<td></td>
<td>Process to determine material topics</td>
<td>Report pages 9, 10</td>
</tr>
<tr>
<td>3-2</td>
<td></td>
<td>List of material topics</td>
<td>Report page 9</td>
</tr>
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<td>3-3</td>
<td></td>
<td>Management of material topics</td>
<td>Report page 9</td>
</tr>
<tr>
<td>201-1</td>
<td></td>
<td>Direct economic value generated and distributed</td>
<td>2021 Annual Information Form, pages 9 – 13</td>
</tr>
<tr>
<td>201-2</td>
<td></td>
<td>Financial implications and other risks and opportunities due to climate change</td>
<td>Q4 2021 Financial Statement</td>
</tr>
<tr>
<td>201-4</td>
<td></td>
<td>Financial assistance received from government</td>
<td>Q4 2021 Management’s Discussion and Analysis, pages 12 – 15</td>
</tr>
<tr>
<td>203-1</td>
<td></td>
<td>Infrastructure investments and services supported</td>
<td>2021 Annual Information Form, pages 26 – 30</td>
</tr>
<tr>
<td>203-2</td>
<td></td>
<td>Significant indirect economic impacts</td>
<td>2021 Annual Information Form, pages 30 – 46</td>
</tr>
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<td>GRI Code</td>
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<td>------------------------------------------------</td>
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<tr>
<td>205-2</td>
<td></td>
<td>Communication and training about anti-corruption policies and procedures</td>
<td>Report page 47</td>
</tr>
<tr>
<td>205-3</td>
<td></td>
<td>Confirmed incidents of corruption and actions taken</td>
<td>Report page 47</td>
</tr>
<tr>
<td>206-1</td>
<td></td>
<td>Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices</td>
<td>Report page 47</td>
</tr>
<tr>
<td>207-1</td>
<td></td>
<td>Approach to tax</td>
<td>Tax Strategy</td>
</tr>
<tr>
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<td></td>
<td>Energy consumption within the organization</td>
<td>Energy Consumption Table</td>
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<td>302-2</td>
<td></td>
<td>Energy consumption outside of the organization</td>
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</tr>
<tr>
<td>302-3</td>
<td></td>
<td>Energy intensity</td>
<td>Energy Consumption Table</td>
</tr>
<tr>
<td>302-4</td>
<td></td>
<td>Reduction of energy consumption</td>
<td>Energy Consumption Table</td>
</tr>
<tr>
<td>305-1</td>
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<td>Direct (Scope 1) GHG emissions</td>
<td>Greenhouse Gas Emissions Table</td>
</tr>
<tr>
<td>305-2</td>
<td></td>
<td>Energy indirect (Scope 2) GHG emissions</td>
<td>Greenhouse Gas Emissions Table</td>
</tr>
<tr>
<td>305-3</td>
<td></td>
<td>Other indirect (Scope 3) GHG emissions</td>
<td>Greenhouse Gas Emissions Table</td>
</tr>
<tr>
<td>305-4</td>
<td></td>
<td>GHG emissions intensity</td>
<td>Greenhouse Gas Emissions Table</td>
</tr>
<tr>
<td>305-5</td>
<td></td>
<td>Reduction of GHG emissions</td>
<td>Greenhouse Gas Emissions Table</td>
</tr>
<tr>
<td>306-1</td>
<td></td>
<td>Waste generation and significant waste-related impacts</td>
<td>Report page 22</td>
</tr>
<tr>
<td>306-2</td>
<td></td>
<td>Management of significant waste-related impacts</td>
<td>Report pages 22 – 24</td>
</tr>
<tr>
<td>401-1</td>
<td></td>
<td>New employee hires and employee turnover</td>
<td>167 new salaried employee hires (13%)</td>
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<td>GRI Code</td>
<td>Description</td>
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</tr>
<tr>
<td>402-2</td>
<td></td>
<td>Programs for upgrading employee skills and transition assistance programs</td>
<td>Report page 26</td>
</tr>
<tr>
<td>403-1</td>
<td></td>
<td>Occupational health and safety management system</td>
<td>Report pages 28, 29</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Global HSE Policy</strong></td>
<td></td>
</tr>
<tr>
<td>403-2</td>
<td></td>
<td>Hazard identification, risk assessment, and incident investigation</td>
<td>Report page 30</td>
</tr>
<tr>
<td>403-3</td>
<td></td>
<td>Occupational health services</td>
<td>Report page 31, 32</td>
</tr>
<tr>
<td>403-4</td>
<td></td>
<td>Worker participation, consultation, and communication on occupational health</td>
<td>Report page 32</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and safety</td>
<td></td>
</tr>
<tr>
<td>403-5</td>
<td></td>
<td>Worker training on occupational health and safety</td>
<td>Report page 30</td>
</tr>
<tr>
<td>403-6</td>
<td></td>
<td>Promotion of worker health</td>
<td>Report pages 32 – 34</td>
</tr>
<tr>
<td>EM-MD-540a.4</td>
<td>403-7</td>
<td>Prevention and mitigation of occupational health and safety impacts directly</td>
<td>Report page 32</td>
</tr>
<tr>
<td></td>
<td></td>
<td>linked by business relationships</td>
<td></td>
</tr>
<tr>
<td>403-8</td>
<td></td>
<td>Workers covered by an occupational health and safety management system</td>
<td>100% of employees and workers covered by HSEMS.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Health and Safety Performance Table</td>
</tr>
<tr>
<td>RT-IG-320a.1</td>
<td>403-9</td>
<td>Work-related injuries</td>
<td>Health and Safety Performance Table</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Report page 32</td>
</tr>
<tr>
<td>403-10</td>
<td></td>
<td>Work-related ill health</td>
<td>Report page 32</td>
</tr>
<tr>
<td>404-3</td>
<td></td>
<td>Percentage of employees receiving regular performance and career development</td>
<td>Report page 26</td>
</tr>
<tr>
<td></td>
<td></td>
<td>review</td>
<td></td>
</tr>
<tr>
<td>405-1</td>
<td></td>
<td>Diversity of governance bodies and employees</td>
<td>Report pages 37, 38, 44</td>
</tr>
<tr>
<td>Goal</td>
<td>Target</td>
<td></td>
<td></td>
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<tr>
<td>-------------------------------------------</td>
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<tr>
<td>SDG 3: Good Health and Well-being</td>
<td>Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</td>
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<td></td>
<td>Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.</td>
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<td>SDG 5: Gender Equality</td>
<td>Target 5.1: End all forms of discrimination against all women and girls everywhere.</td>
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<td></td>
<td>Target 5.5: Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</td>
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<td>SDG 6: Clean Water and Sanitation</td>
<td>Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.</td>
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<td>SDG 7: Affordable and Clean Energy</td>
<td>Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.</td>
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<tr>
<td>SDG 8: Decent Work and Economic Growth</td>
<td>Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors.</td>
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<td></td>
<td>Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</td>
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<td>Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</td>
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<td>SDG 10: Reduced Inequalities</td>
<td>Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</td>
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<tr>
<td>SDG 12: Responsible Consumption and Production</td>
<td>Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release into air, water and soil in order to minimize their adverse impacts on human health and the environment.</td>
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<tr>
<td>SDG 13: Climate Action</td>
<td>Target 13.2: Integrate climate change measures into national policies, strategies and planning.</td>
<td></td>
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<td></td>
<td>Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</td>
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<td>SDG 16: Peace, Justice and Strong Institutions</td>
<td>Target 16.5: Substantially reduce corruption and bribery in all their forms.</td>
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