Thinking bigger

2021 Environmental, Social & Governance Report

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Forward-Looking Statements

This report contains certain forward-looking information and forward-looking statements within the meaning of Canadian securities laws and United States securities laws, respectively (collectively referred to herein as “forward-looking statements”). All information, other than statements of historical facts, included herein that address activities, events or developments that Hut 8 Mining Corp. (“Hut 8” or the “Company”) expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company’s businesses, operations, plans, objectives and other such matters is forward-looking information. Often, but not always, forward-looking statements can be identified by the use of words such as [but not exclusive to] “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved.

Statements and information contained in this report that may constitute forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements regarding the Company’s plans, objectives, targets, commitments and strategies to advance its environmental, social, and governance (“ESG”) objectives, the steps the Company has taken to meet those objectives, the Company’s approach to ESG, the Company’s goal of achieving carbon neutrality for scope 1 and 2 emissions, the Company’s goal to maintain zero total recordable workplace safety incidents, the Company’s targets concerning board and employee diversity, the Company’s implementation of a measurable recycling program, the addition of electric vehicles to its fleet and to purchase carbon offsets and the Company’s target dates for accomplishing any of the foregoing, and other statements that are not historical facts. Readers are cautioned that the foregoing list is not exhaustive.
Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements herein speak only as of the date of this report or, where a statement is made as of a particular date, as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control, including but not limited to the anticipated timing for completion of the construction and development activities at the Company’s mining site in North Bay, Ontario, potential issues as a result of global supply chain delays, the impact of general economic conditions on the Company, industry conditions, currency fluctuations, taxation, regulation, changes in tax or other legislation, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, political and geopolitical instability, the Company’s ability to access sufficient capital from internal and external sources, as well as the factors described in the “Risk Factors” section of the Company’s Annual Information Form dated March 17, 2022 in respect of the year ended December 31, 2021, as filed with securities regulatory authorities in Canada and available on SEDAR at www.sedar.com and as filed with the U.S. Securities and Exchange Commission and available at www.sec.gov, and elsewhere in documents that the Company files from time to time with securities regulatory authorities in Canada and with the U.S. Securities and Exchange Commission. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly, or otherwise revise, any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.
2021 Key Achievements

Environmental
- Commitment to achieving carbon neutrality by 2025
- Procured carbon instruments to offset 20% of our 2021 scope 1 & 2 emissions
- Diverted 61% of waste from landfills
  \[^1\]
- 100% LED lighting in our facilities in Medicine Hat and Drumheller, Alberta
- Added electric skid steers and UTVs

Social
- Charitable financial donations to the United Way, YMCA and Santa Fund in North Bay, Ontario
- 30+ volunteer hours provided to the United Way
- 50% of executive management roles are held by women
- Zero recordable workplace safety incidents

Governance
- 40% of our Board of Director seats are held by women

2021 Highlights

Hut 8, together with the other founding members, founded the Bitcoin Mining Council, a voluntary group of cryptocurrency miners that promotes education, energy usage transparency, and encourages the use of renewable energy sources.

Hut 8 joined the Crypto Climate Accord in April 2021, a collaborative effort inspired by the Paris Climate Agreement. This private sector-led initiative allows us to work with other industry leaders to support decarbonizing the cryptocurrency industry.

In September 2021, Hut 8 joined forces with the Global Blockchain Business Council to publish industry data and share information on the impacts of proof-of-work mining and the environment; the report was released at a special event during the United Nations General Assembly Week in New York.

In December 2021, Hut 8 was the first crypto miner to join the Business Renewables Centre Canada, which is a not-for-profit community that works with industry experts to accelerate the uptake of renewable energy in Canada.

\[^1\] Calculated using data provided by PHF Steel & Recycling, Waste Connections, Three Hills Landfill and Styro-Go.
About this Report

We are proud to present our first Environmental, Social and Governance ("ESG") report. Hut 8’s goals are to meet the commitments and performance information needs of our stakeholders by providing clear and useful data for the period January 1 to December 31, 2021. At Hut 8, we understand the importance of communicating our business strategy, purpose, and values, which is why we are providing data on our ESG metrics that are aligned by the Sustainability Accounting Standards Board ("SASB") and the Global Reporting Initiative ("GRI"). The ESG data reported reflects assets that we operate in Alberta, Canada, and intend to operate in Ontario, Canada.

Assurance

Ernst & Young has assured Hut 8’s 2021 total energy consumed and percentage of which is grid electricity energy consumption; percentage of recovered materials that are landfilled and percentage of recovered materials that are recycled; GHG scope 1 emissions; fatality rate and total recordable injury incident rate (TRIR); and percentage of women on the board to a limited level of assurance in accordance with CSAE 3000 and CSAE 3410. Refer to page 16 for their Statement of Assurance.

For More Information

For more information about ESG at Hut 8, please click here.
Message from our Chairman of the Board

When I reflect on 2021, the words that come to mind for Hut 8 and its stakeholders are resilience, innovation, and leadership. Our team executed with confidence and precision, driving our core business to record performance in the face of extraordinary challenges.

As one of the pioneers in the digital asset mining segment, and one of the very first to qualify for listing on a major stock exchange, Hut 8 is again stepping forward to be a leading innovator in defining the new infrastructure layer not just for digital currency, but to also provide solutions for the broader technology ecosystem as it migrates to Web 3.0, blockchain-based applications, and gaming and digital microeconomies. Our initial deployments of GPU-based high performance computing infrastructure in 2021 have proven to be both prescient and profitable, and a great foundation for Hut 8 to bring to market new products and Web 3.0 infrastructure services over time.

Under the leadership of Jaime and the team at Hut 8, we also strive to lead the way in contributing to a cleaner, more sustainable world as we build our business for our stakeholders. As such, we are now setting internal goals to drive our organization toward leading the way for our industry across ESG standards and taking measurable steps to make a positive impact across all our ESG metrics.

With that, I am delighted for our team to bring to our stakeholders our inaugural ESG report. Thank you to all our stakeholders: our shareholders, management team, customers, vendors, our environment, and communities in which we operate. It is our objective to serve and grow in a durable and sustainable way to create value for all involved in Hut 8 for generations to come.

Thank you,
Bill Tai
Chairman of the Board
Message to Our Stakeholders

As one of North America's largest innovation-focused digital asset miners, led by a team of business-building technologists, we have a responsibility to support and bring about positive change in the communities where we live and operate. In 2021, we took a step forward as a leader in ESG by taking action that is transparent and measurable. Our goal is to continuously evolve and to make a material difference while keeping us accountable and focused on the issues that matter most to our employees and stakeholders.

Like many communities and businesses, we took thoughtful actions to mitigate the effects of COVID-19 on our day-to-day business operations and focus on the best interests of our employees. We also made great strides by maintaining zero total recordable workplace safety incidents, establishing a measurable recycling program, and adding electric vehicles to our fleet while taking measures to meet our 2025 carbon neutrality commitment. We also led the industry in advancing diversity at both the Board of Directors and executive levels.

We are proud to have advanced our ESG program and built strong partnerships in our communities. Our team remains steadfastly committed to fulfilling our obligations to our employees, colleagues, and communities by being a truly transparent, inclusive, and diverse employer.

Thank you,
Jaime Leverton
CEO
About Hut 8 – Our Approach to Sustainability

Hut 8 is a digital asset mining company with industrial-scale operations in Medicine Hat and Drumheller, Alberta, and our site in North Bay, Ontario is intended to begin operations in 2022. Hut 8 also acquired five cloud and colocation data centres in Q1 2022 focused on bridging the nascent and traditional high performance computing worlds. The Company is one of North America’s largest innovation-focused digital asset miners, supporting open and decentralized systems since 2018. The Company’s multi-pronged business strategy includes profitable digital asset mining and white-label high performance computer hosting, as well as yield programs leveraging its self-mined Bitcoin held in reserve. Hut 8 is also a team that believes in decentralized systems, stewards of industry-leading solutions, and drivers of innovation in digital asset mining and high-performance computing, with a focus on alignment with ESG standards and best practices.

Raising awareness and building sustainability standards in our industry is paramount. It is also vital that we stay focused on our guiding ESG principles to position us to anticipate and respond to market shifts, facilitate growth, attract talent, and build trust with our stakeholders. Our first set of objectives represents goals we are setting based on operational, shareholder and industry data. Below are key objectives we’ve committed to:

- Reduce our Environmental Footprint
- Demonstrate Operational Innovation
- Employee Safety, Well-Being, and Diversity
- Community Partnership
- Transparency, Disclosures and Ethics
- Board Diversity
Environmental Footprint of Operations

<table>
<thead>
<tr>
<th>Carbon Emissions²</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 emissions (tonnes of CO2e)</td>
<td>29</td>
</tr>
<tr>
<td>Scope 2 emissions - Market Based (tonnes of CO2e)</td>
<td>436,889</td>
</tr>
<tr>
<td>Total Scope 1 &amp; 2 emissions (tonnes of CO2e)</td>
<td>436,918</td>
</tr>
<tr>
<td>Carbon Credits Purchased (tonnes of CO2e)</td>
<td>87,420</td>
</tr>
<tr>
<td>Carbon Neutral (%)</td>
<td>20%</td>
</tr>
</tbody>
</table>

Hut 8 is committed to operating in a manner that’s respectful to the environment and operating in the Province of Alberta which has a renewable grid mix of 11%. To that end, Hut 8 has set a carbon neutrality goal of 100% by 2025 and intends to offset its emissions, annually, starting in 2021 using meaningful carbon credits. Emissions data presented includes Scope 1 [Direct Emissions – Combustion Fuels] and Scope 2 [Indirect Emissions – Electricity]. The data presented represents emissions within Hut 8’s operational control.

Our total electricity consumption at the Medicine Hat and Drumheller, Alberta operating sites were 797 GWh in 2021. Our total on-road fuel consumption consisting of diesel and gasoline was 310 GJ. Propane was also used to heat our office trailers at both sites totaling 120 GJ. As part of our strategy to maximize efficiency and manage our energy consumption, we are continually looking for opportunities to improve energy efficiency, refreshing our equipment that uses less power, monitoring our energy usage using a sophisticated Supervisory control and data acquisition (“SCADA”) system to mitigate fluctuations, and mining outside of uneconomical, peak power usage times.

Maintaining carbon neutrality is a steppingstone as we continue to evaluate options to shift to alternative energy sources. We also recognize the need for immediate attention to the environment, specifically the impact of our miners which are manufactured in China, which is why we have procured wind-based Certified Emission Reduction Credits from the Yao’an County Meijiashan Wind Farm Project, generated in the Province of Yunnan, to offset 20% of our scope 1 & 2 emissions. The renewable energy currently delivers power to the China Southern Power Grid, providing power to provinces such as Guangdong where many of Hut 8’s bitcoin miners are manufactured.

Hut 8 has also purchased carbon removal offsets from CarbonCure, a Nova Scotia-based Carbon XPRIZE-winning climate tech company. These carbon removal credits were generated in the 2021 calendar year in Western Canada using CarbonCure’s proprietary technology, which sequesters waste CO2 into ready-mixed concrete.

² 2021 GHG emissions are based on data from January 1, 2021 to December 31, 2021.
Energy Efficiency

In 2021, Hut 8 fully transitioned its facilities’ lighting to 100% LED to maximize energy savings and to use 75% less energy than incandescent lighting. Hut 8 now has more than 500 LED light fixtures in Medicine Hat and nearly 300 in Drumheller. To further reduce our emissions, Hut 8 procured electric-powered vehicles to its fleet, four 2021 Polaris Ranger EV UTVs and three Kovaco Electric Elise 900 skid steers.

Hut 8 employs a SCADA control system across our Alberta fleet using individual meters and controlled through a central operator. The system enables us to monitor and report intake air temperature, voltage, in-container air temperature, exhaust air temperature and humidity of each container. Notably, our operations utilize free, direct outside air cooling and passive exhaust such that the Medicine Hat site has a Power Usage Effectiveness (“PUE”) of 1.07 and a PUE of 1.04 at the Drumheller site. Given Hut 8’s diversified fleet of Bitcoin ASIC and GPU mining equipment that run at peak efficiency, we disclose our own PUE metric.

Waste

Reducing the amount of waste destined for landfill demonstrates our respect for our environment, which is why we are committed to recycling and diverted nearly 61% from landfills in 2021. This includes breaking down electronics sent to recycling, returning bottles, cans, and batteries to participating retailers, and recycling wood, cardboard, and styrofoam at community service providers. In addition, we exchanged 30,000 disposable air filters on our miners for reusable air filters that can be washed, maintain maximum air flow, and last up to five years. Now, reusable air filters enable our miners to operate at peak efficiency with significantly less waste.

E-Waste

E-waste has become a global concern and is expected to double by 2030. Hut 8 wants to do its part to reduce the impact of e-waste by being certified as the only authorized MicroBT repair centre in Canada. This effort not only reduces the downtime associated with the repair of miners, but it also reduces the carbon footprint of sending miners across the globe. Hut 8’s repair centre also services MicroBT clients across North America and Northern Europe helping our colleagues reduce their e-waste as well. We also return chips that are replaced to MicroBT.

<table>
<thead>
<tr>
<th>Recycled</th>
<th>Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHF Steel &amp; Recycling</td>
<td>6.68</td>
</tr>
<tr>
<td>Waste Connections</td>
<td>9.55</td>
</tr>
<tr>
<td>Three Hills Landfill</td>
<td>0.64</td>
</tr>
<tr>
<td>Styro-Go</td>
<td>2.78</td>
</tr>
<tr>
<td><strong>Total [Tonnes]</strong></td>
<td><strong>19.66</strong></td>
</tr>
</tbody>
</table>

% Diverted from Landfill | 61%
Social

Our people are our lifeline. Hut 8 has an important role to play in ensuring the well-being and safety of its employees, contractors, and community. Our culture is also grounded by its respect for one another and encourage everyone to be their authentic selves. Our commitment to investing in our people includes fostering workplace health and safety, maintain zero total recordable incidents, be diverse and inclusive and be involved in the communities we serve.

Colleagues

At Hut 8, we believe diversity and inclusion are integral to the growth and success of our organization. We believe a diverse workforce brings about positive impacts on decision-making, promotes innovation and overall corporate performance. To that end, we have an exceptional team comprised of 44 full-time team members, nearly double from the year before. We also have a diverse leadership team which, as of December 31, 2021, consists of 50% women, exceeding and beating our target to achieve 30% by June 30, 2022.

To foster long-term growth and engagement at Hut 8, we’ve implemented exceptional employee reward and recognition programs on a quarterly basis. These employee incentives are specifically designed to create a positive and attractive work environment while includes comprehensive health benefits, equity-based compensation plans, an employee assistance program, and a flexible leave policy. We also support employees on their career journeys through training, supervisor engagement, development planning, and employee satisfaction surveys.

Health and Safety

Hut 8 is committed to providing a safe and healthy work environment for all employees and contractors. To reduce hazards and maximize our employees’ and contractors’ well-being, we operate according to a comprehensive Health, Safety, Security, and Environment Program with online courses, partnerships with accredited safety organizations, and internal mentorship. Our overall Total Recordable Injury Rate and Fatality Rate in 2021 were zero, meeting our target goal. Hut 8 currently doesn’t track Near Miss Frequency Rate because we’re classified as a low hazard workplace but plan to include in the near term. Hut 8 does not tolerate harassment and have implemented a zero tolerance harassment policy which encourages colleagues to report any instances to their manager or our Human Resources department. Team members are also required to complete an annual online training course to continue to foster a healthy and respectful workplace.

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3 Total Recordable Injury Rate is calculated as: Fatalities + lost time incidents + modified work + medical aid x 200,000 / company hours worked.
Communities
In 2021 we were proud to have partnered with four inspiring local charities.

Volunteering
Our volunteer target for 2021 was to contribute an average of 3 paid hours of volunteer time per colleague. As COVID-19 continued to present unprecedented challenges to the lives of our colleagues and their families, we focused our efforts with the United Way gift-wrapping booth in Medicine Hat, Alberta, donating over 30 hours. The gift-wrapping booth is the United Way’s second-largest fundraiser and relies heavily on volunteers.

Sponsorship
We are proud to have built relationships with and provided financial support to the following non-profit and charitable organizations in 2021:

- $5,000 donation to the Medicine Hat, Alberta YMCA Black Friday Silent Auction Fundraiser where funds will be used to support the YMCA Strong Kids program. This is a financial assistance program which removes financial barriers for individuals of any age to access a YMCA membership or camp.
- $7,000 sponsorship for the Drumheller Dragons Hockey Club to encourage sportsmanship and fair play.
- $5,000 donation to the North Bay Santa Fund, a charity event that has been running for 74 years and enlists volunteers assembling over 600 baskets of groceries and over 1,500 toys to families in need in North Bay, Ontario.
Governance

Board of Directors

Bill Tai
Chairman of Board
Highly successful venture capitalist with 20+ start-up companies becoming publicly listed companies. Among first investors in Canva, Color Genomics, Dapper Labs, Safety Culture, Twitter, Wish.com and Zoom Co-Founder and Chairman of Treasure Data, iAsiaWorks and ipinfusion.
MBA from Harvard Business School.

Jaime Leverton
CEO
20+ years of senior leadership experience working in the technology industry Prior to Hut 8, Jaime served as the Chief Commercial Officer of eStruxture Data Centers.
MBA from Dalhousie University and B.S. from the University of Ottawa.

Joe Flinn
Board Director
Joe Flinn is the CFO of Seaboard Transport Group, an industry leader in bulk petroleum and chemical transportation services. Previously, Joe served as the CFO of Sysco Canada and was the President of Clarke Freight Transportation Group.

Alexia Hefti
Board Director
Alexia Hefti is the CEO of eGovern, a UAE-based company that works with governments and corporations to assist them in implementing blockchain solutions. Alexia also co-founded Deloitte’s blockchain tax practice in Canada and Dubai and is a lawyer qualified to practice in New York.

Rick Rickertsen
Board Director
Rick Rickertsen is a published author and Managing Partner of Pine Creek Partners.
Rick was a Managing Partner at Thayer and was a founding partner of three Thayer investment funds totaling over $1.4 billion and has been a member of the board of directors of MicroStrategy.
BS from Stanford University and an MBA from Harvard Business School.
Fostering Board Diversity

We believe that diversity sparks creativity and innovation. A Board of Directors that includes a range of viewpoints, backgrounds, and expertise is best positioned to provide varying perspectives to support the organization as it addresses impacts and opportunities. To that end, the Hut 8 Board of Directors considers gender representation when evaluating candidates to nominate as outlined in our Diversity Policy and to ensure the Board of Directors has a broad range of perspectives and experience. As of December 2021, the Board of Directors of Hut 8 consists of 40% women representation, exceeding our 30% target in advance of our June 30, 2022 target date.

Transparency, Disclosure & Ethics

We are committed to conducting our business with accountability, integrity, respect, and teamwork. As such, Hut 8’s Code of Conduct outlines the principles and policies in which all directors, officers, employees, consultants, and contractors are expected to comply, demanding the highest level of personal conduct. The Code of Conduct outlines standards of professional ethics, good ambassadorship, compliance with laws, rules and regulations, upholding a safe and respectful workplace, and confidentiality.

Hut 8’s Whistleblower Policy provides employees with a mechanism to raise concerns regarding corporate policies, disclosure standards, or irregularities in financial reporting to the management team. In addition to the Code of Conduct and Whistleblower Policy, the Board of Directors has approved several management plans and corporate policies including diversity, insider trading, and other policies that are available on our website.

As a publicly traded organization listed on the Toronto Stock Exchange and The Nasdaq Global Select Market, transparency and accountability are of upmost importance, and Hut 8 has complied and will continue to comply with all listing and disclosure standards and monitoring compliance requirements. We are also committed to compliance with all laws and regulations relevant to our business.
Independent practitioner’s assurance report

To the Management of Hut 8 Mining Corp

Scope

We have been engaged by Hut 8 Mining Corp (‘Hut 8’) to perform a ‘limited assurance engagement’ defined by Canadian Standard on Assurance Engagements, hereafter referred to as the engagement, over select key performance indicators detailed in the accompanying Schedule (collectively, the “Subject Matter”), as reported in Hut 8’s 2021 Environmental, Social & Governance Report (the “Report”).

Other than as described in the preceding paragraph, which sets out the scope of the engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Hut 8

In preparing the Subject Matter, Hut 8 applied relevant guidance contained within the Sustainability Accounting Standards Board (SASB) Sustainability Standards and internally developed criteria, as identified in the accompanying Schedule and collectively referred to herein as the “Criteria”. The Criteria are further described in the Report on pages 20 onward in the SASB and GRI Index.

Hut 8’s responsibilities

Hut 8’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Canadian Standard on Assurance Engagements (“CSAE”) 3000, Attestation Engagements Other than Audits or Reviews of Historical Financial Information (“CSAE 3000”) and the Canadian Standard on Assurance Engagements (“CSAE”) 3410, Assurance Engagements on Greenhouse Gas Statements (“CSAE 3410”). These standards requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.
We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality control

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and have the required competencies and experience to conduct this assurance engagement.

EY also applies Canadian Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

For purposes of providing limited assurance over the Subject Matter, our procedures included:

- Conducting interviews with relevant personnel to obtain an understanding of the reporting processes and internal controls;
- Inquiries of relevant personnel who are responsible for the Subject Matter including, where relevant, observing and inspecting systems and processes for data aggregation and reporting in accordance with the Criteria;
Assessing the accuracy of data, through analytical procedures and limited reperformance of calculations, where applicable; and
• Reviewing presentation and disclosure of the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

Inherent limitations
Non-financial information, such as the Subject Matter, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the Subject Matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques which can result in materially different evaluation and can impact comparability between entities and over time.

Conclusion
Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as at December 31, 2021 and for the year then ended, in order for it to be in accordance with the applicable Criteria.

Ernst & Young LLP

Calgary, Canada
April 27, 2022
Schedule

Our limited assurance engagement was performed on the following Subject Matter:

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Criteria</th>
<th>Unit of Measure</th>
<th>Reported Value for the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross scope 1 greenhouse gas emissions</td>
<td>IF-EU-110a.1</td>
<td>Metric tonnes (tCO2e)</td>
<td>29.35</td>
</tr>
<tr>
<td>Total Energy Consumed</td>
<td>TC-TL-130a.1</td>
<td>Gigajoules (GJ)</td>
<td>2,870.658</td>
</tr>
<tr>
<td>Percentage Grid Electricity</td>
<td>TC-TL-130a.1</td>
<td>Percentage (%)</td>
<td>100</td>
</tr>
<tr>
<td>Weight of recovered materials that are recycled</td>
<td>TC-TL-440a.1</td>
<td>Metric Weight (tons)</td>
<td>19.66</td>
</tr>
<tr>
<td>Percentage of recovered materials that are recycled</td>
<td></td>
<td>Percentage by weight (%)</td>
<td>61</td>
</tr>
<tr>
<td>Weight of recovered materials that are landfilled</td>
<td>TC-TL-440a.1</td>
<td>Metric Weight (tons)</td>
<td>12.47</td>
</tr>
<tr>
<td>Percentage of recovered materials that are landfilled</td>
<td></td>
<td>Percentage by weight (%)</td>
<td>39</td>
</tr>
<tr>
<td>Total recordable injury incident rate (TRIR)</td>
<td>IF-EU-320a.1</td>
<td>Frequency Rate</td>
<td>0</td>
</tr>
<tr>
<td>Fatality Rate</td>
<td>IF-EU-320a.1</td>
<td>Frequency Rate</td>
<td>0</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Criteria</th>
<th>Unit of Measure</th>
<th>Reported Value as at December 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of women on the Board</td>
<td>Internally developed criteria as described in the Report on page 24</td>
<td>Percentage (%)</td>
<td>40</td>
</tr>
</tbody>
</table>


## SASB and GRI Index

Hut 8 is focused on ESG metrics that are relevant to Hut 8 and aligned methodologies informed by SASB and GRI.

<table>
<thead>
<tr>
<th>Indicator ID</th>
<th>Topic</th>
<th>Metric</th>
<th>Unit of Measure</th>
<th>2021</th>
<th>Target</th>
<th>Estimated Date of Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC-TL-130a.1</td>
<td>Environmental Footprint of Operations</td>
<td>(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable energy</td>
<td>Gigajoules (GJ), Percentage (%)</td>
<td>Electricity consumed: 2,870,228 GJ</td>
<td>Carbon Neutral</td>
<td>2025</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Gasoline consumed: 193 GJ</td>
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<td>Diesel consumed: 117 GJ</td>
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<td></td>
<td>Propane consumed: 120 GJ</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td>Total Energy consumed: 2,870,658 GJ</td>
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<td></td>
<td></td>
<td>Percentage grid electricity: 100%</td>
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<td></td>
<td></td>
<td></td>
<td>Renewable Energy: 11%</td>
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</tr>
</tbody>
</table>

| TC-TL-440a.1 | Product End-of Life Management | Materials recovered through take-back programs, percentage of recovered materials that are: (2a) reused, (2b) recycled, (4c) landfilled | Metric Weight (tons), Percentage (%) by weight | Materials from take-back programs: Not applicable | Divert 50% from landfills | 2022 |
|              | | | | Reused: Not applicable | | |
|              | | | | Recycled: 19.66 metric tons | | |
|              | | | | Landfilled: 12.47 metric tons | | |
|              | | | | Diversion: 61% | | |
|              | | | | As part of Hut 8's recycling program, we work with PHF Steel & Recycling, Three Hills Landfill, Styro-Go and Waste Connect to divert 61% of waste from landfills in 2021. | | |

| TC-SC-410a.2 | Environmental Footprint of Hardware Infrastructure | Processor energy efficiency at a system-level for: (1) servers (2) desktops, and (3) laptops | n/a | Hut 8's mining operations in Medicine Hat, Alberta have a Power Usage Effectiveness (PUE) of 1.07 and PUE of 1.04 in Drumheller. Hut 8 has a diversified fleet of Bitcoin ASIC and GPU mining equipment that run at peak efficiency, as such, we disclose our own PUE metric. Hut 8 does not report system-level energy efficiency metrics of its servers, desktops and laptops because Hut 8 does not manufacture servers, desktops, or laptops. | Maintain 1.07 PUE or better (closer to 1) | 2023 |

### Endnotes for ESG Data Sheet

1. Conversion for electricity: 1 MWh = 3.6 GJ; conversion for gasoline: 1 m3 = 34.66 GJ; conversion for diesel: 1 m3 = 38.63 GJ; conversion for propane: 1 m3 = 25.53 GJ.
2. Hut 8’s Drumheller, Alberta site is interconnected to the Alberta electric grid. Hut 8’s Medicine Hat, Alberta site procures power from Medicine Hat’s Unit 16 power facility but from time to time, power is exported to the Alberta electric grid. The Medicine Hat facility is connected to Alberta’s transmission system and can import/export power.
3. Hut 8 uses the 2021 National Inventory Report [NIR] to calculate the provincial renewable average. The NIR report is based on 2019 data.
4. Recycle wood pallets, cardboard boxes, plastic wrap, styrofoam and metals such as aluminum, communication wire, tin and green board.
<table>
<thead>
<tr>
<th>Indicator ID</th>
<th>Topic</th>
<th>Metric</th>
<th>Unit of Measure</th>
<th>2021</th>
<th>Target</th>
<th>Estimated Date of Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC-IM-130a.3</td>
<td>Environmental Footprint of Hardware Infrastructure</td>
<td>Discussion of the integration of environmental considerations into strategic planning for data centre needs</td>
<td>n/a</td>
<td>Environmental consideration is integral to our business as well as our short to long term planning. Collectively with our employees, we have been successful in 2021 with our recycling efforts as well as adding electric vehicles to our fleet. We aggressively pursue creative solutions and employ best practices to increase the efficiency of our operations. For instance, Hut 8’s fleet strategy is to consistently refresh our equipment - focusing on miners that allow us to mine more, faster and with less power. We also consistently monitor our energy costs, mitigate fluctuations with real time monitoring and leveraging Alberta’s climate. Our data centre designs enable us to utilize the wide use of energy-saving practices such as direct outside air (free) cooling and passive exhaust, resulting in an average PUE of 1.06.</td>
<td>Self Report</td>
<td>2023 (annual review)</td>
</tr>
</tbody>
</table>

**Endnotes for ESG Data Sheet**

- Scope 1 emissions are direct GHG emissions from sources that are owned or controlled. Scope 2 emissions are indirect GHG emissions associated with the consumption of purchased electricity.
- Scope 1 emissions from internal combustion UTVS, skid steers, F350 Truck, emergency generators and heating from propane.
- Hut 8 uses IPCC Fifth Assessment Report (AR4 - 100 year) global warming potentials (GWPs) in the calculation of Scope 1 GHG emissions.
- Scope 2 emissions from electricity procured for Hut 8’s Drumheller and Medicine Hat sites.
- Reported GHG emissions are based on controlled and financial ownership from two facilities in Alberta, one in Medicine Hat and one in Drumheller.
<table>
<thead>
<tr>
<th>Indicator ID</th>
<th>Topic</th>
<th>Metric</th>
<th>Unit of Measure</th>
<th>2021</th>
<th>Target</th>
<th>Estimated Date of Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-EU-110a.3</td>
<td>Greenhouse Gas Emissions &amp; Energy Resource Planning</td>
<td>Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets</td>
<td>n/a</td>
<td>Hut 8’s goal is to achieve carbon neutrality in CO2e emissions by 2025. In the interim, we have procured carbon offsets to cover 20% of our 2021 emissions through the purchase of wind-based offsets and carbon removal credits as it pertains to our equipment supply chain and western Canada in which we operate in. Hut 8 has also fully transitioned our lighting to 100% LED to maximize our energy savings and to use 75% less energy than incandescent lighting. Hut 8 is also actively reducing its combustion-based vehicle fleet in 2021 and transitioning to four Polaris Ranger Electric Vehicle UTVs and three Kovaco Electric Elise 900 skid steers. By incorporating electric vehicles, Hut 8 will reduce a significant amount of its scope 1 GHG emissions. On a go forward basis, Hut 8 will continue to evaluate everything we do and opportunities that present themselves to minimize our environmental impact.</td>
<td>Self Report</td>
<td>2021 - ongoing</td>
</tr>
</tbody>
</table>

| IF-EU-420a.2| End-Use Efficiency & Demand | Percentage of electric load served by smart grid technology | Percentage (%) | Hut 8 utilizes a 100% SCADA control system across its Alberta fleet with individual meters at all levels. This is all connected with a fiber network onsite that and controlled through a central operator. In addition to controlling the breakers on the transformers, the SCADA system also monitors and reports the intake air temperature, voltage, in-container air temperature, exhaust air temperature and humidity of each container. All parameters are monitored on a 24/7 basis by local on-site staff who are responsible for implementing any necessary repairs to mining infrastructure. | Self Report | |

**Endnotes for ESG Data Sheet**

6) Carbon Credits purchased from Carbon Cure and the Yao’an County Mejiaashan Wind Farm Project.
<table>
<thead>
<tr>
<th>Indicator ID</th>
<th>Topic</th>
<th>Metric</th>
<th>Unit of Measure</th>
<th>2021</th>
<th>Target</th>
<th>Estimated Date of Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 403-8:</td>
<td>Workforce Health &amp; Safety</td>
<td>Promotion of Worker Health</td>
<td>% of team with access; number of programs; total value of plan</td>
<td>Employees at Hut 8 have comprehensive health benefits, access to employee share plans, an employee assistance program, and a flexible leave policy valued at $4,800 per employee per year. In 2021, the global COVID-19 pandemic further highlighted the need to focus on our employees, providing flexibility to help employees manage their lives, and reinforced our commitment to regular and open communications to keep employees informed on actions in response to the pandemic.</td>
<td>Self Report</td>
<td>2021 – ongoing</td>
</tr>
<tr>
<td>GRI 102-40</td>
<td>Community Support/Involvement</td>
<td>Cause organizations supported by staff and company</td>
<td>Number of charities/ non-profits helped; number of community members supported; hours</td>
<td>Hut 8 is committed to being an active partner in the communities in which we operate our assets in and investing in programs that enhance community development, diversity, inclusion, quality of life and education through charitable donations, volunteerism, and event sponsorships.</td>
<td>Avg 3 hours/employee/year</td>
<td>2022 – ongoing</td>
</tr>
</tbody>
</table>

Endnotes for ESG Data Sheet

7) Hut 8 defines community support/involvement as activities in the communities in which we operate.
<table>
<thead>
<tr>
<th>Indicator ID</th>
<th>Topic</th>
<th>Metric</th>
<th>Unit of Measure</th>
<th>2021</th>
<th>Target</th>
<th>Estimated Date of Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-EU-320a.1</td>
<td>Workforce Health &amp; Safety</td>
<td>(1) Total recordable injury incident rate (TRIR),</td>
<td>Rate</td>
<td></td>
<td>Target TRIR = 0</td>
<td>2021 – ongoing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) fatality rate,</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td>(3) near miss frequency rate (NMFR)</td>
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<td></td>
<td><strong>Workplace Health &amp; Safety is paramount at Hut 8. To reduce hazards and maximize our employees’ and contractors’ well-being, we operate according to a comprehensive Health, Safety, Security and Environment (HSS&amp;E) Program with training courses made available to everyone.</strong></td>
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<tr>
<td></td>
<td></td>
<td><strong>Total recordable injury incident rate: 0</strong></td>
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<tr>
<td></td>
<td></td>
<td><strong>Fatality rate: 0</strong></td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td><strong>Near miss frequency rate: Not available</strong></td>
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</table>

**Governance**

<table>
<thead>
<tr>
<th>TC-IM-330a.3</th>
<th>Employee Recruitment, Inclusion, and Performance</th>
<th>Percentage of gender and racial/ethnic group representation for:</th>
<th>Percentage (%)</th>
<th>Women in Management: 50%</th>
<th>Corporate diversity of 25% women and 10% indigenous representation</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Management, and</td>
<td>(1) management, and</td>
<td></td>
<td>Women: Not available</td>
<td>Maintain an executive management team of over 30% women</td>
<td>2023</td>
</tr>
<tr>
<td></td>
<td>technical staff, and</td>
<td>(2) technical staff, and</td>
<td></td>
<td>Indigenous: Not available</td>
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<tr>
<td></td>
<td>all other employees</td>
<td>(3) all other employees</td>
<td></td>
<td>Minority: Not available</td>
<td></td>
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</tr>
</tbody>
</table>

**Internal**

<table>
<thead>
<tr>
<th>Employee Recruitment, Inclusion, and Performance</th>
<th>Percentage of gender representation for the Board of Directors</th>
<th>Percentage (%)</th>
<th>Women on the Board of Directors: 40%</th>
<th>Maintain over 30% women Board members</th>
<th>2021 – ongoing</th>
</tr>
</thead>
</table>

**Reporting based on stock exchange and securities law requirements**

| Transparency, Disclosures and Ethics | Ensure transparency, through full compliance with public company reporting and disclosure requirements | n/a           | Hut 8 is listed on the Toronto Stock Exchange and the Nasdaq Global Select Market. Hut 8 has complied and will continue to comply with all listing and disclosure standards and monitoring compliance requirements | Maintain | 2021 – ongoing |

**Endnotes for ESG Data Sheet**

8) Total Recordable Injury Rate is calculated as: Fatalities + lost time incidents + modified work + medical aid x 200,000 / company hours worker.
9) Hut 8 is currently not tracking Near miss frequency rate (NMFR). Hut 8 is deemed as a low hazard workplace.
10) Management at Hut 8 includes Chief Executive Officer (CEO) and Executive Leadership Team roles including department heads.
11) Hut 8 will be implementing a Workforce Diversity Questionnaire in 2022.
12) Gender is based on self-identification.