

Building the Infrastructure of a Better Tomorrow



Sustainability
Report

AECON



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About Our Report

Aecon is proud of the critical role we play while embracing our responsibility in building a sustainable future. Our commitment to sustainability goes beyond the safe and sustainable infrastructure projects that we construct, and includes our people, our environment, our communities and our governance. The Report addresses each of these areas of focus and has been prepared under the direction and approval of Aecon’s Board of Directors and senior management and reviewed by an external panel of Canadian sustainability experts.¹ It provides information on Aecon’s evolving **environmental, social and governance processes and strategies, sustainability performance and goals for 2020 and beyond.** The Report is a snapshot of our evolving initiatives that are intended to further embed sustainability in our operations and relationships with our clients, communities and shareholders. We look forward to your

feedback, which will assist in informing our strategy and accountability going forward.

Report Scope

The Report is for Aecon Group Inc. and includes certain information regarding its subsidiaries and joint ventures. Unless otherwise noted: (i) all information in this Report is presented as at, and for the year ended, December 31, 2019; and (ii) the data and analysis relates to Aecon and not its suppliers or clients. All dollar amounts are expressed in Canadian currency. References to “we,” “our,” “us,” “the Company,” and “Aecon” mean Aecon Group Inc. and its subsidiaries.

Reporting Standards and Guidance

We have considered a number of standards, guidances and best practices² in developing this Report. Aecon generally supports the

principles and recommendations of the Financial Stability Board’s Task Force on Climate-related Financial Disclosure (**TCFD**), the Sustainability Accounting Standards Board (**SASB**), Canada’s Expert Panel on Sustainable Finance (**Expert Panel**), and the United Nations Sustainable Development Goals (**SDGs**), and this Report is intended to align with them. Our TCFD and SASB compliance summary and our performance against the SDGs are set out in the Reporting Appendices. Aecon will continue to evaluate sustainability reporting standards for future sustainability reports.

Learn More

In an effort to make our Report more concise and reader-friendly, additional information about our approach to managing various sustainability topics is available on our website at www.aecon.com/our-company/sustainability.

Contact

If you have any questions about this Report, contact Yonni Fushman, EVP, Chief Legal Officer and Chief Sustainability Officer at sustainability@aecon.com.

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¹ Aecon’s external advisory panel includes: **Lisa (Elisabeth) DeMarco**, Senior Partner, DeMarco Allan LLP, Canada’s only boutique climate and energy law firm; **Utilia Amaral**, Founder and CEO of MarketStep, regulatory and government affairs specialist operating in energy space, **Francisca Quinn**, President and Co-Founder, Quinn & Partners, Founder and CEO of MarketStep, regulatory and government affairs specialist operating in the energy space, and **Yasmin Glanville**, Founder, Former Chair and Director, Rethink Sustainability Initiatives, a cross-sector “think-do” exchange for action partners to shape a better future.

² Guidance considered includes, without limitation, the Financial Stability Board’s Task Force on Climate-related Financial Disclosure (**TCFD**), the Sustainability Accounting Standards Board (**SASB**), the Canadian Securities Administrators (Staff Notices **51-358** and **51-333**), the United Nations Sustainable Development Goals (**SDGs**), Canada’s Expert Panel on Sustainable Finance (**Expert Panel**), the Principles of Responsible Investment (**PRI**), the Carbon Disclosure Project (**CDP**), the Climate Disclosure Standards Board (**CDSB**), the Global Real Estate Sustainability Benchmark (**GRESB**)/Green Building Certification Institute (**GBCI**), the Global Reporting Initiative (**GRI**), the Science Based Targets Initiative (**SBT**), and Renewable Energy 100 (**RE 100**).

Message from our President & CEO

Since I joined Aecon almost two years ago, the urgency to build resilient and sustainable infrastructure has increased dramatically. The infrastructure that we build will help our clients and the communities in which we operate to **adapt** to a rapidly changing climate, **transition** to a lower carbon, circular economy, and **stay safe** as the world endures an unprecedented global pandemic. According to the **Intergovernmental Panel on Climate Change**, the transition to a lower carbon economy over the next decade is critical. There is an urgent need for sustainable and resilient infrastructure in the power, natural resource and transportation sectors, all of which present opportunities for Aecon to continue being a catalyst for change.

Sustainability is about more than *what* we build, it's about *how* we build it. We're proud to deliver our projects with an unwavering commitment to safety, human rights, diversity and inclusion, social responsibility, environmental stewardship and strong corporate governance to ensure that we operate ethically and transparently.

Our goal is to be the number one Canadian infrastructure company. We are building light rail transit systems that take cars off roads, geothermal and district energy systems that reduce the burden on legacy power generation and distribution systems, zero-emission power

plants that produce reliable energy, and many more projects to facilitate a connected and sustainable future.

We recognize that performance throughout the project lifecycle is important, given that the infrastructure we build **today** is inherently connected to shaping a resilient **tomorrow**.

As evident throughout the COVID-19 pandemic, the infrastructure we are building is crucial. The majority of governments across the jurisdictions in which Aecon operates have deemed our work to be an essential service, and with a rigorous COVID-19 health and safety assurance process, we continue to take care of our people and the communities in which we work as we deliver this purposeful infrastructure.

Together with the collective effort of thousands of proud Aecon employees, I am dedicated to leading our sustainability commitments. But our people will define our success. They are our primary focus and an essential part of our core values. We are committed to providing them with a safe, diverse and inclusive work environment, opportunities for career development, and community involvement. We value and see as critical the integral role that our Indigenous joint venture partners play in building resilient communities.

This commitment is part of a much longer journey. While we are making progress in many areas, some, including diversity in the construction sector, need additional effort and we are focused on improvement.

This year we have embarked on the important work of tracking our own corporate greenhouse gas emissions, energy usage, and other material sustainability metrics. We have considered climate scenarios for the infrastructure sector and are developing additional sustainability tracking and reporting processes as the first step in empowering our people to achieve our ambitions starting in 2021.

Through this inaugural report, we aim to communicate our progress, initiatives and commitments. Our relationships with our stakeholders – built on trust and mutual respect – are assets that are critical to our success. I personally invite you to provide feedback on this report, and on our progress toward achieving our sustainability goals in the coming years by contacting our team at **sustainability@aecon.com**.



Jean-Louis Servranckx
President and Chief Executive Officer



Sustainability at Aecon

The following charts set out the Board and senior management members who are directly responsible for Aecon’s decision making and performance related to climate change and sustainability (our Sustainability Team).



Risk Committee

The Risk Committee of the Board oversees Aecon’s enterprise risk management process, which includes climate change related risks and opportunities. All of the members of the Risk Committee have significant sustainability experience.



John
Brace



Joseph
Carrabba



Susan
Wolburgh
Jenah



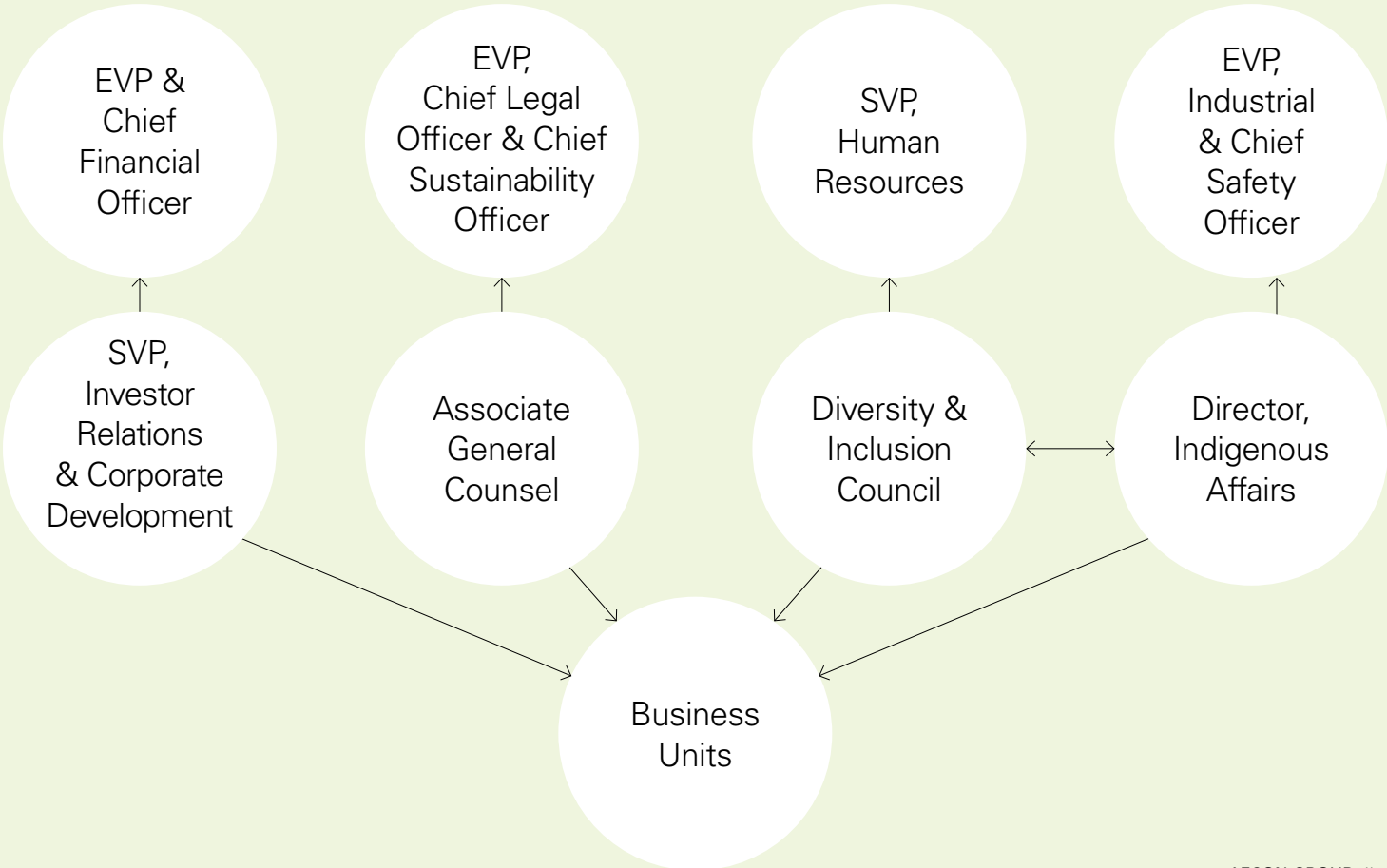
Eric
Rosenfeld

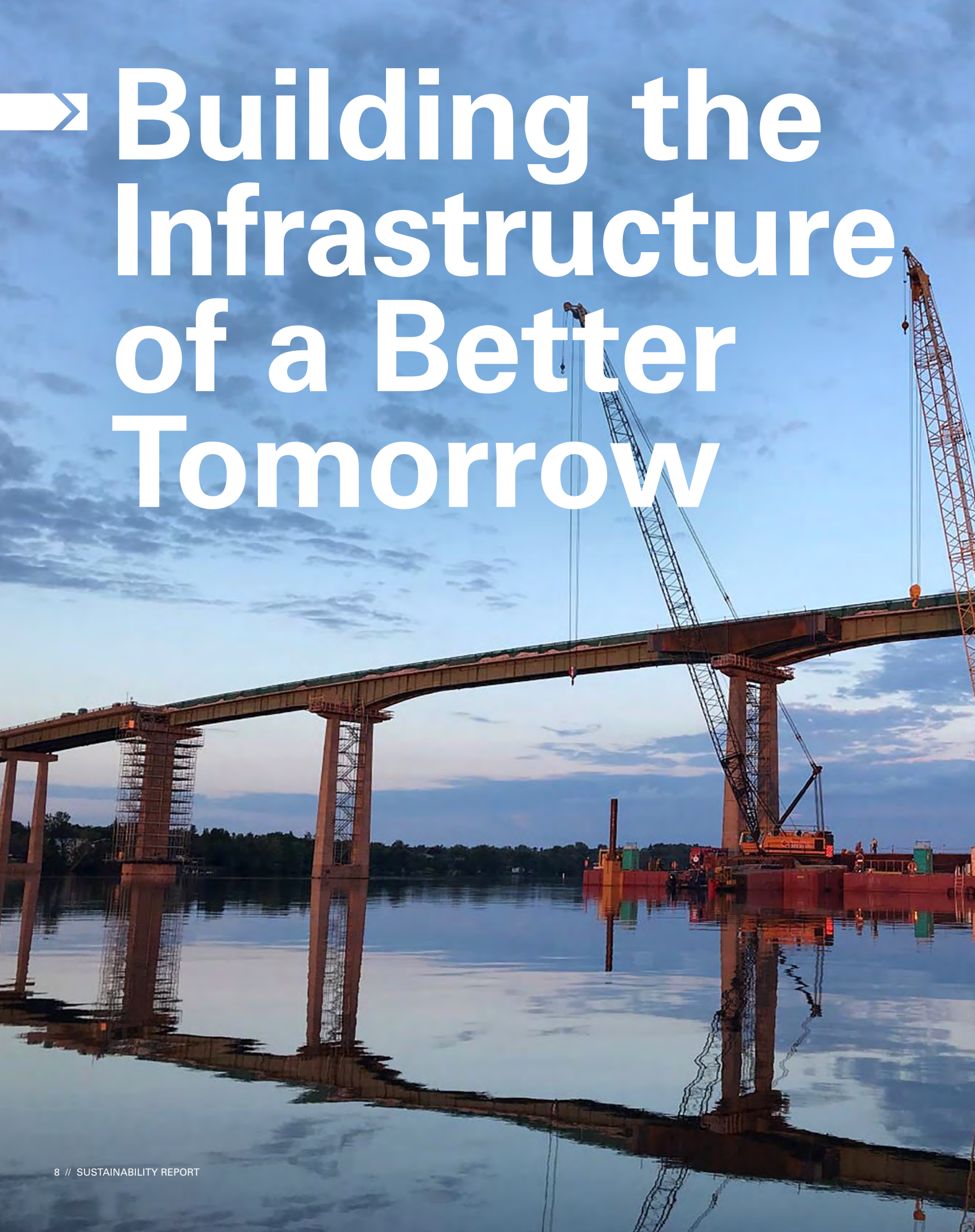
Board of Directors

Executive Management



Corporate Sustainability Management





➔ Building the Infrastructure of a Better Tomorrow

2019 | A Year of Sustainable Progress

About Aecon



There are more than
8,000
employees



Executing approximately
1,000
active projects



Including
22
major projects
(each valued at >\$150 million)



**Canada's Premier
Infrastructure Company**



**Diversified &
Resilient Business Model**



**Strong Performance &
Growth Potential**

**Revenue
\$3.4 billion**

**Adjusted EBITDA
\$222 million**

**Backlog
\$6.8 billion**
(As of June 30, 2020,
backlog was \$7.3 billion)



Climate Impacts of Our Business Mix

\$842 million

Backlog for hydrocarbon-related projects

\$2.1 billion

Backlog for non-energy projects associated
with climate change mitigation

\$377 million

Backlog for renewable energy projects

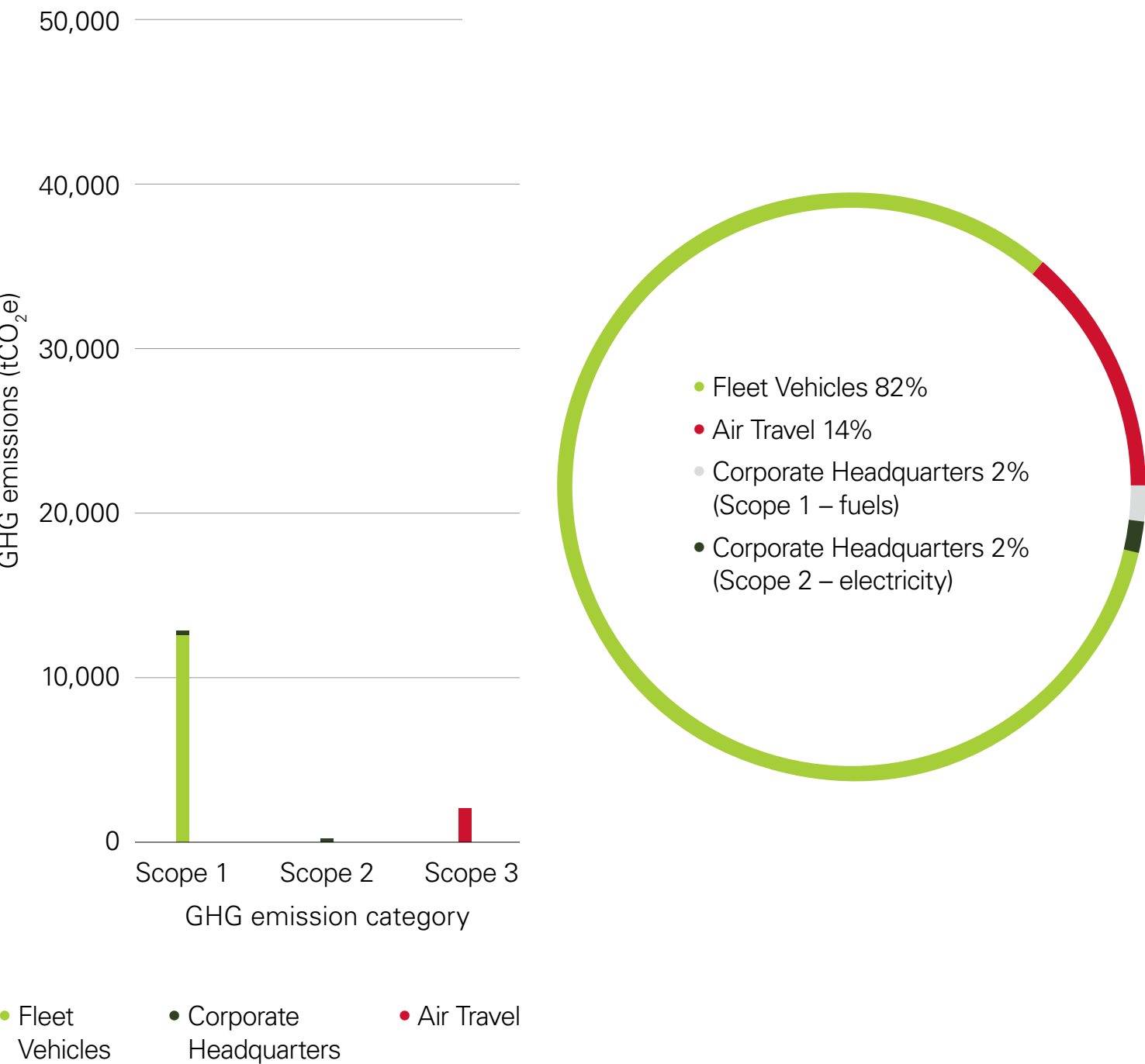
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Backlog cancellations associated with
hydrocarbon projects

*The dollar values correspond to SASB disclosure codes IF-EN-410b.1, IF-EN-410b.2 and IF-EN-410b.3. For more information, please see Reporting Appendix B.

Our Greenhouse Gas (GHG) Emissions in 2019

Climate change is one of the great challenges of our generation. As a responsible company, we have a role to play in the transition to a lower-carbon economy. In 2019, we began the process of assessing our Scope 1, 2 and 3 GHG emissions and our climate-related risks and opportunities.



*The Canadian Greenhouse Gas Pollution Pricing Act sets a 50,000 tCO₂e as the threshold at which a facility is required to comply with the Output-Based Pricing System Regulations.

Harnessing Climate-Change Opportunities

US \$90 trillion
Estimated global requirement for new infrastructure assets between 2015-2030¹

US \$2.5-3.5 trillion
Current infrastructure spending is only HALF of the amount needed to meet the estimated US \$6 trillion annual global infrastructure demand²

CAD \$2.5 billion
Projected additional income in the construction industry by 2025 attributable to climate-change driven construction projects³

19,000 new jobs
Projected additional construction jobs that will be created by 2025 due to higher carbon prices³

This report summarizes our initial assessment of climate-related opportunities, including:

- Construction of energy storage solutions
- Provision of renewable energy services
- Vehicle telematic devices and fuel reduction initiatives
- Deployment of carbon capture technology
- Delivery of resilient infrastructure
- Flood diversion

1 New Climate Economy, 2016: The Sustainable Infrastructure Imperative: Financing for Better Growth and Development, available at: <https://newclimateeconomy.report/2016>

2 New Climate Economy, 2014: Better Growth, Better Climate, available at: https://newclimateeconomy.report/2016/wp-content/uploads/sites/2/2014/08/BetterGrowth-BetterClimate_NCE_Synthesis-Report_web.pdf

3 Smart Prosperity Institute, 2019: Construction and Carbon: The Impact of Climate Policy on Building in Canada in 2025, available at: <https://institute.smartprosperity.ca/library/publications/construction-and-carbon>



SUSTAINABLE DEVELOPMENT GOALS

At the heart of the United Nations 2030 Agenda for Sustainable Development are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all developed and developing countries in a global partnership. The SDGs provide a framework for measuring **environmental, social and governance** impacts and represent an important inspiration for our sustainability journey.

We have elected to focus on five SDGs that most closely align to our business and where we can make an impact. You can read more about how Aecon has mapped its most material issues to performance within these 5 goals in **Reporting Appendix C**.



Gender Equality

Aecon has committed to continuously invest in the development of women in our workforce and in outreach programs aimed at proactively advancing the participation of girls and young women in STEM (science, technology, engineering, mathematics) careers and educational settings.



Affordable and Clean Energy

Aecon plays an important role in accelerating the transition to sustainable energy systems by participating in the construction of renewable and zero/low emissions energy projects.



Industry, Innovation and Infrastructure

One of Aecon's key portfolio offerings is building airport, bridge and maritime infrastructure in areas where the demand for local, regional or international transportation services has exceeded the capacity or expansion capability necessary to accommodate current traffic.



Sustainable Cities and Communities

Aecon aspires to help make cities inclusive, safe and resilient by building sustainable transit systems that contribute to regenerating and modernizing the areas they serve.



Peace, Justice and Strong Institutions

As Aecon's international project portfolio grows, we vigilantly uphold our Code of Ethics and Business Conduct and our Supplier Code of Conduct and support our commitment to the highest ethical and business standards in our industry.



Our 2019 Projects at a Glance



Connecting Communities

119
new infrastructure projects

>751 km
of paved roads

19
bridges

1,266
salaried employees



Urban Transportation Systems

4
light rail transit projects built or underway

116 km **86**
of double tracks accessible stations

13.5 km **19**
of tunnels underground stations

>6,000 **6**
workers at peak LEED certified buildings

+ Our historical and landmark mass transit projects, such as the Bloor-Danforth subway line, the first leg of the Toronto-York Spadina subway line extension and the elevated spur-line that connects the UP Express line to Pearson International Airport in the Greater Toronto Area



Clean Energy

We developed, constructed and now operate a 250-kilowatt rooftop solar installation on the roof of our Cambridge, Ontario fabrication facility

318,000 kilowatt hours
of solar energy was produced, eliminating
34.1 metric tons of CO₂
equivalent to

Recycling 9,567 bags of	Powering 26	Taking 48
Instead of taking them to a landfill	For a year	Off the road for a year

Carbon sequestered by planting
3,718 **OR** **294**
 Seedlings and growing them for 10 years Acres of forest for a year



Clean Water

6
ongoing projects
(including 2 major projects)

Since we entered the water and wastewater infrastructure space in 1964, completed more than

250
water and wastewater-related infrastructure projects

- Including:
- The largest (at the time) UV facility in North America at the E.L. Smith Water Treatment Plant in Edmonton, Alberta
 - The Acid Rock Drainage Water Treatment Plant at an abandoned copper mine in Britannia, British Columbia, cleaning up one of the largest heavy metal and acid water pollution sources in North America

Together We Are Stronger

Delivering our many projects, whether in support of power generation, transportation networks, resource development, or the enhancement of social, manufacturing and urban infrastructure, demands dynamic, high-calibre people. Our goal is to hire the most talented, dedicated, qualified people in the business and offer them opportunities to grow and develop a long-term career with the Aecon family.



We provide a safe work environment for all our people while promoting and living Aecon’s core values



We are committed to an inclusive, diverse workforce



We are focused on continuous learning, career development, performance and accountability

We invest in, and recognize the potential of, our human capital. We provide our employees with one of the leading Human Resources, learning and development teams in the industry.

>28,000

Instructor-led courses completed by our employees

98%

Employees who completed the Code of Ethics & Business Conduct training on time

77

Students hired into our summer work experience programs

>13,500

e-Learning/virtual modules completed by our employees

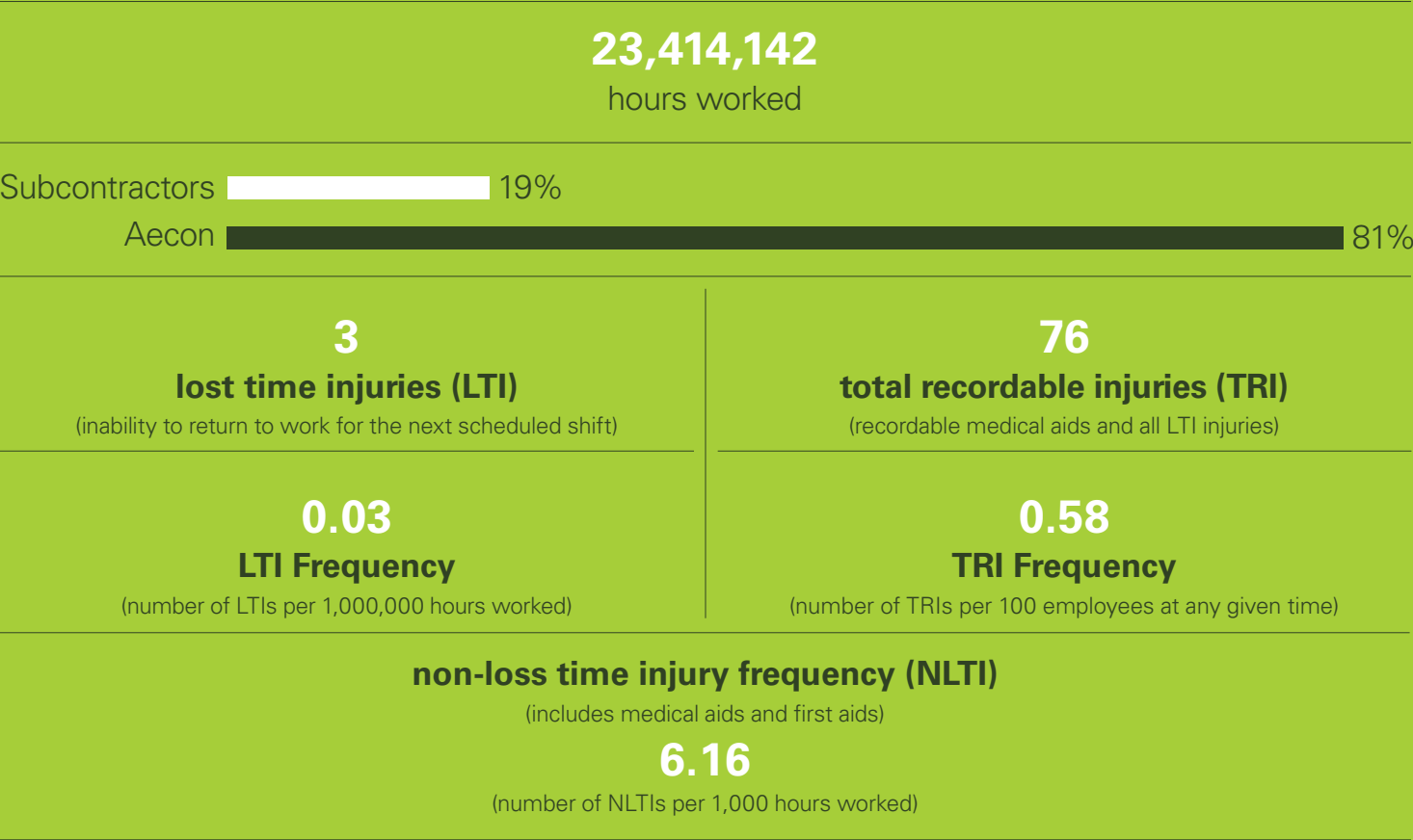
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Continuing director education sessions held

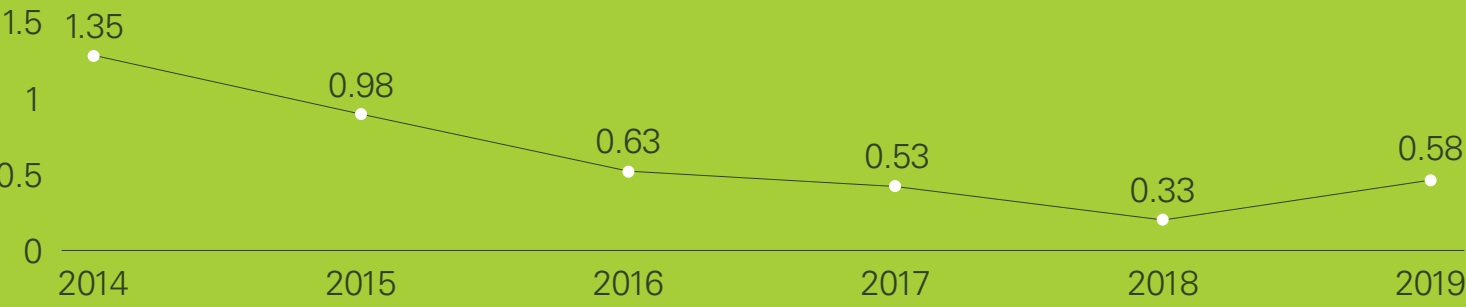
We are Leaders in Safety

Safety First is an important part of our day-to-day business and our #1 core value. **Priorities may change, core values do not.** From the CEO to each front-line employee, the responsibility for ensuring that every Aecon worker gets home safely to his or her family every day is a responsibility equally shared among all our employees.

2019 Safety Dashboard



Total Recordable Injury Frequency (TRIF)



*The increase seen in our TRIF in 2019 is partly attributable to a change in classification of injuries treated on-site from “first aid” to a “recordable injury.”



2019 Awards



Zero Injury Frequency Award

Ontario General Contractors Association’s Distinguished Achievement in Health and Safety



Tripartite Zero Recordable Injury Turnaround Award

Canadian Safety Achievement Awards



Safety Award in the 100,000-250,000 hours and 250,000+ hours categories

Utility Contractors Association of Ontario



TOYOTA

Best & Safest Contractor Award

Toyota Cambridge



Our Diversity and Inclusion Initiatives in Action



Aecon Women Inclusion Network

A grassroots community for female employees and their allies, committed to building community, driving career development and championing the advancement of women at Aecon and across our industry.



Aecon Women in Trades Program

In July 2019, we celebrated our inaugural group of 24 graduates, who completed an eight-week, hands-on training program in Toronto. These graduates are now working in a variety of jobs on various crews across our Utilities business.



Aecon Pride

We are committed to providing our employees an inclusive environment, free of harassment, regardless of their sexual orientation, gender identity or expression. We treat all individuals whose gender identity is different from their birth-assigned sex according to their lived gender identity with dignity, respect and equitable opportunities.



NexGen Builders

We have partnered with the Toronto Community Benefits Network (TCBN) to support The NexGen Builders program, which prepares workers who have been historically under-represented, including black, Indigenous and newcomer communities, with a priority on women and youth, for careers.



Aecon Indigenous Affairs

Aecon is dedicated to a comprehensive, collaborative, Canada-wide approach to Indigenous engagement. Aecon builds relationships with Indigenous communities on a foundation of trust, respect and understanding through our inclusive approach.

Aecon's Indigenous Strategy supports the inclusion, engagement and participation of Indigenous communities by:

- Acting as a responsible and respectful business partner
- Working side by side with community leaders and members
- Creating and nurturing mutually beneficial relationships



Aecon Pandemic Resilience

During the COVID-19 pandemic, together with TCBN, Aecon is supporting the delivery of online training and peer mentoring.

We Support our Communities

We have long prioritized our communities by encouraging engagement, contributing to ongoing economic development and promoting community safety. Together, with members of our communities, we are working to create positive change.



Advancing
Human Rights



Keeping
Communities Safe



Connecting
Our Communities



Investing in
Our Communities



Working with Canada's
Indigenous Communities



Building Strong
Partnerships

In 2019



Aecon donated over

\$1.1 million

to charities and non-profit organizations

Our employees raised over

\$365,000

for local and national charities

We are #AeconProud to invest in our employees' children on the road toward their own successful careers, by providing financial assistance for their post-secondary education through the John M. Beck Scholarship Program.

**John M. Beck
Scholarship Program**

Up to

\$10,000

per individual scholarship

Over

\$400,000

in scholarships awarded since 2011





We Are Forming Relationships With Canada's Indigenous Communities

Across Canada, Aecon has established strong relationships with many Indigenous communities, including our Aecon Six Nations Joint Venture (A6N) in Ontario. Coast-to-coast, our project teams are proud to integrate Indigenous workers and create meaningful relationships with communities local to our projects.

In 2019, Aecon signed new joint ventures with Enoch First Nation near Edmonton and Chipewyan Prairie First Nation near Fort McMurray. Since then, the Enoch Aecon JV has been awarded a three-year, multiple use agreement for offsite fabrication for a major Canadian energy company in Alberta. The Chipewyan Prairie Aecon JV has become an Indigenous-owned, single-source, multi-trade solution for industrial construction and maintenance in northern Alberta's Wood Buffalo Region.

CPA
CHIBEWYAN PRAIRIE | AECON
joint venture


ENOCH | AECON
JOINT VENTURE

COVID-19 Pandemic Resilience

Last year, when we embarked on the important work of producing our first Sustainability Report, we could not have predicted the turbulent times that lay ahead.

Following the rapid spread of the novel coronavirus, in March 2020 cities and regions across Canada and much of the rest of the world declared states of emergency. While some of our projects were impacted by way of suspensions by our clients or broader government directives, in most places where we work, our operations were deemed to be an essential service. We acted quickly and effectively to activate continuity plans and a rigorous COVID-19 health and safety assurance process that meets or exceeds guidance by relevant government authorities. We are proud of our efforts to protect our frontline employees and to enable our corporate employees to work remotely - safely and productively.



Jean-Louis Servranckx
President and CEO
Toronto, ON | May 2020



Supporting

Our People

We mobilized a Pandemic Task Force to provide agile support and response to organizational challenges arising from COVID-19 and led internal teams to:

- Launch an Employee COVID-19 Resource Centre
- Enact a COVID-19 Support Centre (staffed by representatives from Safety, HR, Information Systems, Communications and Legal groups and a Registered Nurse) for immediate, urgent support of operations
- Leverage our preferred vendor relationships through Aecon’s strategic procurement group to ensure sufficient PPE for our workforce
- Establish essential worker enhanced safety protocols
- Leverage technology to enable office-based employees to work effectively from home

Our Communities

- Donated PPE, including surgical masks and N95 respirators, to hospitals and health care providers and services in Canada and Bermuda
- Provided financial support for some of the communities hardest hit by COVID-19, including:
 - Bermuda Women’s Resource Center in support of food vouchers for women struggling through COVID-19
 - Toronto Community Benefits Network to provide BIPOC (Black, Indigenous and People of Colour) workers with training, mentoring and re-entering the workforce after being laid off due to COVID-19
 - Canadian Red Cross COVID-19 Response Fund
 - Canadian Feed the Children fund in support of advancing food security and food sovereignty in Indigenous communities in Canada
 - Pathways to Education to minimize COVID-19-amplified education barriers faced by youth from low income communities

We do not know how or when the COVID-19 pandemic will ultimately be resolved, nor what lasting impacts it will have on our social fabric or the economic backbone of the countries where we operate. Our experience underscores that now, more than ever, we must position our communities to emerge more resilient. At Aecon, we will continue to play an integral role in making that happen, as reflected in **our near-term priorities**.

Our Near-Term Priorities

This is our first Sustainability Report, and we look forward to evolving and growing on our sustainability journey. While we are proud to share with you many initiatives which are underway, we also recognize that there is much work to be done. Therefore, we are continuing to develop a focused and unified approach to establishing and measuring our metrics, setting meaningful goals and targets and sharing them with you – clearly and transparently.

Our People

- Leverage Aecon University to deliver new eLearning curriculum, including our recently launched Diversity and Inclusion module
- Improve data analytics by conducting a diversity self-identification survey and working with an independent consultant to facilitate a formal pay equity review
- Explore opportunities to utilize Virtual Reality as a safe and engaging way to provide training to our employees, particularly in situations where entering the live environment poses a safety risk

Our Projects

- Form a Transform to Perform Task Force to evaluate how we can leverage lessons learned and innovative practices implemented during the COVID-19 pandemic to perform better in a post-COVID-19 world

Our Environment

- Broaden emissions mapping
- Identify and set emission reduction targets and drive initiatives to meet those targets
- Increase the number and types of metrics tracked

Our Communities

- Focus our philanthropy program on initiatives that align our goals and interests with the larger good of a sustainable society
- Obtain the Progressive Aboriginal Relations (PAR) certification through the Canadian Council of Aboriginal Businesses
- Deliver a new Indigenous Relations eLearning module, which will be mandatory for members of the Executive Committee and certain other leadership teams, as part of Aecon's commitment to obtain the PAR certification

Our Governance and Ethics

- Require all senior management with an oversight or training role in our anti-corruption and anti-bribery compliance program to complete the UN Global Compact Network Canada Anti-Corruption Certificate Program





→ Our Projects

Sustainable Portfolio.

Integrated and
Innovative Services.

Successful Execution.

We are proud of the projects we have safely and expertly delivered for our clients and the contributions they are making to building a sustainable future.

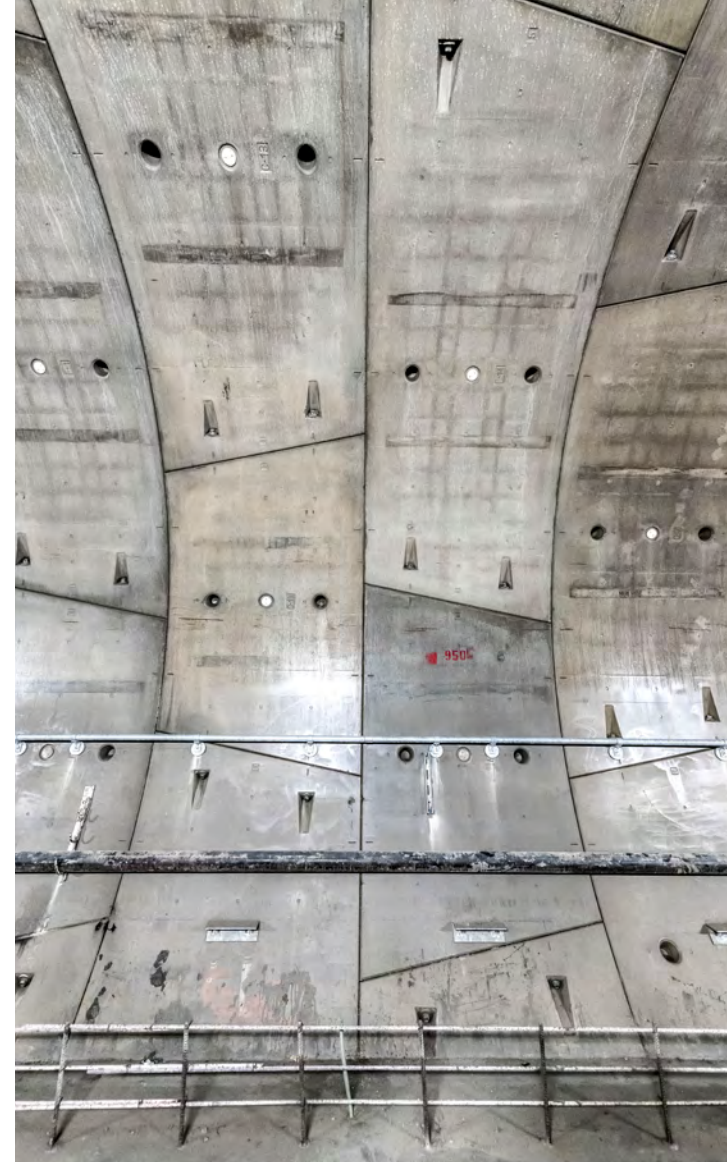
**“Infrastructure,
if intelligently
designed, planned
and delivered,
is probably one of
the best hopes we
have of achieving
a sustainable
future against
the impacts of
climate change.”**

—Yvo de Boer, former Executive Secretary of the United Nations Framework Convention on Climate Change

Older infrastructure assets that were built based on codes and standards that pre-date the impacts of continuing climate change will have to be retrofitted, upgraded or replaced with new infrastructure designed to withstand and adapt to extreme weather events. As a construction company, Aecon will be on the front lines of adapting and building resilient infrastructure that can withstand risks ranging from global pandemics to climate-related floods, wildfires and droughts, particularly in coastal, urban and remote communities.

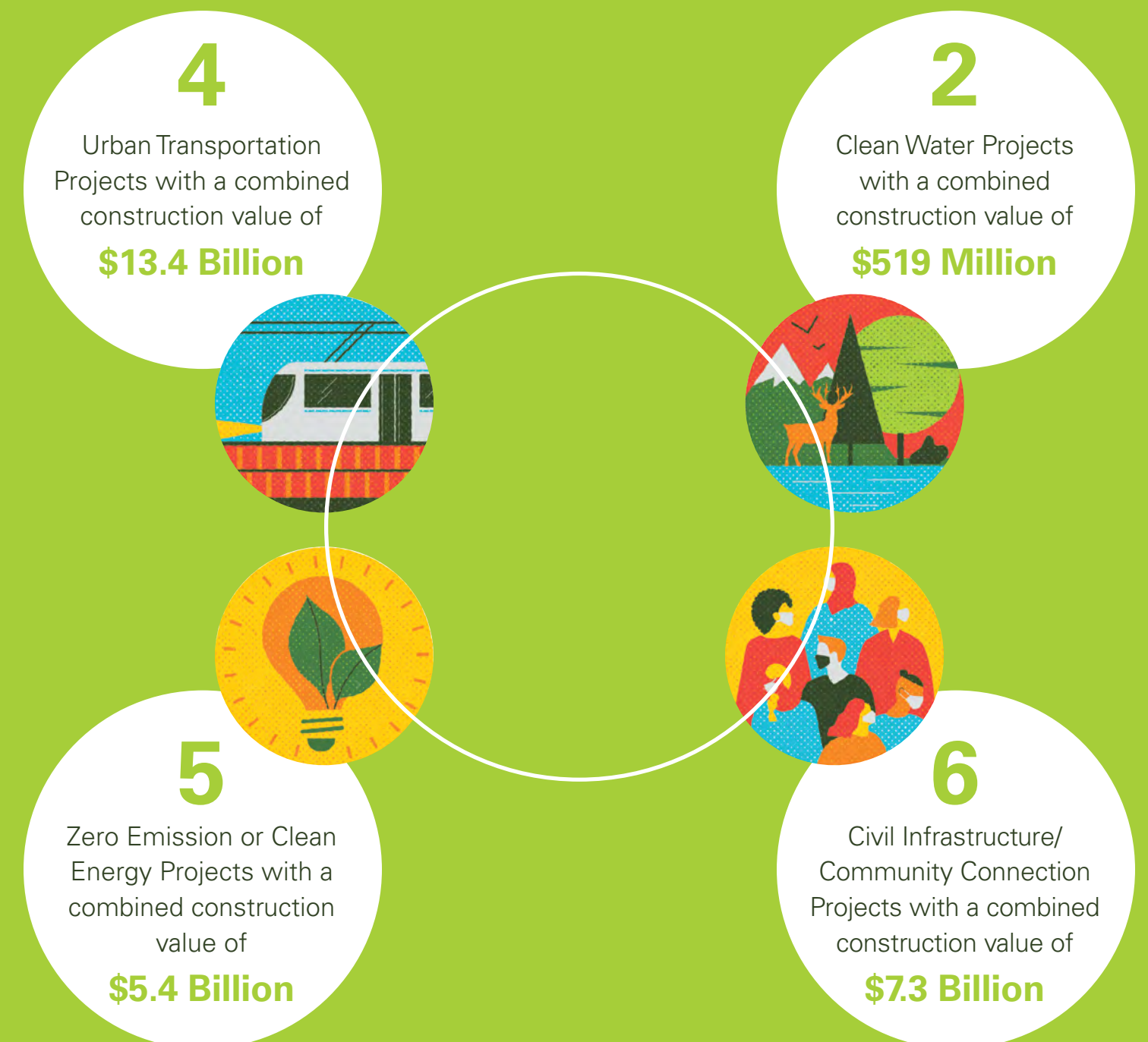
Aecon has built, and will proudly continue to build, renewable, low-carbon and zero emission power generation, water and wastewater treatment and safe and efficient transportation projects. As we also take on the role of operating, maintaining and rehabilitating certain of the assets that we have built, we are taking a life-cycle approach that extends beyond the design and build phases of a project. We have included representative samples of our **Project Highlights and Sustainable Innovations** in this Report.

Simply put – the most effective way for us to contribute to and help create a sustainable society is to continue to be the best at what we do – building the infrastructure of a better tomorrow.



Our many **clean energy projects** include converting coal-burning thermal generating stations into biomass-fueled power plants and constructing our own solar rooftop facility for Aecon's Central Canada Fabrication Facility in Cambridge, Ontario. Our **clean water projects** are integral to ensuring access to freshwater at a time when climate change is anticipated to contribute to water scarcity. Our **transportation infrastructure** and **urban transportation projects** are connecting communities, mitigating congestion, greenhouse gas emissions, and air pollution, and enhancing public safety in a manner that supports the United Nations Sustainable Development Goals.

In 2019, in addition to hundreds of small to medium-sized projects, Aecon was involved in the construction of 22 major projects, each with a value of \$150 million or more. These include:



Our History of Carbon Reduction Projects

In 2001, Aecon and its partners came together as Quiport to begin the process of financing, developing and building the new **Quito International Airport** in Quito, Ecuador. Given the scope and complexity of the project, the Quiport team from the outset invested significant time and resources in understanding the social, economic, natural and regulatory frameworks and their interdependence with one another. As a result, in addition to several other sustainability awards, in 2019 the Quito International Airport became the **first international airport in Latin America and the Caribbean to achieve carbon neutrality** in the Airport Carbon Accreditation program.

Connecting Communities

For over a century, we have expanded and improved Canada's transportation, infrastructure and communication networks. As set out in United Nations Sustainable Development Goal 11 – **Sustainable Cities and Communities** and discussed in more detail in Appendix C, in addition to connecting communities that are increasingly dense and socio-economically diverse, energy-efficient urban infrastructure solutions like public transit promote urban environmental sustainability by improving air quality and reducing noise.



Urban Transportation Systems

As our cities continue to grow and prosper, our road systems have become increasingly congested. Accordingly, governments are aggressively pursuing alternative methods of sustainable transportation, the backbone of which is often an integrated mobility grid of intercity, metro commuter and urban light rail systems. In 2019, Aecon established an Urban Transportation Systems group to focus on expertly delivering these complex projects.

Clean Energy Projects

Our commitment to renewable energy sources is demonstrated at our office in Cambridge, Ontario, where we developed, constructed and now operate a 250-kilowatt rooftop solar installation on the roof of our Central Canada fabrication facility.

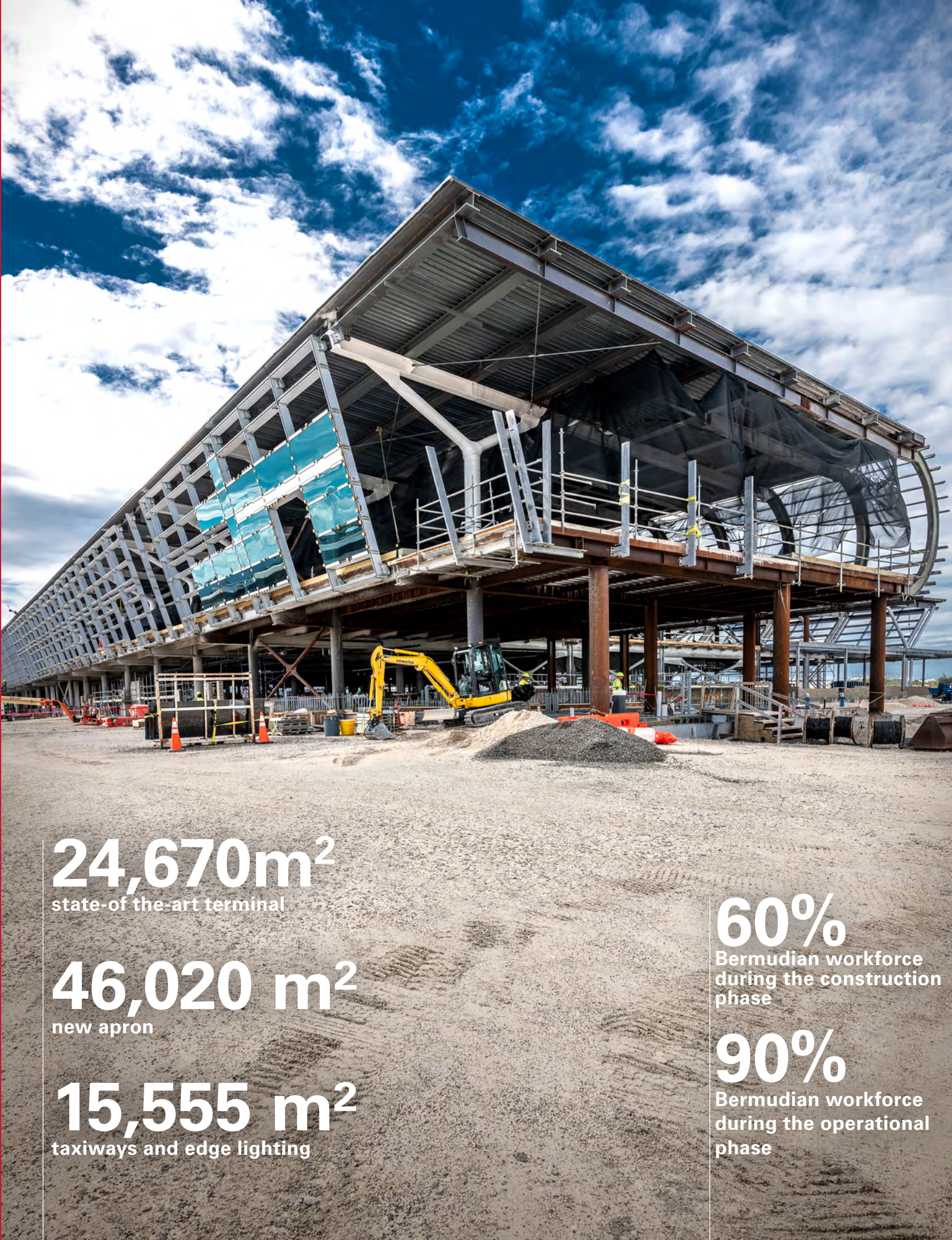
Clean Water Projects

We recognize that fresh water availability and distribution are closely linked with changing climatic conditions and that water scarcity is projected to become more severe over the next decades.



Project Highlights and Sustainable Innovation

Following the adoption of the Paris Agreement, governments and businesses have increasingly taken the view that even if the rise in global temperatures is limited, climate change is here to stay. At Aecon, we are adapting to a changing climate by actively pursuing sustainability-inspired innovation in our work. The highlights that follow are just a few examples that reflect our commitment to continually improving environmental performance.



24,670m²
state-of-the-art terminal

46,020 m²
new apron

15,555 m²
taxiways and edge lighting

60%
Bermudian workforce during the construction phase

90%
Bermudian workforce during the operational phase

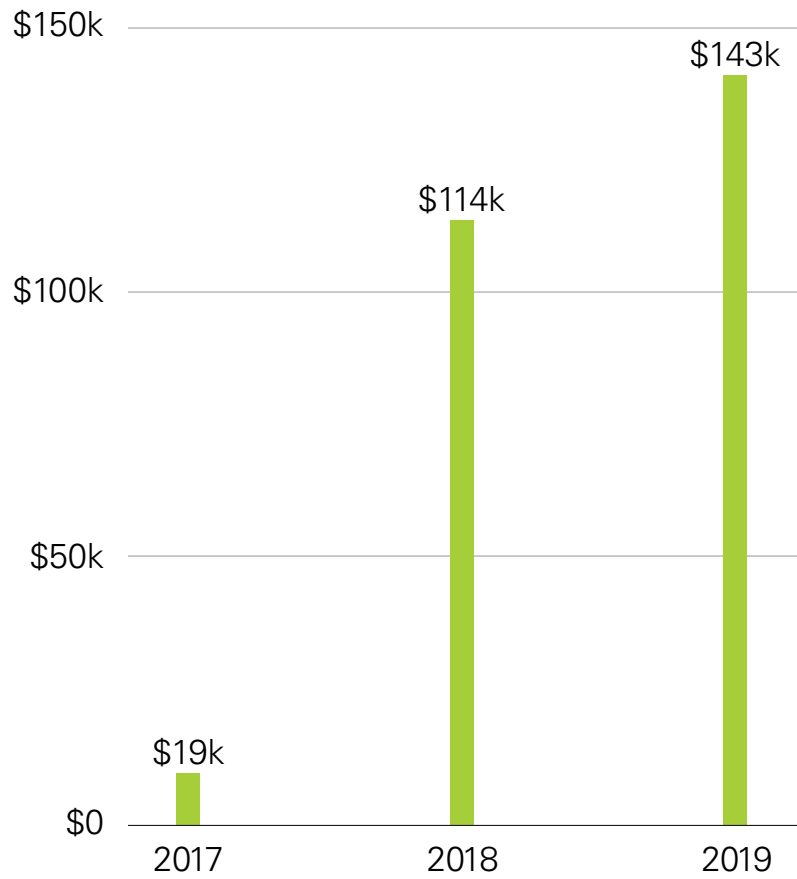
Spotlight on Bermuda

Aecon is working with the Canadian Commercial Corporation and the government and people of Bermuda to develop, finance, operate and maintain Bermuda’s new world-class L.F. Wade International Airport. The new airport will have a lasting positive impact on Bermuda’s people, economy, businesses and future generations. It incorporates a number of sustainable innovations that are designed to increase efficiency and reduce energy consumption, including:

- The **latest in LED lighting** inside the terminal and on the airfield. The LEDs consume far less energy while providing better light, and they last up to 25 times longer than traditional incandescent lamps, helping to reduce waste and maintenance requirements.
- Terminal design and construction materials **minimize requirements for building lighting and cooling**. Dual panel glazing with an insulated and laminated coating allows ample natural light to enter the terminal, while minimizing radiant and convective/conductive heat transfer and reducing the amount of lighting and air conditioning required.
- The **state-of-the-art building automation system** that controls system performance by zones in the terminal can automatically reduce zone airflows and intake of outdoor air in response to actual occupancy in any given zone, significantly reducing energy consumption for cooling.
- The **new wastewater treatment system** will produce wastewater that adheres to World Health Organization (WHO) environmental standards and enhances grey water recycling. The treated water will be recycled back to the terminal and used in a separate non-potable water system that serves in terminal washrooms.
- Reflecting the needs of the hurricane-prone region, the design incorporates **storm surge modelling** and **the ability to withstand wind uplift conditions and windspeeds** of 277 km/h (172 mph), equivalent to a Category 5 hurricane.

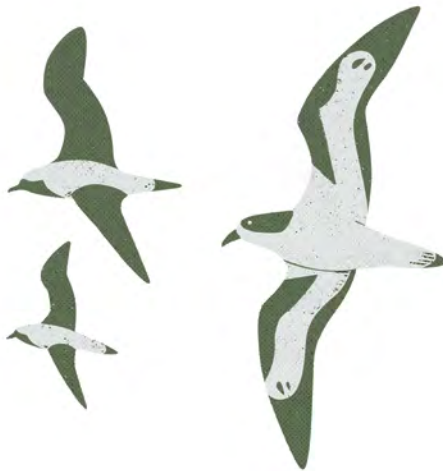
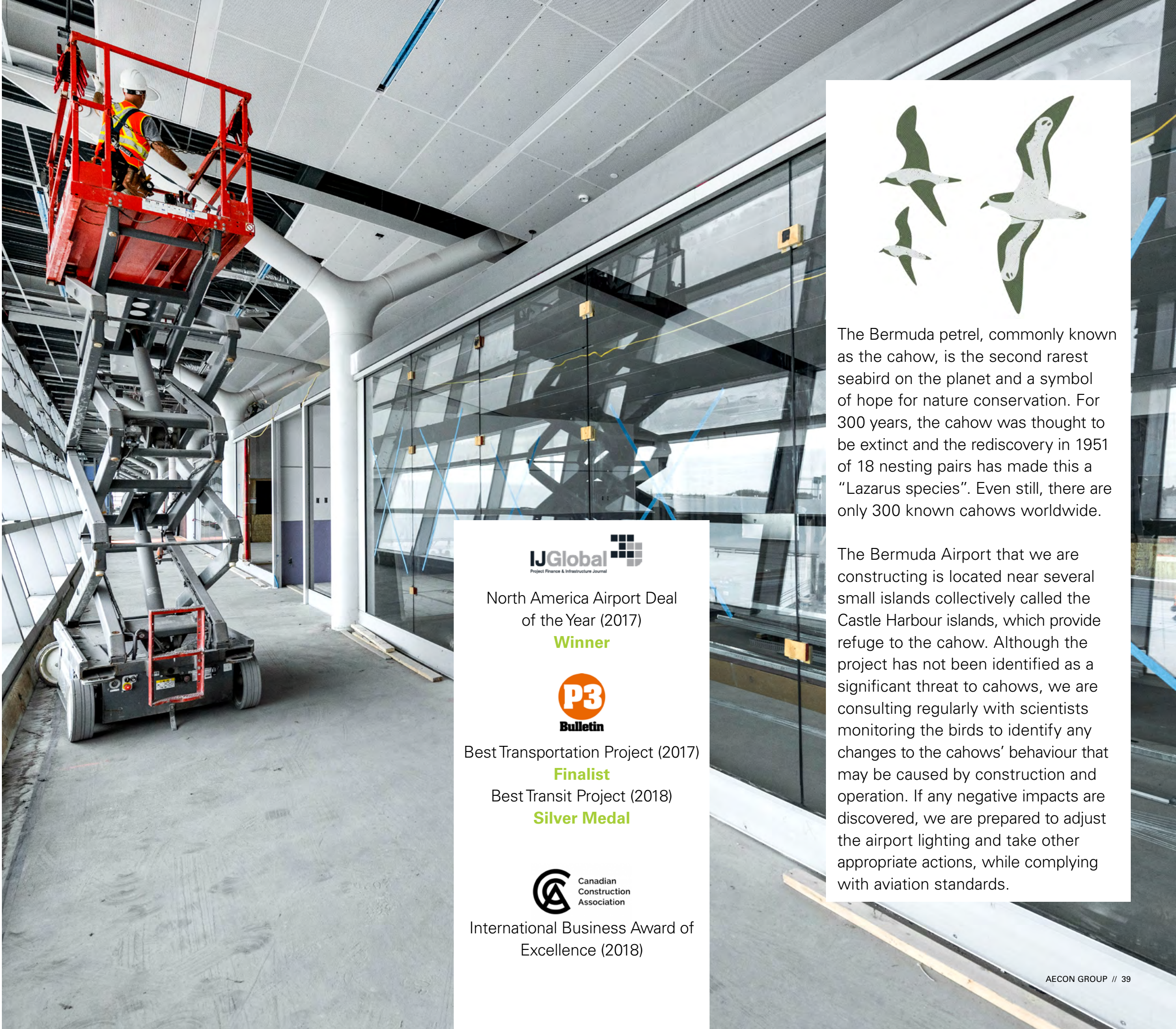
The L.F. Wade International Airport project also involves early and ongoing social investments in the Bermudian communities and biodiversity measures.

>**\$275K**
invested so far



in organizations including

- Bermuda Pacers Track Club
- Bermuda Institute of Ocean Sciences (BIOS)
- Bermuda Centre for Creative Learning
- Spirit of Bermuda/Bermuda Sloop Foundation
- Bermuda End-to-End
- Construction Association of Bermuda (CAOB)



The Bermuda petrel, commonly known as the cahow, is the second rarest seabird on the planet and a symbol of hope for nature conservation. For 300 years, the cahow was thought to be extinct and the rediscovery in 1951 of 18 nesting pairs has made this a “Lazarus species”. Even still, there are only 300 known cahows worldwide.

The Bermuda Airport that we are constructing is located near several small islands collectively called the Castle Harbour islands, which provide refuge to the cahow. Although the project has not been identified as a significant threat to cahows, we are consulting regularly with scientists monitoring the birds to identify any changes to the cahows’ behaviour that may be caused by construction and operation. If any negative impacts are discovered, we are prepared to adjust the airport lighting and take other appropriate actions, while complying with aviation standards.



North America Airport Deal
of the Year (2017)
Winner



Best Transportation Project (2017)
Finalist
Best Transit Project (2018)
Silver Medal



International Business Award of
Excellence (2018)

Spotlight on Cold Weather Innovation

As a Canadian company, we perform much of our work in locations with harsh winters and long periods of extremely cold weather where it is imperative to adapt our construction methods.

For example, when temperatures are low, pouring and finishing concrete successfully can be challenging as concrete tends to freeze faster than it sets. Historically, diesel generators have been used to ensure the correct temperature of concrete. To minimize diesel fuel consumption, we are undertaking two approaches:

- 1 Using electric heaters when immediate warming is required for temperature-sensitive activities.
- 2 Insulating concrete slabs to reduce the need to heat and hoard concrete. In other words, shortly after the concrete is poured, sheets of foam insulation are placed on top and along the sides of concrete slabs to insulate them. These pieces of foam are reused as many times as possible before being sent to a recycling facility for re-purposing or sustainable decomposition. This method requires significantly less energy and maintenance during the curing period.

These cold weather innovations consist of small changes that can make a big difference given the scale of our projects - we are saving thousands of litres of diesel every day, thereby lowering our greenhouse gas and air emissions and improving air quality.

10°C-16°C
Ideal concrete pouring temperature

<10°C
The necessary chemical reactions that set and strengthen concrete slow significantly

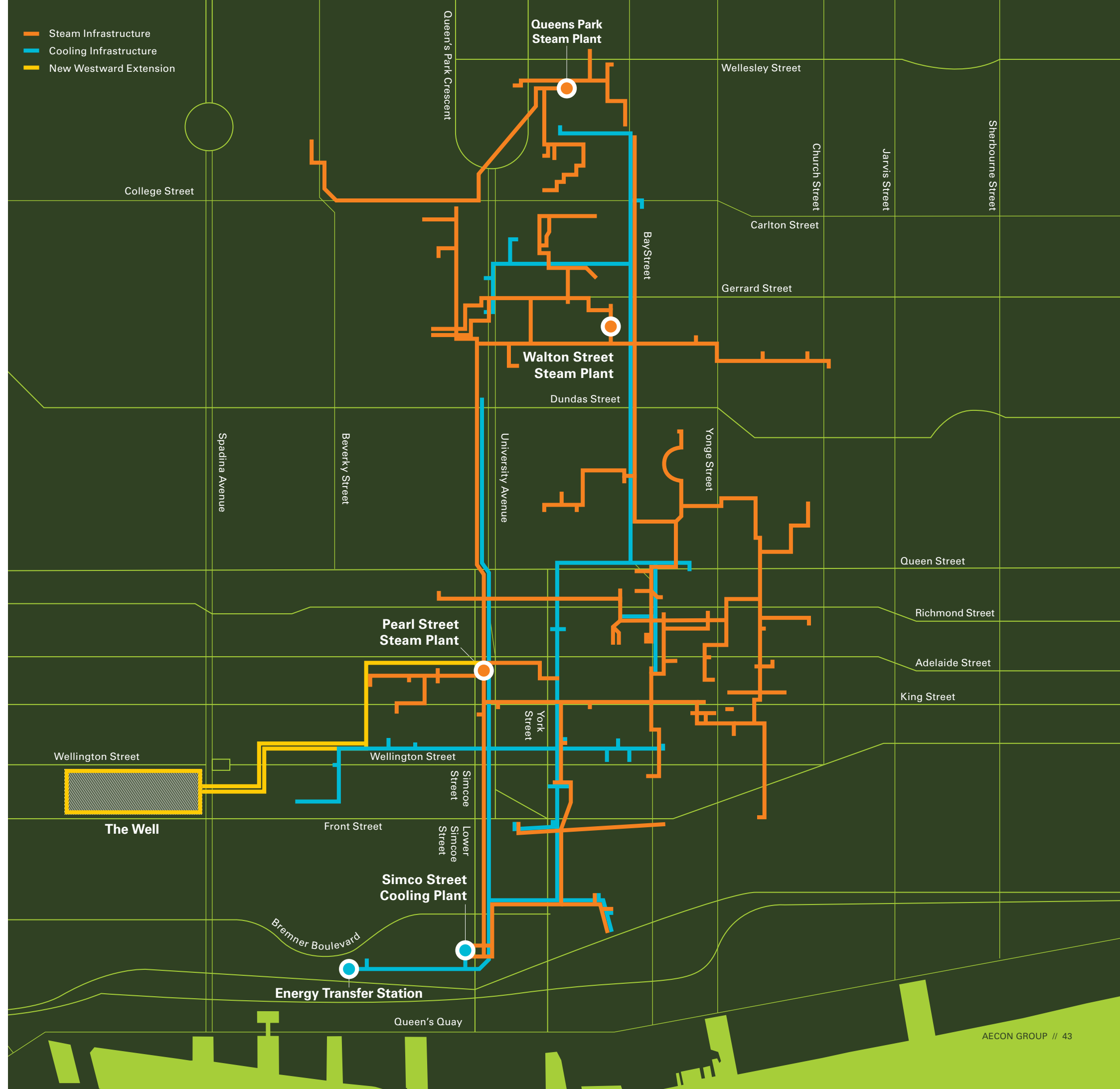
<4°C
The necessary chemical reactions that set and strengthen concrete are essentially non-existent



Spotlight on District Energy

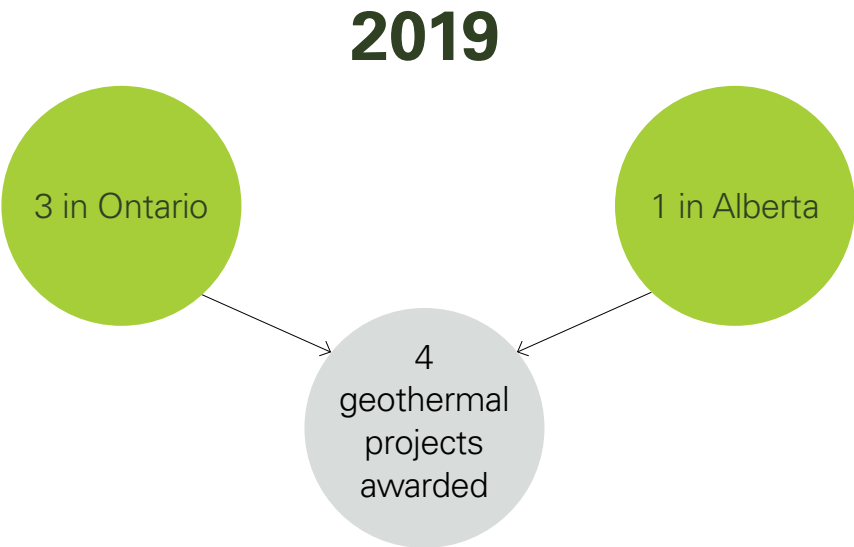
Our Utilities operating sector has a long history of building renewable energy projects. Within this group, our Innovative Energy Solutions business has over 20 years of experience building district energy, geoexchange and solar projects across Canada and has developed strong alliance partnership relationships with renewable energy utility providers.

Innovative Energy Solutions continues to provide construction services to support Enwave Energy's district heating and cooling services in Toronto. Enwave - the largest district energy operator in North America - provides low-carbon heating and cooling for over 150 buildings in downtown Toronto. Enwave and Aecon established a joint implementation team to analyze, manage and execute the civil, mechanical and electrical construction associated with bringing buildings in the downtown core of Toronto online to Enwave's heating and cooling services. We are currently Enwave's prime civil contractor for the western expansion project that will create mass distribution capacity to the King West neighbourhood in Toronto, including The Well – a mixed-use development featuring more than 3 million square feet of retail, office and residential space. As a result, Enwave will provide more reliable, low-carbon cooling and heating to these future communities and the projects will reduce dependence on the city's electricity grid. The collaboration demonstrates a future-forward commitment to building more resilient cities.



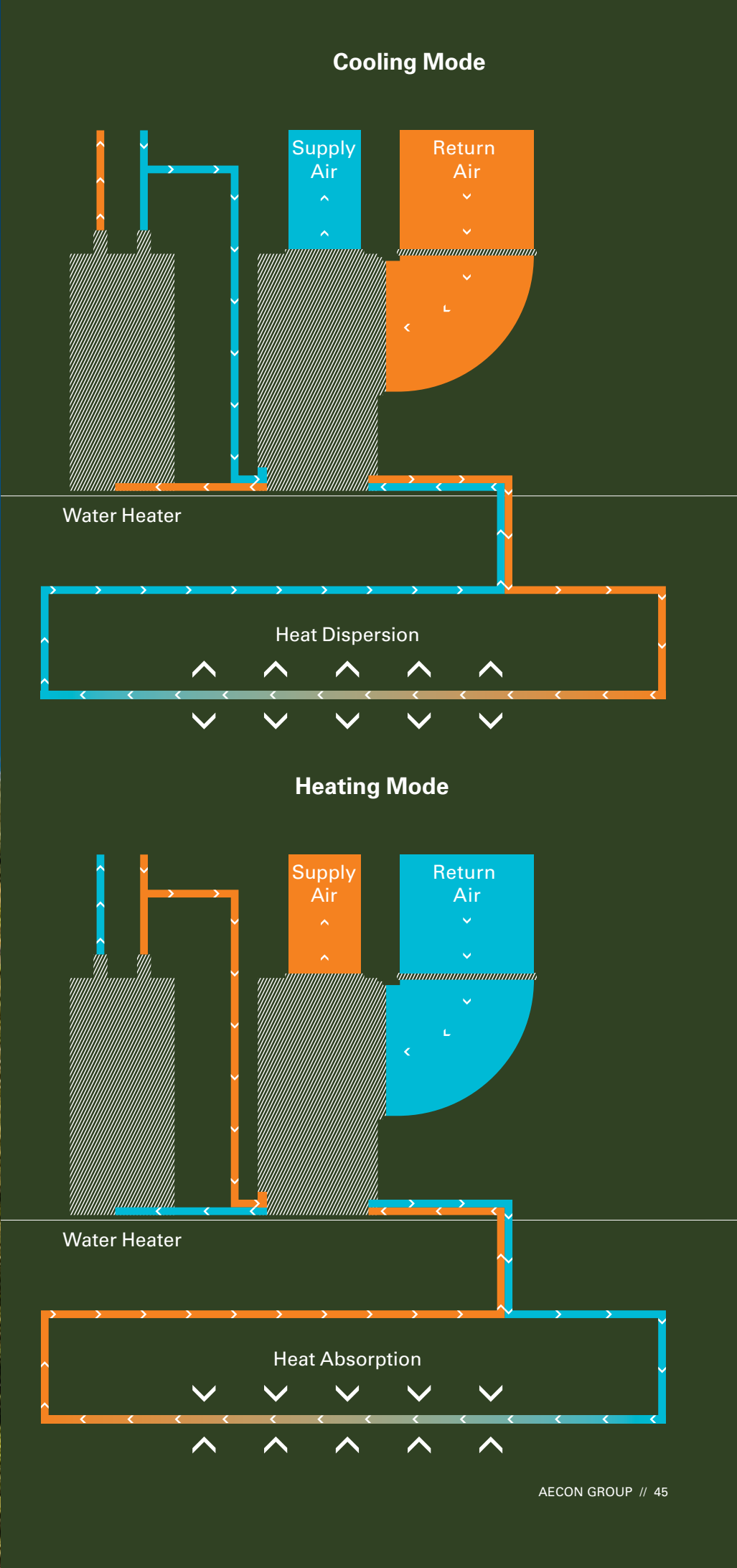
Spotlight on Geoxchange

Aecon’s Innovative Energy Solutions group has recently moved into the commercial geoxchange industry – an energy efficient and environmentally friendly alternative to traditional oil-gas or coal-fired heating, ventilation and air conditioning (HVAC) system that is based on basic heat transfer principles. Taking advantage of the ground’s heating and cooling properties to heat or cool entire buildings, or the “heat exchange” between the ground and the building, is accomplished by using pump and compressor technology. Geoexchange systems have the capacity to reduce a typical commercial building’s greenhouse gas emissions by more than 50% while providing over 70% of the building’s heating load.



~8,000
tonnes of CO₂ saved

40-50%
reduction in GHG emissions/facility





→ Our Environment

Cleaner Air. Addressing Climate Change. Reducing Waste.

Advancing Our Environmental Vision

Aecon's vision is not only to build sustainable infrastructure, but to build a better tomorrow. Our environmental principles and practices reflect this commitment. We recognize the interdependent connection between environmental and economic sustainability. In 2019, Aecon's Board and senior management deepened their focus on Aecon's environmental performance and responses to climate change and implemented an **Environmental, Social and Governance (ESG) Framework**, a new **Sustainability Policy** and an enhanced **Environmental Management System (EMS)**.

The strategic objectives of the ESG Framework and the EMS are:

- Pollution Prevention: Tracking environmental incident data including spills and incidents of non-compliance and analyzing tracked data to identify areas of improvement
- Disclosure: **Measurement, monitoring and reporting** of a broader inventory of our GHG emissions in future Sustainability Reports
- Climate Change Adaptation:
 - Ongoing **analysis of our GHG emissions** with a view to establishing a baseline and setting targets in the future
 - Ongoing **analysis of climate change related risks and opportunities** to provide assurance to investors, regulators, partners and clients

2019 GHG Emissions

Understanding our greenhouse gas (GHG) emissions is an important step towards managing and reducing our impact on climate change. This year, we are taking an important step by publicly disclosing the GHG emissions associated with our corporate activities in 2019. We are already working to expand this effort to capture additional sources of GHG emissions for our next report. This data will form an integral component of our GHG management program by allowing us to monitor and improve environmental performance.



Our GHG inventory is prepared in accordance with the Greenhouse Gas Protocol. It captures

the corporate activities over which we have direct and indirect operational control, including:

- **Scope 1:** emissions generated directly from our operations, including heating Aecon's four regional headquarters¹ and powering vehicles in our fleet
- **Scope 2:** emissions indirectly associated with electricity used to operate Aecon's headquarters
- **Scope 3:** emissions indirectly associated with our business activities; for this inventory year emissions are limited to employee air travel

¹ GHG emissions associated with Aecon's satellite offices, maintenance and storage facilities and project sites are not included in the inventory.

Our Greenhouse Gas (GHG) Emissions in 2019

How We Performed in 2019			
Performance Metric	Status	Target	2019
Climate Change & Use of Resources			
Begin to measure our Scope 1, 2 and 3 GHG emissions as they relate to fleet fuel usage, purchased electricity an air travel, respectively		Implement data collection protocols with a view to establishing baseline emissions for corporate offices, fleet vehicles and air travel	2019 data is included in this Sustainability Report
 Indicates that we have met our target.			

Means & Methods

We use bill data, meters and estimates to quantify our GHG emissions. Emissions of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) are calculated using emission factors and conversions provided by the Government of Canada and the U.S. Environmental Protection Agency. We use the Greenhouse Gas Protocol – Scope 2 Guidance¹ location-based method to calculate indirect emissions from purchased electricity. Total GHG emissions, represented in CO₂ equivalents (CO₂e), are calculated using Global Warming Potentials from the Intergovernmental Panel on Climate Change’s Fourth Assessment Report.

Our total GHG emissions in 2019 amounted to 13,202 tCO₂e. To put that number in context, the Canadian the Greenhouse Gas Pollution

Pricing Act sets a 50,000 tCO₂e as the threshold at which a facility is required to comply with the Output-Based Pricing System Regulations.

The majority of our GHG emissions occurred as a result of our 1000+ vehicle fleet, highlighting an opportunity to integrate additional measures to green our fleet into our business decisions.

As we continue to expand the scope of our GHG reporting program during 2020-2021, we plan to translate these and other findings into initiatives to further quantify, manage and reduce our GHG emissions. For more detail about climate-related opportunities and how we can leverage them, please see Appendix A of this Sustainability Report.

Managing Climate-Related Risks and Opportunities

We have not yet undertaken independent climate scenario analysis and have instead relied on key external sources, including the **Mercer Investing in a Time of Climate Change: The Sequel 2019 Report** (the 2019 Mercer Report) and the **Global Commission on the Economy and Climate’s** flagship New Climate Economy project to provide a preliminary assessment of the potential climate-related financial risks and trends for the infrastructure and sustainable infrastructure sectors as a whole.

We have begun the process of assessing our Scope 1, 2 and 3 GHG emissions and our climate-related risks and opportunities. Our preliminary assessment is set out on the following pages.

As we await publication of the Canadian federal government’s guidance in response to the recommendations of the Final Report of the Expert Panel on Sustainable Finance, we continue to consider the risks and opportunities resulting from:

- higher average temperatures (particularly in Canada’s north)
- increased precipitation
- rising sea levels
- melting permafrost
- more frequent and severe extreme weather events
- global pandemics
- supply chain disruptions

We are considering these impacts both directly on the construction and infrastructure sector, and indirectly on the power, transportation, transit and resource sectors in which our clients operate.

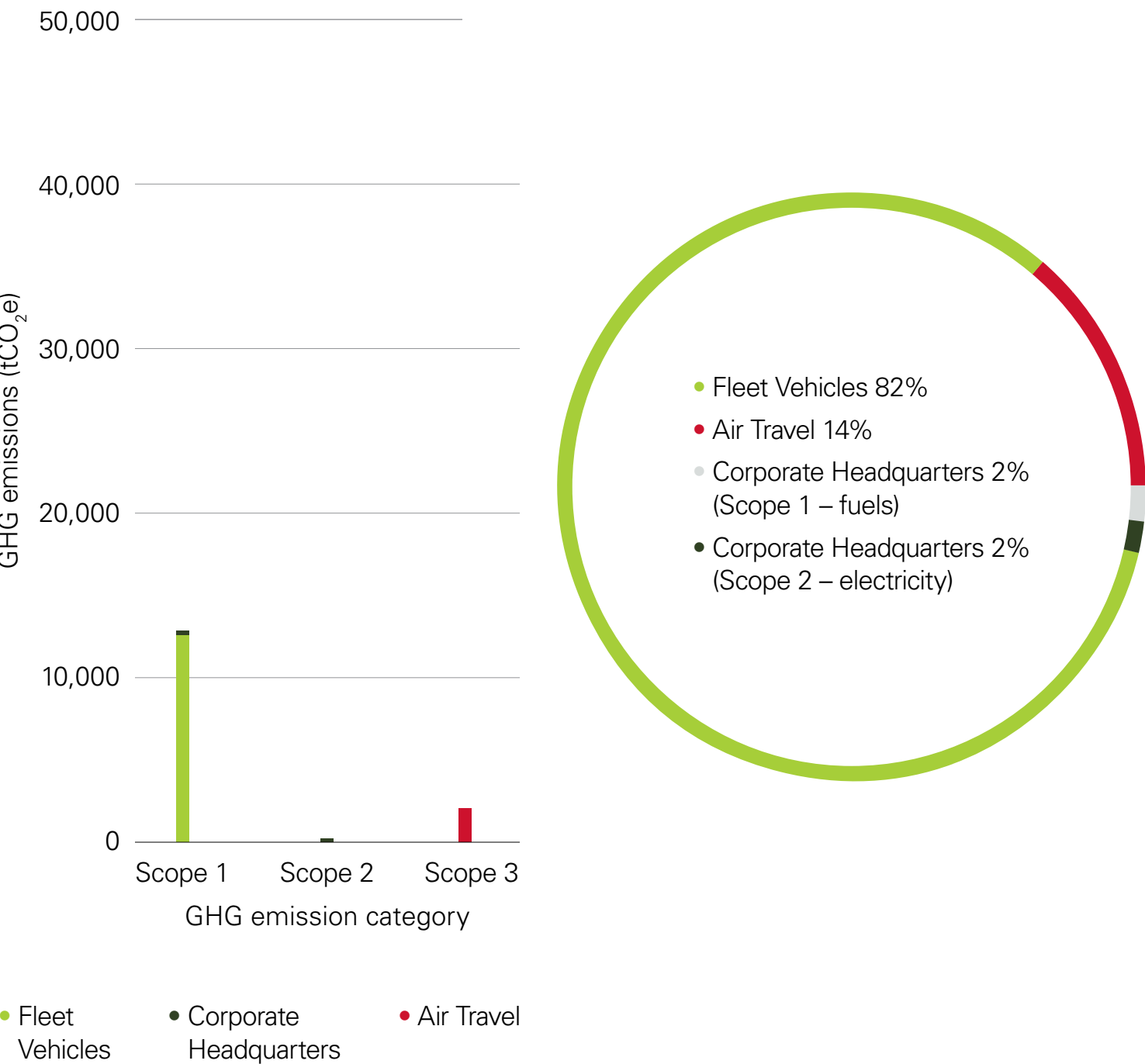
Our initial climate impact assessment has been undertaken as part of our broader Enterprise Risk Management process and management risk assessment across 11 categories, including climate change. Our objective is to reduce, insofar as reasonably practicable, the significant risks associated with our business. Our management achieves this objective by identifying risks, the ways in which they arise, assessing the potential impacts of each risk, and considering the effectiveness of existing or readily available control measures. The risks are logged on our corporate Risk Register, which is a living document that is reviewed and updated every financial quarter and reported to the Risk Committee of the Board.

Please refer to Appendix A for a detailed analysis of our climate change-related risks and opportunities and related mitigation measures.

1 The Greenhouse Gas Protocol: Scope 2 Guidance (World Resources Institute/World Business Council).

Our Greenhouse Gas (GHG) Emissions in 2019

Climate change is one of the great challenges of our generation. As a responsible company, we have a role to play in the transition to a lower-carbon economy. In 2019, we began the process of assessing our Scope 1, 2 and 3 GHG emissions and our climate-related risks and opportunities.



*The Canadian Greenhouse Gas Pollution Pricing Act sets a 50,000 tCO₂e as the threshold at which a facility is required to comply with the Output-Based Pricing System Regulations.

We are Assessing the Impacts of Climate Change

We are committed to understanding the risks and effects of climate change on our industry and taking action to address them. In addition to managing the business risks that climate change may bring, we are actively exploring ways to harness the opportunities that climate change is presenting for the sustainable infrastructure sector.

We are Expanding our Sustainability Disclosure Going Forward

We are committed to expanding our GHG tracking and reporting program to further quantify, manage and reduce our GHG emissions.

Mitigating Climate-Change Risks

Climate change has added a new dimension of business risks for us to consider. Following the recommendations of the TCFD, this report summarizes our initial assessment of risks related to the transition to a lower-carbon economy and risks related to the physical impacts of climate change.



An Example of a Waste and Circular Economy Innovation

Asphalt is used in many of the transportation and transit projects that we build. In 2019, Aecon established a permanent asphalt plant just north of Calgary, Alberta at a site that is within an industrial park that includes an innovative storm water management system. Storm water discharged from Aecon’s site is drained into an area that includes natural wetlands. It is then treated and returned to industrial users, including our plant, where it is used in warm mix asphalt and for irrigation and dust control. This is a good example of a nature-based solution being used to lower costs and minimize effluent.



The Plant also reduces energy consumption and lowers emissions by:

- investing in permanent underground utilities that burn clean natural gas in lieu of higher emission diesel or coal
- using underground line power instead of diesel-powered transformers



Sustainable Innovations in a Circular Economy

Warm Mix Asphalt Technology

Facilitates production and placement of asphalt mix at lower temperatures than conventional hot mix. The equipment is also designed to control emissions by capturing dust and smoke at mix transfer points and redirecting back to the burner to be incinerated.

Recycle. Reuse. Resell.

Recycled asphalt pavement that is collected from asphalt breakouts and millings during

road reconstruction typically goes to landfill. We are recycling old asphalt and processing it to be reused in the production of hot mix. As a result, we are reducing reliance on virgin bitumen oil produced from oil refineries and virgin aggregate from sand and gravel pits.

A depot on the site accepts breakout concrete and asphalt demolition rubble, which is processed for reuse and resale into road base, reducing the need for aggregates from non-renewable gravel pits.



Our People

Safe. Professional. Passionate. Diverse. Inclusive.

Our people are our number one focus.

How We Performed in 2019

Performance Metric	Status	Target	2019
Leadership, Strategy and Programs			
Developed a sustainability governance strategy and Sustainability Policy	✓	Q2 2019	Adopted by the Board in June 2019
Diversity and Inclusion			
Began developing the parameters of the Champions for Women in Leadership Program	✓	By end of 2019	Launched in Q3 2019
Introduced a new "Inclusive Leadership" Award under the Aecon Achievement Awards to be presented to an individual Aecon employee who has developed a program or process that serves to make Aecon a more inclusive place to work or do business	✓	By end of 2019	Introduced in Q4 2019, first recipient named in March 2020
Learning			
Introduced a Project Coordinator Program and Project Management Academy	✓	In 2019	Launched in Q4 with first sessions held in Q1 2020

✓ Indicates that we have met our target.

2019 Awards and Recognition



Coming in at #8 as the only employer in the construction/infrastructure development industry to be included in the list

Glass Door - Canada's Best Places to Work in 2020



Ranking #183 out of a total of 1,500 eligible companies in Canada, spanning 25 industries

Forbes Top 300 Canadian Best Employers

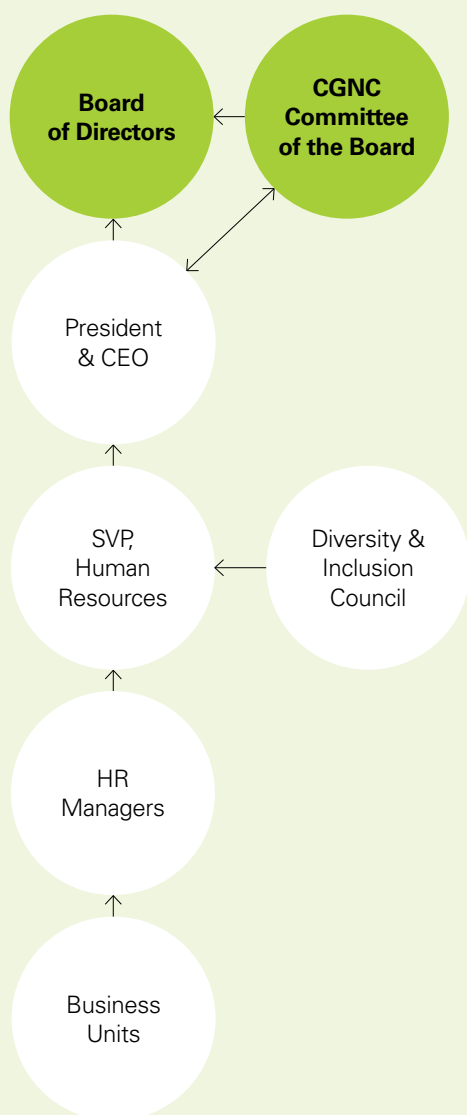


The Aecon Achievement Awards, including the Inclusive Leadership Award, J.D. Hole Humanitarian Award, Individual Excellence in Safety Award and Individual Extraordinary Achievement Award honour Aecon's individual and team recipients every year.



Leadership, Strategy and Management

Our people strategy is implemented and managed by a team led by Gordana Terkalas, SVP Human Resources. Ms. Terkalas reports directly to the President & Chief Executive Officer, is a member of the Executive SteerCo and provides a semi-annual Human Resources Update to the Governance, Nominating and Compensation (CGNC) Committee, which has ultimate oversight.



Safety

Developed in-house and led by our EVP and Chief Safety Officer, Mark Scherer, who reports directly to the President & Chief Executive Officer, our Environmental Health & Safety program meets OHSAS 18001 standards and complies with, and in many cases exceeds, requirements in all jurisdictions in which we work.

Our industry leading safety programs, and a culture that puts safety first, is an important competitive differentiator in the construction industry. Please refer to our **Safety Dashboard** on page 18 for our performance in 2019.

Our Guiding Safety Principles	Safety is an inherent part of our corporate culture: it's not just a program	Managing safety is the responsibility of everyone in the organization
	Accidents don't just happen, they are caused	All injuries are preventable

2019 Safety Week

Every year, as part of our Safety Week, we showcase and reinforce our commitment to safety and specifically focus our employees' attention on the importance of safe work habits.

Theme	Tagline
Mental Health Awareness	Stop the Silence. Start the Conversation.

We partnered with the Canadian Mental Health Association to offer a two-day Mental Health First Aid training program to employees.

Diversity & Inclusion

At Aecon, we are committed to building a workforce as dynamic and diverse as the communities in which we live and work. We recognize that diversity is only meaningful when there is inclusivity and equality. We recruit and work hard to retain the best talent our industry has to offer by embracing the unique perspectives that come from differences in lived experience and identities.

Through the establishment of Employee Resources Groups (ERGs), we are focusing our D&I strategic efforts across five dimensions of diversity: People of Colour, Indigenous Peoples, LGBTQ+, People with Disabilities and Women. ERGs support our employees by providing a welcoming environment where they can share their concerns, hopes and observations of their workplace. They also organize activities and provide recommendations that help to resolve any concerns or remove obstacles. The insights, issues, and ideas generated by the ERGs are brought forward to our Executive Diversity Task Force for support and appropriate action.

We also require mandatory diversity and inclusion training of all employees and are providing guidance to our management on how to demonstrate inclusive leadership every day.

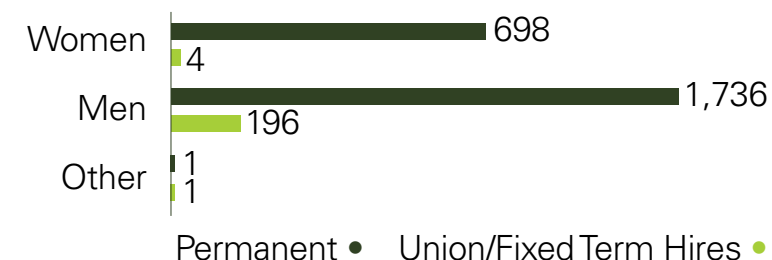
Gender Diversity

Gender diversity in the construction and infrastructure sector continues to lag behind many other industries. This report highlights the strides we have made, but we recognize that there is still important work to be done and gender diversity remains a priority area of improvement for us.

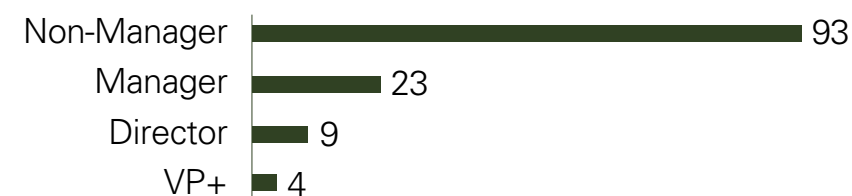
Anti-Racism

The world is currently witnessing increasingly urgent calls for racial justice and equality. Racism and prejudice, of any kind, have no place at Aecon. We are committed to creating a safe space where we can talk to our employees about race, social inequality and implicit bias while identifying opportunities to increase diversity in our own workforce.

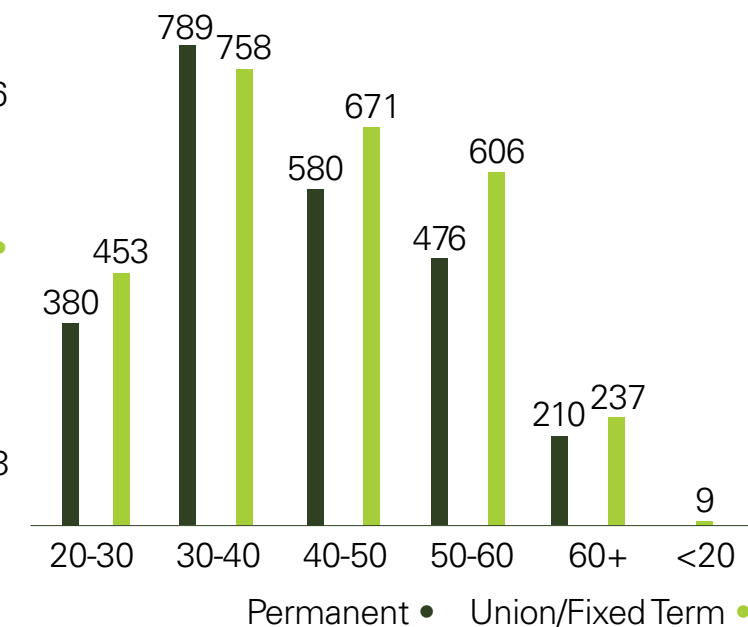
Number of Employees by Gender



Number of Permanent Women Employees by Corporate Management Level



Number of Employees by Age



Our Diversity and Inclusion Initiatives



Aecon Women Inclusion Network
Since 2014, our aWIN community, including many of our senior female leaders, have visited local schools, sponsored and participated in community events, and attended speaking engagements that encourage girls and young women to pursue interests in STEM careers and trades. In 2019, aWIN launched a “Balance for Better” campaign to honour International Women’s Day and coordinated a “Dads for Daughters in STEM” event to facilitate gender diversity in the sector early in the educational pathway.

AWIT

Aecon Women in Trades
The AWIT program offers women career-building opportunities in the trades through hands-on training, mentorship and field experience. It is led by Aecon Utilities, a leading utility solutions provider offering innovative, nationwide construction services in the areas of oil and gas, telecommunications infrastructure and power distribution networks.

In July 2019, we celebrated our inaugural group of graduates, who completed an eight-week training program in Toronto. These graduates are now working in a variety of jobs on various crews across our Utilities business.



Under-represented Workers
In April 2020, Aecon partnered with the Toronto Community Benefits Network to support The NexGen Builders program, which prepares workers who have been historically under-represented in the construction industry to successfully enter the workforce. NexGen supports groups including BIPOC, women and newcomers to Canada by providing mentorship by mentors who are experienced construction journeymen and professionals.



LGBTQ+
In June 2019, a Pride panel of external speakers on the topic of building LGBTQ+ inclusive workplaces was held and streamed live across the company. To further celebrate and support our LGBTQ+ identifying employees, allies and community, we proudly made a donation to the LGBT YouthLine, a Queer, Trans, Two-Spirit youth-led organization that affirms and supports the experiences of LGBTQ+ youth across Ontario by providing anonymous peer support and referrals, training youth to provide support to other youth, and providing resources so youth can make informed decisions.



Learning and Development

Our career management program is maintained through a well-developed talent management process and training and development curriculum.



Blue Print Leadership Program

A custom-made leadership program built for Aecon’s people leaders, regardless of position or tenure. It delves into the expectations Aecon has of all its people leaders, focusing on practical and relevant management tools and techniques.



Future Leaders Program

A program focused on building leadership knowledge, competency and skillsets of our high potential employees nominated through Aecon’s Talent Management Processes.



Next Generation Leaders

A program aimed at accelerating the development of experienced high potential managers and directors who have been nominated through Aecon’s Talent Management processes.



Project Coordinators Program

Specifically geared to providing a comprehensive and consistent baseline for project coordinators to learn how to build both their projects – and careers – at Aecon, this new program, rolled out to 385 project coordinators across Aecon, combines technical and soft skills, as well as important in-field days at Aecon project sites to help project coordinators evaluate real project tools in action.



Women’s Leadership Program

Each member of Aecon’s Executive Committee is responsible for the development and progression of a high potential woman at Aecon. The program aims to create opportunities for women to build networks, gain exposure to different parts of the organization and industry, and build skills for future growth.

→ Our Communities

Trust. Respect.
Strong relationships.
Successful partnerships.

We play an important role in the economic fabric of the communities in which we operate. We are focused on more than philanthropy - we strive to help build communities that will grow and prosper for years to come.



Contributions and Memberships

In 2019, we provided financial support for and enabled our employees to volunteer at a number of non-profit organizations, including:



We are also proud members or partners of



League of Champions

Aecon is a member of League of Champions (Ontario), an organization that strives to inspire and influence leaders to commit, collaborate and act to improve safety culture through awareness, education, promotion and recognition, leading to safer construction workplaces in Ontario



Toronto Global Forum

Aecon is a Strategic Partner of the Toronto Global Forum, a non-profit organization fostering dialogue on national and global issues, under the auspices of the International Economic Forum of the Americas

How We Performed in 2019

Performance Metric	Status	Target	2019
Philanthropy & Volunteerism			
Conducted review of our philanthropic focus to identify sustainable initiatives, community giving and community outreach in which we can invest to make a difference	✓	By year-end 2019	Completed in Q4 2019
Indigenous Relations			
Continued to build nationally leading business partnerships and relationships with Indigenous communities	📈	N/A	Established the Enoch Aecon Joint Venture, Chipewyan Prairie Aecon Joint Venture. Renewed two strategic relationships with Marten Falls First Nation in Ontario and George Gordon First Nation in Saskatchewan.
Governance			
Adopted a formal Human Rights Policy	✓	Q2 2019	Adopted in May 2019

- ✓ Indicates that we have met our target or completed our goals in respect of the metric.
- 📈 Indicates performance associated with continuous improvement over historical numbers.
- N/A Indicates that targets are not applicable for this metric.

Advancing Human Rights

We believe that strong sustainability performance is intrinsically linked with respect for human rights. We acknowledge, respect and, through our Human Rights Policy, commit to conduct our business in a manner that respects the rights and dignity of all people.

Our strategies and operations are aligned with our commitment to the following three pillars:

The duty to protect human rights

The corporate responsibility to respect human rights

Access to remedy for victims of business-related abuses

We adhere to universal principles and norms that protect human rights in employment, as specified in the United Nations Global Compact and in the declarations of the International Labour Organization, including, among other matters, with respect to the freedom of association and the freedom to conduct collective bargaining. To learn more and to read our Human Rights Policy, please visit our **website**.



AECON PROUD

Connecting Our Communities

As described in greater detail in the Our Projects section, we are #AeconProud to be a part of building some of the most impactful infrastructure projects of this generation. From the roads and transit systems that link our communities to the communication networks that connect us from coast to coast. From the water infrastructure that supplies our businesses and homes with clean and reliable water to the pipelines joining provinces with the energy that fuels the nation and the airports and ports that connect us all, Aecon is there connecting communities.

Investing in Our Communities and Community Outreach

Aecon continued its very strong tradition of **community giving** in 2019. We are more than Aecon employees – we are your neighbours. We strive to play a positive role in enabling communities to thrive and grow and thereby build a better future for us all. We also encourage all our employees to volunteer actively in their communities. We embrace and encourage their world-changing enthusiasm as they generously lend their talent, time and compassion to causes close to their hearts.

Building Community Benefits

In 2019, Aecon was involved in a number of joint venture projects that included Community Benefits Programs which reflect the belief that major infrastructure investments should also provide benefits for their communities, including employment, training, apprenticeship, local supplier and social procurement opportunities.

Some highlights from our Community Benefits Programs are included below:

2019 Highlights

- The joint venture building the Windsor-Detroit Gordie Howe International Bridge has hired 80 non-craft employees from the local community and 35 apprentices.
- The joint venture building the Finch West Light Rail Transit Project has hired 9 employees from historically disadvantaged communities.
- The joint venture building the Eglinton Crosstown Light Rail Transit project has hired 199 non-craft employees from historically disadvantaged communities and another 144 apprentice and journeypersons who are equity-seeking—for a total of 343 community benefits placements.

In 2020, the COVID-19 pandemic has had a disproportionate impact on some of our most vulnerable communities. Please see the Aecon Sustainability at a Glance section for examples of how we were able to step in and demonstrate our ongoing commitments to our communities.





Partnering with Canada’s Indigenous Communities

We are dedicated to a comprehensive, collaborative, Canada-wide approach to Indigenous engagement. We have been working on implementing meaningful, structured and long-term partnerships with Indigenous communities for the past several years. We build these relationships on a foundation of trust, respect and understanding. For more detail about our Indigenous engagement, please visit the Indigenous Affairs page of our **website**.

Our Joint Ventures with Indigenous Groups

Aecon’s Indigenous Strategy supports the inclusion, engagement and participation of Indigenous communities by:

- Acting as a responsible and respectful business partner
- Working side by side with community leaders and members
- Creating and nurturing mutually beneficial relationships

One of our most successful joint ventures, the A6N joint venture between Aecon and Six

Nations of the Grand River (comprised of the Mohawk, Seneca, Oneida, Cayuga, Onondaga and Tuscarora nations), representing the largest population of all Indigenous groups in Canada, is a good example of our dedication to creating meaningful and lasting economic benefits in the communities in which we operate.

Our Indigenous Procurement Strategy

Supporting the development and growth of Indigenous businesses and Indigenous entrepreneurs and the Indigenous workforce is very important to us. Since 2014, Aecon has procured from certified Indigenous businesses so we can be certain that the economic benefits from that procurement opportunity are going back to the Indigenous community, its members and their families.

- Facilitating partnerships between Aecon and Indigenous organizations and businesses, including joint ventures and strategic alliances
- Establishing employment, education, training and apprenticeship opportunities for Indigenous peoples
- Actively developing an awareness of Indigenous culture across Aecon
- Understanding the potential impact of Aecon’s business operations on Indigenous communities

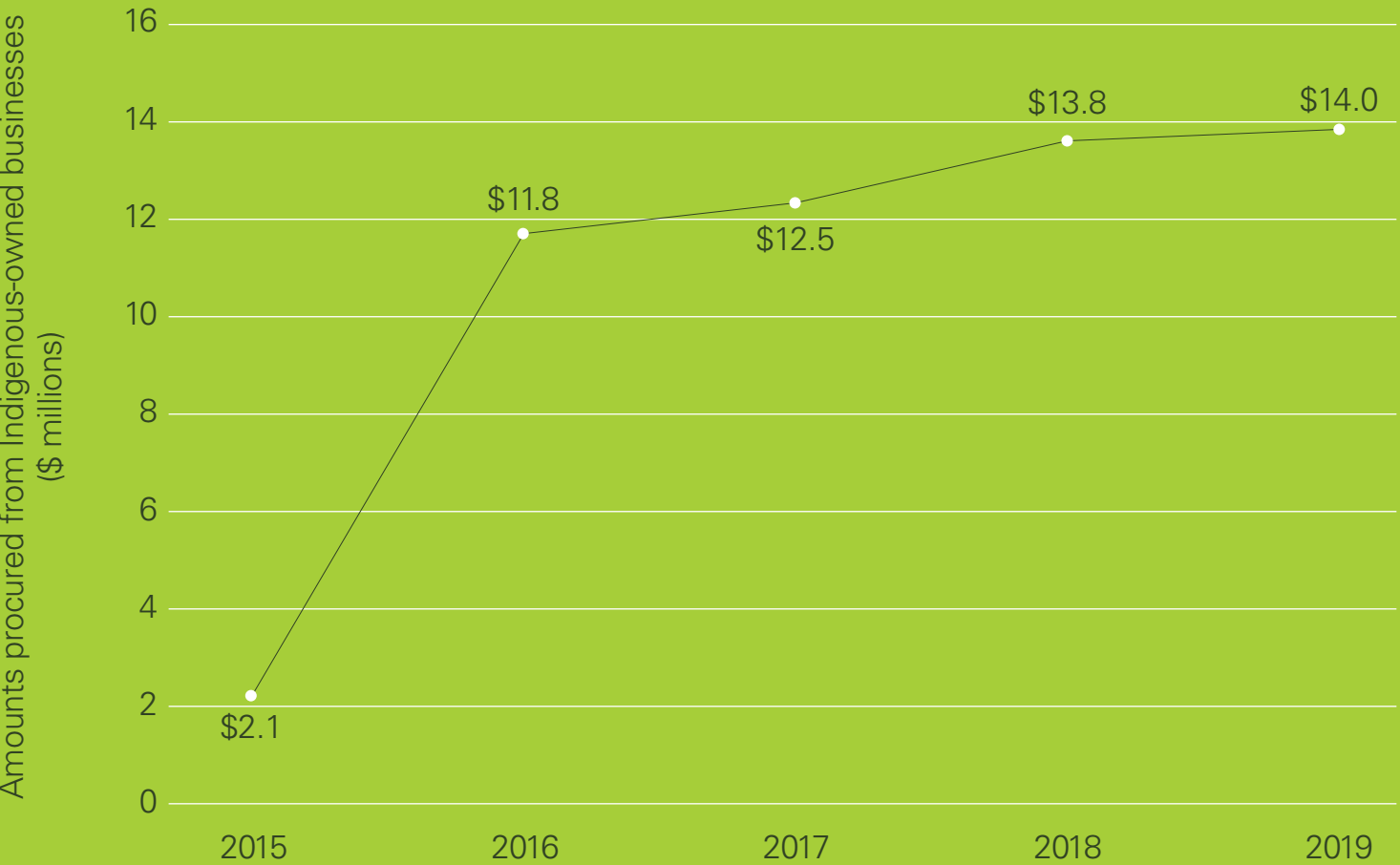
Forming Meaningful Relationships with Indigenous Groups

A snapshot of the economic benefits of our A6N joint venture since 2015

>\$28M contributed back into the community through wages, subcontracts and local spending	>\$19M annual revenue	>80 employees during peak construction season
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Aecon’s Indigenous Procurement Strategy at a Glance (2015-2019)

61 vendors	51 clients	\$54M procured	128 projects
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→ Our Governance and Ethics

Transparency. Fairness. Accountability. Corporate Responsibility.

These four commitments inspire our actions, decisions and priorities.

We are committed to maintaining high standards of governance that contribute to economic growth and development and the resulting improvement in the standards of living in the communities in which we operate. Aecon's approach to sustainability starts at the top of the organization. Our Board is directly engaged in Aecon's sustainability and climate change strategy, providing direct oversight of management decision-making through the Risk Committee. The expertise matrix of our Board is diversified and includes climate change and ESG expertise.



Transparency

Our desire to provide stakeholders with all the information that is relevant to their decision about engaging with Aecon



Fairness

Fair and impartial treatment of all stakeholders



Accountability

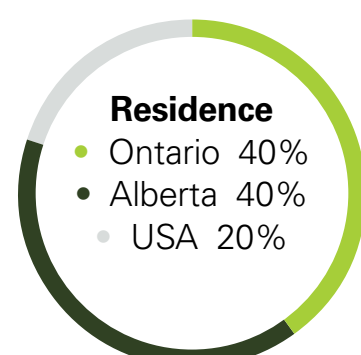
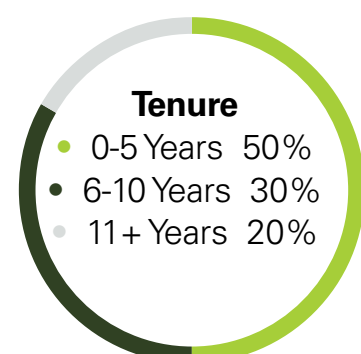
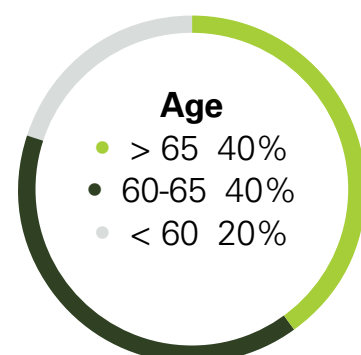
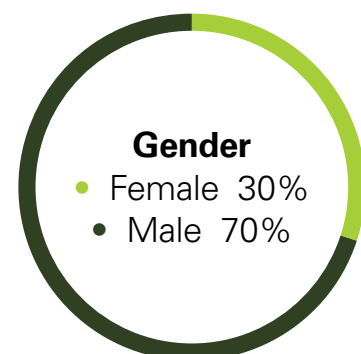
Full responsibility for the consequences of our acts and omissions



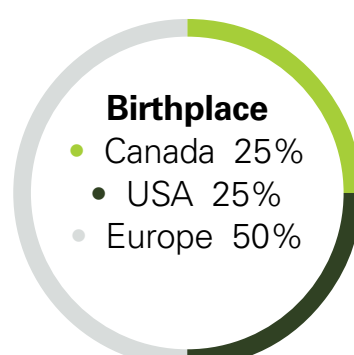
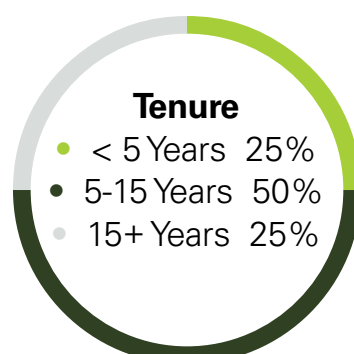
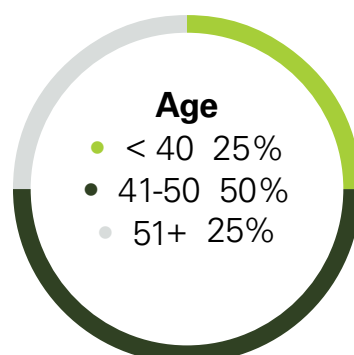
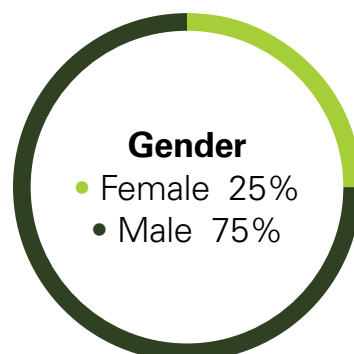
Corporate Responsibility

Integrating social and environmental concerns in our business operations

Our Board at a Glance



Our Corporate Management at a Glance



Board Structure and Independence

Our Board is comprised of directors who are independent of management, except for the Chairman and the President and Chief Executive Officer. We have an independent Lead Director with a clear leadership mandate and a Board that is responsible for fulfilling a number of duties. Board committees currently consist of the Audit Committee, the Corporate Governance, Nominating and Compensation Committee, the Environmental, Health and Safety Committee and the Risk Committee. More details on our Board and its functions can be found in Aecon's **2020 Management Information Circular**.

8 of 10 directors are independent



Our Management

At Aecon, we believe that leadership means having the ability to translate vision into reality. Everyone on our leadership team brings with them years of experience in their designated fields, a passion for innovative solutions, and a commitment to exceeding customer expectations.

Our Corporate Governance Practices

We believe that a healthy governance culture requires that directors be aware of both internal and external developments that may affect our business and that an atmosphere of open communication, trust, candour, healthy debate and constructive dissent be part of corporate decision making.

Our corporate governance practices are designed to ensure that the business affairs of the Company are effectively managed to promote and enhance shareholder value. With the evolution of sustainability governance, our Board is focused on ensuring that it performs an effective oversight function of Aecon's social and environmental performance and that sustainability is fully embedded in our corporate strategy.

Business Ethics and Compliance

In the competitive and challenging environment in which we operate, one thing must remain steadfast: our commitment to maintaining the highest degree of integrity and ethical behaviour. We are very proud to have fostered a model of transparency over the last 140+ years and an industry-wide reputation for lawful and ethical conduct on all levels.

Our **Code of Ethics and Business Conduct**, which was most recently updated in July 2020, guides behaviour related to our business. It sets out the fundamental principles that guide our Board in its deliberations and shape our business activities.

Since 2015, each officer and employee of the Corporation has been required to complete, on



Jean-Louis Servranckx
President and
Chief Executive Officer



John M. Beck
Chairman



John W. Brace
Corporate Director



Joseph A. Carrabba
Corporate Director



Anthony P. Franceschini
Lead Director



J.D. Hole
Corporate Director



Susan Wolburgh Jenah
Corporate Director



Eric Rosenfeld
Corporate Director



Monica Sloan
Corporate Director



Deborah S. Stein
Corporate Director

an annual basis, our Code of Ethics and Business Conduct online training module. The strength of our business and reputation is based not solely on our conduct but also on the behaviour of those with whom we conduct our business. We work with suppliers who share our core beliefs, values and commitment to performance with integrity and who demonstrate a commitment to protecting our confidential information, as embodied in our **Supplier Code of Conduct**.

Mitigating Corruption Risk

Combating corruption and bribery in our industry is vitally necessary. At Aecon, we are continuously augmenting our processes in light of the increasingly complex business landscape to identify, assess and manage corruption risks, thus assuring our clients, partners, subcontractors and all other stakeholders that we are committed to transparency at all levels of our organization.

We require strict adherence to our Anti-Corruption and Competition Policy and compliance program, which apply to Aecon and each of its operating divisions, subsidiaries and joint ventures and which were most recently updated in 2020. Our compliance program is designed to increase corporate awareness, employee training and due diligence activities to reflect best anti-corruption practices for Canadian public companies.

We recognize the importance of ensuring that third parties we engage to perform services on our behalf or with whom we partner are ethically and financially sound. We have implemented comprehensive third-party due diligence protocols and, as appropriate, engage independent background investigation

firms to provide critical business intelligence and assist us in making informed business decisions.

In 2019, we had:

- **Zero** monetary losses as a result of legal proceedings associated with bribery or corruption charges
- **Zero** monetary losses as a result of legal proceedings associated with anti-competitive practices

Stakeholder Engagement

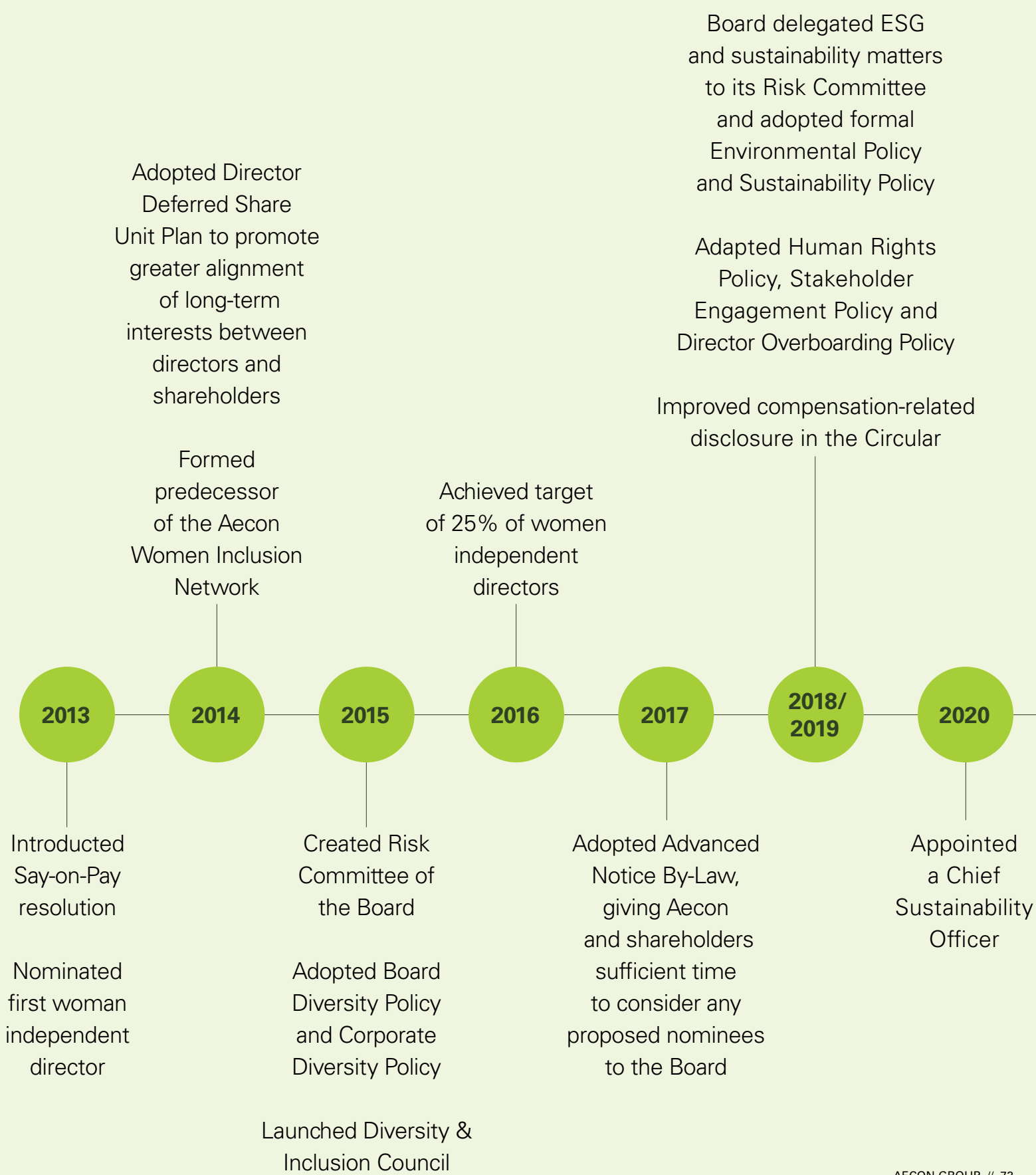
Our stakeholders are at the heart of our strategy. We take a proactive approach to communicating and engaging openly and constructively with all our stakeholders.

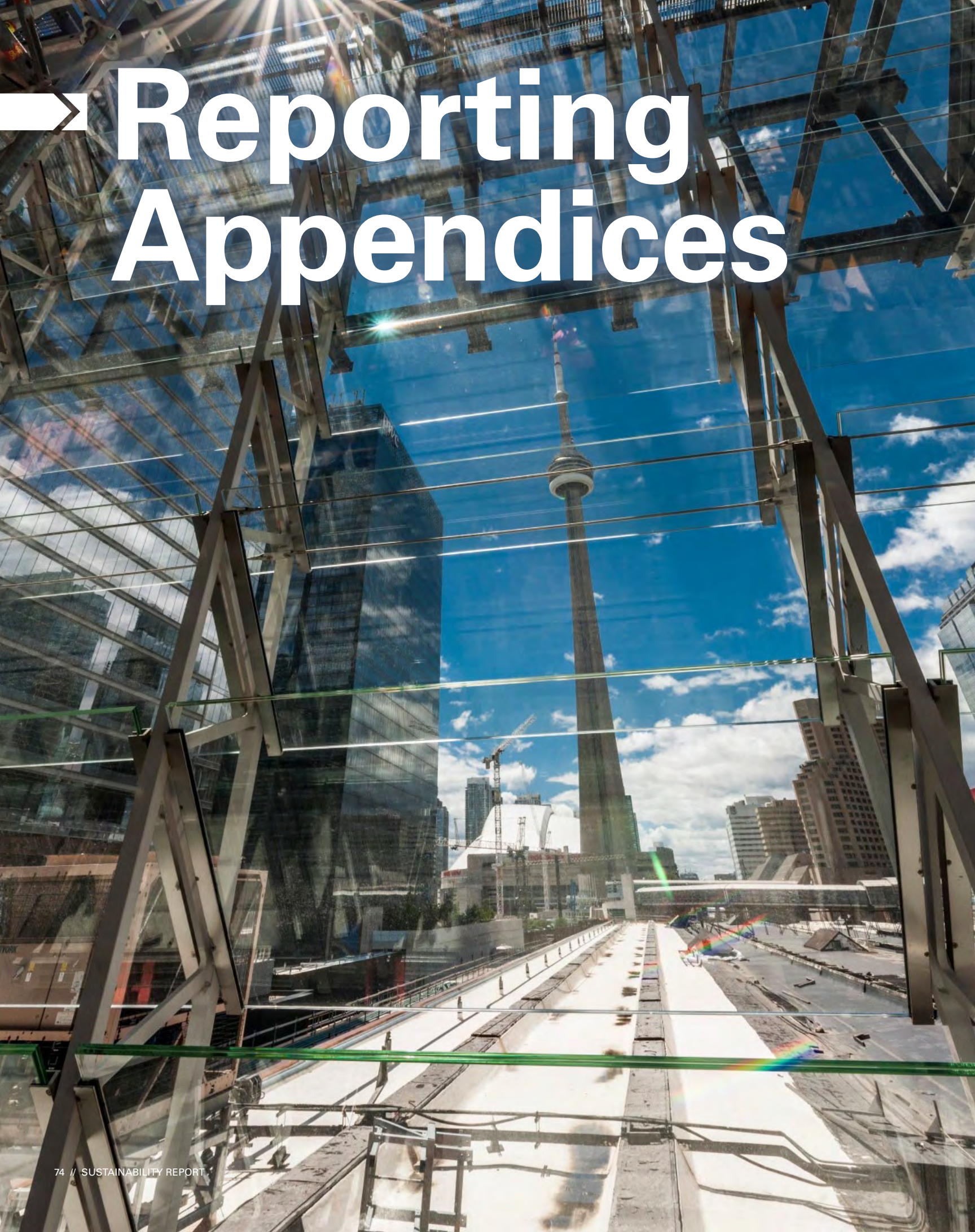
You may communicate directly with our Board or our management by email, mail and/or at our annual general meeting of shareholders. For more information on how to provide us with your feedback, please refer to our Stakeholder Engagement Policy at [aecon.com/investing](https://www.aecon.com/investing).

Stakeholders



Our Journey of Continuous Improvement





→ Reporting Appendices

Appendix A

Task Force on Climate-Related Financial Disclosure (TCFD)

The Financial Stability Board Task Force on Climate-related Financial Disclosure (TCFD) has developed a voluntary, consistent climate-related financial risk disclosure framework for use by companies in providing information to investors, lenders, insurers and other stakeholders. The TCFD framework is structured around four thematic areas that represent core elements of how organizations operate.

Disclosure Focus Area	Recommended Disclosure	Source	Comment/Disclosure Examples
Governance			
Disclose the organization's governance around climate-related risks and opportunities		Various	Our 2019 Sustainability Report includes information related to governance around climate-related risks and opportunities.
	a. Describe the board's oversight of climate-related risks and opportunities	Sustainability Report	<p>The Board has ultimate oversight of climate-related risks and opportunities through its committees:</p> <ul style="list-style-type: none">• Risk Committee, which has responsibility for our ESG strategy, policy and monitoring and review and approval of this Sustainability Report;• Corporate Governance, Nominating and Compensation Committee, which has responsibility for overseeing our governance initiatives, stakeholder engagement and continuous disclosure documents;• Audit Committee, which undertakes the function of reviewing our key business risks and financial disclosure; and• Environmental, Health and Safety Committee, which oversees our environmental management system and safety initiatives. <p>The Risk Committee receives a quarterly report on sustainability and climate-change matters. All operational risks are included in our risk register, which is reviewed and updated quarterly, as needed. See page 78 of this Appendix A for additional details regarding our processes related to climate-related risk management.</p>
		Risk Committee Charter	> Section 4.6
		Corporate Governance, Nominating and Compensation Committee Charter	> Corporate Governance Section
		Audit Committee Charter	> Authority and Responsibility Section
		Environmental, Health and Safety Committee Charter	> Responsibilities and Duties Section

Appendix A

Task Force on Climate-Related Financial Disclosure (TCFD)

Disclosure Focus Area	Recommended Disclosure	Source	Comment/Disclosure Examples
Governance			
	b. Describe management's role in assessing and managing climate-related risks and opportunities	Sustainability Report	Day-to-day management of climate related risks and opportunities is managed by Aecon's Sustainability Team, as described in more detail on pages 6 - 7 of this Sustainability Report. The team is responsible for quarterly reporting to the Risk Committee, monitoring energy and fuel consumption and performance, strategy implementation and conducting risk assessment of climate-related risks and opportunities.
Strategy			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning		Various	Aecon's 2019 Sustainability Report and both its Annual Information Form and Management's Discussion and Analysis for the fiscal year ended 2019 include information on actual and potential impacts of climate-related risks and opportunities on Aecon.
	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	Sustainability Report, Appendix A	> Pages 78 - 79
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	Sustainability Report, Appendix A	> Page 11
	c. Describe the potential impact of different scenarios, including a 2°C scenario, on the organization's businesses, strategy and financial planning	Sustainability Report	We are awaiting action on the recommendation of the Final Report of the Expert Panel on Sustainable Finance to coordinate a government-sponsored research effort to develop two or three base climate-related scenarios (including a 2°C or lower scenario). While such scenarios may not be fully applicable to our industry, we would view them as a starting point for building our own analysis. See pages 49 and 78 - 79 of this Sustainability Report for more information on external climate scenario analyses performed that we have considered in assessing the climate change risks and opportunities relevant to our business.

Appendix A












Task Force on Climate-Related Financial Disclosure (TCFD)

Disclosure Focus Area	Recommended Disclosure	Source	Comment/Disclosure Examples
Risk Management			
Disclose how the organization identifies, assesses and manages climate-related risks		Various	Our 2019 Sustainability Report includes information related to how we identify, assesses and manages climate-related risks. Our material Risk Factors are identified and described in greater detail in our 2019 MD&A.
	a. Describe the organization's process for identifying and assessing climate-related risks	Sustainability Report	> Page 49 We have identified climate change as one of the 11 material business risks in our Risk Register.
		FY 2019 MD&A	> Risk Factors pages 29 - 30 In our 2019 Management's Discussion and Analysis which accompanies our audited financial statements for fiscal 2019, we updated our risk factors to include climate-related risks in accordance with guidance issued by the Canadian Securities Administrators in their 2019 Staff Notice 51-358 Reporting of Climate Change-related Risks.
	b. Describe the organization's processes for managing climate-related risks	Sustainability Report	Our management is considering specific and relevant processes for managing climate-related risks as outlined in Appendix A of this Sustainability Report. This process will continue in 2020-2021.
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	Sustainability Report	Climate change is influencing our short- and long-term business strategy. Climate change-related risks are integrated in our global risk management processes and form one of the drivers of our pursuit of business opportunities, in conjunction with our clients and our partners, to develop infrastructure which is resilient and adaptable to climate change.
Metrics & Targets			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities		Sustainability Report	Aecon's 2019 Sustainability Report includes information about the metrics and targets that Aecon is assessing for disclosure going forward.
	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Sustainability Report	While we do not yet report on climate-related financial metrics, we are committed to refining our processes for identifying relevant climate change metrics and targets and sharing them publicly in the coming years.
	b. Disclose Scope 1, Scope 2 and, if appropriate Scope 3 greenhouse gas emissions and the related risks	Sustainability Report	> Pages 10 and 50
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Sustainability Report	We have not yet set targets to manage climate-related risks but plan to do so in the 2020-2021 timeframe.

Appendix A

Task Force on Climate-Related Financial Disclosure (TCFD)

The **climate change risks** on our Risk Register are set out below.

Transitional Risks		Physical Risks	
Policy and legal 1. Increased compliance costs due to new regulatory schemes targeting climate change ⁽¹⁾		Acute 1. Operational disruption from severe weather events ⁽⁴⁾ 2. Reduced revenue from business disruption ^(4, 5) 3. Costs related to repairing damaged projects ⁽⁵⁾ 4. Disruptions due to the effects of epidemics and pandemics ⁽⁶⁾	   
Market 1. Reputational risk due to clients’ climate change concerns and their perception of our efforts to reduce our carbon footprint ⁽²⁾ 2. Market-changing client behaviour ⁽³⁾ 3. Materially higher insurance premiums and changes in underwriting criteria and coverage	 	Chronic 1. Increased costs related to cooling and heating needs due to changing temperatures ⁽⁷⁾	
 Short-term	<div>1. The risk that there are increased compliance costs related to new mandates affecting our operations is mitigated through proactive engagement with governments, regulators and industry organizations, regular monitoring of regulatory trends and adequate compliance preparation.</div> <div>2. Investors are becoming more attuned to sustainability matters and our reputation could be harmed if we are not perceived to be sincere in our sustainability commitment. This risk is mitigated by seeking advice from expert consultants, adopting of a formal ESG framework and committing to reporting on our emissions in an annual Sustainability Report.</div> <div>3. The risk that our private or public sector clients would shift their infrastructure priorities due to changes in funding or public perception of sustainable projects. This risk is mitigated by identifying changing market demands to reposition risks as opportunities, forming strategic partnerships and pursuing sustainable innovations.</div> <div>4. The risk that operations could be interrupted by severe storms or series of storms, widespread fires or flooding, etc. This risk is mitigated contractually to some extent, but extensions of time do not provide compensation for overhead under-recovery.</div> <div>5. Projects, assets, infrastructure or supply chain operations could be materially disrupted or damaged by the increased frequency and intensity of extreme weather events, a change in the expected seasonal length, regional epidemics or global pandemics. These risks can be mitigated to some extent by building in additional schedule time that considers the short-term impacts of weather, such as ice cover, for example.</div> <div>6. See, for example, our description of the impacts of COVID-19 on our business in the 2019 Highlights section of this Sustainability Report.</div> <div>7. The risk of such increased costs is mitigated to some extent by incorporating energy efficiency and energy procurement considerations as part of due diligence for any new office location and by developing operational innovations – see, for example Spotlight on Cold Weather Innovation in the Our Projects section of this Sustainability Report.</div>		
 Medium-term			
 Long-term			

The 2019 Mercer Report sets out its predictions of the impact of a 2° Celsius warming scenario on various sectors and assets classes over the 2020 to 2030 and 2020 to 2050 time periods. The Mercer Report predicts that both infrastructure and sustainably-themed infrastructure sectors will be subject to significant growth in the

2030- and 2050-time horizons, suggesting that Aecon operates in one of the few sectors that may see opportunities resulting from climate change.¹ We note that all predictions may be affected by the economic impacts of the COVID-19 pandemic that originated in late 2019 and is continuing into 2020.

Example Industry Sectors & Asset Classes	% p.s. to 2030 in 2°C scenario	% p.s. to 2050 in 2°C scenario	% cumulative impact to 2030 in 2°C scenario	% cumulative impact to 2050 in 2°C scenario
Coal	-7.1	-8.9	-58.9	-100.0*
Oil and gas	-4.5	-8.8	-42.1	-95.1
Renewables	+6.2	+3.3	+105.9	+177.9
Electric utilities	-4.1	-3.3	-39.2	-65.7
Developed market equities	0.0	-0.2	-0.5	-5.8
Emerging market equities	+0.2	-0.1	+1.8	-4.0
All world equities – sustainable themed	+1.6	+0.9	+21.2	+32.0
Infrastructure	+2.0	+1.0	+26.4	+39.4
Infrastructure – sustainable themed	+3.0	+1.6	+42.3	+67.1
All world real estate	0.0	-0.2	-0.1	-4.7











*Effective absolute loss of value is expected to occur in 2041 under a scenario in which global warming is limited to 2°C by 2100.

1 Source: 2019 Mercer Report at page 10.

Appendix A

Task Force on Climate-Related Financial Disclosure (TCFD)

Our 2019 strategic assessment identified the following **climate change opportunities**.

Initiative	Opportunity	Timing
Construction of Energy Storage Solutions ⁽¹⁾	As energy needs in our growing communities rise, energy storage solutions will increasingly be used for short-term peak power and ancillary services such as providing a frequency-response reserve to minimize the chance of power outages.	
Provision of Renewable Energy Services ⁽²⁾	Canada has substantial renewable resources that can be used to produce energy, including water, wind, biomass, solar, geothermal and ocean energy. There may be significant opportunities tied to investment in production and use of energy from renewable resources at the provincial and federal level.	
Vehicle Telematic Devices ⁽³⁾	When vehicles are idling or otherwise operated in an inefficient manner, engines consume fuel, produce GHG emissions and hydrocarbons, emit pollutants and particulate matter and contribute to climate change. This presents significant opportunity to save money at the fleet level.	
Fuel Reduction Initiatives ⁽⁴⁾	As fuel costs continue to rise with carbon tax legislation, businesses will increasingly look to reduce fuel consumption.	
Deployment of Carbon Capture Technology ⁽⁵⁾	Carbon capture, utilization and storage are essential in capturing GHG emissions from power plants and industrial facilities.	
Delivery of Resilient Infrastructure ⁽⁶⁾	Resilient infrastructure is infrastructure which is, together with its ecosystem and social system, able to adapt to extreme weather, natural disasters and climate change impacts and still retain its basic function and structural capacity.	
Flood Diversion ⁽⁷⁾	Extreme weather events and the impacts of urbanization which alters natural drainage systems or builds infrastructure on floodplains have resulted in a global increase in catastrophic flooding and an increased need for flood diversion infrastructure.	
 Short-term	<div>1. Major industrial companies are beginning to explore the considerable potential for stationary energy storage, and we may see a rise in construction of such sites.</div> <div>2. For example, geothermal systems use the constant temperature of the earth as a heat source in winter and heat sink in summer and could supply some or all of a building’s space heating and cooling needs. District energy systems are networks of hot and cold-water pipes, buried underground, that are used to efficiently heat and cool buildings using less energy than if the individual buildings were to each have their own boilers and chillers. District heating and cooling combined with renewable energy sources can help meet rising urban energy needs, improve efficiency, reduce emissions and improve local air quality.</div> <div>3. Consistent with our Anti-Idling Policy, we installed 677 telematic devices in our fleet vehicles in 2019 and continue to expand the program in 2020.</div> <div>4. Opportunities for cost savings in the long-term include initiatives such as replacing carbon-based fuel for vehicles and equipment with renewable or low-emission sources.</div> <div>5. Commercial-scale carbon capture projects include, for example, coal gasification, ethanol production, fertilizer production, natural gas processing, refinery hydrogen production and retrofitting coal-fired power generation.</div> <div>6. Structural climate-resilient infrastructure adaptation measures include, for example, changing the composition of road surfaces to minimize deformation in high temperatures, building seawalls, using permeable paving surfaces to reduce water run-off, constructing airports to be resilient to category 5 hurricanes in areas prone to storm formation and activity and protecting the integrity of electrical grids by burying overhead lines.</div> <div>7. Opportunities related to flood diversion may include projects to construct levees, lakes, floodway systems and channels, dams, reservoirs and retention ponds.</div>	
 Medium-term		
 Long-term		

Appendix B

Sustainability Accounting Standards Board (SASB) Index

Our 2019 Sustainability Report marks the first time that Aecon has reported to the Sustainability Accounting Standards Board framework (“SASB”). SASB connects businesses and investors on

the financial impacts of sustainability. Currently, we do not track all metrics included in the Engineering and Construction Services standards but look forward to including more data in the future.

Sustainability Disclosure Topics & Accounting Metrics					
Topic	Metric	Category	Unit of Measure	Code	Response/Comment
Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards, and regulations	Quantitative	Number	IF-EN-160a.1	We are working on implementing a system and process for tracking such incidents and will report the data in respect thereof in a future Sustainability Report.
	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	Discussion and Analysis	N/A	IF-EN-160a.2	Aecon’s Environmental Management System is designed to assess potential environmental impacts and identify control and mitigation measures to reduce risk. Project specific Environmental Management Plans outline required standards and control measures.
Structural Integrity & Safety	Amount of defect and safety-related rework costs	Quantitative	Reporting Currency	IF-EN-250a.1	<ul style="list-style-type: none">• \$0 for safety-related rework costs• \$636,000 for defect-related rework costs¹
	Total amount of monetary losses as a result of legal proceedings associated with defect and safety-related incidents	Quantitative	Reporting Currency	IF-EN-250a.2	\$0
Workforce Health & Safety	1. Total recordable incident rate (TRIR); and 2. Fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	IF-EN-320a.1	Sustainability Report > Page 18 <ul style="list-style-type: none">• The TRIF (Total Recorable Injury Frequency) data provided in this Sustainability Report is equivalent to the TRIR, which is calculated according to the U.S. Bureau of Labour Statistics guidance.• The fatality rates for direct employees and contract employees in 2019 was zero.
Lifecycle Impacts of Buildings and Infrastructure	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	Quantitative	Number	IF-EN-410a.1	<ul style="list-style-type: none">• 1 commissioned project which includes three LEED-certified buildings.• 3 active projects seeking LEED certification for 3 buildings.
	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	Discussion and Analysis	N/A	IF-EN-410a.2	Energy and water efficiency considerations are based on clients’ specifications and are incorporated into project planning and design per their requirements.

1 Refers to the cost of warranty re-work incurred in 2019 related to Aecon’s warranty obligations in respect of its construction contracts.

Appendix B

Sustainability Accounting Standards Board (SASB) Index




Sustainability Disclosure Topics & Accounting Metrics					
Topic	Metric	Category	Unit of Measure	Code	Response/Comment
Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects	Quantitative	Reporting Currency	IF-EN-410b.1	Aecon’s backlog as at December 31, 2019 for (1) hydrocarbon-related projects was \$842 million and for (2) renewable energy projects was \$377 million.
	Amount of backlog cancellations associated with hydrocarbon-related projects	Quantitative	Reporting Currency	IF-EN-410b.2	The amount of backlog cancellations associated with hydrocarbon-related projects as at December 31, 2019 was \$0.
	Amount of backlog for non-energy projects associated with climate change mitigation	Quantitative	Reporting Currency	IF-EN-410b.3	The amount of backlog for non-energy projects associated with climate change mitigation as at December 31, 2019 was \$2,057 million.
Business Ethics	1. Number of active projects; and (2) backlog in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index	Quantitative	Number, Reporting Currency	IF-EN-510a.1	<ul style="list-style-type: none">• Aecon currently operates in three countries: Bermuda, Canada and the United States and in 2019 was executing a total of 936 active projects in those locations.• Aecon has \$0 of backlog in countries that have the 20 lowest rankings in the CPI. As at December 31, 2019, Canada was ranked 12th according to the CPI, the United States was ranked 23rd and Bermuda was not listed on the CPI.
	2. Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	Quantitative	Reporting currency	IF-EN-510a.2	1. \$0 - No legal proceedings for bribery or corruption. 2. \$0 - No legal proceedings for anti-competitive practices.
	3. Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	Discussion and Analysis	N/A	IF-EN-510a.2	Code of Ethics and Business Conduct > Pages 6 - 8

Activity Metrics				
Topic	Category	Unit of Measure	Code	Response
Number of Active Projects	Quantitative	Number	IF-EN-000.A	Number of active projects in 2019: 936.
Number of Commissioned Projects	Quantitative	Number	IF-EN-000.B	Number of commissioned projects in 2019: 541.
Total Backlog	Quantitative	Reporting Currency	IF-EN-000.C	Total backlog as at December 31, 2019: \$6,821 million.

Appendix C

United Nations Sustainable Development Goals (UN SDGs)



For more information on the SDGs, please see page 12 of this Sustainability Report.

Goal	Aecon Priority	Making It A Reality	More Information
 5 GENDER EQUALITY	We believe that women and girls, everywhere, must have equal rights and opportunity. We have committed to continuously invest in the development of women in our workforce and in outreach programs aimed at proactively advancing the participation of girls and young women in STEM careers and educational settings.	<ul style="list-style-type: none">• aWIN, the Aecon Women Inclusion Network, which launched in 2014 to inspire Aecon's women employees to reach their full career potential through transfer of knowledge, networking and shared experiences held 4 professional development events and activities attended by over 200 employees last year.• In 2019, we launched the Aecon Women in Trades Program to offer women career-building opportunities in the trades through hands-on training, mentorship and field experience and in 2019, the first 24 women successfully graduated from the program.	> Pages 20 and 57 - 59 of this Sustainability Report
 7 AFFORDABLE AND CLEAN ENERGY	Modern society depends on reliable and affordable energy services to function smoothly and develop equitably. We believe that we can play an important role in accelerating the transition to sustainable energy systems by participating in the construction of renewable energy projects.	<ul style="list-style-type: none">• We have delivered projects that utilize hydroelectric, solar, biomass, coal conversions, waste-to-energy, biogas and pumped storage energy.• In 2019, we worked on 5 large (each valued at over \$150 million) zero-emissions or clean energy projects valued at \$5.4 billion.• The power that we use at our own Aecon corporate offices in Ontario is 94% emissions free.¹• We are implementing anti-idling, fuel efficiency and electric vehicle assessment processes with a view to further program development in 2020-2021.	> Pages 15 and 30 - 45 of this Sustainability Report
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Productive communities require well-planned, sustainable infrastructure. Building airport, bridge and maritime infrastructure in areas where the demand for local, regional or international transportation services has exceeded the capacity or expansion capability necessary to accommodate current traffic is a key feature of our project portfolio.	<ul style="list-style-type: none">• We are using advanced data, technology and virtual reality to inform all aspects of its infrastructure business and contribute to the safety and wellness of our employees.• We are part of a consortium that is designing and building and will be operating, maintaining and rehabilitating the \$5.7 billion Gordie Howe International Bridge project between Windsor, Ontario and Detroit, Michigan aimed at improving international transportation and economic growth in the region.• Following on the heels of our role in the construction of the new Quito International Airport in 2013, we are completing the L.F. Wade International Airport Redevelopment Project in Bermuda.• We recorded \$119 million in revenue from telecommunications infrastructure installations and related projects in 2019.	> Pages 14 - 15 and 30 - 45 of this Sustainability Report

¹ Source: Independent Electricity System Operator (IESO), 2019 Year in Review, available online at: <http://www.ieso.ca/en/Corporate-IESO/Media/Year-End-Data>.

Appendix C

United Nations Sustainable Development Goals (UN SDGs)

Goal	Aecon Priority	Making It A Reality	More Information
 11 SUSTAINABLE CITIES AND COMMUNITIES	We aspire to help make cities inclusive, safe and resilient by building sustainable transit systems that contribute to regenerating and modernizing the areas they serve. Our Light Rail Transit projects reduce traffic congestion and pollution and increase access to affordable transportation for urban citizens of all socioeconomic groups.	<ul style="list-style-type: none">• We are measuring and examining our own greenhouse gas emissions and internal practices and programs of our companies, with a view to lowering our net carbon footprint and setting meaningful metrics and targets going forward.• In 2019, we formed the Urban Transportation Systems group to lead our urban projects including metro commuter and urban light rail systems.• 6 light rail transit or bus rapid transit projects have been completed or are ongoing in Canada since we entered this market.• We are active in joint ventures that contribute capacity and support for many Indigenous communities across Canada, including the Six Nations of the Grand River, Wahgoshig First Nation and Matawa First Nations.	> Pages 14, 33 - 34, 24 - 25 and 66 - 67 of this Sustainability Report
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	The integrity of, and trust in, institutions is a critical element of upholding the rule of law. Stamping out corruption and bribery in all forms requires commitment, partnerships, integrated solutions and taking a lead role in reshaping the institutional and social landscape. As our international project portfolio grows, we vigilantly uphold our Code of Ethics and Business Conduct and support our commitment to the highest ethical and business standards in our industry.	<ul style="list-style-type: none">• Over the years, we have entered into several joint ventures with Indigenous communities that are providing significant industrial and construction services across Canada. In 2019, we entered into the Enoch Aecon Joint Venture, Chipewyan Prairie Aecon Joint Venture and renewed two strategic relationships with Marten Falls First Nation in Ontario and George Gordon First Nation in Saskatchewan.• In 2019, we affirmed our strong commitment to ethical business practices by updating all existing anti-corruption and anti-bribery compliance policies and procedures and implementing new protocols and procedures to strengthen and modernize our current compliance controls respecting our international projects.• We have continuously implemented additional data and cybersecurity measures in attempt to ensure the privacy of our clients and secure access for our employees in Canada and abroad.	> Pages 21, 24 - 25, 57 and 66 - 73 of this Sustainability Report

Note Regarding Forward-Looking Statements

Certain information in this Report may constitute “forward-looking information” as such term is used in applicable Canadian securities legislation. Forward-looking statements include information concerning Aecon’s current expectations, estimates and projections about its future, based on certain assumptions made by management in light of their experience and perception of historical trends, as well as statements preceded by, followed by, or that include the words “believes,” “expects,” “anticipates,” “estimates,” “intends,” “commit,” “confident,” “vision” or other similar expressions or future or conditional verbs such as “will,” “should,” “would” and “could” and includes suggestions of future outcomes.

In various places in this Report, expectations, projections and assumptions regarding the future of Aecon, including future performance, are discussed. These “forward-looking” statements include statements pertaining to: Aecon’s assessment of the risks and opportunities related to its and its industry’s roles in the transition to a lower-carbon economy and its confidence that it can position itself to take advantage of such opportunities; Aecon’s commitment to (i) expanding its greenhouse gas emission tracking and reporting program, (ii) establishing and measuring metrics and targets used to assess and manage climate-related risks in the future, (iii) developing and implementing additional sustainability processes; (iv) lowering its net carbon footprint, including by way of implementing an idling policy and vehicle assessment process, and (v) adapting and building resilient infrastructure that can withstand the risks of climate change, extreme weather, natural disasters and global pandemics; Aecon’s ability to achieve any future ambitions relating to sustainability while maintaining a low cost structure and focus on growing shareholder returns and its options and opportunities to achieve such ambitions; Aecon’s belief that it has a role to play in the implementation of the United Nations Sustainable Development Goals (UNSDGs) and that through its initiatives and activities its work contributes to goals 5, 7, 9, 11 and 16 and statements about how its activities contribute to those goals; Aecon’s undertaking of initiatives to provide sustainability and diversity-related education and training to its employees; Aecon’s undertaking of initiatives to provide anti-corruption and anti-bribery compliance training to its senior management; Aecon’s ability to form and build relationships with Canada’s indigenous communities; Aecon’s ability to attract and retain critical sustainability talent; Aecon’s ability to leverage lessons learned and

innovative practices implemented during the novel coronavirus (“COVID-19”) pandemic; and Aecon’s priority to obtain the Progressive Aboriginal Relations certification and deliver related training to its senior management. These “forward-looking” statements are based on currently available competitive and economic data and operating plans but are subject to known and unknown risks, assumptions, uncertainties, and other factors which may cause the performance or achievements of the Company, or general industry results, to be materially different from any future performance or achievements expressed or implied by such forward-looking information. There are factors which could also cause Aecon’s operations, performance and results to vary from those expressed or inferred in this Report, including without limitation, risks associated with the COVID-19 pandemic, risks related to Aecon’s business including the ability to successfully manage large project risk and contractual risk, credit, market, liquidity, competition from established competitors and new entrants in the construction industry, climate change, including transitional and physical risks, and general business and economic conditions worldwide as well as in Canada, the U.S. and other countries where Aecon has operations. Additional discussion regarding risk factors is set out in greater detail under the heading “Risk Factors” in the Management’s Discussion and Analysis of the Company for the year ended December 31, 2019 (the “2019 MD&A”) and under the heading “Risk Management,” “Transitional Risks” and “Physical Risks” on page 77 of this Report.

Readers are cautioned that the foregoing list of factors and those contained elsewhere in this Report are not exhaustive. Although Aecon believes that the expectations conveyed by forward-looking statements are reasonable based on information available to it on the date such forward-looking statements are made, no assurances can be given as to future results, levels of activity and achievements. Such statements are included in this Report solely to provide management’s view of Aecon’s operations and their expectations regarding Aecon’s future sustainability plans, based on management’s current expectations in these areas, and should not be relied upon for any other purpose. Investors and others should carefully consider the risk factors described in the 2019 MD&A and in this Report and not place undue reliance on forward-looking statements. Aecon assumes no obligation to update forward-looking statements contained in this Report, except as required by applicable law.



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