Building the Infrastructure of a Better Tomorrow
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. 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, guidelines and best practices 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; Francesca Quinl, 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 (SBTi), and Renewable Energy 100 (RE 100).
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
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.
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
- 0: 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.
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.

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.

50,000
40,000
30,000
20,000
10,000
0

Scope 1 Scope 2 Scope 3

• Fleet Vehicles 82%
• Air Travel 14%
• Corporate Headquarters 2% (Scope 1 – fuels)
• Corporate Headquarters 2% (Scope 2 – electricity)

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


*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.

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 of double tracks

13.5 km of tunnels

>6,000 workers at peak

86 accessible stations

19 underground stations

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 recycling

Powering 26 for a year

Taking 48 off the road 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

Connecting Communities

Urban Transportation Systems

Clean Energy

Clean Water
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 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.

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

| >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 |

78% Employees who completed the Code of Ethics & Business Conduct training on time.
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

<table>
<thead>
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<tr>
<td><strong>hours worked</strong></td>
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Subcontractors: 19%
Aecon: 81%

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<tr>
<td><strong>lost time injuries (LTI)</strong></td>
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<td>(inability to return to work for the next scheduled shift)</td>
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<th>76</th>
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<tr>
<td><strong>total recordable injuries (TRI)</strong></td>
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<td>(recordable medical aids and all LTI injuries)</td>
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<tr>
<td><strong>non-loss time injury frequency (NLI)</strong></td>
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<td>(includes medical aids and first aids)</td>
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<tr>
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<td>(number of LTI per 1,000 hours worked)</td>
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*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

Best & Safest Contractor Award
Toyota Cambridge
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.

In 2019

$1.1 million

Aecon donated over

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

Advancing Human Rights

Keeping Communities Safe

Connecting Our Communities

Investing in Our Communities

Working with Canada’s Indigenous Communities

Building Strong Partnerships
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.
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.

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 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 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 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
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:

1. **Urban Transportation Projects** with a combined construction value of $13.4 Billion
2. **Clean Water Projects** with a combined construction value of $519 Million
3. **Zero Emission or Clean Energy Projects** with a combined construction value of $5.4 Billion
4. **Civil Infrastructure/Community Connection Projects** with a combined construction value of $7.3 Billion

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.
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.

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

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<th>Cost</th>
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<tr>
<td>2018</td>
<td>$114k</td>
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<tr>
<td>2019</td>
<td>$143k</td>
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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.
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.
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.
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. Geoxchange 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.

2019

3 in Ontario
1 in Alberta

4 geothermal projects awarded

~8,000 tonnes of CO₂ saved

40-50% reduction in GHG emissions/facility

Spotlight on Geoxchange
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

<table>
<thead>
<tr>
<th>Performance Metric</th>
<th>Status</th>
<th>Target</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Change &amp; Use of Resources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Begin to measure our Scope 1, 2 and 3 GHG emissions as they relate to fleet fuel usage, purchased electricity and air travel, respectively</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implement data collection protocols with a view to establishing baseline emissions for corporate offices, fleet vehicles and air travel</td>
<td></td>
<td>2019 data is included in this Sustainability Report</td>
<td></td>
</tr>
</tbody>
</table>

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.

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.

**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.

- Fleet Vehicles 82%
- Air Travel 14%
- Corporate Headquarters 2% (Scope 1 – fuels)
- Corporate Headquarters 2% (Scope 2 – electricity)

- Fleet Vehicles
- Corporate Headquarters
- Air Travel
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.

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
Our people are our number one focus.

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.

How We Performed in 2019

<table>
<thead>
<tr>
<th>Performance Metric</th>
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<th>Target</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Leadership, Strategy and Programs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developed a sustainability governance strategy and Sustainability Policy</td>
<td>✔️ Q2 2019</td>
<td>Adopted by the Board in June 2019</td>
<td></td>
</tr>
<tr>
<td><strong>Diversity and Inclusion</strong></td>
<td></td>
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<tr>
<td>Began developing the parameters of the Champions for Women in Leadership Program</td>
<td>✔️ By end of 2019</td>
<td>Launched in Q3 2019</td>
<td></td>
</tr>
<tr>
<td>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</td>
<td>✔️ By end of 2019</td>
<td>Introduced in Q4 2019, first recipient named in March 2020</td>
<td></td>
</tr>
<tr>
<td><strong>Learning</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Introduced a Project Coordinator Program and Project Management Academy</td>
<td>✔️ In 2019</td>
<td>Launched in Q4 with first sessions held in Q1 2020</td>
<td></td>
</tr>
</tbody>
</table>

Indicates that we have met our target.
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, and is a member of the Executive Steering Committee (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.

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.

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

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.

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.

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.
Our Communities


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:

- Evergreen
- League of Champions
- Light House
- RMHC

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

<table>
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<tr>
<th>Performance Metric</th>
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<th>Target</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Philanthropy &amp; Volunteerism</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conducted review of our philanthropic focus to identify sustainable initiatives, community giving and community outreach in which we can invest to make a difference</td>
<td>By year-end 2019</td>
<td>Completed in Q4 2019</td>
<td></td>
</tr>
<tr>
<td><strong>Indigenous Relations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continued to build nationally leading business partnerships and relationships with Indigenous communities</td>
<td>N/A</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adopted a formal Human Rights Policy</td>
<td>Q2 2019</td>
<td>Adopted in May 2019</td>
<td></td>
</tr>
</tbody>
</table>

- 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](#).
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


- >$28M contributed back into the community through wages, subcontracts and local spending
- >$19M annual revenue
- >80 employees during peak construction season

Amounts procured from Indigenous-owned businesses ($ millions)

- 2015: $2.1
- 2016: $11.8
- 2017: $12.5
- 2018: $13.8
- 2019: $14.0

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

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


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 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
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.

**Stakeholders**

**Adopted Director Deferred Share Unit Plan to promote greater alignment of long-term interests between directors and shareholders**

**Formed predecessor of the Aecon Women Inclusion Network**

**Achieved target of 25% of women independent directors**

**Adopted Advanced Notice By-Law, giving Aecon and shareholders sufficient time to consider any proposed nominees to the Board**

**Launched Diversity & Inclusion Council**

**Our Journey of Continuous Improvement**

Board delegated ESG and sustainability ESG matters to its Risk Committee and adopted formal Environmental Policy and Sustainability Policy

Adapted Human Rights Policy, Stakeholder Engagement Policy and Director Overboarding Policy

Improved compensation-related disclosure in the Circular

**2013**
- Introduced Say-on-Pay resolution

**2014**
- Nominated first woman independent director

**2015**
- Created Risk Committee of the Board

**2016**
- Adopted Board Diversity Policy and Corporate Diversity Policy

**2017**
- Adopted Advanced Notice By-Law, giving Aecon and shareholders sufficient time to consider any proposed nominees to the Board

**2018/2019**
- Appointed a Chief Sustainability Officer

**2020**
- Launched Diversity & Inclusion Council
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 | The Board has ultimate oversight of climate-related risks and opportunities through its committees:
• 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.
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.
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

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.

Appendix A
Task Force on Climate-Related Financial Disclosure (TCFD)
Disclose how the organization identifies, assesses and manages climate-related risks.

<table>
<thead>
<tr>
<th>Risk Management</th>
<th>Recommended Disclosure</th>
<th>Source</th>
<th>Comment/Disclosure Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Describe the organization's process for identifying and assessing climate-related risks</td>
<td>Sustainability Report</td>
<td>&gt; Page 49 of Our 2019 Sustainability Report</td>
<td>We have identified climate change as one of the 11 material business risks in our Risk Factors described in greater detail in our 2019 MD&amp;A.</td>
</tr>
<tr>
<td>b. Describe the organization's processes for managing climate-related risks</td>
<td>Sustainability Report</td>
<td>FY 2019 MD&amp;A</td>
<td>&gt; Risk Factors pages 29 - 30. In our 2018 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.</td>
</tr>
<tr>
<td>c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management</td>
<td>Sustainability Report</td>
<td>&gt; Page 11</td>
<td>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.</td>
</tr>
</tbody>
</table>

Metrics & Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

<table>
<thead>
<tr>
<th>Risk Management</th>
<th>Recommended Disclosure</th>
<th>Source</th>
<th>Comment/Disclosure Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</td>
<td>Sustainability Report</td>
<td>&gt; Page 49 of Our 2019 Sustainability Report</td>
<td>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.</td>
</tr>
<tr>
<td>b. Disclose Scope 1, Scope 2 and, if appropriate Scope 3 greenhouse gas emissions and the related risks</td>
<td>Sustainability Report</td>
<td>&gt; Pages 10 and 50</td>
<td></td>
</tr>
<tr>
<td>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</td>
<td>Sustainability Report</td>
<td>&gt; Page 49</td>
<td>We have not yet set targets to manage climate-related risks but plan to do so in the 2020-2021 timeframe.</td>
</tr>
</tbody>
</table>

Appendix A
Task Force on Climate-Related Financial Disclosure (TCFD)

Governance

<table>
<thead>
<tr>
<th>Disclosure Focus Area</th>
<th>Recommended Disclosure</th>
<th>Source</th>
<th>Comment/Disclosure Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Describe management's role in assessing and managing climate-related risks and opportunities</td>
<td>Sustainability Report</td>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>

Strategy

<table>
<thead>
<tr>
<th>Disclosure Focus Area</th>
<th>Recommended Disclosure</th>
<th>Source</th>
<th>Comment/Disclosure Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term</td>
<td>Sustainability Report, Appendix A</td>
<td>&gt; Pages 78 - 79</td>
<td>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.</td>
</tr>
<tr>
<td>b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning</td>
<td>Sustainability Report, Appendix A</td>
<td>&gt; Page 11</td>
<td>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.</td>
</tr>
<tr>
<td>c. Describe the potential impact of different scenarios, including a 2°C scenario, on the organization's businesses, strategy and financial planning</td>
<td>Sustainability Report</td>
<td>We are awaiting action on the recommendation of the Final Report of the Export 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.</td>
<td></td>
</tr>
</tbody>
</table>

Appendix A
Task Force on Climate-Related Financial Disclosure (TCFD)
The climate change risks on our Risk Register are set out below.

### Appendix A

#### Task Force on Climate-Related Financial Disclosure (TCFD)

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

<table>
<thead>
<tr>
<th>Transitional Risks</th>
<th>Physical Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy and legal</td>
<td>Impact</td>
</tr>
<tr>
<td>1. Increased compliance costs due to new regulatory schemes targeting climate change</td>
<td>Acute</td>
</tr>
<tr>
<td>2. Market risks due to clients’ climate change concerns and their perception of our efforts to reduce our carbon footprint</td>
<td>Chronic</td>
</tr>
<tr>
<td>3. Materially higher insurance premiums and changes in underwriting criteria and coverage</td>
<td>Impact</td>
</tr>
<tr>
<td>Market</td>
<td>Impact</td>
</tr>
<tr>
<td>1. Reputational risk due to clients’ climate change concerns and their perception of our efforts to reduce our carbon footprint</td>
<td>Acute</td>
</tr>
<tr>
<td>2. Market-changing client behaviour</td>
<td>Chronic</td>
</tr>
<tr>
<td>3. Materially higher insurance premiums and changes in underwriting criteria and coverage</td>
<td>Impact</td>
</tr>
<tr>
<td>Medium-term</td>
<td>Impact</td>
</tr>
<tr>
<td>Short-term</td>
<td>Impact</td>
</tr>
<tr>
<td>1. The risk that there are increased compliance costs related to new mandates affecting our operations is mitigated by proactive engagement with governments, regulators and industry organizations, regular monitoring of regulatory trends and adequate compliance preparation</td>
<td>Acute</td>
</tr>
<tr>
<td>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, adapting a formal ESG framework and committing to reporting on our emissions in an annual Sustainability Report</td>
<td>Chronic</td>
</tr>
<tr>
<td>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</td>
<td>Impact</td>
</tr>
<tr>
<td>4. The risk that operations could be interrupted by severe storms or series of storms, widespread fires or flooding, etc. This risk is mitigated to some extent by creating adequate compliance preparation</td>
<td>Acute</td>
</tr>
<tr>
<td>5. Projects, assets, infrastructure or supply chains 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</td>
<td>Chronic</td>
</tr>
<tr>
<td>6. See, for example, our description of the impacts of COVID-19 on our business in the 2019 Highlights section of this Sustainability Report.</td>
<td>Impact</td>
</tr>
<tr>
<td>Long-term</td>
<td>Impact</td>
</tr>
<tr>
<td>Short-term</td>
<td>Impact</td>
</tr>
<tr>
<td>1. The risk that utilities are not able to meet demand due to weather-related disruptions, such as ice cover, for example</td>
<td>Acute</td>
</tr>
<tr>
<td>2. 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</td>
<td>Chronic</td>
</tr>
<tr>
<td>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</td>
<td>Impact</td>
</tr>
<tr>
<td>4. The risk that utilities are not able to meet demand due to weather-related disruptions, such as ice cover, for example</td>
<td>Acute</td>
</tr>
<tr>
<td>5. Projects, assets, infrastructure or supply chains 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</td>
<td>Chronic</td>
</tr>
<tr>
<td>6. See, for example, our description of the impacts of COVID-19 on our business in the 2019 Highlights section of this Sustainability Report.</td>
<td>Impact</td>
</tr>
</tbody>
</table>

The 2019 Mercer Report sets out its predictions of the impact of a 2°C scenario on four economic sectors and asset classes over the 2030- and 2050-time horizons, suggesting that Aecon operates in sectors that may see opportunities resulting from climate change. We note that all predictions may be affected by other factors.

### Appendix A

#### Task Force on Climate-Related Financial Disclosure (TCFD)

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

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Opportunity</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of Energy Storage Solutions</td>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td>Provision of Renewable Energy Services</td>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td>Vehicle Telematic Devices</td>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td>Fuel Reduction Initiatives</td>
<td>As fuel costs continue to rise with carbon tax legislation, businesses will increasingly look to reduce fuel consumption.</td>
<td>As fuel costs continue to rise with carbon tax legislation, businesses will increasingly look to reduce fuel consumption.</td>
</tr>
<tr>
<td>Deployment of Carbon Capture Technology</td>
<td>Carbon capture, utilization and storage are essential in capturing GHG emissions from power plants and industrial facilities.</td>
<td>Carbon capture, utilization and storage are essential in capturing GHG emissions from power plants and industrial facilities.</td>
</tr>
<tr>
<td>Delivery of Resilient Infrastructure</td>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td>Flood Diversification</td>
<td>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.</td>
<td>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.</td>
</tr>
</tbody>
</table>

### Appendix A

#### Example Industry Sectors & Asset Classes

<table>
<thead>
<tr>
<th>Example Industry Sectors &amp; Asset Classes</th>
<th>% p.s. to 2030 in 2°C scenario</th>
<th>% p.s. to 2050 in 2°C scenario</th>
<th>% cumulative impact to 2030 in 2°C scenario</th>
<th>% cumulative impact to 2050 in 2°C scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>-7.1</td>
<td>-8.9</td>
<td>-58.9</td>
<td>-100.0*</td>
</tr>
<tr>
<td>Oil and gas</td>
<td>-4.5</td>
<td>-8.8</td>
<td>-42.1</td>
<td>-85.1</td>
</tr>
<tr>
<td>Renewable</td>
<td>+6.2</td>
<td>+3.3</td>
<td>+105.9</td>
<td>+177.9</td>
</tr>
<tr>
<td>Electric utilities</td>
<td>-4.1</td>
<td>-3.3</td>
<td>-39.2</td>
<td>-65.7</td>
</tr>
<tr>
<td>Developed market equities</td>
<td>0.0</td>
<td>-0.2</td>
<td>-0.5</td>
<td>-5.8</td>
</tr>
<tr>
<td>Emerging market equities</td>
<td>+0.2</td>
<td>-0.1</td>
<td>+1.8</td>
<td>-4.0</td>
</tr>
<tr>
<td>All world equities – sustainable themed</td>
<td>-1.6</td>
<td>+6.9</td>
<td>+21.2</td>
<td>+32.0</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>-2.0</td>
<td>+1.0</td>
<td>+26.4</td>
<td>+39.4</td>
</tr>
<tr>
<td>Infrastructure – sustainable themed</td>
<td>-4.8</td>
<td>-1.6</td>
<td>-42.3</td>
<td>-67.1</td>
</tr>
<tr>
<td>All world real estate</td>
<td>-1.0</td>
<td>-0.2</td>
<td>-0.1</td>
<td>-4.3</td>
</tr>
</tbody>
</table>

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

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.

### Appendix B

#### Sustainability Accounting Standards Board (SASB) Index

<table>
<thead>
<tr>
<th>Sustainability Disclosure Topics &amp; Accounting Metrics</th>
<th>Topic</th>
<th>Metric</th>
<th>Category</th>
<th>Unit of Measure</th>
<th>Code</th>
<th>Response/Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Impacts of Project Development</td>
<td>Number of incidents of non-compliance with environmental permits, standards, and regulations</td>
<td>Quantitative</td>
<td>Number</td>
<td>I-FEN-160a.1</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction</td>
<td>Discussion and Analysis</td>
<td>N/A</td>
<td>I-FEN-160a.2</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Structural Integrity &amp; Safety</td>
<td>Amount of defect and safety-related rework costs</td>
<td>Quantitative</td>
<td>Reporting Currency</td>
<td>I-FEN-250a.1</td>
<td>$0 for safety-related rework costs + $636,000 for defect-related rework costs (1)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total amount of monetary losses as a result of legal proceedings associated with defect and safety-related incidents</td>
<td>Quantitative</td>
<td>Reporting Currency</td>
<td>I-FEN-250a.2</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Workforce Health &amp; Safety</td>
<td>1. Total recordable incident rate (TRIR) and 2. Fatality rate for (a) direct employees and (b) contract employees</td>
<td>Quantitative</td>
<td>Rate</td>
<td>I-FEN-320a.1</td>
<td>2019 was zero.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lifecycle Impacts of Buildings and Infrastructure</td>
<td>Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification</td>
<td>Quantitative</td>
<td>Number</td>
<td>I-FEN-410a.1</td>
<td>2019 was zero.</td>
</tr>
<tr>
<td></td>
<td>Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design</td>
<td>Discussion and Analysis</td>
<td>N/A</td>
<td>I-FEN-410a.2</td>
<td>Energy and water efficiency considerations are based on clients’ specifications and are incorporated into project planning and design per their requirements.</td>
<td></td>
</tr>
</tbody>
</table>

### Perceptions Index

<table>
<thead>
<tr>
<th>Sustainability Disclosure Topics &amp; Accounting Metrics</th>
<th>Topic</th>
<th>Metric</th>
<th>Category</th>
<th>Unit of Measure</th>
<th>Code</th>
<th>Response/Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Ethics</td>
<td>Number of active projects; and (2) backlog in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index</td>
<td>Quantitative</td>
<td>Number</td>
<td>I-FEN-510a.1</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total amount of monetary losses as a result of legal proceedings associated with (1) bribery or corruption and (2) anti-competitive practices</td>
<td>Quantitative</td>
<td>Reporting Currency</td>
<td>I-FEN-510a.2</td>
<td>$0 - No legal proceedings for bribery or corruption.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes</td>
<td>Discussion and Analysis</td>
<td>N/A</td>
<td>I-FEN-510a.2</td>
<td>Code of Ethics and Business Conduct Page 6 - 8</td>
<td></td>
</tr>
</tbody>
</table>

#### Activity Metrics

<table>
<thead>
<tr>
<th>Topic</th>
<th>Category</th>
<th>Unit of Measure</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Active Projects</td>
<td>Quantitative</td>
<td>Number</td>
<td>I-FEN-000A</td>
<td>Number of active projects in 2019: 936.</td>
</tr>
<tr>
<td>Number of Commissioned Projects</td>
<td>Quantitative</td>
<td>Number</td>
<td>I-FEN-000B</td>
<td>Number of commissioned projects in 2019: 541.</td>
</tr>
<tr>
<td>Total Backlog</td>
<td>Quantitative</td>
<td>Reporting Currency</td>
<td>I-FEN-000C</td>
<td>Total backlog as at December 31, 2019: $6,821 million.</td>
</tr>
</tbody>
</table>
Appendix C
United Nations Sustainable Development Goals (UN SDGs)

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

<table>
<thead>
<tr>
<th>Goal</th>
<th>Aecon Priority</th>
<th>Making It A Reality</th>
<th>More Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>women</td>
<td>• 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.</td>
<td>&gt; Pages 20 and 57 - 59 of this Sustainability Report</td>
</tr>
<tr>
<td>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.</td>
<td>• 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</td>
<td>&gt; Pages 15 and 30 - 45 of this Sustainability Report</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td>• 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 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.</td>
<td>&gt; Pages 14 - 15 and 30 - 45 of this Sustainability Report</td>
<td></td>
</tr>
</tbody>
</table>


Appendix C
United Nations Sustainable Development Goals (UN SDGs)

<table>
<thead>
<tr>
<th>Goal</th>
<th>Aecon Priority</th>
<th>Making It A Reality</th>
<th>More Information</th>
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<td>11</td>
<td>sustainable cities and communities</td>
<td>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.</td>
<td>• 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, Wahping First Nation and Matawa First Nations.</td>
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| 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. | • 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 Enbridge Aeon 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 opportunities related to its and its industry’s roles in the transition to a lower-carbon economy; Aecon’s belief that the expectations conveyed by forward-looking information 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 rely on 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.