CORPORATE SOCIAL RESPONSIBILITY

2019 REPORT
CORPORATE SOCIAL RESPONSIBILITY IS GOOD BUSINESS.
EXECUTIVE MESSAGE

CORPORATE SOCIAL RESPONSIBILITY IS GOOD BUSINESS. It benefits our partners, our shareholders, and the communities where we live, work, and play. As forward-thinking leaders in the construction industry, we know the decisions we make today will have lasting impacts on our communities well into the future, so we place significant importance on our role. Our clients expect us to operate and build sustainably while delivering exceptional levels of service. Focusing on our social responsibilities encourages our project teams to think beyond the basics of project delivery and to consider innovative ways to become even more efficient and effective while delivering unsurpassed value.

In 1948, when Ernest Poole sold Poole Construction to his sons George and John, he captured in writing a list of principles that have come to be known as Poole’s Rules. These are principles that he believed people should live by to run a construction company, including, “Be firm, fair, and friendly,” and “Keep your word as good as your bond.” Poole’s Rules are a central aspect of our PCL culture; framed copies adorn our hallways and offices to remind PCLers of our rich history and the common-sense foundations that have driven our success. I see Poole’s Rules as the foundation for how we define good corporate citizenship at PCL. From our very beginnings, we have had a culture that defines success along many lines including financial results, but more broadly as well.

Building on this foundation, while continually evolving, allows us to lead by example and help drive transformational change within the construction industry. We must embrace change to achieve greater impacts for our clients, shareholders, partners, and communities. As part of our commitment to having a positive impact, we have expanded our strategic plan for sustainability, created a role to oversee the strategy, formed a sustainability steering committee to provide leadership and direction, and engaged in strategic partnerships.

We are proud of our over 300 LEED Accredited Professionals who, along with the rest of our 4,500 staff, are focused on sustainable outcomes. One measure of our commitment in this area is our completion of an industry-leading 165 LEED-certified projects across North America, valued together at more than $15 billion.

The development of our Corporate Social Responsibility report is an important step in our sustainability journey. We intend to grow and elaborate on these efforts and report them transparently as our journey continues and look forward to sharing our progress in future editions of the report.

Dave Filipchuk
President and CEO, PCL Construction
OWNERSHIP AND ACCOUNTABILITY

A significant source of pride is our employee ownership structure, which was implemented in 1977 and is unique in the construction industry. We are 100 percent employee owned today, making us more accountable to our customers and more invested in their success.

Employee ownership is a pillar of strength and central to our identity as an organization. We build some of the most demanding and exciting projects in the world, and we meet complex challenges with innovative solutions. We work hard to always be customer focused, maintaining the highest standards for integrity.

PCL has a proven reputation as a construction leader, and we pride ourselves on delivering projects that meet or exceed our partners’ expectations. Our future success continues to rest on our solution-provider mindset, our entrepreneurial spirit, and our ability to tackle any challenge that comes our way.

ETHICS AT PCL

To achieve lasting success, a business must be founded on a strong and unwavering culture of ethical business practices. The PCL family of companies maintains a century-long commitment to ethical conduct. As much as anything else, it is this emphasis on integrity that contributes to our reputation for excellence and continued success after 113 years. Our ethics program is supported by the PCL Code of Conduct and accompanying ethics policies. Adherence to program requirements is measured and enforced to ensure that PCL meets its goal of universal compliance. The program also relies on a well-established reporting system that enables PCL to investigate instances of potentially improper conduct and take steps to prevent such conduct in the future.
WE ARE BUILDERS

PCL helps transform city skylines and communities. We build hospitals, office towers, sports arenas, universities, bridges, water treatment plants, power generation facilities, projects for the energy industry, and much more. We began operations in 1906 in Stoughton, Saskatchewan, when Ernest Poole founded E. E. Poole General Contractor. Our growth has resulted in the establishment of a presence in 31 major centers across Canada, the United States, Australia, and the Caribbean.

PROJECT LISTING (top to bottom)
BUILDINGS | Shane Homes YMCA at Rocky Ridge Calgary, Alberta
CIVIL | Flagler Memorial Bascule Bridge Replacement West Palm Beach, Florida
HEAVY INDUSTRIAL | OGE Mustang Simple Cycle Project Oklahoma City, Oklahoma
SPECIAL PROJECTS | Re-Imagine Play at Paco Sanchez Park Denver, Colorado

PCL’S 5P MODEL OF SUSTAINABILITY

PARTNERS
Collaborating as client-focused solution providers to deliver exceptional results to all stakeholders, all the time.

PEOPLE
Engaging employees by providing education, resources, and support.

PROJECTS
Involvement in all phases of a project’s life before, during, and after its construction.

PRACTICES
Improving operations through measurement, communication, and integration of sustainable building practices.

PLACES
Contributing to, collaborating with, and improving the places where PCL works.

31
Major centers

4,500
Salaried employees

18,500+
Average number of tradespeople employed on PCL projects

#17
Ranking on Engineering News Record’s list of Top Green Contractors

318
LEED® credentialed staff

PCL expands its focus beyond sustainable construction to encompass a holistic approach to sustainability through our 5P model. Unique in the construction industry, this model allows PCL to measure, evaluate, and increase sustainability efforts.
WE WANT TO GROW GREAT PEOPLE WHO WILL HELP SOLVE THE MOST COMPLEX CONSTRUCTION CHALLENGES.
SAFETY – Creating a safe and healthy work environment is one of our central guiding principles. PCL will not compromise the health and safety of our people or our partners. Our employees look out for each other and share the goal of zero incidents. PCL’s safety culture is as important for our trade partners as it is for us. Our rigorous and holistic commitment to safety demands that every PCLer and trade partner understand the procedures in place to keep us all safe on the job.

The Construction Smarts and Lifesaving Absolutes initiative is the backbone of our safety program and offers effective reminders of the role we all play in making sure everyone goes home safe every day. We are also dedicated to providing and maintaining a safe and healthy work environment for all employees at work and at home. By demonstrating and communicating the importance of safety with family, friends, and neighbors, PCL’s safety culture extends beyond its jobsites and offices and out into the community at large.

PCL continues to perform far better than the industry average. Even so, we must continue to work diligently across the company and with our trade contractors to reach our goal of zero incidents.

### SAFETY BY THE NUMBERS

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<th>2018</th>
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<tr>
<td><strong>PCL</strong></td>
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<td>Work Hours</td>
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<td><strong>PCL &amp; Trade Contractors</strong></td>
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<td><strong>North American Industry Average LTFR</strong></td>
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### DIVERSITY AND INCLUSION

PCLers work in a dynamic and collaborative team environment. We focus on creating opportunities for everyone to participate and succeed, and we enjoy a shared set of values while encouraging and embracing individual opinions and contributions. We seek people from diverse backgrounds who embrace our entrepreneurial culture, our team atmosphere, and the challenging work we do. Diversity enables us to engage a wide range of experiences and perspectives, and drive excellence across our family of companies. PCL continues to work diligently toward incorporating diversity and inclusivity across our business:

- In the marketplace, we seek clients and partners who drive innovation and reflect the communities in which we work.
- In the workforce, we seek to attract, retain, and advance the best and brightest talent in the industry. To this end PCL’s diversity experts within the company help implement programs that guide our business practices and educate employees about how they can promote and support inclusivity in our workplace.
- In the community, we continue to invest where we work and live, and have increased relationships with organizations that promote and provide economic development and educational opportunities for diverse businesses and individuals.

### TRAINING AND DEVELOPMENT

At PCL, our employees are our leaders. That’s why we ensure they have the right training and support throughout their careers. Our people are our source of strength and success, and we believe it’s good business to build confident solution providers at all levels of the organization. PCL’s College of Construction, along with the PCL Leadership Academy, offers educational programs, courses, and resources to employees at every stage of their careers.

PCL is more than just a place to work—it’s a place where employees develop meaningful and fulfilling careers. Learning is woven into PCL’s Career Management program so that PCLers can discover rewarding career opportunities within our family of companies.
PLACES

PCL not only builds great projects, we also build hope for individuals and families in the communities we serve.
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Community investment is the heart of our corporate social responsibility program. In 2018, PCL donated more than $10 million to charitable organizations and tens of thousands of hours of volunteer work and community service. Our culture of giving empowers PCLers to help those in need and is informed by the belief that, when we give back to the community, everyone benefits.

A LEGACY OF GIVING

UNITED WAY - For 50 years, PCL has partnered with United Way to help transform lives and provide support to families and individuals living in poverty. During the 2018 fundraising campaigns, employee donations (together with matching contributions from PCL) provided more than $6.9 million for United Way and member organizations throughout North America. Our Denver office celebrated their 20-year partnership with United Way, while the Edmonton-area offices celebrated a half century of United Way giving.

RED CROSS - PCL continues our important relationship with the American Red Cross and Canadian Red Cross. Our financial donations have supported programs and initiatives that focus on health and safety training, humanitarian services, and disaster preparedness and relief at home and around the world. In 2017, we renewed a two-year commitment to the Red Cross, giving $75,000 annually to each agency’s Disaster Management program. Since our partnership began in 2011, PCL’s total contributions have reached $1.5 million.

SCHOLARSHIPS AND STUDENT PROGRAMS - We believe that education is the foundation of every healthy community. That’s why PCL’s support of secondary and postsecondary schools begins through scholarships and sponsorships with organizations focused on developing the future of the construction industry.

VETERANS AND MILITARY - PCL values the attributes of discipline, loyalty, and resiliency that come with being a service member. PCL provides continuous support to veterans, transitioning military, service members, and their families through participation in a number of local, national, and North America–wide outreach programs.

COMMUNITY INITIATIVES - Through the commitment of time and financial resources, PCLers actively help our communities flourish. Each PCL office strives to have a positive effect on the places where we live and work. We give back to organizations that support health and wellness, education and literacy, veterans, the environment, the arts, and community development. Whether organizing food drives, adopting highways, serving food to the homeless, walking, running, or cycling to raise awareness of causes, or donating to various civic, regional, or national organizations, PCLers have an unwavering commitment to helping those in need. We know it’s the right thing to do.

$10 MILLION
Donated to charitable organizations in 2018 by PCL and our employees, with $6.9 million going to United Way

$1.5 MILLION
Total contributions to the Red Cross

50 Years of partnership with United Way

COMMUNITY INITIATIVES (top to bottom)
- Winnipeg Spring Cleanup
- Atlantic Day of Action
- DIY Girls California
- Saskatoon Day of Caring
- Seattle Donation to Food Lifeline
WE WORK WITH OUR PROJECT PARTNERS TO DELIVER HIGH-PERFORMANCE INFRASTRUCTURE WHILE MINIMIZING LONG-TERM ENVIRONMENTAL IMPACTS.
**SOLAR** – The demand for renewable energy is growing at an exponential rate. In response, PCL has established a Solar Center of Excellence composed of a well-versed team of construction professionals who develop quality energy solutions. Our experts deliver renewable power generation, storage, and transmission projects of all sizes from micro to utility scale.

**MODULAR** – Prefabrication and modular construction delivery methods offer numerous benefits, including reductions in waste, energy use, rework, project schedule, and site impacts. PCL’s off-site modular construction services combine design for manufacture and assembly (DFMA) with self-perform work and strategic procurement to overcome logistical challenges associated with traditional on-site construction approaches.

**WATER** – Clean water is essential, and for our Water Infrastructure Group, it’s at the heart of every project. Completed projects provide more than 20 billion gallons of treated water per day to local communities across North America.

**SOUTHGATE SOLAR**
Holstein, ON
PCL worked directly with a manufacturer to design custom racks that follow the curves of the hill. The racking reduced the need for ground leveling, saving money and time and reducing environmental impact.

**PCL MODULAR**
Toronto, ON
300-patient washroom pods for the Mackenzie Vaughan Hospital were manufactured in our modular construction facility.

**LARGO WWRF INFILTRANT PUMPING STATION AND HEAD WORKS**
Largo, FL
The facility follows standards set by the Florida Department of Environmental Protection to produce high-quality, fully treated wastewater, which is used in the City of Largo’s Reclaimed Water System as an alternative source for irrigation and industrial purposes.
HIGH-PERFORMANCE, LOW-IMPACT BUILDING EXPERTISE -
Our sustainable construction experts provide advanced technical and constructability support to help our clients make informed, commercially viable design, development, and construction decisions in the delivery of high-performance, low-impact buildings.

SUSTAINABILITY EXPERTISE -
- Low-carbon strategies
- Net zero energy solutions
- Comprehensive rating system capability
- Building systems optimization
- Building envelope expertise
- Costing and conceptual budgeting

SAN DIEGO AIRPORT
San Diego, CA
LEED® Platinum
This progressive joint-venture design-build project was delivered as part of San Diego County Regional Airport Authority’s Green Build program. It was the first commercial airport terminal in the world to achieve LEED® Platinum.

JIM PATTISON CENTRE OF EXCELLENCE IN SUSTAINABLE BUILDING TECHNOLOGIES
Penticton, BC
LEED® Platinum
One of the most innovative and advanced sustainable facilities in the world, the Centre of Excellence was designed to Living Building Challenge standards.
BUILDING REVITALIZATION – PCL’s building revitalization team provides a comprehensive suite of expert services to retrofit, repurpose, or renew aging assets. We integrate cost-effective solutions, leading-edge design, and high-performance building systems to help transform dated assets into distinctive, modern, energy-efficient buildings.

MASS TIMBER – Timber is not only a renewable construction material; it’s also fire resistant, structurally sound, and a viable alternative to steel, concrete, or masonry. As sustainable building continues to grow across North America, PCL is supporting the use of mass timber to help reduce the carbon footprint of the buildings we build.

HSBC PLACE
Edmonton, AB

HSBC Place is undergoing a complete exterior and interior redevelopment. The project is targeting LEED® Gold v4, WELL Gold, and WiredScore Gold certification.

WOOD INNOVATION AND DESIGN CENTRE
Prince George, BC

At the time of construction, this six-floor structure was one of the tallest contemporary wood buildings in North America. The construction methods used virtually eliminated the use of concrete above grade.
PARTNERS

WE BUILD STRONG PARTNERSHIPS TO ENHANCE OUR ABILITY TO CONSTRUCT THE COMPLEX SUSTAINABLE PROJECTS EMERGING IN OUR INDUSTRY.
PCL continually strives to be a client focused solution provider that delivers exceptional results to all stakeholders, all the time. Our partnerships include those with our clients, consultants, trade contractors, suppliers, and industry associations. Building strong partnerships with this diverse network of people and organizations is win-win for all, as it takes a team effort to deliver on the complex design and construction challenges encountered when striving to meet higher levels of sustainable performance.

MICROSOFT PARTNERSHIP - While PCL recognizes the economic and environmental value of smart buildings, smart construction is equally important. We have partnered with Microsoft to develop the Job Site Insights™ platform, which allows for real-time monitoring of jobsite conditions, such as temperature and humidity. We are expanding the platform to allow us to optimize and manage energy use through real-time data capture and analytics. This allows us to make construction smarter by enabling lean methods, reducing costly rework and warranty claims, improving build quality, conserving energy, increasing productivity and safety, and reducing PCL’s carbon footprint.

SUPPLY CHAIN - Reducing the carbon footprint of the built environment requires participation from all organizations involved in the completion of an infrastructure project. We partner with supply chain leaders, from manufacturing to transportation, to share our knowledge and help identify opportunities to minimize the embodied carbon of materials used during construction. By working together and sharing our sustainability journeys, we can leverage best practices and move towards our mutual goals of zero waste and minimal energy use.

This LEED® Platinum, 10,000-square-foot renovation and expansion is a model for sustainability, innovation, and waste reduction for trades training throughout North America. Passive design features including daylighting and natural ventilation play a key role in maximizing the structure’s sustainability. The facility also contains the second-largest photovoltaic solar array on a non-utility institutional building in Western Canada. The construction strategy incorporated Lean Integrated Project Delivery principles, which assisted the college, PCL, and our trade contractors in completing construction while classes were in session with minimal interruption to students and instructors.

When constructing this new state-of-the-art, 78,248-square-foot LEED® Gold recycling and transfer station, the PCL team took the facility’s purpose to heart. Working closely with the owner, the team diverted 95 percent of construction waste from the landfill. Diversion efforts included salvaging temporary shoring and other building materials from the facility. Pavement was recycled for use in new asphalt, and concrete was rubberized and used for embankments in other projects. Meticulous scheduling, sequencing, and ongoing communication with the owner ensured the overall operation of the greater facility was not impacted during construction. This collaboration resulted in the successful delivery of a facility that can process 225,000 tons of general and hazardous waste annually.
SUSTAINABILITY IS GOOD BUSINESS. IT BENEFITS OUR CLIENTS, SHAREHOLDERS, AND THE COMMUNITIES WHERE WE LIVE, WORK, AND PLAY.
CONSTRUCTION WASTE DIVERSION - PCL actively encourages construction waste reduction and reuse, and source separating of waste generated on the construction site to drastically reduce the amount of waste that would normally end up in landfills. We work with trade contractors and suppliers to create and implement waste diversion plans that meet the needs of each jobsite and client. PCL has achieved diversion rates close to 90 percent on a number of major projects.

PROCUREMENT - PCL uses its procurement expertise to source sustainable products, services, and materials, including those with recycled content, rapidly renewable materials, certified wood, and low VOC. Our strong relationships with suppliers allow us to source the best products and materials for our clients from across North America.

ENERGY USE - PCL is one of 18 founding members of the City of Edmonton's Corporate Climate Leaders Program, a new initiative empowering local businesses to take leadership on climate action and save money through operational efficiencies. As part of the program, PCL is establishing and maintaining a corporate greenhouse gas inventory that reflects the energy use in company offices and construction yards.

GHG REDUCTION - Over the past 10 years, PCL has purchased over 14,000 MWh of renewable electricity to power our operations in Edmonton and Calgary through our partner Bullfrog Power. These purchases of 100 percent renewable energy have reduced our CO2 emissions by 5,914 tons while supporting the development of renewable energy projects across Canada.

SUSTAINABLE CONSTRUCTION ADVISORS - PCL has established an internal network of Sustainable Construction Advisors (SCAs) who provide expertise regarding sustainable construction and help our project teams deliver high-performing projects. The SCAs work collaboratively with clients to develop cost-effective strategies to reduce the overall environmental impact of their projects.
Corporate Operations

**NORTH AMERICAN HEADQUARTERS** - Our North American Headquarters is home to two LEED® Gold buildings and a third building that meets LEED® Gold standards. A sustainability committee develops and implements programs that help the campus (home to more than 500 employees) operate more sustainably. Education programs promote waste reduction, recycling, and awareness of sustainable building practices.

**BAKERSFIELD** - Our Bakersfield, California, office was built with sustainability as a top priority and is LEED® Gold certified. More than 600 photovoltaic panels output 168 kW of renewable energy. The office has made it a priority to divert waste from landfills at each project site and in the office. Approximately 95 percent of field project waste is recycled.

**DENVER YARD** - PCL’s Denver Yard recently completed a lighting retrofit that resulted in significant energy and carbon emissions savings while reducing operating costs by 400 percent. This is the environmental equivalent of avoiding 103 tons of CO2 or planting 2,658 urban trees.

The Denver Yard is also adopting sustainable operational practices to encourage responsible management of the facility. Our goal is to divert 80 percent of waste from local landfills through use of general, wood, metal, cardboard, drywall, roofing, and concrete bins.
WE WILL CONTINUE TO EVOLVE OUR APPROACHES TO BENEFIT OUR COMMUNITIES AND SERVE THE NEEDS OF OUR CLIENTS.

Future editions of PCL’s Corporate Social Responsibility (CSR) Report will share details about the advancement and evolution of our approach to making our day-to-day operations and the projects we construct more sustainable. Sustainability is an ongoing journey. We look forward to sharing our journey with you.
As part of PCL’s commitment to sustainability, this report is printed on 100% recycled paper.