

# Environmental, Social & Governance Report

# 2021

**Natural Capital Laboratory (NCL), United Kingdom.** Established in 2019 by AECOM, the NCL is a unique project focused on identifying, quantifying, and valuing the impacts of biodiversity and re-wilding. Located in the Scottish Highlands, near Loch Ness, for the next five years the NCL is restoring 100 acres of forest and reintroducing lost species.



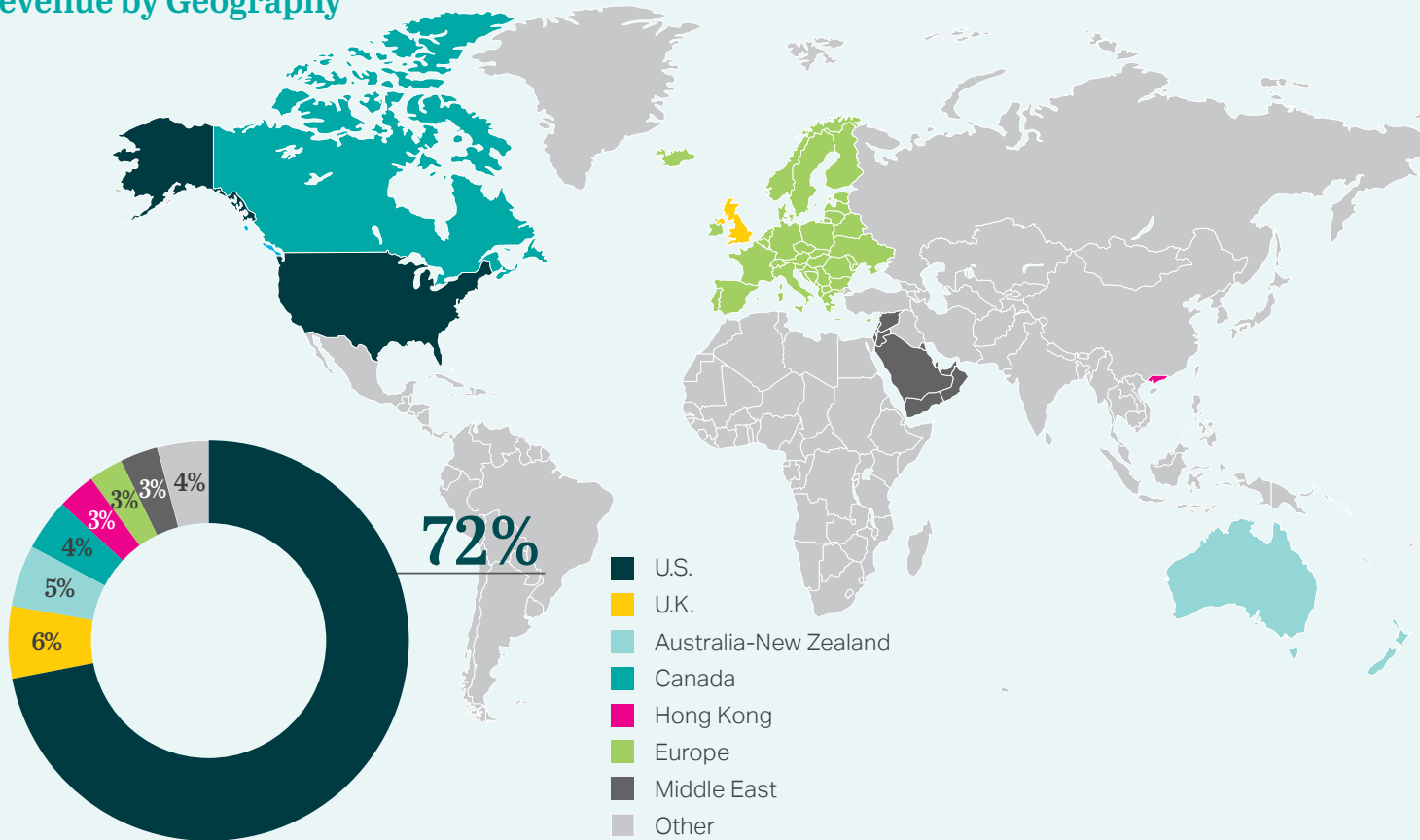
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*The data presented throughout this report reflects AECOM's fiscal 2020 unless otherwise noted.*

# AECOM At-A-Glance

## Revenue by Geography



**Focused** on our core higher-returning and lower-risk businesses.



**Leader** in key transportation, water and environment markets and ideally positioned to advise clients on their ESG priorities.



**Strengthened** financial profile with transformed balance sheets and returning capital to shareholders.

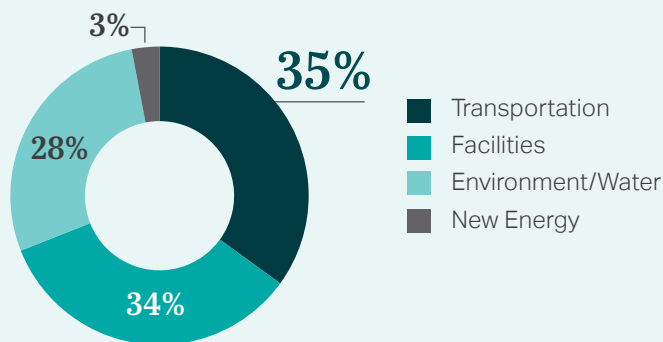


**Capitalizing** on market leading positions, substantial backlog and ongoing continuous improvement initiatives to drive long-term profitable growth.

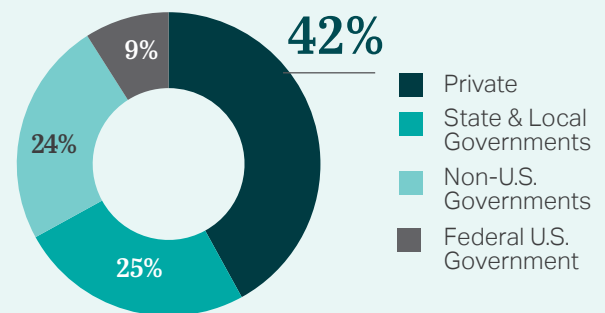
Numbers are presented as percentage of trailing twelve month gross revenue as of Q3 '21

## As a Professional Services business, AECOM is poised to thrive.

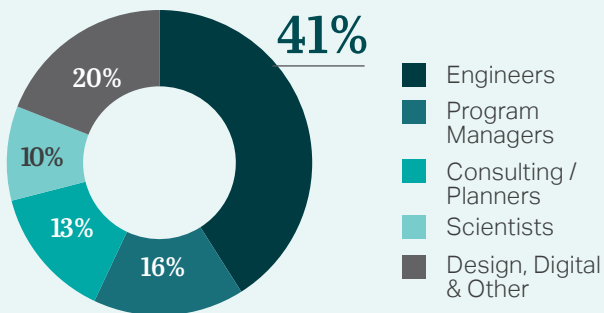
### Attractive Exposure to Key End Markets



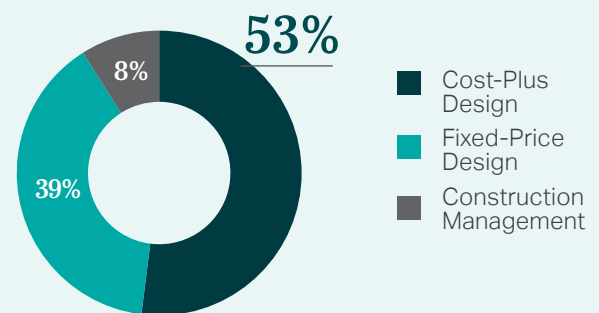
### Diverse Funding Sources



### Broad Technical Expertise



### Lower-Risk Business Model



All numbers are presented as a percentage of TTM net service revenue (NSR).



## Our ESG Commitments

Consistent with our Sustainable Legacies strategy, we at AECOM have pledged to advance sustainability and ESG initiatives within our operations and in partnership with our clients.



### These commitments include:

- Partnering with our supply chain to develop their own carbon reduction targets;
- Embedding net-zero, resilience, and social value targets into our client account management program and the work we bid for;
- Offsetting residual carbon by creating our own nature-based solution projects;
- Integrating climate adaptation and climate resilience into all aspects of our advisory, planning, feasibility, design, and program management solutions for all our clients;
- Ensuring our project teams reflect the diversity of the clients and communities we serve;
- Ensuring women comprise at least 20 percent of senior leadership roles and at least 35 percent of the overall workforce in the near term;
- Making strategic investments that positively impact clients, communities, and society;
- Implementing and enhancing our enterprise framework that assesses ESG risk in all project pursuits;
- Driving accountability through specific ESG goals/metrics in leadership annual goals; and
- Reporting on our ESG performance in line with the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD) frameworks.

Ensuring we are operationally  
**net-zero**  
by the end of 2021

Reaching science-based  
**net-zero**  
by 2030

Implementing a  
**50%**  
reduction in business travel

Incorporating an ESG  
action plan for reducing  
carbon impact by at least  
**50%**  
on all major projects  
(our ScopeX™ process)



# Letter from the CEO

**Troy Rudd, Chief Executive Officer**

I am pleased to share AECOM's first global Environmental, Social & Governance (ESG) Report, which marks a significant step forward in our sustainability journey and tells the story of how our people and company are taking action to deliver a better world.

This report also formalizes our promise to regularly communicate our ESG actions and the progress we are making against our commitments and strategy. Building on this foundation, we incorporated and used the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD) frameworks as part of this disclosure to further enhance transparency and better align with data standards. The results of our assessment were also mapped to the UN Sustainable Development Goals (SDGs). In the coming years, AECOM will remain vigilant to maintain our rigorous ESG standards, advance our sustainability efforts and focus on implementing our best-in-class ESG program.

## Being a Leader in ESG

As the world's trusted infrastructure consulting firm, leading in ESG is essential to delivering positive, impactful, and *Sustainable Legacies*. We have a responsibility to embed ESG principles into everything we do – partnering with our clients and communities to solve their ESG challenges through innovation and fostering a culture where our global employees can work on projects that deliver environmental and social value. Our talented professionals are driven to deliver Sustainable Legacies because the tens of thousands of engineers, scientists, architects, consultants, and program and construction managers who work at AECOM are all committed to ESG principles — and are energized by the idea that their work can contribute positively to the world and to society.

ESG is something that we live and breathe. Directly integrating ESG values with our technical capabilities puts us in the best position to be the ESG leader in our industry, and to truly help deliver a better world for generations to come.

## Our Clients

A key goal of our ESG strategy is to ensure that the work we do in partnership with our clients leaves a positive, lasting impact on communities and our planet. ESG is a top priority for nearly all of our clients in nearly every market. As of 2020, more than 1,500 companies and 800 cities globally have already set net-zero targets, and others are looking at strengthening the resiliency of communities to adapt to climate change or are rethinking master planning in order to advance community equity and economic prosperity. Our clients need a trusted advisor to help them advance these initiatives, and they are turning to us for guidance.

We hear from so many of our stakeholders that we are the most capable company to advise clients on how they can achieve their bold ESG-related ambitions — and our track record supports these beliefs. We are the world's largest and most diverse environmental services firm, we are number one or two in key environmental and water sub-sectors, and we are



a top green design firm and green building contractor. Most management consultants simply do not have the complex technical skills and decades of experience to deliver the holistic infrastructure solutions that are necessary. Our leadership in markets like transportation, environment, buildings + places, and water, in partnership with our global program management business, puts us at the right place at the right time to apply our deep technical expertise and successfully take on that advisory role for our clients.

## Challenges and Opportunities

The world continues to face unprecedented challenges such as climate change, the coronavirus pandemic, social inequality, and racial injustice. Through these challenges, the AECOM team has stayed true to our company values — placing increased emphasis and focus on embedding sustainable development and resilience across our work, improving social outcomes and achieving net-zero carbon emissions.

Further, we are seeing strengthening alignment between government leadership and key stakeholders to address these challenges. For instance, the \$1.9 trillion coronavirus relief bill signed by President Biden in February 2021 included key funding for our state and local clients. It also places a greater emphasis on ESG-related issues. We anticipate that the ongoing debate over long-term infrastructure needs, the impacts of climate change bills in the U.S. and mounting global pressure to move from talk to action on climate matters will take this emphasis even further.

In the meantime, we are mobilizing our network of experts and innovators to develop the necessary solutions to these challenges and help clients make informed decisions based on critical analyses. We've already been thinking about these issues and how to approach them, and I have testified in front of Congress to advocate for transportation systems that will better serve communities and reduce impacts on the environment.

## Taking Action

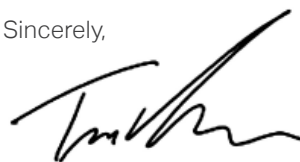
I am proud of our achievements and ongoing efforts to lead the change toward a more sustainable and equitable future. To ensure that we are collaborating globally and bringing the

best of AECOM to each and every opportunity, we created our ESG Global Council to fully leverage the expertise of our sustainability practitioners and business leaders from across the organization. We have also strengthened our governance by reconstituting the SRS Committee of our Board of Directors to the Safety, Risk and Sustainability committee to ensure oversight is expressly integrated to the highest levels of our company. Additionally, our equity, diversity, and inclusion program, called Thrive with AECOM, is a key component of our ESG efforts and has resulted in us doubling women in leadership roles since 2016. We're continuing to ramp up our initiatives, as well as providing employees with the tools and training to create a more inclusive work environment. These initiatives support our efforts to foster continued high levels of employee engagement - in fact, in our employee survey conducted in the summer of 2021, 70% of our respondents noted that they would recommend AECOM as a great place to work.

AECOM was the first company in the engineering sector to have set emission reduction targets approved by the Science Based Targets initiative (SBTi), designed to meet the goals of the Paris Agreement on climate change. Through this and other enterprise initiatives, we announced even more ambitious targets as part of our Sustainable Legacies strategy that include commitments to becoming net-zero in our Scope 1, 2, and 3 emissions by 2030, along with our commitment to achieving operational net zero by the end of 2021. These commitments build upon our position as a signatory to the UN Global Compact.

Our focus ahead is unwavering. We will continue to develop environmentally and socially conscious infrastructure solutions and be a leader in sustainability for our communities, clients, employees and investors. We are excited for what the future holds for AECOM and to share our sustainability story with you in this report.

Sincerely,



**Troy Rudd, Chief Executive Officer**

# Q&A with Lara Poloni

**AECOM President**



In this Q&A, President Lara Poloni talks about the timeliness of our Sustainable Legacies strategy, the outcomes we hope to achieve, and the impacts operationally.

## Q: Why is ESG increasingly in focus for AECOM and for our clients?

**A:** In addition to the devastating public health impacts of the coronavirus, the pandemic has magnified the inequities that exist in many of our systems, including those that support access to basic services and functions. Disadvantaged communities across the globe have been especially hard hit.

At the same time, other global stressors such as climate change and natural disasters continue to create concern for our future. These issues are now at the top of many government policy agendas, and new mandates and regulations are coming through that will require focused, sustainable solutions.

Our public and private sector clients understand this in terms of their own assets and portfolios and are increasingly focused on their role in promoting sustainability and delivering social value. We are best placed to advise and execute for them thanks to our leading capabilities across the spectrum of ESG services and the global scale of our expertise.

Our Sustainable Legacies strategy highlights our ESG leadership. It also shows our own company commitment to lead by example. We have some bold aspirations in terms of our net-zero carbon emissions and advancing other initiatives aligned with our ESG agenda. Delivering a better world is central to our purpose as a company. It absolutely guides how we think and execute.

## Q: What are the outcomes you hope to see with the Sustainable Legacies strategy?

**A:** As governments in the U.S. and other countries advance multi-billion-dollar investments in infrastructure, there are important business opportunities for us, especially those that aim to reduce emissions, put people to work, and correct long-standing social inequities. Our teams are already talking to our global clients to help them prioritize spending as pandemic relief arrives, and we are well positioned to execute across market sectors that have been targeted for that investment.

The other major opportunity is with social impact and advancing projects, initiatives and policies that uplift people and communities, both for our clients and ourselves. This might be improved health outcomes for a community as a



result of clean water infrastructure or reduced air pollution due to transport electrification. It could be extending our supply chain to engage more minority and Indigenous community vendors and partners, or expanding apprenticeship programs to cultivate new young talent and build careers.

All of these efforts will ensure that we act as a catalyst for community building and inclusion, particularly in terms of how cities are planned and their supporting economic and social infrastructure are planned and delivered.

Social and economic equity, resilience — these are themes that cut across everything our clients will be dealing with — and I want us to play a critical role in addressing them. Our Think and Act Globally strategy applies here as well. We have strong regional capabilities, which are complemented by the global business lines. Our ability to share knowledge and expertise can be significant in extending our ongoing sustainability work to deliver the outcomes we hope to see.

### Q: How does this strategy impact how we proceed operationally?

**A:** ESG principles are already embedded into everything we do. The goal of our Sustainable Legacies strategy aims to ensure that the work we do in partnership with our clients leaves a positive, lasting impact for communities and our planet.

To give one example, we are now asking our teams globally involved in all major projects to incorporate an ESG action plan that, if chosen by the client, will reduce carbon impacts

by at least 50 percent. We will also be developing and growing our dedicated ESG and sustainable services each year. This means embedding net-zero, resilience, and social value targets into our client account management program and the work we bid for and working with clients and partners to drive innovation in climate change, sustainable design, and social value, among other things.

Internally, we will continue to nurture a culture that promotes equity, diversity, and inclusion, and we are committed to reducing our carbon footprint, with a goal of meeting science-based net-zero targets by 2030. We have also implemented an enterprise framework to assess ESG risk in pursuing potential projects.

### Q: Why is evaluating ESG risk part of our process?

**A:** We want to consider sustainability in every decision we make, and that includes improving the effectiveness of management and operational decision-making regarding what work we do and pursue. Much like we evaluate opportunities associated with projects, we want to be certain to better consider the risks that may work against us achieving our sustainability goals.

In setting an enterprise framework to assess ESG risk, we want to make sure we conduct effective due diligence, develop appropriate mitigation processes as necessary, and support decision-making. Our colleagues who are involved in this sort of decision-making will receive regular training on risk guidance.



# Sustainable Legacies

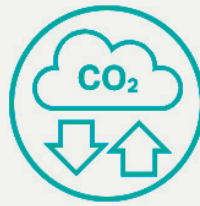
Sustainable Legacies is AECOM's strategy for reaching ambitious ESG objectives. This strategy integrates four key pillars that will embed sustainable development and resilience across the company's work, improve social outcomes for communities, achieve net-zero carbon emissions, and enhance governance. AECOM is committed to publicly reporting on ESG pillars as we work to enhance performance in the most responsible manner possible. Our strategic approach of Sustainable Legacies not only helps us manage and measure our progress, but also helps us to engage with key stakeholders from around the world.



**Embedding  
Sustainable  
Development**



**Improving  
Social  
Outcomes**



**Achieving  
Net-Zero  
Carbon Emissions**



**Enhancing  
Governance**



## Why Now

In ways that are both devastating and transformational, the pandemic has brought increasing focus on the weaknesses and inequities in the systems that support quality of life and prosperity in our already fragile world. It has led us and our clients to rethink what's next, reorder priorities, and accelerate changes that not only help repair what's broken, but lead to improved, lasting outcomes.

As the world's trusted infrastructure consulting firm and a leader in ESG, AECOM is determined and well positioned to deliver positive, impactful, and sustainable legacies for our company, our communities, and our planet. ESG is something that we live and breathe. Directly integrating ESG values with

our technical excellence and capabilities puts AECOM in the best position to be the ESG leader in our industry and to truly help deliver a better world and sustainable legacies.

Our clients and the communities we serve need a trusted advisor to help them advance these initiatives. Many are already turning to us for guidance. Our leadership in markets like transportation, environment, buildings + places, and water — in partnership with our global program management business — puts us at the right place at the right time to apply our deep technical expertise and successfully take on that advisory role for our clients.

## Our Strategy

With ESG principles embedded into everything we do, the goal of our Sustainable Legacies strategy is straightforward: to ensure that the work we do in partnership with our clients leaves a positive, lasting impact for communities and our planet.

Our approach to sustainability includes engaging team members across departments and finding collaborative ways to achieve high environmental, social, and governance standards. Our strategic values ultimately guide all of our sustainability efforts and aspirations. Written in alignment with the SASB and TCFD framework, our efforts focus on:

- Environmental impacts of project development;
- Structural integrity and safety;
- Workforce health and safety;
- Life-cycle impacts of buildings and infrastructure;
- Climate impacts of our business mix;
- Business ethics; and
- Governance, strategy, and risk management of our emissions.

These topics were identified through a series of analyses of our businesses model. Our strategy reflects today's infrastructure revolution that is transforming our world. The technologies leading this revolution are transformational and we are keenly focused on initiatives that capitalize on these new technologies and business models to create sustainable solutions.

One example is our ScopeX™ process, which considers materials, site locations, logistics, and construction methods to reduce and eliminate the impact the projects we create have on the natural environment. We minimize energy use, optimize sources of renewable power, and where feasible work with and enhance natural habitats to eliminate carbon emissions. We believe that ScopeX™ will be our biggest contribution to help end the climate emergency. By decarbonizing the built environment and supporting our clients achieve their net-zero agendas, we're striving to improve the cities and communities we serve, delivering a better world.

# Delivering Sustainable Legacies

## Our ESG strategy in detail



### **Embedding Sustainable Development and Resilience Across Our Work**

- To incorporate an ESG action plan for reducing carbon impact by at least 50 percent on all major projects
- To develop and grow our dedicated ESG and sustainable services each year
- To work with clients and partners to drive innovation in climate change, sustainable design and social value
- To embed net-zero, resilience and social value targets into our client account management program and the work we bid for
- To measure key impacts such as carbon emissions, climate resilience and social value on major projects



### **Achieving Net-Zero Carbon Emissions**

- To ensure we are operationally net zero by 2021
- To reach science-based net-zero by 2030 by:
  - Implementing a 50 percent reduction in business travel
  - Developing carbon reduction targets in partnership with our supply chain
  - Decarbonizing all fleet vehicles and switching to renewable energy tariffs
  - Offsetting residual carbon by creating our own nature-based solution projects



### **Improving Social Outcomes**

- To deliver social value through our business, empowering staff and delivering projects that proactively improve social value outcomes to individuals, communities and society in general
- To ensure our project teams reflect the diversity of the clients and communities we serve
- To promote social equity, diversity and inclusion in our supply chain and communities through partnerships with small and minority-owned businesses
- To make strategic community investments that positively impact clients, communities and society
- To ensure women comprise at least 20 percent of senior leadership roles and at least 35 percent of the overall workforce



### **Enhancing Governance**

- To develop an enterprise framework to assess ESG risk in potential projects
- To drive leadership accountability and advocacy through specific ESG goals/metrics in annual goals
- To track and report on ESG performance targets in line with leading industry benchmarks (i.e., Sustainability Accounting Standards Board [SASB] and Task Force on Climate-related Financial Disclosures [TCFD])

## Our Work

Delivering sustainable legacies is a multi-layered endeavor. At a micro level, the focus tends to be on sustainability here and now: energy strategies to reduce emissions, offsetting and other mitigation tactics, sustainable development, resiliency, and the creation of a waste-free circular economy. At a macro level, sustainability takes a global approach to consumption over the long term in the interests of the planet and the whole of society.

In line with this and reflecting post-pandemic priorities, we have developed four themes of our sustainable legacies strategy: embedding sustainable development and resilience across our work, improving social outcomes (including equity, diversity, and inclusion), achieving net-zero carbon emissions, and enhancing governance.

Anytime we can bring a diverse set of capabilities to our clients, we know that we are successful. Many of the projects we have a hand in feature an element focused on delivering Sustainable Legacies, with our work in NEOM in Saudi Arabia being a great example. The Kingdom has set very bold ambitions for this new mega city, including goals

to be net-zero carbon and to be powered 100 percent by renewable energy. We are currently overseeing the program management of this substantial initiative and have brought in a whole host of technical experts who are engaged in engineering the backbone infrastructure of this new city. This work really underscores the sort of value we are uniquely able to bring to clients in helping them build a better and more sustainable world.

Another great example is the work we are doing in Bronzeville, Illinois, a neighborhood on the southside of Chicago. Working with ComEd and the Chicago Housing Authority, we are developing the first renewable powered microgrid in this underserved community. This project will help address transportation, electrification, and broader community benefits such as jobs and education. At the same time, energy-saving programs are helping residents and businesses reduce their utility bills, while other initiatives are creating jobs, training the future workforce, and preparing low-income high school students for careers in science, technology, engineering, and mathematics (STEM).



AECOM will lead the design, transport and utilities backbone infrastructure for NEOM, a new model for urbanization and sustainability located in the northwest region of Saudi Arabia.



AECOM remains a worldwide leader in building and maintaining sustainable infrastructure as seen by our Chicago site.



# AECOM's Materiality-Based Approach to ESG

Written in alignment with the Sustainability Accounting Standards Board disclosure for the Engineering & Construction Services, the UN Sustainable Development Goals and the Task Force on Climate-Related Financial standard, this report focuses on the following topics deemed most material to our long-term performance:

- **Environmental Leadership**, including our environmental management program, climate change initiatives, our pledge to net-zero, and our environmental responsibility. Within these sections we provide an overview of our environmental impacts of project development (SASB IF-EN-160a), structural integrity & safety (SASB IF-EN-250a), lifecycle impacts of buildings & infrastructure (SASB IF-EN-410a), and climate impacts of our business mix (SASB IF-EN-410b). We also discuss the governance, strategy, risk management, and metrics related to our climate change endeavors (TCFD).
- **Social Impact**, including diversity initiatives, LGBTQ+, employee turnover, programs for people with disabilities, STEM education, veteran support, health & safety, our COVID-19 response, and our local community initiatives. Within these sections, we provide an overview of our Workforce Health & Safety (IF-EN-320a) and related activity metrics (SASB IF-EN-000).
- **Culture of Governance**, including oversight of our corporate governance program, ethics and integrity, risk management, and responsible supply chain management. Within these sections, we provide an overview of business ethics (SASB IF-EN-510a) and governance of our climate change program (TCFD).

We believe that investing in environmental leadership, social impact, and a culture of governance will drive long-term value for AECOM. Our ESG priorities center on these three elements and we look forward to providing more information in the pages that follow.

# Environmental Leadership

Environmental Management  
Climate Change  
Pledge to Net-Zero  
Environmental Responsibility



# Environmental Leadership

As a Professional Services firm, it is imperative that we lead in ESG issues. AECOM is committed to responsible environmental practices that include climate change adaptation and resilience, conservation of natural resources, advancing biodiversity, pollution prevention, and reduction of waste. We strive to continue developing environmental programs to protect our planet, employees, communities, and future generations by focusing on mitigation, prevention, and opportunity.

At AECOM, we focus on delivering innovative, pragmatic, and resilient sustainable development solutions. Our business and policy teams weave sustainable development solutions into the daily activities of our clients, to assist in making better decisions around investment, corporate strategies, supply chains, and procurement across all sectors. We also are in partnership with some of the leading academic institutions, enhancing our research and development capability.

With nearly 50,000 talented engineers, scientists, architects, consultants, and program and construction managers, along with our Board of Directors and Executive Leadership Team, we are energized by the impact of our work and how we can contribute positively to society and the planet.



On track to achieve operational **net-zero carbon emissions** by the end of 2021

Committed to developing **1.5°C aligned science-based targets** and delivering net-zero science-based targets by 2030

Introduced **ScopeX™** a first-of-its-kind initiative to reduce carbon across the entire project life cycle



## Environmental Management

Environmental sustainability is critical for competitiveness and business success. The sustainability of operations, products, supply chains, and infrastructure projects are central to sustained value creation, growth, and resilience.

We are committed to creating environmental awareness with our employees and other partners and to engaging them to reduce consumption of natural resources; preserve air, soil, and water quality; manage waste properly and encourage reuse or recycling; reduce use of toxic substances; and apply an ethical approach to source reduction and disposal efforts.

Our Environmental Management System (EMS) is designed to help limit the impact on the environment. It forms part of the Integrated Management System (IMS), which covers the approach to health, safety, environment, quality, and risk. An

effective EMS means we can be confident in the focus on reducing both direct and indirect impacts on the environment, including reducing carbon footprints, and supporting clients with sustainability solutions.

Our EMS is managed at each site by a site-level Environmental, Health, and Safety manager, who ensures that the system is implemented and maintained. Environmental data from all sites are collected by our Chief Safety, Health and Environment Officer and reported to our Safety, Risk and Sustainability Committee. In 2021, we also began reporting environmental management topics to the Safety, Risk, and Sustainability Committee of the Board. Our Environmental Policy and Safety Policy are available to all employees, customers, and suppliers on our website, and both are regularly reviewed at operational meetings throughout the company.

## Climate Change

A key aspect of AECOM's ESG strategy is our climate change response. We do not limit our thinking on emissions reductions simply to environmental issues. We also consider the vast impacts climate change can and will have on all the communities we serve, especially on people who live in vulnerable areas and will be disproportionately affected. The 2018 Intergovernmental Panel on Climate Change report showed we need to limit global warming to 1.5 degrees to avoid the worst effects of climate change, requiring significant changes globally, including from companies. This is echoed by the goals of the Paris Agreement which is the first-ever universal, legally binding global climate change agreement. The science therefore requires reduction of GHG emissions in line with the Paris Agreement and achieving 'net zero' emissions ahead of 2050 to avoid the worst impacts of climate change. This is what our new net zero targets align with: science-based net zero by 2030 and operational net zero by 2021. A science-based net zero target is a new concept which commits a company to decarbonizing as quickly as possible across its value chain (in line with the Paris Agreement) and then neutralizing any remaining emissions through carbon offsetting. Operational net zero allows us to contribute more climate impact and be ready for our science-based net zero target.

AECOM complies with all applicable legal and regulatory requirements to control and reduce emissions and energy usage in our operations. We recognize the need to comply with strict environmental standards and an increasing number of environmental laws and regulations. We are committed to making the necessary investments in systems and technology to ensure compliance and to meet or exceed these standards. We are committed to improving our energy efficiency, as this is the largest and most cost-effective way to reduce CO<sub>2</sub> emissions.

We have invested in technological advancements focused on our service offerings in order to increase efficiencies, lower our operating costs, optimize capital expenditures, and add value for our customers. We have identified and shared opportunities for continued improvement on energy efficiency company-wide and launched several global initiatives designed to reduce energy consumption in our facilities. We are continuously researching and designing innovative ways to boost efficiency, such as utilizing high-efficiency electrical equipment including LED and motion detector lighting, solar panels, and high-efficiency HVAC units. We believe that our focus on innovation, with the objective of reducing costs and improving sustainability of our operations, provides a strategic benefit through the ability to fund, develop, and implement new technologies and quickly respond to changes in customer requirements and industry demand.

## **Climate Change Oversight**

AECOM's CEO, Troy Rudd, leads the Executive Leadership Team, which comprises senior executives representing all business segments and retains overall responsibility for Safety, Health, and Environment (SH&E) and Enterprise Sustainability, including climate-related issues, policies, and strategy. Our CEO implemented the development of the ESG Global Council and commenced our process of developing ESG and specifically greenhouse gas reduction strategies. AECOM's President, Lara Poloni, and Chief Legal Officer, David Gan, both report to our CEO and are co-Chairs of our ESG Global Council, which was launched in September 2020 and comprises dozens of sustainability experts and business leaders across the organization to best advise on all ESG-related matters.

Subsequently, this leadership was responsible for developing our Sustainable Legacies strategy that launched in April 2021 and includes a multitude of commitments on ESG matters and associated targets, such as our commitment to achieving science-based net-zero carbon by 2030. The ESG Global Council is also actively involved in reviewing and mitigating climate-related risks associated with our project portfolio.

The responsibility for assessing and managing climate-related risks and opportunities related to our own operations, including our greenhouse gas reduction target, also lies with the ESG Global Council. The President is responsible for our global operations, including the advancement of our ESG priorities across the business, and is also in charge of the global SH&E Organization and the Enterprise Sustainability Program. As Executive Sponsors for ESG and as co-leads of the ESG Global Council, both the President and the Chief Legal Officer are responsible for providing status updates on SH&E (including climate-related) program initiatives, objectives, and targets to our Board on a regular basis.

The Enterprise Risk Management (ERM) steering committee provides an established continuous improvement platform that actively assesses, analyzes, and works cross-functionally to identify and mitigate AECOM's inherent and strategic risk profile, including risks related to energy and climate change, concurrently empowering associated enablers. The team actively monitors AECOM's risk profile and facilitates risk-based, efficient, cross-functional solutions. The team facilitates the

preparation of reports on AECOM's risk profile that are regularly shared with management and the Board of Directors. Risks are reported via three key risk indicators: exposure, readiness, and performance.

## **Climate Change Challenges and Opportunities**

AECOM sees numerous challenges and opportunities resulting from climate change and emerging from our strategic initiatives. The identification and execution of those opportunities is the responsibility of our Climate Change and Resilience Technical Practice Group and our GHG and Zero Emissions Technical Practice Group, which are responsible for providing technical climate change services to clients.

In the short-term, there are emerging mandates on and regulation of existing products and services that may lead to increased indirect operating costs. However, this presents an opportunity for the development of appropriate relief services that may lead to increased demand for products and solutions. In the medium term, AECOM views changing customer behavior as a risk that may lead to decreased revenue along with emerging regulation, but the development or expansion of low emission goods and services may lead to increased revenues. Furthermore, the development of climate adaptation, resilience, and insurance risk solutions could increase the demand for our services.

Furthermore, the market opportunities associated with sustainability, including climate-related services, are rigorously assessed as part of our annual planning. This review includes estimating growth due to a predicted increase in demand for climate services. Conversely, the impact on some of our work that is more exposed to climate change, such as work with coal, is also assessed.

These challenges and opportunities will continue to be evaluated and expanded as part of our ongoing commitment to reporting against the TCFD framework in particular.

## **Climate Change Risk Management**

Our ERM program identifies external and internal threats to physical assets, data, and intellectual property, as well as vulnerabilities that exist within them. Based on the enumeration of those assets and threats, we develop

effective risk management strategies and improve resilience. The prioritization of risks is done through a collaborative process of discussing the main risk profiles with relevant stakeholders on an ongoing basis and evaluating the potential impact, the level of exposure (vulnerability) as a company to that risk, and speed of onset.

Our prioritization process is based on the size (in potential revenue) of an opportunity as well as our relationship and competitive advantage with the client. Subsequently, AECOM adapts to changing global business environments and risk conditions through its strategic resiliency practices, led by

our Global Security and Resiliency (GSR) Department, which includes global oversight and coordination of disruptive event response and business continuity management. These teams focus on identifying threats across the globe before they come to fruition, while creating strong and effective countermeasures that safeguard our data, people, projects, and communities. These teams are composed of representatives from communications, human resources, legal, facilities, and real estate to help anticipate, act on, and learn from disruptive events.

## The Climate Pledge

Reflecting our commitment to leading in sustainability alongside our clients, AECOM became a signatory to the Amazon Climate Pledge in 2021. The Climate Pledge calls on companies and organizations to be net-zero carbon across their businesses by 2040. Signatories of the Pledge commit to three principal areas of action:

### Regular Reporting

Measure and report greenhouse gas emissions on a regular basis;

### Carbon Elimination

Implement decarbonization strategies in line with the Paris Agreement through real business changes and innovations, including efficiency improvements, renewable energy, materials reductions, and other carbon emission elimination strategies;

### Credible Offsets

Neutralize any remaining emissions with additional, quantifiable, real, permanent, and socially-beneficial offsets to achieve net zero annual carbon emissions by 2040.

## Scope 1, 2, and 3 Emissions for FY'20

**32%**  
Reduction in  
Scope 1 and 2  
emissions

**7%**  
Reduction in  
supply chain  
emissions

SCOPE	FY'18 (BASELINE)	FY'20
<b>Scope 1 &amp; 2</b> (MT CO <sub>2</sub> e)	138,025	94,019
<b>Supply chain (Scope 3)</b> (MT CO <sub>2</sub> e)	2,740,962	2,550,319
<b>Total</b> (MT CO <sub>2</sub> e)	2,878,987	2,644,339

Since publishing of our Annual Report for FY'20, we have continued to reviewed our emissions data to ensure all inputs are captured correctly and accurately. In particular, this included a close review of our supply chain spend data, which resulted primarily in the exclusion of several spend categories associated with passthrough costs that have no emissions associated with such transactions that previously had emissions factors applied to them. As a result, the data above represents a substantial reduction from our previously reported data. Our emissions reduction trajectory remains largely consistent with our prior reports, and we have rebaselined any associated targets to reflect this most current data.



## Environmental Responsibility

AECOM has committed to manage and report its key environmental impacts and make corrective actions where necessary. This includes reporting in line with industry standards and regulations as well as using its enterprise ESG risk framework to assess project risks including environmental risks. AECOM also commits to embed environmental sustainability into its work, including through its 'ScopeX™' process requiring carbon reduction on major design projects.

AECOM has committed to delivering net-zero operations in 2021 and a net-zero value chain by 2030, as part of its sweeping new ESG strategy. The climate commitments detailed in Sustainable Legacies build on AECOM's membership to Amazon's Climate Pledge and its work in co-founding the Pledge to Net-Zero for our sector.

As part of that AECOM is committed to improving travel performance by implementing our Travel with Purpose guidance prioritizing digital tools instead of traveling (for business and commuting), and if travel is necessary, prioritizing sustainable modes of travel (e.g. walking, cycling, public transportation and zero emissions vehicles) in conjunction with a location-specific risk assessment. This also requires improving the efficiency of our vehicles and investing in low or zero emissions vehicles over time. AECOM will also advance environmentally sustainable offices to achieve our net zero targets. This means implementing our Fast Forward Global Guidelines to improve sustainability as standard, including through site selection and considering energy use and sourcing (with an aim to increase the amount of renewable energy used).

We are also partnering with clients to advance their sustainability initiatives and progress more environmentally conscious infrastructure. Just to give a few examples, we are:

- Helping energy giant Shell with their focus on transitioning fuel stations to hydrogen stations;
- Partnering with AMPLY Power, which provides charging-as-a-service to fleet operators, to help bus fleet owners accelerate zero emission initiatives;
- Supporting the Los Angeles Department of Transportation's transition to electric buses;
- Working with electric utility Commonwealth Edison (ComEd) and the Chicago Housing Authority to address transportation, electrification, and broader community benefits such as jobs and education; and
- Leading on decarbonization measurement and biodiversity impact through our innovative work at the Natural Capital Laboratory in the U.K.

To achieve our science-based net zero target, AECOM will continue to work hard on reducing supply chain emissions. This means improving accuracy of emissions data reporting and management, regularly collecting supplier emissions data and target information, and collaborating with suppliers so they can set leading targets and reduce emissions accordingly. Environmental sustainability and ESG are key elements that will be embedded into our procurement processes. Our latest Carbon Disclosure Project (CDP) climate change response scored above the industry average. We continue our commitment to addressing climate risk as part of our business strategy by disclosing our climate-related risks. AECOM is also focused on developing and implementing energy efficiency and savings programs to managing the construction of LEED Platinum buildings and creating proprietary solutions for the cleanup of emerging contaminants.



# Social Impact

**Thrive with AECOM**

**Social Value**

**LGBTQ+ Equity**

**Turnover**

**People with Disabilities**

**STEM Education**

**Veteran Support**

**Health, Safety and Wellness**

**COVID-19 Response**

**Our Community**



# Social Impact

We believe AECOM's most important asset is our people, which is why we've solidified our core values and strive to uphold them every day.

Recognizing that promoting diversity in ideas and perspectives makes us a better, more innovative company, AECOM reaffirmed its commitment to extending a culture of equity, diversity, and inclusion (ED&I) throughout our global enterprise. From creating a reverse mentoring program pairing junior professionals with our executive leadership team to expanding employee resource groups, we continue to ensure AECOM remains a place where our talent thrives, while we deliver superior business results and enrich our communities.

By developing our strategy with a focus on improving social outcomes and supported by the strength of our technical excellence, global collaboration, and local engagement, we will continue to drive innovation in our industry.



Nearly  
**50,000**  
employees  
worldwide

Ensuring that  
**women account  
for at least  
20%**  
of senior  
leadership

Ensuring that  
**women account  
for at least  
35%**  
across our  
company



## Thrive with AECOM

Our commitment to equity, diversity, and inclusion enables us to better anticipate our clients' needs, understand the challenges facing the communities we serve, drive innovation that propels our industry forward, and realize our purpose of delivering a better world.

Our Board of Directors recognizes that a diverse workforce and a culture of equity and inclusion helps us compete more effectively, sustain success, and build long-term shareholder value. In leading from the top, the Nominating and Governance Committee considers a variety of diversity characteristics for board composition, including business experience, geography, age, gender, and ethnicity. We believe that supporting and promoting a diverse and inclusive workplace brings new perspectives that can result in new ideas and help mitigate risk.

Our commitment to diversity starts with our goal to attract, retain, and develop a workforce that is diverse in background, knowledge, skills, and experience. As of September 30, 2020, across our global employee base, approximately 32.5 percent were women. Our leadership includes representation from a diverse array of communities, with approximately 56 percent of our executive team and 45 percent of our Board being from a diverse background in regards to race, ethnicity, gender and sexual orientation. In addition, we have implemented diversity-specific KPIs and associated near- and long-term targets in each region within our business.



To empower those in our industry to thrive, we're focused on four key areas to drive greater equity, diversity, and inclusion within AECOM and beyond:



**Building Diverse  
Talent**



**Expanding  
Understanding**



**Enriching  
Communities**



**Thinking Without  
Limits**

We encourage every one of our team members to form deeper relationships with those around them based on mutual respect, dignity, and understanding. In addition, we include a variety of stakeholders in proactive engagement to gather feedback, increase transparency, and further understanding.

## Social Value

At AECOM, we believe that investing in local communities to create social and economic outcomes is at the heart of generating social value. We work with our clients, partners and suppliers to link the opportunities presented by our projects to the needs of the local communities we operate in, delivering a positive, lasting legacy. As we transition our economies to net zero carbon, we recognize that businesses must deliver the employment, skills and business outcomes to sustain this green economy. Social Value is critical to achieving our ESG strategy and making sure that no one is left behind:

- Ensuring a just and equitable transition that delivers sustainable employment opportunities
- Utilizing our technical expertise and STEM activity to develop a skilled workforce of the future that represents the communities we live and work in
- Supporting local economies by contracting with local SMEs and building capacity within our supply chains
- Delivering on our core values by engaging with communities to deliver projects that improve their wellbeing

## LGBTQ+ Equity

AECOM's commitment to the LGBTQ+ community is reflected in our company's policies. We offer same-sex domestic partner benefits and have a strong anti-discrimination policy. Beyond these measures, to make our employees feel welcome and included, we recognize and contribute to LGBTQ+ community initiatives, including AECOM's features locally based Inclusion & Diversity (I&D) Committees, onsite townhalls, and participation in national I&D groups. Furthermore, for Pride Month, we held a roundtable discussion with our LGBTQ+ colleagues and allies, who shared their experiences including an interview with our Board member, Sander van't Noordende.

## Employee Turnover

As a Professional Services business, we are focused on ensuring we attract and retain the best talent in the industry. As a result, we continually review our compensation and rewards practices, conduct annual performance reviews, and provide substantive professional development opportunities, among other initiatives. Reflecting our successes, turnover within our permanent employees and within our high performers has remained below our internal targets in fiscal 2020, and while turnover has increased in fiscal 2021 as anticipated and as the headwinds from the pandemic have begun to ease, we continue to maintain turnover in alignment with industry benchmarks.

## People with Disabilities

The inclusion of people with disabilities helps drive our sustainable revolution for our employees, communities, and customers. As such, AECOM provides a training course for employees on disability inclusion in the workplace. Reasonable accommodations at AECOM include adaptive equipment, allowances for on-site service animals, flexible work arrangements, special parking assignments, hotlines, and a number of other inclusive services.



## STEM Education

AECOM believes the infrastructure industry needs to diversify and engage with young people if it is to avoid a future recruitment crisis. Furthermore, it is more important than ever to continue engaging with schools to attract the best talent.

The need to attract the best talent in the industry remains — as does the need to be more inclusive and employ people from a diverse range of backgrounds. As key stakeholders in the infrastructure industry, engaging and investing in social value is no longer optional, it's essential. As a result, AECOM partnered with nonprofit organizations across the globe to:

- Grow the number of students who earn a STEM degree;
- Increase underrepresented minorities in STEM fields; and
- Continue to support STEM initiatives, including being the Titanium Sponsor of the virtual 2021 Joint Engineer Training Conference, an educational and networking forum whose mission is to lead collaborative efforts to identify and resolve national security infrastructure-related challenges.

## Veteran Support

AECOM is a long-time supporter of veteran communities, with more than 9,000 veteran employees working on projects around the world. Their strong leadership, team-building, and analytical skills, as well as unwavering commitment to a job well done, are critical when the work involves managing complexity, making decisions in the face of uncertainty, and ensuring safe operations in high-risk environments.

We value the outstanding contributions veterans make to our contract performance and overall business success, and AECOM has a long-standing commitment to supporting those who serve as well as those who have returned to civilian life. As part of this commitment, AECOM partners with organizations such as the Wounded Warrior Project, Semper Fi Fund, American Corporate Partners, the Officers' Association, and the Career Transition Partnership, which ensure veterans have the support they need during and after their service.



## Health, Safety, and Well-being

Core to our corporate values is safeguarding our people and fostering a culture of caring that promotes the well-being of our employees, contractors, and business partners. We protect our people, projects, and reputation by striving for zero employee injuries and illnesses, while operating and delivering our work responsibly and sustainably.

We maintain best-in-class lost workday case and recordable incident rates, and our safety performance is consistently recognized by key clients across the regions where we work as well as by recognized safety organizations. Specifically, AECOM has been commended by clients and councils with numerous safety awards across the globe over the course of fiscal 2020, including the 2020 Ground Investigation and the 2020 Health and Safety Award Recognizing AECOM Training's safety initiative to ensure plant and rig conformity/compliance. From the United States National Safety Council (NSC) alone, AECOM received 157 awards; in addition, hundreds of AECOM supervisors earned Safety Qualified Supervisor status, demonstrating their commitment to our values and their outstanding leadership abilities.

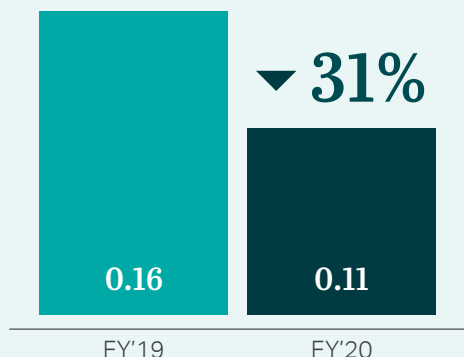
In fiscal 2020, our Total Recordable Incident Rate in our Professional Services businesses improved by 31% over the prior year to 0.11, and our Lost Workday Case Rate improved by 40% to 0.03. Both of these metrics reflect a world-class level of safety performance and the benefits of our restructuring activities throughout the year.

Safety requires focus and continuous effort. We thoroughly investigate serious incidents and near misses to identify root causes. The knowledge gleaned from our analysis forms the basis for modified behaviors, more effective safety programs, and improved communications and training on safety issues. We are also committed to fostering the physical and mental well-being of our workforce. We provide a comprehensive and competitive benefits package that supports the health and financial wellness of our people. Some common features offered to our employees in 2020 include the following:

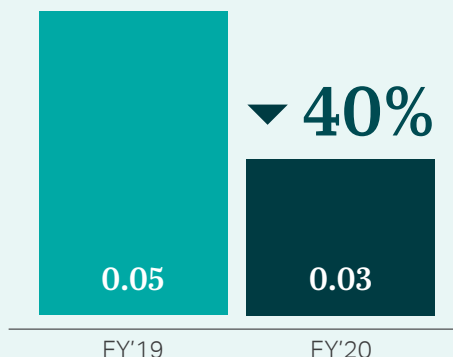
- Medical, dental, and vision benefits for employee, spouse, and dependents;
- Flexible spending accounts for both healthcare and dependent care;
- Health savings accounts and health reimbursement accounts;
- 401(k) retirement savings program with company matching contributions;
- Short-term and long-term disability benefits;
- Mental health resources and assistance programs;
- Wellness incentives for employees; and
- Employee assistance program.

Furthermore, we provide our employees several opportunities to focus on physical, mental, and financial wellness by maintaining paid vacation, holiday, family leave, and sick leave, adoption support, fertility support, and maternity/paternity support programs.

### Total Recordable Incident Rate (TRIR)



### Lost Workday Case Rate (LWCR)



## COVID-19 Response

As soon as the pandemic began, we took immediate action to ensure employees were safe and accounted for and to maintain business continuity for our clients. In each of our markets, we have been doing our part to help contain the spread of COVID-19 and enable a safe work environment by following the lead of our safety and health experts, as well as guidance from public health organizations and government agencies.

In March 2020, we suspended all business-related travel until further notice and began transitioning our employees to work-from-home arrangements. As of December 31, 2020, 90 percent of our employees were working remotely. Despite

having the majority of our workforce working remotely, we continue to maintain our commitment to ensuring our employees' health, safety, and wellness, including employee support programs to aid employees and their families most directly impacted by the pandemic. We continue to follow recommendations from the World Health Organization and the Centers for Disease Control, including practicing social distancing, increased cleaning and sanitizing of workstations, and implementing screening procedures for on-site employees. We continue to adapt our business continuity plans to address the changing needs of the business.

## Community Engagement

We are passionate about being good corporate citizens in the communities where we live and work. Through strategic nonprofit partnerships, pro bono work, skills-based volunteering, and philanthropy, Blueprint for a Better World, our corporate responsibility platform, is focused on delivering access to safe and secure infrastructure to those who need it most, creating opportunity for the leaders of tomorrow, and protecting our planet. Together, these efforts will allow AECOM to fulfill its purpose to deliver a better world.

As part of the Blueprint pro bono program, our technical experts partnered with nonprofit organizations in their local communities to provide critical design, engineering, and infrastructure solutions. In fiscal 2020, we continued to further our employees' passion through the Blueprint Travel Grant program, which allowed us to assist in building dormitories to further Peruvian girls' education, purifying drinking water on Zinga Island in central Uganda, strengthening engineering ecosystems in Sub-Saharan Africa, and designing and fundraising for a women and children's center in Kosovo. In addition, we sustained our commitment to our enterprise strategic nonprofit partners, Engineers Without Borders and Water for People.

Volunteerism is a big part of who we are at AECOM, and it takes form in many ways. From individuals committing their time to help local nonprofits to small and large employee groups teaming up to support community initiatives.



- Nearly 200 AECOM employees across 32 countries provided feedback, encouragement, and coaching to girls in middle and high school as they developed mobile applications to address real-world challenges related to food waste, nutrition, the environment, and more.
- During the 30 days of our inaugural Blueprint Service Month, AECOM offices held 34 events with more than 800 volunteers supporting 29 nonprofit organizations.
- Regional events included homeless initiatives, mentorship of youth in business, collecting food for the elderly, environmental clean-up, and participation in a community garden beautification project.

Furthermore, we partner with nonprofit organizations that work to increase the number of individuals with technical skills, decrease the number of individuals facing economic barriers, and make our communities better via innovation and improvement.





# Culture of Governance

Oversight

Ethics and Integrity

Risk Management

Responsible Supply

Chain Management

# Culture of Governance

AECOM is committed to achieving excellence in our governance practices to establish a strong foundation for the long-term success of our company. We emphasize a culture of accountability and conduct our business in a manner that is fair, ethical, and responsible to earn the trust of our stakeholders, including customers, employees, investors, partners, and regulators and communities. We also maintain robust risk management programs to ensure compliance with applicable laws and regulations governing ethical business practices.

AECOM has comprehensive corporate governance policies and structures in place to foster accountability and transparency for our Board of Directors and management team. These policies reflect our underlying commitment to maintain the highest standards of ethics and integrity and to operate our business in compliance with all applicable anti-corruption, anti-bribery, and anti-trust laws and regulations.

AECOM is governed by an 11 person Board of Directors. Our Board of Directors' mission is to represent the owners' interest in the long-term health and the overall success of the business and its financial strength.



**45%**

of directors **are diverse\*** including self-identifying as LGBTQ+

**36%**

of directors **are women**

**64%**

of Board members are new within the **last two years**



\* Our leadership includes representation from a diverse array of communities, including race, ethnicity, gender, and sexual orientation.



## Oversight

AECOM’s Board of Directors, consisting of eleven directors, is responsible for oversight of the management of our company and its business for the long-term benefit of our stakeholders. The Board sets the tone for AECOM and operates under a set of published Corporate Governance Guidelines, which are based on best practices that meet or exceed the existing standards of the New York Stock Exchange and requirements of the U.S. Securities and Exchange Commission. 5 of the 11 directors at the 2021 Annual Meeting were diverse, consisting of four women, including one African American woman, and one director who self-identifies as LGBTQ+. In August 2020, AECOM separated the roles of Chairman and CEO. The Board believes that this structure streamlines decision-making and promotes accountability. Annual self-assessments at the Board and Committee levels are conducted by an independent third-party for objectivity, and members may choose to participate anonymously. Results are shared with Board members annually. Questionnaires monitoring potential related-party transactions and other conflicts of interest are also administered on a regular basis.

Our Board of Directors includes four standing committees: the Audit Committee, the Compensation and Organization

Committee, the Nominating and Governance Committee, and the Safety, Risk, and Sustainability Committee.

In November 2020, the Risk and Safety Committee was refocused to include further oversight of sustainability matters. As a result, the Safety, Risk, and Sustainability Committee has direct oversight of our company’s ESG policies and programs, including reviewing and evaluating ESG plans and practices, overseeing the development and use of future ESG metrics, and reviewing the annual ESG report. As the highest governing body that oversees ESG issues within our company, the Committee receives regular updates and information on sustainability matters.

AECOM continues to evolve and improve upon its ESG strategy and is implementing and managing long-term, strategic sustainability initiatives. The Board and its Committees continues to oversee this effort including the establishment of our company’s ESG Council in 2021. The Council includes seven cross-functional teams of leaders representing operations, human resources, supply chain, regulatory compliance, finance, marketing communications, investor relations, facilities, and the legal department.

## ESG Governance Structure





## Ethics and Integrity

AECOM is committed to ethics and integrity, and we adhere to the highest standards of ethics and compliance while delivering excellence to our clients. Our Code of Conduct outlines our legal guidelines and ethical principles that help each of us make the right decisions when conducting business worldwide.

Our commitment to ethics and compliance starts at the top. AECOM's Board, including through its Nominating and Governance Committee, has oversight of our company's general policy relating to the support of trade associations, political organizations, and lobbying activities. AECOM conducts several forms of training relating to lobbying, including annual training and certification regarding our company's Code of Conduct, and specialized training for company employees involved in the engagement of lobbyists and other advocates.

As part of our underlying commitment to operating our business ethically and fairly, AECOM has policies and procedures in place to meet or exceed all applicable anti-corruption laws and regulations. To help ensure that AECOM is fostering the best possible work environment, we also maintain a rigorous Anti-Corruption Policy, a Human Rights Statement, and an Anti-Human Trafficking Statement/Modern Slavery Policy.

## Risk Management

AECOM recognizes that effectively managing enterprise risks is critically important to the long-term success of our business. Management is responsible for our company's day-to-day risk management activities. Our company relies on a comprehensive risk management process to aggregate, monitor, measure, and manage risks. The risk management process is designed to enable the Board to establish a mutual understanding with management of the effectiveness of the company's risk management practices and capabilities, to review the company's risk exposure, and to elevate certain key risks for discussion at the Board level.

Our risk management program ensures that management is monitoring and controlling such operational risks as business continuity, compliance risk, reputational risk, technology risks involving information security, and others. In March 2020, our Plan was utilized as part of our COVID-19 response.

In 2020 and 2021, as part of our increased focus on ESG issues, AECOM included sustainability risks such as climate change and equity, diversity, and inclusion in its assessment of critical risks. Plans and procedures to monitor and address any gaps identified are included in regular updates to the Board and its Committees.

## ESG Risk

As the world's most trusted infrastructure consulting firm, the most significant ESG issues that affect us are related to our client work. There are opportunities but also risks that we need to manage for our clients and for our company, better allowing us to deliver a better world. That is why we use an ESG risk framework that allows all our employees to assess and manage this risk right from project selection stage. Every opportunity is looked at through the ESG risk framework which identifies riskier project types from an environmental, social and governance perspective. If any of these are relevant then appropriate mitigations need to be documented and explored as part of our risk committee process. This allows a decision to be made on project pursuit and how to include appropriate mitigations throughout the project as necessary. This process is supported by ESG risk training and a network of ESG Risk Advisors throughout our Regions.

## Responsible Supplier Engagement

AECOM is committed to working with suppliers willing to support our sustainability and human rights initiatives. We believe that managing a responsible supply chain includes a proactive approach to supplier onboarding combined with a diligent auditing process to assess potential supply chain risks.

While we exercise strong supply chain management practices, we do not have full control over our supply chain nor the suppliers we do business with; however, when working with customers with environmental product considerations, our engineers utilize strategies to minimize operating costs of assets through the use of new technologies that eliminate inefficiencies, saving energy and non-renewable resources, improving product quality, and reducing environmental impacts and costs. In addition, we continually seek to partner with suppliers that share common values and a shared commitment to our ESG objectives. To promote supply chain transparency, we expect our suppliers to fully comply with AECOM's Conflict Mineral Policy and provide all necessary conflict minerals content declarations.

# SASB and TCFD Tables

This annex expands transparency through key quantitative data compiled in accordance with the SASB and TCFD frameworks and standards, along with additional details on our workforce, revenues, sales, stakeholders, locations, and certification, and alignment with the United Nations Sustainable Development Goals. Report data covers all global operations unless otherwise noted. This report contains forward-looking statements, including our commitments, targets, and other statements that are not historical facts. These statements are subject to risks and uncertainties and are not guarantees of future performance. Factors that could cause actual results to differ materially from those expressed or implied by such statements are set forth in our SEC filings. All forward-looking statements are based on management's current assumptions, estimates, and projections.

AECOM believes our role as a corporate leader is to ensure that the work we do in partnership with our clients leaves a positive, lasting impact for communities and our planet. In developing our ESG Report, we have compiled metrics organized by key ESG themes incorporated within our tables and throughout our organization.

# Approach to Sustainable Growth

The Sustainable Development Goals (SDGs) are a series of interlinked goals adopted by UN member states in 2015. These goals focus on creating a fairer, more just world with more sustainable economic and environmental practices by 2030. The goals are ambitious and will only succeed through the combined efforts of government, business and civil society.



## SUSTAINABLE DEVELOPMENT GOALS

AECOM supports the SDGs, and recognizing the importance of the goals, we have linked our priority areas to them. We have prioritized several goals that most align with our business and where we can make a positive impact around the world.

	<p><b>1 No Poverty</b> End poverty in all its forms everywhere.</p>		<p><b>10 Reduce Inequalities</b> Reducing all forms of inequality within and among countries</p>
	<p><b>3 Good Health and Well-being</b> Providing equitable access of health services for all and end preventable deaths.</p>		<p><b>11 Sustainable Cities and Communities</b> Make cities inclusive, safe, resilient and sustainable</p>
	<p><b>4 Quality Education</b> Ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>		<p><b>12 Responsible Consumption and Production</b> Encourages more sustainable consumption and production patterns through various measures</p>
	<p><b>6 Clean Water and Sanitation</b> Safe drinking water and sanitation are human rights and fundamental to human health and well-being.</p>		<p><b>13 Climate Change</b> Take urgent action to combat climate change and its impacts</p>
	<p><b>7 Affordable and Clean Energy</b> Affordable, reliable, sustainable and modern energy for all by 2030</p>		<p><b>14 Life Under Water</b> Conserve and sustainably use the oceans, seas and marine resources for sustainable development.</p>
	<p><b>8 Decent Work and Economic Growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>		<p><b>15 Life on Land</b> Seeks to protect, restore and promote the conservation and sustainable use of terrestrial, inland-water and mountain ecosystems</p>
	<p><b>9 Industry, Innovation and Infrastructure</b> Aims to build resilient infrastructure, promote sustainable industrialization and foster innovation.</p>		<p><b>16 Peace, Justice and Strong Institutions</b> Dedicated to the promotion of peaceful and inclusive societies for sustainable development, the provision of access to justice for all, and building effective, accountable institutions at all levels</p>



# FY'20 SASB Table

**TOPIC AND SDG ALIGNMENT**

**SASB METRIC**

**CODE**

**REFERENCE**

**NARRATIVE RESPONSE**

	Number of incidents of non-compliance with environmental permits, standards, and regulations	IF-EN-160a.1	Page 14 10K Report	Significant fines, penalties and other sanctions may be imposed for non-compliance with environmental and health and safety laws and regulations, and some laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of such person. Any material costs in this regard would be disclosed in our periodic reports filed with the SEC.
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**Environmental Impacts of Project Development**



Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction

IF-EN-160a.2

Pages 10, 15  
ESG Report

AECOM manages its operational environmental performance with a certified environmental management system (EMS). The Enterprise Risk Management (ERM) steering committee provides an established continuous improvement platform that actively assesses, analyzes and works cross-functionally to identify and mitigate AECOM's inherent and strategic risk profile. The prioritization of risks is done through a collaborative process of discussing the main risk profiles with relevant stakeholders on an ongoing basis. AECOM's Resilience Process begins with the Resilience Plan Risk Assessment and Business Impact Analysis at the local level.

These teams are composed of representatives from communications, human resources, legal, facilities, and real estate to help anticipate, act on and learn from disruptive events. This risk assessment is vital to determining resilience priorities specific to our various operations globally and enables local resilience teams to develop realistic Resilience Plans around the most probable and highest risks in their geographic location.

**Structural Integrity and Safety**

Amount of defect- and safety-related rework costs

IF-EN-250a.1

n/a

We do not have defect- and safety-related rework costs. Any material costs in this regard would be disclosed in our periodic reports filed with the SEC.



Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents

IF-EN-250a.2

Page 32  
10K Report

We are involved in various investigations, claims and lawsuits in the normal conduct of our business. We are not always aware if we or our affiliates are under investigation or the status of such matters. Any material costs in this regard would be disclosed in our periodic reports filed with the SEC.

Table aligns with the SASB framework for the Engineering and Construction and Professional & Commercial Services industries

**TOPIC AND SDG ALIGNMENT**

**SASB METRIC**

**CODE**

**REFERENCE**

**NARRATIVE RESPONSE**

**Workforce Health and Safety**



(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees

IF-EN-320a.1

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Core to our corporate values is safeguarding our people and fostering a culture of caring that promotes the wellbeing of our employees, contractors, and business partners. We safeguard our people, projects, and reputation by striving for zero employee injuries and illnesses, while operating and delivering our work responsibly and sustainably. We maintain our industry's best-in-class lost workday case and recordable incident rates, and our safety performance is consistently recognized by key clients across the regions where we work as well as by recognized safety organizations.

As detailed in Page 17 of our Annual Report, our TRIR is 0.11 and our Fatality Rate is not reported.

**Lifestyle Impacts of Building and Infrastructure**



Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification

IF-EN-410a.1

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We regularly work with our clients to advance their sustainability initiatives, including ensuring their projects achieve third-party sustainability standards and certifications, such as respective LEED and WELL certifications. Our work in this regard is reflected in our rankings in Engineering-News Record's Green Building Design and Green Contractors rankings, where AECOM was ranked #2 and #5, respectively. Across these portfolio of projects, we estimate that we executed approximately \$3.6 billion of work. Since the process for seeking these certifications can evolve, we do not have an accurate estimate for the number of active projects seeking such certification.

Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design

IF-EN-410a.2

n/a

AECOM offers many services that assist our clients in reducing their GHG emissions, such as energy savings performance contracts (ESPCs), renewable energy system design and construction, and green building design and construction. As a rough indicator on % revenue, our Design Consulting Services advise on water, green design, next generation transportation, and renewable energy, which combined represent nearly 60% of our NSR. Therefore an estimated 40% value has been provided.

**TOPIC AND SDG ALIGNMENT**

**SASB METRIC**

**CODE**

**REFERENCE**

**NARRATIVE RESPONSE**

**Climate Impacts of Business Mix**



Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects

IF-EN-410b.1

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10K Report

Backlog represents revenue we expect to realize for work completed by our consolidated subsidiaries and our proportionate share of work to be performed by unconsolidated joint ventures. Backlog is expressed in terms of gross revenue and therefore may include significant estimated amounts of third party or pass-through costs to subcontractors and other parties.

Amount of backlog cancellations associated with hydrocarbon-related projects

IF-EN-410b.2

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10K Report

Backlog fluctuates due to the timing of when contracts are awarded and contracted and when contract revenue is recognized. Many of our contracts require us to provide services over more than one year. Our backlog for fiscal 2020 was \$41.2 billion.

Amount of backlog for non-energy projects associated with climate change mitigation

IF-EN-410b.3

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10K Report

Within this backlog, our contracted backlog, which represents the portion of our backlog for which work a contract has been executed, was \$21.1 billion. Within this backlog, we estimate that approximately \$237 million was related to hydrocarbon projects and \$37 million was related to renewable energy projects. We did not experience backlog cancellations associated with hydrocarbon-related projects. More broadly, we estimate that approximately \$10.4 billion of our contracted backlog related to non-energy projects associated with climate change mitigation. This work includes climate change adaptation and resiliency, energy efficiency, transit modernization, environmental management and restoration, green building design, disaster resilience and recovery, and other services.



**TOPIC AND SDG ALIGNMENT**

**SASB METRIC**

**CODE**

**REFERENCE**

**NARRATIVE RESPONSE**

**Business Ethics**



(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index

IF-EN-510a.1

n/a

In fiscal 2020, AECOM had 21 active projects and backlog of less than \$5 million in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index.

Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices

IF-EN-510a.2

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Our internal policies mandate compliance with these anti-corruption laws, including the requirements to maintain accurate information and internal controls. We operate in many parts of the world that have experienced governmental corruption to some degree; and, in some circumstances, strict compliance with anti-corruption laws may conflict with local customs and practices. Despite our training and compliance programs, we cannot assure that our internal control policies and procedures always will protect us from reckless or criminal acts committed by our employees or agents. In addition, from time to time, government investigations of corruption in construction-related industries affect us and our peers. Any material monetary losses would be reported in our periodic reports filed with the SEC.

Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes

IF-EN-510a.3

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The U.S. Foreign Corrupt Practices Act (FCPA) and similar worldwide anti-corruption laws, including the U.K. Bribery Act of 2010, generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Our internal policies mandate compliance with these anti-corruption laws, including the requirements to maintain accurate information and internal controls which may fall within the purview of the FCPA, its books and records provisions, or its anti-bribery provisions. We operate in many parts of the world that have experienced governmental corruption to some degree; and, in some circumstances, strict compliance with anti-corruption laws may conflict with local customs and practices. Despite our training and compliance programs, we cannot assure that our internal control policies and procedures always will protect us from reckless or criminal acts committed by our employees or agents.

Number of active projects

IF-EN-000.A

n/a

58,775

**Activity Metrics**

Number of commissioned projects

IF-EN-000.B

n/a

40,026

Total backlog

IF-EN-000.C

n/a

\$41.2 billion (contracted and awarded).

**TOPIC AND SDG ALIGNMENT**

**SASB METRIC**

**CODE**

**REFERENCE**

**NARRATIVE RESPONSE**

Description of approach to identifying and addressing data security risks

SV-PS-230a.1

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10K Report

We face threats to our information technology systems, including unauthorized access, computer hackers, computer viruses, malicious code, cyber-attacks, phishing, and other cybersecurity problems and system disruptions, including possible unauthorized access to our and our clients' proprietary information. We rely on industry-accepted security measures and technology to securely maintain all proprietary information on our information technology systems.

As these security threats continue to evolve, we may be required to devote additional resources to protect, prevent, detect, and respond against system disruptions and security breaches.

AECOM has a mature Information Security Program comprised of robust policies, procedures and standards governing data privacy and information security of the company's information and assets. The company has established a structured unified security framework, aligned to industry-leading standards and safeguards, including but not limited to ISO 27001, NIST CSF, and NIST 800-53. Security measures are taken to guard against unauthorized access to, alteration, disclosure, or destruction of data and systems.

This includes but is not limited to:

- A robust incident response plan and procedure that involves proper notification, assessment and reporting requirements.
- Real-time email sand-boxing/filtering and protection to prevent phishing attempts and malicious files
- Advance endpoint security solutions to prevent download / installation of malicious software
- Proactive vulnerability management to mitigate security weaknesses and prevent exploitation attempts
- Next-gen intrusion prevention system (IPS) to prevent network cyber-attack and malicious activity
- Two-factor authentication to prevent use of stolen credentials to access company applications, etc.

In addition to the security controls implemented throughout the enterprise, AECOM has established a global cyber defense team, staffed with seasoned security professionals, who are dedicated to daily security operations to detect and prevent cyber security events.

Description of policies and practices relating to collection, usage, and retention of customer information

SV-PS-230a.2

n/a

AECOM has not suffered a data breach involving customer CBI or PII data. We are committed to protecting its employees, partners, and clients from damaging acts that are intentional or unintentional. Protecting sensitive data and the systems that collect, process, and store this information are priority. We will follow data breach notification laws and regulations.

(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected

SV-PS-230a.3

n/a

**Data Security**



**TOPIC AND SDG ALIGNMENT**

**SASB METRIC**

**CODE**

**REFERENCE**

**NARRATIVE RESPONSE**

**Workforce Diversity and Engagement**



Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees

SV-PS-330a.1

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Annual Report

Our Leadership includes representation from a diverse array of communities, including race, ethnicity, gender, and sexual orientation. For fiscal 2020, AECOM had 56% diverse executive team and 45% diverse board of directors. Please see the 'Social' section of this ESG Report for additional information.

(1) Voluntary and (2) involuntary turnover rate for employees

SV-PS-330a.2

n/a

As a Professional Services business, we are focused on ensuring we attract and retain the best talent in the industry. As a result, we continually review our compensation and rewards practices, conduct annual performance reviews, and provide substantive professional development opportunities, among other initiatives. Reflecting our successes, turnover within our permanent employees and within our high performers has remained below our internal targets in FY'20, and while turnover has increased in FY'21 as anticipated, and as the headwinds from the pandemic have begun to ease, we continue to maintain turnover in alignment with industry benchmarks.


Employee engagement as a percentage

SV-PS-330a.3

n/a

During the summer of 2021, AECOM conducted an employee survey to understand employee sentiments on the strengths and opportunities for improvement within the company. The survey revealed overall positive sentiments from our professionals with there being opportunities in each region to continue improving and further investing in manager levels. The strongest responses were seen relating to 'I understand how my work contributes to AECOM's strategy and purpose'. In addition and most importantly, more than 70% of participants agreed that they would recommend AECOM as a great place to work, providing a strong baseline of employee engagement.



TOPIC AND SDG ALIGNMENT	SASB METRIC	CODE	REFERENCE	NARRATIVE RESPONSE
<b>Professional Integrity</b> 	Description of approach to ensuring professional integrity	SV-PS-510a.1	Page 26 Annual Report	Our Code of Conduct outlines the legal guidelines we must follow and general ethical principles to help each of us make the right decisions when conducting business worldwide. Top leaders at AECOM promote ethical behavior through a global ethics committee as well as regional ethics committees. Our employees take part in annual Code of Conduct training, which received a 100% completion rate in FY'20. Furthermore, we have a comprehensive cross-functional ethics and compliance program focused on preventing issues from occurring, detecting them if and when they happen, effectively and expediently resolving issues and capturing lessons to prevent them from repeating.
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	n/a	Although the outcome of our legal proceedings cannot be predicted with certainty and no assurances can be provided, in the opinion of our management, based upon current information and discussions with counsel, none of the investigations, claims and lawsuits in which we are involved is expected to have a material adverse effect on our consolidated financial position, results of operations, cash flows or our ability to conduct business. Please see pages 32 of our most recent 10-K for additional information.
<b>Activity Metrics</b>	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	SV-PS-000.A	Page 9 10K Report	At the end of our fiscal 2020, we employed approximately 54,000 persons, of whom approximately 22,000 were employed in the United States. Over 4,000 of our domestic employees are covered by collective bargaining agreements or by specific labor agreements, which expire upon completion of the relevant project.

# FY'20 TCFD Table

TOPIC	DISCLOSURE	REFERENCE	NARRATIVE RESPONSE
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	Pages 15-16 ESG Report	Our CEO leads the Executive Leadership Team, which comprises senior executives representing all business segments and retains overall responsibility for Safety, Health and Environment (SHE) and Enterprise Sustainability, including climate related issues, policies and strategy.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.		Our President is co-lead of our ESG Global Council, which she launched in September 2020 and which comprises dozens of sustainability experts and business leaders across the organization to best advise on all ESG-related matters. This committee is responsible for developing our Sustainable Legacies strategy that launched in April 2021 and includes a multitude of commitments on ESG matters and associated targets, such as our commitment to achieving science-based net carbon zero by 2030. The Council is also actively involved in reviewing and mitigating climate-related risks associated with our project portfolio. This committee will be responsible for developing AECOM's 2021 Sustainability Strategy.
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Pages 15-17 ESG Report	As part of annual financial planning, the market opportunities associated with sustainability including climate related services is assessed. This includes estimating any estimated growth due to estimated increase in demand for climate services. Climate risks and opportunities also impact our service offering and solutions we provide to our clients across our company. We are regularly looking for opportunities to expand our capabilities, such that we are able to more holistically advise our clients on their evolving sustainability and climate-related initiatives. Please see pages 15-17 of this report for more information.
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.		
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	Pages 15-17 2020 ESG Report	In this 2020 ESG Report, please see sub-section titled "Climate Change" for more detailed information.
	b) Describe the organization's processes for managing climate-related risks.		
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.		

TOPIC	DISCLOSURE	REFERENCE	NARRATIVE RESPONSE
<p><b>Metrics and Targets</b></p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.*</p> <p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>Pages 15 – 17 ESG Report</p>	<p>AECOM calculates Scope 1, Scope 2 and Scope 3 emissions. The most material emissions for Scope 3 are calculated using accounts payable information and emissions factors from S&amp;P Global's Trucost Environmental Data set.</p> <p>In this 2020 ESG Report, please see the sub-section titled "Climate Change" for more detailed information.</p>

\* Scope 1 (2020): 22,234 MTCO<sub>2</sub>e; Scope 2 (2020): 70,886 MTCO<sub>2</sub>e (location based); Scope 3 (2020): 4,761,868 MTCO<sub>2</sub>e



# AECOM Leadership



**Troy Rudd**  
Chief Executive  
Officer



**Shirley Adams**  
Chief Human  
Resources Officer



**Todd Battley**  
Chief Strategy  
Officer



**Gaurav Kapoor**  
Chief Financial  
Officer



**Lara Poloni**  
President



**David Gan**  
Chief Legal  
Officer

## Board of Directors

**Douglas W. Stotlar**  
Director,  
Chairman of the Board

**Bradley W. Buss**  
Director

**Robert G. Card**  
Director

**Diane C. Creel**  
Director

**Jacqueline C. Hinman**  
Director

**Lydia Kennard**  
Director

**Troy Rudd**  
Director and  
Chief Executive Officer

**Clarence T. Schmitz**  
Director

**Daniel R. Tishman**  
Director

**Sander van't  
Noordende**  
Director

**Gen. Janet C.  
Wolfenbarger**  
Director

## About This Report

AECOM's 2021 ESG Report primarily covers data and metrics from October 1, 2019, to September 30, 2020, unless otherwise noted and includes our subsidiaries. This report was prepared in accordance with the Sustainability Accounting Standards Board (SASB) Standard. The report also aligns with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

AECOM is committed to transparency, engagement, and consistent communication of our ESG strategies and programs to all stakeholders. This is our inaugural Sustainability report, which takes a materiality-based approach to disclosure.



## About the Company

AECOM (NYSE: ACM) is the world's trusted infrastructure consulting firm, delivering professional services throughout the project lifecycle – from planning, design and engineering to program and construction management. On projects spanning transportation, buildings, water, new energy and the environment, our public- and private-sector clients trust us to solve their most complex challenges. Our teams are driven by a common purpose to deliver a better world through our unrivaled technical expertise and innovation, a culture of equity, diversity and inclusion, and a commitment to environmental, social and governance priorities. AECOM is a Fortune 500 firm and its Professional Services business had revenue of \$13.2 billion in fiscal year 2020. See how we are delivering sustainable legacies for generations to come at [aecom.com](https://www.aecom.com) and [@AECOM](https://twitter.com/AECOM).