

2023

Sustainability Report





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Executive Summary

During 2022, we continued working towards our sustainability goals and targets. As our sustainability journey is ongoing, we focus on implementing actionable steps in our business activities that will help us achieve our goals.



DIVERSE WORKFORCE

We remain committed to reaching 30% gender diversity amongst our senior leadership by 2025. Our Board leadership will be 30% gender diverse by 2023.

In 2022, we introduced Gender Bias training as we strive to *break the bias*. This training is targeted at front line leadership and management, including the Board of Directors, to bring awareness regarding diversity challenges and provide tools to ensure we operate in an inclusive environment.

2022

Gender diversity

Board of Directors	28%
Independent Directors	40%
Senior leadership	15%
Non-craft workforce	28%
Indigenous	6%



SAFETY

Our most important business objective is to provide safe and healthy working conditions for all our employees and subcontractors. Despite the controls and processes in place, the Company experienced a fatality on January 6th, 2022, when a haul truck made contact with a contractor haul truck while travelling up a ramp. The scene was frozen and emergency services were contacted. The operator of the haul truck was fatally injured. We are deeply saddened at the loss of a co-worker and valued employee.

All necessary agencies were notified immediately, including the RCMP, Workers Compensation Board of Alberta (WCB) and Alberta Occupational Health and Safety (OHS). North American Construction Group has complied with all requirements of the investigation and there are no orders or demands outstanding. The corrective actions pertaining to this event were reviewed and North American Construction Group was granted permission to resume work on the site.

2022

.53 TRIR

2022 initiatives:

- Introduction of the Serious Injury Prevention program (SIFp) and critical task audits
- Green Hand new worker program
- Incident reduction
 - Collision avoidance technology feasibility assessment
 - Installation of GPS monitoring on light equipment



ENVIRONMENT

2% reduction in scope 1 emissions intensity since 2021

We've continued to increase our reporting and tracking over scope 1 emissions. We've seen positive effects of our immediate day-to-day initiatives regarding reduced idle time, which has been a key driver in our scope 1 emissions reduction from prior year.

We remain committed to reducing our scope 1 emissions intensity by 10% by 2025 and be net zero by 2050.

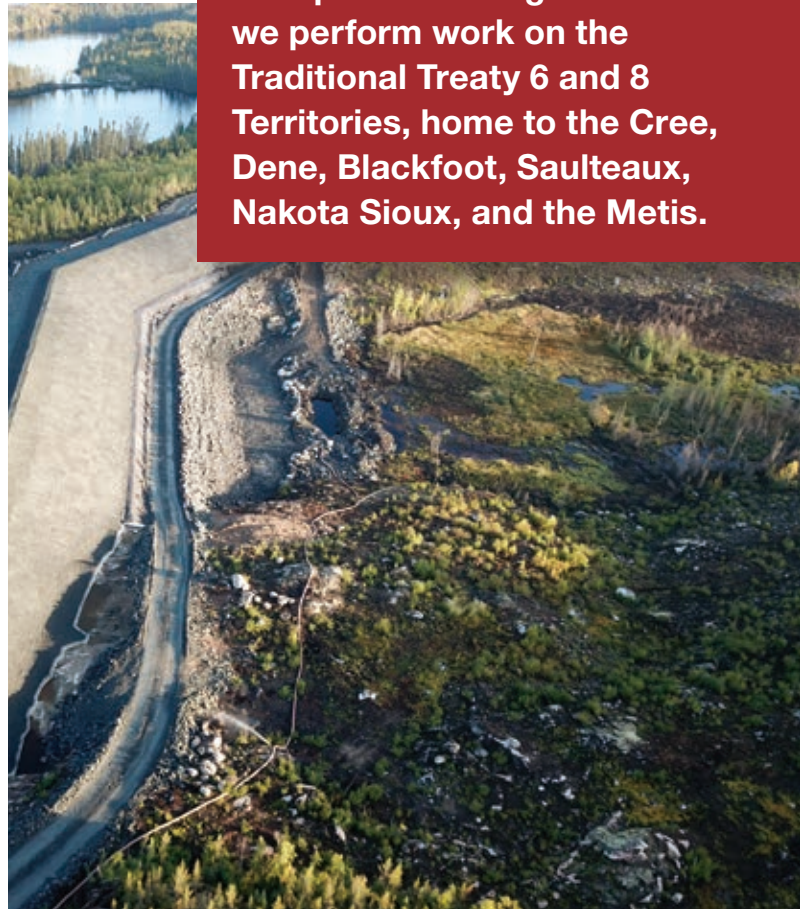
Looking forward

- Lower emission alternative fuel sources including potential use of biodiesel products. Biodiesel is a renewable fuel of a lower carbon intensity with the potential to reduce carbon dioxide emissions. Biodiesel has been shown to reduce tailpipe particulate matter, hydrocarbon, and carbon monoxide emissions from most modern diesel engines. In 2022, we began exploring the feasibility and viability of such an alternative.

During 2022:

- 375 units included in the in-house telematics program allowing for constant monitoring and tracking. The monitoring program provides real-time alerts and data regarding the health and efficiency of our units.
- Completed 62 equipment rebuilds, offsetting the purchase of new equipment within the industry. Vertical integration with our wholly owned subsidiary, DGI, allows us to source hard to find components and equipment globally. DGI specializes in used equipment and components allowing us to further leverage our rebuild capacities.
- Continued oil reduction savings via various oil recycling initiatives, including the addition of shovels to the hydraulic oil extension program. In 2022, over 223,000 liters of oil was saved as a result of our recycling programs.
- Ongoing offset of our scope 2 emissions by generating solar energy via 1,600 solar panels between Acheson head office and at our wholly owned Australian subsidiary, DGI. Annually, this initiative results in 420 tonnes of CO₂ emission reduction. This represents approximately 20% of our scope 2 emissions.
- Installation of four Electric Vehicle ("EV") charging stations at our Acheson head office offering employees a tangible and accessible way to switch to greener commuting methods.

North American Construction Group acknowledges that we perform work on the Traditional Treaty 6 and 8 Territories, home to the Cree, Dene, Blackfoot, Saulteaux, Nakota Sioux, and the Metis.



Spotlight on Strategy

FARGO-MOORHEAD DIVERSION PROJECT

The Project

With the second highest inland flood risk in the United States, behind Louisiana, a need was identified to provide flood protection against the Red River to the 235,000 people that are at risk of catastrophic flooding. The Fargo-Moorhead Metropolitan Area Flood Risk Management Project represents one of the first large-scale ESG-focused public-private partnership transactions in the United States.

There are 4 main project components which together will provide permanent, reliable flood protection by 2027:

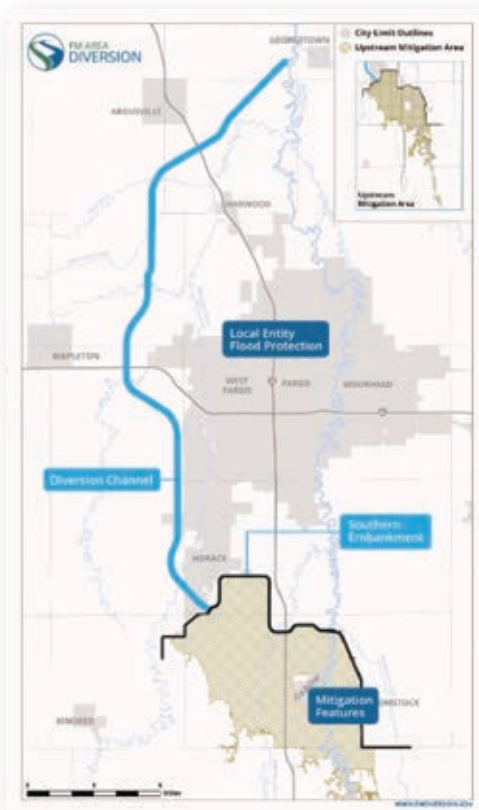
The stormwater diversion channel will span 30 miles and include a diversion outlet, aqueducts on the Maple and Sheyenne Rivers, 14 drainage inlets, three railroad crossings, two interstate crossings, and 12 county road crossings.

A project partnership agreement between the government and non-federal partners – the Metro Flood Diversion Authority and the City of Fargo and the City of Moorhead – serves as the official agreement for the FM Area Diversion construction.

Red River Valley Alliance (RRVA) was formed to design, construct, finance, operate and maintain the stormwater diversion channel and its associated infrastructure. This will include aqueducts, the diversion outlet, road and railroad crossings.

RRVA is a consortium of North American Construction Group, Acciona, and Shikun & Binui and will act as the private-public partner that delivers innovative solutions that align with the Metro Flood Diversion Authority's technical requirements.





The historic project officially broke ground on August 9, 2022. As highlighted by RRVA CEO and Project Manager Esther Madrigal Diez, “Not only are we providing permanent flood protection for 235,000 people – and their homes, business, and property – we are giving the river back to the community. This peaceful, sustainable, protective piece of long-lasting infrastructure will offer more ways for people to connect with nature”.

For more information about the project, please visit the Metro Flood Diversion Authority website: fmdiversion.gov/about-the-project.

Constructing the Project

ASN Constructors, a partnership between North American Construction Group, Shikun & Binui, and Acciona, is the design and construction arm of the RRVA. The stormwater diversion channel will be constructed over the next 5 years, with an anticipated completion date of 2027.

Construction of the Project officially commenced in August 2022 beginning with earthworks and utility relocation. The Project follows the Envision™ framework to create key KPIs, targets and strategies around waste, energy, water, and materials management. For more information on the Envision™ framework, please visit sustainableinfrastructure.org/envision.

To ensure ongoing focus of sustainable construction activities, the Project includes a Resilience Coordinator who is responsible to coordinate, monitor and report on the Project’s sustainability goals and progress. In addition, a Sustainability Committee was formed from members of the 3 partners. The Committee is focused on identifying long-term sustainability opportunities and how RRVA can be a partner in sustainability in the community for the next 30 years.

During 2022, the primary focus areas included:

- Minimizing idle time on equipment
- Implementing monthly fuel monitoring for equipment
- Training and education of operators on idle time reduction and fuel consumption
- On-site waste collection initiatives focusing on recycling
- Plumbing updates within offices to reduce water consumption
- Developing and implementing a system to collect and action public feedback

Looking forward, there will be ongoing effort in the following areas:

- Reducing waste through reduction and reuse initiatives as it relates to materials procured during the construction period
- Reducing potable water consumption by collecting rainwater and reusing where applicable
- Including sustainability in material selections, such as the use of recycled content in items such as steel
- Continuous training for staff and craft workers as it relates to the sustainability goals and initiatives

ASN Constructors will release its first sustainability report in early 2023.



ENVIRONMENT

Recognizing environmental concerns and potential hazards and taking the necessary steps to control them is an important aspect of our safety management system. NACG believes it is imperative to implement safeguards that will assist in the protection of the environment by meeting or exceeding legal and industry requirements.

We believe our work can be done without harm to people and the environment by implementing the following:

- Compliance with all applicable environmental laws and regulations.
- Identifying new risks to the environment and minimizing risks from existing environmental conditions.
- Minimizing the quantity and degree of carbon emissions and waste resulting from its operation.
- Strive to become a leader with respect to environmental protection and enhancement.

We are committed to the ongoing opportunities to seek new ways to reduce carbon emissions and waste and incorporate sustainable business practices into our daily operating procedures. Our purpose is to create an environment as free of waste as possible within our day-to-day operations. We strive to set ourselves as leaders in the GHG reduction, recycling material and proper disposal of our waste.

We engage our employees to:

- Continually improve environmental performance through the implementation of effective systems and the use of technology.
- Ensure that all Company employees understand NACG's commitment to and their role in NACG's environmental performance.
- Implement programs to conserve natural resources, minimize waste and promote recycling.
- Meet the expectations of our employees, customers, government, regulatory bodies and the community.
- Comply with the environmental policies of our customers while working on their sites.



Solar panels at Acheson head office and maintenance facility.

Maintaining Our Equipment

We prioritize preventative maintenance activities across our fleet so that our equipment can operate safely and efficiently. Our preventative maintenance program, along with increased monitoring via telematics, provides early identification of issues, fails and potential breakdowns. Focusing on fleet maintenance increases equipment utilization, lowering both operating costs and overall emissions impact through equipment efficiencies.

Our preventative maintenance program is integral in ensuring that our equipment operates as efficiently as possible. Some of the key program initiatives include:

- Regular inspection, monitoring and changing of oils allows major components to operate for a longer period of time. This results in less replacement components and rebuilds which ultimately plays a role in reducing their carbon footprint.
 - The monitoring of these oil samples has allowed NACG to ensure that oil is not changed too early or too late.
- Ensuring engine air filters are functioning properly means the engine is getting the required amount of air to drive the combustion process efficiently. Restricted air

flow can starve the engine of the air it needs to properly combust diesel fuel within the optimum range.

- Inspecting and maintaining the coolant system allows for the engine to function in its ideal temperature which drives the most efficient fuel consumption.
- For newer engine models required to meet Tier 4 emissions guidelines, our preventive maintenance program ensures that the Diesel Exhaust Fluid system is working correctly to reduce NOx emissions.



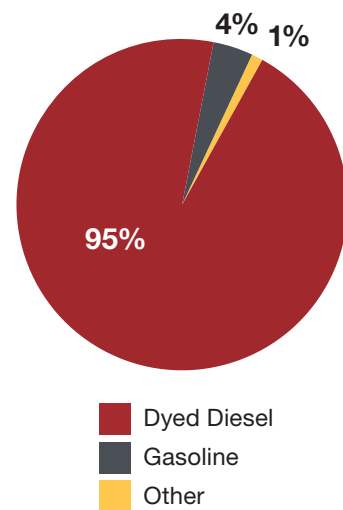
Scope 1 Emissions Profile

Identifying and defining what comprises our scope 1 emissions has been instrumental to developing an effective emissions strategy. By focusing on those significant scope 1 emissions, we believe we can drive measurable and meaningful change to reduce our carbon footprint.

Last year, we disclosed our scope 1 emissions with reference to the GHG Protocol for the first time. Our scope 1 emissions result from mobile combustion of dyed diesel from our heavy equipment fleet. This is the same fleet that is prioritized in both our telematics and preventative maintenance efforts. That is, our assets that drive our carbon footprint are the same assets that are subject to telematics monitoring, preventative maintenance, and rebuild activities to support our overall strategy and values.

As a service provider whereby our emissions-producing activities occur on client sites, we recognize the importance of developing effective emissions-reduction strategies that benefit not only our scope 1 reduction but throughout the value chain. Our short- and long-term strategies focus on tangible activities and initiatives that have a direct impact to reduce our scope 1 emissions.

Fleet Fuel Type



Air Quality

The 2022 report marked significant progress in identifying, defining, and measuring our emissions. Throughout 2022, we have continued to progress how we manage, measure, and report our scope 1 emissions.

Journey to Net Zero

2% reduction in scope 1 emissions intensity since 2021

Immediate and near-term actions:

- Reduce idle time by focusing on idle reduction policies and initiatives
- Ongoing preventative maintenance to ensure equipment operates efficiently
- Telematics program integration of emissions tracking, management and reporting

Long term strategies include lower emission alternative fuel options such as biodiesel. We are currently assessing the viability of such strategies.

Managing our scope 1 emissions

Since identifying and defining our scope 1 emissions, we have developed and implemented various emissions reduction strategies in both short- and long-term timelines. To date, our most tangible and effective short-term strategy has been focused on idle reduction. Idle time in our equipment is closely scrutinized on a site-by-site basis and drives much of our analysis of understanding overall performance and results. By identifying and monitoring idle time in units, we are not only able to measure the impact of idle time but also develop realistic action plans to reduce that idle factor.

Reducing idle in our equipment results in a direct decrease in emissions. Idle information is based off readily available information therefore increasing the accessibility of managing our progress. In the current reporting period, we prioritized more timely data collection and analysis as we evolve our emissions management. 2022 is the first full

year whereby idle time has been analyzed in such a manner that we can correlate trends to overall emissions results. Reinforcement of idle policies and frequent reporting and analysis has allowed us to better understand how we can reduce idle throughout our day-to-day operations.

We continue to explore viability of long-term strategies, specifically regarding lower emission fuel alternatives such as biofuel.

Measuring and reporting

In the current reporting period, we continue to reference the guidance provided by the GHG Protocol. Our scope 1 emissions are calculated under operational control. As we continue to enhance and expand our reporting, future reporting periods may include other consolidation methods per the GHG Protocol.

Refer to the index for detailed scope 1 and scope 2 emissions data.

Telematics

Our in-house telematics monitoring program has continued to grow throughout 2022. We now have 375 units included in the telematics monitoring program. The program provides real-time operations alerts for both production and vehicle health and is fully integrated into our maintenance and operations support. The program provides second-by-second data and vehicle health information, allowing for constant monitoring and tracking by our dedicated telematics team.

The program has been designed to allow for tracking of an alert from identification to follow-up and close out. With the ability to analyze follow-up and how components were ultimately impacted by the alert, our Telematics team can determine overall success, available alternatives, and improve future recommendations. The ability to track the alert from initial identification to close out also helps solidify decisions for future alerts, identify site maintenance improvements and optimize intervention timing.

The internal monitoring program measures success, or a save, on alerts from the system that have had successful follow-up and quantifiable improvement in component condition. In addition to the internal monitoring program, the data and insight provided by telematics has allowed for:

- Operational efficiencies enabled by better production and fleet tracking
- Larger, more advanced data sets used for equipment health projects
- Haul road condition monitoring
- Providing additional Heavy Equipment Technician (HET) support. The data provided by the telematics program has assisted HET's when they require additional troubleshooting support or require additional data to help understand any issues they are troubleshooting
- Utilizing telematics data to assist in incident investigation where necessary and applicable

Looking ahead to 2023, we will begin incorporating telematics information to aid in our idle tracking. The goal of this integration will be to reduce running times on equipment not being used as well as reducing the amount of diesel that is burned via idle run times. This will provide timely and accurate data as it relates to idle tracking and other operations initiatives. As more units are added into the tracking, we will be able to reduce reliance on estimates and instead replace idle factor figures with real-time data points. Note for the purposes of 2022 reporting, we have not included telematics information in the scope 1 calculation as the program is still in infancy as it relates to idle tracking.



An Equipment Health Analyst monitors our fleet in real-time from NACG's Telematics Control Room in Acheson, Alberta

Recycling

We have implemented several oil recycling programs that together reduce oil consumption through extension and savings.

- Our programs have saved/recycled/reduced consumption by a total of 223,000 liters
- We have transitioned to a 'change-only as needed' model for hydraulic oil
- The transmission oil extension program effectively doubles the life of our transmission oil

OIL RECYCLING

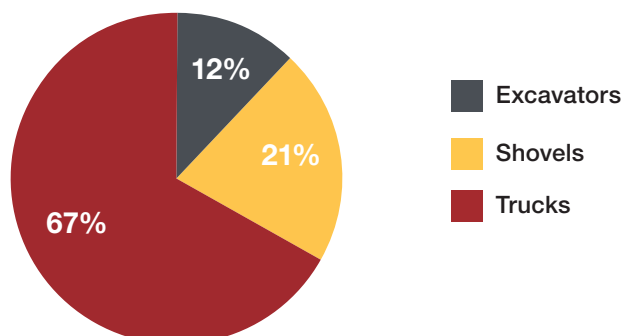
During 2022, we have continued to expand our in-house oil recycling program for Mobil Delvac 1 FDAO. FDAO oil is a very stable, higher viscosity oil and if kept clean can be used almost indefinitely. By collecting, sampling, and tracking all used FDAO oil, North American identifies all oil that is suitable for recycling. Totes of oil are then refurbished by desorbing and filtering before being set out for use again. This program contributes to our sustainability strategy by reducing environmental impact both from purchasing of new oil and reusing the existing oil.

In 2022, a total of 71,500 L of FDAO oil was recycled.

HYDRAULIC OIL EXTENSION

The hydraulic oil North American Construction uses is a synthetic oil with long life protective additives. If cleanliness is maintained, the oil can be used for multiple life cycles. Early in 2022, the hydraulic extension program was expanded to include haul trucks, shovels, and excavators. In this program hydraulic oil changes are no longer scheduled, instead they are requested on an as needed basis. This increases the oil life from 4,800 hours historically to indefinitely. To monitor the quality of the oil samples are taken at regular intervals. In 2022 our hydraulic oil consumption was reduced by a total of 74,165 liters.

Oil Volume Savings



TRANSMISSION EXTENSION PROGRAM

This year we doubled the oil life of transmission in haul trucks. This changed the oil change out interval from 1,200 hours historically to 2,400 hours. We again use a high-quality oil that is able to last longer while maintaining its protective properties. In 2022 this saved a total of over 77,000 liters.

EQUIPMENT REBUILDS

Our equipment rebuild facility located in Acheson, Alberta allows for complete and partial rebuilds on a variety of equipment. Rather than purchasing new equipment, we have the capability to rebuild the same piece of equipment at the end of its useful life. This unique approach is not only cost effective but reduces the carbon-emissions impact that is involved with purchasing new equipment. By giving the equipment a new useful life, we also reduce the landfill impact associated with end-of-life equipment.

DGI Trading, our wholly owned subsidiary located in New South Wales, Australia has increased our vertical integration as it relates to our rebuild capabilities. DGI globally sources end-of-life equipment and components which in turn are used in our rebuild activities.

During 2022, we completed rebuild activities on 62 units. This included five 793, four 797 haul trucks and two 120-ton excavators that were rebuilt and sold to the Mikisew North American Limited Partnership ("MNALP"). MNALP now jointly owns 14 haul trucks which represents significant progress in MNALP's investment strategy as well as the success of our rebuild program.





HEALTH AND SAFETY

Health, Safety and Environment (HSE) are recognized as an integral part of our core business processes. Our most important business objective is to provide safe and healthy working conditions for all our employees and subcontractors. Our HSE management system has been developed to promote safe, environmentally responsible operations by ensuring that the hazards and environmental impacts associated with our operations and work activities are clearly understood and appropriately managed.

We are committed to achieving this by:

- Creating a work environment where people know and expect that work can be completed without injury or illness;
- senior management owning health and safety and maintaining a high-level of visibility and involvement;
- ensuring the field supervision is provided all the necessary safety tools, training and development to maintain compliance with NACG's safety culture, our health and safety management system and legislation;
- promoting safe behavior as the cornerstone of our corporate culture;
- encouraging the participation of employees in all processes;
- protecting the physical and psychological well-being of our employees and subcontractors; and
- conducting regularly scheduled evaluations to measure effectiveness of the management system implementation to ensure we are continually improving.

North American Construction Group strives to continually work towards safety excellence with participation by all employees, management, and subcontractors.

Our safety objectives and goals are guided by a framework that starts with our Board governance:

Operations Committee

- Providing Board oversight of health and safety matters

Health, Safety and Environment policy

- Guiding our commitment to safety excellence
- Identifying, defining, and tracking progress against metrics and targets

Ongoing health, safety, and emergency response training

- Over 145,000 hours of training incurred during the year, which are inclusive of health, safety and emergency training

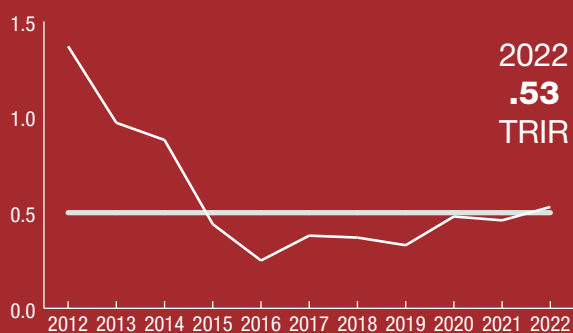


Our ultimate goal is to promote safe, environmentally responsible operations by ensuring that the hazards and environmental impacts associated with our operations and work activities are clearly understood and appropriately managed.

Safety Performance

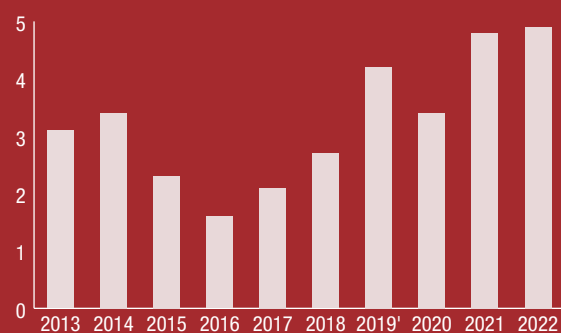
We track our safety performance against several metrics which allows for ongoing monitoring, analysis, and identification of opportunities where we can continuously improve.

Total Recordable Injury Rate



1,479 hazard identifications

Exposure Hours¹



8,420 critical task audits completed
26 types of critical task audits launched

¹ In millions, exposure hours relate to direct NACG employees and are the number of employment hours including overtime & training but excluding leave, sickness & other absences

Health and Safety Initiatives

SAFETY PROGRAMS

Our safety programs are focused on worker engagement and behaviours, identifying and monitoring critical risk areas, and understanding our safety perceptions.

Serious Injury and Fatality Prevention Program

In 2022, NACG implemented a Serious Injury and Fatality Prevention Program. The premise of this program is to:

- Identify incidents that have a high potential to injure an employee seriously or fatally
- Increase the visibility of potential SIF incidents
- Dedicate resources to understand and address the precursors

The introduction of this program has led to enhancing our Inspection & Observation Program to include Critical Task Audits. These audits are designed to focus on behaviors that drive adherence to management controls in areas that have been identified as critical work. Throughout 2022, we launched 26 types of Critical Task Audits and over 8,420 have been completed to date.

Green Hand Program

Green hand new workers comprised approximately 15% of our workforce throughout 2022.

Green hand new workers are at high risk for incidents and injuries. Consistent with ongoing studies and industry data, there is a direct correlation between increased injury and incident frequency as the number of green hand new workers also increases.

We recognize the importance of training new workers and enhancing our response to ensure that green hand new workers are trained in such a manner that will allow them to complete their jobs safely each and every day. That is why in 2022 we updated our Green Hand Program which focuses on new workers. The program requires mentorship, evaluation, and checkpoints during a green hand's first 90 days with NACG. This is the time period which is considered the most critical time of a new workers' development.

To monitor the overall effectiveness of this program, we introduced a Critical Task Audit of Green hand new workers to ensure the checkpoints are occurring at the required frequency. To date, 40% of our green hand workers have been audited. As the program continues to develop, we expect to increase the number of green hand new workers to ensure "everyone gets home safe".

LEVERAGING TECHNOLOGY FOR INCREASED SAFETY MONITORING

GPS monitoring on support vehicles

- In the latter half of 2022, we implemented the use of GPS monitoring on support equipment, specifically crew vans. This technology has been used to identify and track speeding events as well as seatbelt use.

This data provides useful information that can be used as training tools as well as providing timely feedback and observations to workers and frontline supervisors.

Use of drone technology

- In 2022, we began utilizing drone technology to enhance our training and safety programs. Video drone technology is used to observe and audit operator behavior in areas that are challenging to view, such as on haul roads and intersections. Use of this technology provides a birds-eye view that has been helpful to understand overall setup of the area.

The drone footage is used to educate and provide feedback to workers, frontline supervisors, and management. It proactively identifies at-risk behaviors and promotes adherence to NACG's safety standards.

We have used this footage to observe safe following distances for haul trucks. Obtaining this footage allows us to determine if safe following distances are being used in practice and to provide practical, real-time examples as part of our ongoing training throughout the organization.

2022 Summary

Drive safety performance & expectations focused on front-line supervision & green hand training.



Launched in 2021, our Hazard ID program has grown exponentially. Since introduction, inspection scorecards have increased 300% in interventions.



Winter Operating Hazards Training Awareness program for winter operations as part of annual training.



Introduction of Life Saving Rules to align with Energy Safety Canada, an industry accepted standard.



Reinstated the annual flu shot clinic at our Acheson head office.



Awarded 5-Star Safety Culture by Canadian Occupational Safety.





DIVERSITY

DIVERSE WORKFORCE

At North American, we recognize the importance of a diverse and inclusive work environment where every employee feels safe, valued, and respected. In addition to improving diversity amongst our Board of Directors and senior leadership group, during 2022, we implemented additional training to increase awareness throughout the organization.

Introduction of Gender Bias training

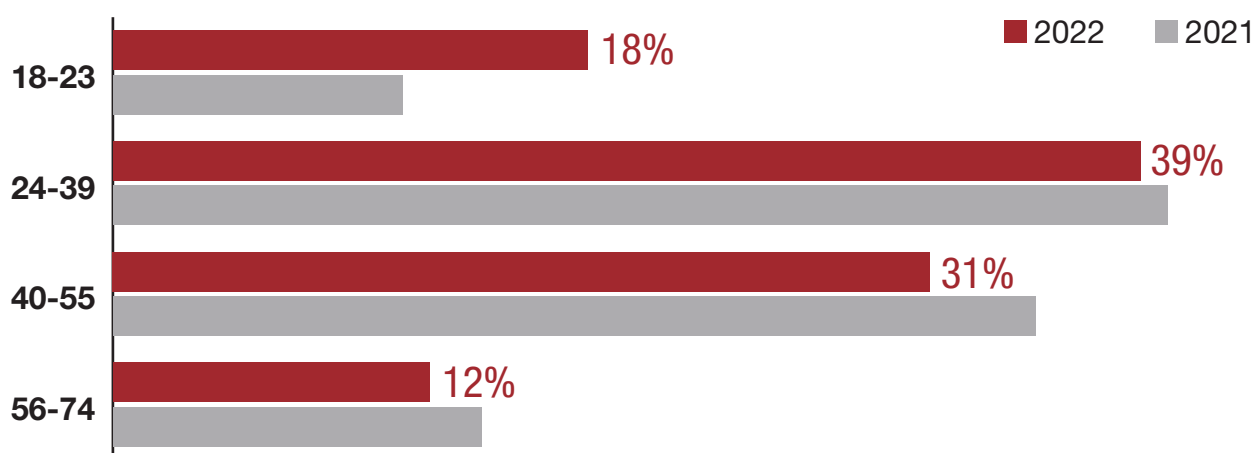
NACG is devoted to improving diversity and challenging gender bias in today's workforce. In 2022, we released Gender Bias training to *break the bias* and pave the way to a new and more inclusive working environment.

The training program is focused on educating our leaders throughout the organization on unconscious bias that can negatively impact their decision making. In 2022, over 185 hours of Gender Bias training was completed by our leaders, including the Board of Directors.

Diversity & inclusion training

This internally developed training program was designed for our frontline leadership and management. Diversity and inclusion are cornerstones to a healthy and productive team, allowing for increased collaboration and leveraging different perspectives throughout the organization. The training also educates and provides tools on how to effectively practice inclusive leadership. To date, over 130 of our frontline leaders and management have successfully completed the training course.

Employee Composition



Female employees,
non-craft **28%**

Voluntary
turnover rate **21%**

Refer to index for additional detail on description of each metric.

Recruitment and retention

We have continued our efforts to attract and retain the best talent in this competitive job market. Some of the strategies we have utilized throughout 2022 include:

- Meeting regularly with representatives from our Indigenous partnerships to continue building relationships within the communities. This includes actively identifying employment opportunities with North American Construction Group and working together to secure talent.
- Enhancing visibility and our relationships with various post-secondary institutions to raise awareness with students and demonstrate why North American Construction Group is an employer of choice. We anticipate that this will increase not only the quantity, but also quality, of entry-level applicants into NACG over the next one to three years.
- Active participation in both virtual and on-site career fairs throughout the province.

Apprenticeship Program

NACG offers a Paid Apprenticeship Program, where apprentices receive 75% of their wages (based on 40 hours per week) while attending school. Once the term is complete and the apprentice successfully passes, the apprentice will receive the remaining 25% top up to their wages. As of December 31, 2022, NACG had 91 apprentices pursuing tickets in the following trades: Heavy Equipment Technician, Automotive Technician, Welder, Machinist, and Parts Technician.

Tuition Reimbursement Program

NACG offers a Tuition Reimbursement Program, where employees can receive reimbursement of up to \$2,500 per calendar year. The intent of this program is to encourage development through formal learning that is not offered through our internal training. Eligible courses must be offered through recognized and accredited educational institutions.

Succession Planning Program

NACG offers a Succession Planning Program, where employees are encouraged to succeed in their current roles, and we support their future development within the organization. The Succession Planning Program provides support in the following areas:

- Identifying and assessing risk in key positions across the organization
- Identifying key performers and/or future leaders
- Creating programs and personalized development plans to mitigate risk and encourage career progression



260 hours, or 345 completions, of in-house cybersecurity training designed to enhance cyber awareness and education.

Over 1,200 hours of Indigenous Awareness training; an in-house designed training program to educate and inform.

INDIGENOUS RELATIONS

NACG has a long history of working and partnering with Indigenous communities across Canada. These partnerships are established using a 'best-fit' approach whereby together we can provide high value construction and mining services to customers while also benefitting those local communities we operate in. Through successful joint venture agreements, we can bolster synergies that can provide substantial long-term benefits to both parties.

Our Indigenous partnerships have become an integral part of our operations. In 2022 alone, over 90% of revenues were generated from Indigenous partnerships. Similarly, approximately 90% of our bid pipeline projects involve Indigenous partnerships as we focus on long-term relationships with our Indigenous partners.



On September 30, North American took part in the 2nd National Truth & Reconciliation Day. Employees participated in Orange Shirt Day to show support for our Indigenous partners and friends.



Nuna Group of Companies (Nuna)

Established in 1993, Nuna Group of Companies ("Nuna") is Canada's largest Inuit-owned heavy civil construction, earthworks, and contract mining company. Nuna is a joint venture between Kitikmeot Corporation owning 51% and North American owning the remaining 49%.

Nuna is committed to hiring the local Indigenous people within the region they work in. The majority Inuit-owned joint venture works with Indigenous communities across Canada. Inuit ownership has showcased how Indigenous business can benefit through responsible resource and project development. Nuna offers Indigenous training and employment to promote economic development within the communities.



Kitikmeot Corporation

In 2022, Kitikmeot Corporation, the majority owner of Nuna, celebrated 30 years of creating Arctic-based businesses and employment opportunities for the Kitikmeot Inuit of Nunavut. Kitikmeot Corporation's mission is to deliver economic benefits to the Kitikmeot Inuit by pursuing regional and pan-arctic business development opportunities.

The Kitikmeot Corporation has over 26 companies successfully conducting business in the Kitikmeot Region and across Canada, generating benefits for the local Inuit. Kitikmeot Corporation contributes to the Kitikmeot Inuit Association (KIA) via dividends which are used for important social, cultural, and training programs.

Community Energy Plan

The Community Energy Plan identifies new opportunities for residents, businesses, and governments to use energy more efficiently and reduce dependency on fossil fuels. This program was launched in 2022 and is in development.

Employment Readiness Program

In 2021, the Kitikmeot Corporation initiated the Employment Readiness Program to improve Inuit employment opportunities and engagement for skilled positions at commercial and industrial worksites in the region.

Kitikmeot Corporation anticipates that beginning in 2023, training programs for employment opportunities with Kitikmeot Corporation subsidiaries in construction, drilling, camp catering, and housekeeping will be available for Kitikmeot beneficiaries.

To learn more about Kitikmeot Corporation, please visit kitikmeotcorp.ca.



A Nuna ATV navigating northern landscapes



Mikisew North American Limited Partnership (MNALP)

Mikisew North American Limited Partnership (“MNALP”) is a joint venture between North American Construction Group and the Mikisew Group of Companies (“Mikisew Group”). Mikisew Group is the Independent Economic Development arm of the Mikisew Cree First nation.



In 2022, MNALP was awarded a five-year contract by a major oil sands producer. Given the contractual scope included, the new agreement qualifies as backlog which is estimated at \$125 million. It is estimated this contractual backlog represents approximately 1/3 of the work we will complete over the contract term. This award exemplifies how we continue to grow our vital Indigenous partnerships.



NACG acts as guarantor for \$80 million in total borrowing capacity for equipment lease credit facilities which allow MNALP to avail credit through lease agreements or equipment finance contracts.



To date, the partnership has secured 14 jointly owned haul trucks and 4 excavators, all of which were rebuilds provided by our equipment rebuild facility. Obtaining these assets represents significant progress in MNALP’s investment strategy.

Mikisew Group

\$18.6 M Net economic benefit

During fiscal 2022, Mikisew Group contributed more than \$18.6 million in net economic benefit to the Mikisew Cree First Nation. Net economic benefit is derived from Mikisew Group’s wholly owned companies, majority-owned partnerships, and investments. The activities of MNALP are one of the majority-owned partnerships contributing to this figure.

The primary beneficiaries of the net economic benefits are local elders, youth, and members of the Mikisew Nation at large throughout Alberta. Benefits are realized via distributions and donations through the Mikisew Group.

Employment initiatives

In 2022, Mikisew Group added an Indigenous Relations Advisor to the Corporate Development Team. This role focuses on finding ways to increase Mikisew Cree First Nation employment through recruitment, pre-employment advising sessions, and pre-employment support. This role involves investing in relationships with partners, clients, and Indigenous organizations across Alberta through knowledge sharing and communication about Indigenous culture and practices.

To learn more about the Mikisew Group of Companies and Mikisew Cree First Nation, refer to mikisewgroup.com and mikisewcree.ca.





GOVERNANCE

Board Oversight and Composition

The Board of Directors of NACG (the “Board”) is responsible for general stewardship of the corporation, including supervision of the management of the business and affairs of the corporation as well as oversight of the risks and opportunities faced by the corporation. The Board has adopted a Corporate Governance Policy and Board Mandate as a framework to assist it in meeting its governance responsibilities. The full text of the Corporate Governance Policy and Board Mandate is available on the Corporation’s website at <https://nacg.ca/governance/>.

The Board has established four committees, each comprised of qualified and experienced Board members, to effectively facilitate its oversight responsibilities: (a) the Audit Committee, (b) the

Governance and Sustainability Committee, (c) the Human Resources and Compensation Committee, and (d) the Operations Committee. Each committee meets at least quarterly with senior management and separately from senior management.

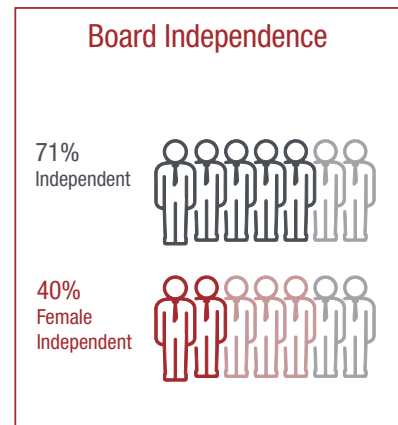
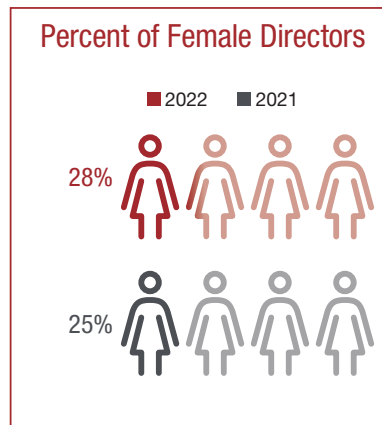
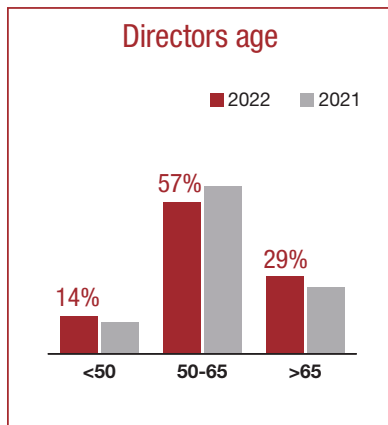
Detailed information about the specific oversight responsibilities of each committee, including the full text of each Committee charter, is available on the Corporation’s website at nacg.ca/committee-charters.

- Audit
- Governance & Sustainability
- Human Resources & Compensation
- Operations



Board Composition and Independence

We believe that a diverse, experienced board is paramount to effective governance and oversight. Our Board has a wide range of experience, backgrounds and expertise that allow for effective and comprehensive governance.



Climate Risks and Opportunities

Shifting customer priorities

As a service provider to large oil, natural gas, and resource companies we recognize that our customers' decarbonization and climate strategies represent both opportunities and risks to our overall strategy. We have the opportunity to employ strategies that are proactive, responsive, and flexible that are committed to not only reducing our direct scope 1 and 2 emissions but also our emissions that are captured under scope 3 within many of our customers' and suppliers value-chains. These strategies will allow us to remain a top-choice vendor that is committed to decarbonization throughout the value chain.

Therefore, as we build our short-, medium- and long-term vision for ESG reporting and compliance, we can remain aware of our customers' specific ESG needs and, through our independent emission reduction strategies, contribute to reducing their scope 3 emissions.

Just as there is the opportunity within our initiatives to contribute to decarbonization along the value-chain, we recognize that this also poses risks to our strategy and visions. As a service provider, we are subject to downstream and upstream customer requirements which may conflict with our short-, medium- or long-term strategies. Our customers may be required to comply with different regulatory requirements, including their scope 3 emissions, which would have a direct impact on our scope 1 decarbonization goals and policies. We may be limited or have less flexibility in implementing our independent ESG plans due to the demands and requirements throughout the value-chain.

Climate change regulatory changes

Regulatory changes may also require us to adjust our climate-based strategy if our current timeline, targets, or initiatives do not align with the required regulations. For example, a political climate change scenario would likely impact our emissions target to reduce emissions by 10% scope 1 emissions within the next reporting year.



Climate change related reputational risks

Investors and other stakeholders are becoming attuned to climate change action and sustainability matters, including efforts made by issuers to reduce their carbon footprint. We foresee an opportunity to be seen as a climate change leader who is committed to achieving tangible progress in decarbonization efforts. We believe in doing things right, and to do so, we understand that this is an iterative process that will span several years. Each year we plan to report our progress and continually find ways to improve our overall ESG implementation.

With the increased focus and pressure on companies to achieve decarbonization, there is a risk that our efforts may not appear sincere or sufficient. Although this remains a risk, we believe that by taking the correct action, as outlined in this report and for future reporting periods, that we will be able to effectively demonstrate our commitment and progress to decarbonization and emissions reductions.

We believe the 2022 report reflects this progress. Specifically, identifying relevant standards such as those provided in SASB, GRI and TCFD assists us in disclosing our emissions in a transparent manner. We plan to further that development by reporting in accordance with set standards in future periods.

Impact of extreme weather conditions and natural disasters

Extreme weather conditions or natural disasters, such as fires, floods and similar events may disrupt our climate-change targets and outlook. As these events occur, we will be required to consider any impact these conditions have on both our operations and long-term climate-change strategies.

Technology-based opportunities and initiatives

We have identified several opportunities for improved air quality management through use of new environmental technology. In 2022, we implemented telematics technology and continue to explore lower emission fuel alternatives.



Oversight of Climate-Related Risks

ROLE OF THE BOARD AND ITS COMMITTEES

The Board's oversight of climate-related risks and opportunities is primarily managed through the Governance and Sustainability Committee ("GSC"). The GSC's charter mandates that it is to review, at least annually, all of NACG's guidelines and practices relating to environmental protection, including the mitigation of pollution and climate change, and to consider whether NACG's policies and practices relating to the environment, climate change, greenhouse gases and other pollutants are being effectively implemented so as to meet high standards of environmental responsibility. The GSC receives reports from management on climate-related issues on a quarterly basis, including updates on NACG's progress on climate-related public disclosure. To the extent climate-related risks are determined by management to have related or interdependent risks that are financial in nature or that are otherwise not climate-related, management provides concurrent reports to the Audit Committee and the Operations Committee, respectively. The GSC also receives, and reviews reports from management from time to time on public policy proposals, laws or regulations relating to environment, health and safety and engages in discussions with management regarding the potential impact and application of such policies on the corporation.



The Board, in consultation with the GSC, considers climate-related issues when reviewing and guiding NACG's strategic direction, major plans of action, risk management policies, annual budgets and business plans. The GSC is responsible for reviewing the environmental impacts of NACG's operational and capital plans and programs relating to major capital expenditures, acquisitions, and divestitures and advising the Board with respect to the risks of such impacts as well as the potential opportunities presented by the same and strategies for mitigation of downside risk. Climate-related risks are included in every risk assessment presented to the Operations Committee of the Board, and are considered by the Operations Committee, prior to approval of any major bid or project. Management reports the ongoing progress of all major projects and work on all major sites to the Operations Committee on a quarterly basis, which reporting includes in an update on climate-related risks and impacts. In the event a climate-related issue arises on a major project or site, management is also required to report the same to the GSC.

The GSC is responsible for overseeing, and recommending to the Board for approval, NACG's annual and long-term climate-related goals and targets as well as assessing NACG's progress against those goals and targets. While NACG's development of quantitative measures and baselines for its emissions and other climate-related impacts is still in progress, as discussed above, management has been working diligently to determine appropriate measures and baselines and to align those with established international standards. Management has been reporting to the GSC on no less than a quarterly basis regarding its progress in that regard and regularly incorporates feedback provided to it by the GSC. All baselines and targets are approved by the GSC before implementation or public disclosure.

The GSC reviews and recommends to the Board for approval all public disclosure relating to sustainability, including climate-related disclosure, that NACG includes in its Annual Information Form, Management's Discussion and Analysis, financial statements or in any other public document, such as NACG's annual ESG Report. As part of this review, the GSC is responsible for ensuring that all disclosure and reporting concerning NACG's environmental, social and governance practices is made in accordance with regulatory requirements and with a view to industry best practices.



ROLE OF SENIOR MANAGEMENT

NACG has assigned responsibility for assessment and management of climate-related risks and opportunities to the highest levels in the organization. Such responsibility is managed through NACG's Executive Risk Committee (the "ERC"), which is comprised of the President & Chief Executive Officer, Executive Vice President & Chief Financial Officer, Chief Operating Officer, Vice-President & General Counsel and Vice President of Health, Safety and Human Resources. The ERC meets on a weekly basis, or more frequently as required, and reports to the GSC on climate-related matters on a quarterly basis. The members of the ERC monitor emerging climate-related issues through their various specializations:

NACG's President & Chief Executive Officer leads the ERC and has primary oversight over all climate-related matters within the organization, including assessing and managing progress on short and long-term targets, allocating resources and budgets, and overseeing climate-related public disclosure. The President & CEO is also directly responsible for overseeing NACG's emissions reduction and energy efficiency projects, including its dual-hydrogen fuel cell development program, advanced telematics program and solar power initiative.

NACG's Executive Vice President & Chief Financial Officer is responsible for monitoring climate-related issues, developments, and emerging best practices from the standpoint of financial reporting and international standards, including standards published by the Task Force on Climate-Related Financial Disclosures and the Sustainability Accounting Standards Board.

NACG's Chief Operating Officer is responsible for monitoring emerging issues in the construction, earthworks, energy, and mining industries related to climate-change.

NACG's Vice-President & General Counsel is responsible for ensuring the organization meets or exceeds all legislative and regulatory requirements relating to climate-change, including public disclosure requirements, and that the organization is properly positioned to respond to emerging legislative and regulatory developments.

NACG's Vice President of Health, Safety, Environment and Human Resources monitors climate-related matters largely from health, safety and environment focused organizations and sources and has primary responsibility for ensuring that NACG and its employees and contractors comply with the Corporation's Health, Safety and Environment Policy and Sustainability Policy.

NACG has a Manager of Corporate Sustainability, who has the primary day-to-day responsibility for monitoring and managing the organization's climate-related issues, including climate-related public reporting, advising the ERC on climate-related matters and tracking NACG's achievement of its climate-related objectives. The culture of environmental and climate responsibility is ingrained throughout the organization, with employees in functional areas throughout having responsibility for different aspects of NACG's overall program. NACG employees who are directly involved in such programs provide periodic briefings directly to the GSC and the Board on their progress and the risks and opportunities associated with their ongoing work.

Business Ethics

CODE OF CONDUCT AND ETHICS REPORTING

NACG upholds the highest level of ethics, honesty, fairness and integrity in everything we do. We have adopted a Code of Conduct & Ethics Policy (the “Code”) which sets out the ethical standards that our directors, officers, employees, representatives and agents are required to follow in that regard. Among other things, the Code expressly requires all such persons to:

- Comply with all laws and regulations governing NACG’s business, both in letter and spirit. NACG personnel are expected to know when to seek advice from supervisors, managers or other appropriate personnel if they do not understand the details of any applicable laws and regulations in a given situation.
- Act ethically, honestly, fairly and with integrity in all interactions with other companies, individuals, organizations and governments in the jurisdictions where we operate.
- Comply with all applicable securities laws and regulations with respect to the disclosure of material corporate information and with respect to insider trading in NACG’s securities. These obligations are further elaborated in our Insider Trading Policy (see below).
- Never provide, and refuse to receive, any personal gifts, services, favors or other benefits, including entertainment, having more than nominal value to or from anyone doing or seeking to do business with NACG, to influence NACG or whom NACG seeks to do business with or influence. NACG personnel are expressly prohibited from accepting or paying bribes, favors or “kickbacks” for the purpose of securing business transactions. All payments must be necessary and lawful in the jurisdictions where NACG operates.
- Never use NACG assets, including employees’ work time, use any NACG facility or equipment or direct monetary payment, as a contribution to any political candidate, party or political action committee.
- Avoid any activity which creates or gives the appearance of a conflict of interest between their personal interests and NACG’s interests. The Code provides extensive guidance in what constitutes conflicts or potential conflicts of interest, including specific examples of expressly prohibited activity (ex. accepting loans from customers or suppliers, conducting business on behalf NACG with a close personal friend or family member, taking an opportunity that came about through the use of NACG’s property or information or their position with NACG, etc.). The Code expressly requires conflicts of interest or potential conflicts of interest to be disclosed immediately upon personnel becoming aware of them so that steps may be taken to remove or resolve the conflict.
- Take such steps as are necessary and appropriate to ensure complete and accurate recording and reporting of information to ensure NACG’s books, records, accounts, financial statements and other disclosures are made and maintained in accordance with applicable legal requirements and to NACG’s system of internal controls.
- Never exert improper influence on or attempt to fraudulently coerce, manipulate or mislead the external auditor for the purposes of rendering the financial statements misleading.
- Take such steps as are necessary and appropriate to ensure that investors are provided with full, fair, accurate, timely and understandable disclosure in the periodic reports that it is required to file. Such steps NACG takes, and that

personnel are required to adhere to and support, include: complying with applicable generally accepted accounting principles at all times, maintain a system of internal accounting controls that will provide reasonable assurances to management that all transactions are properly recorded, maintain a system of internal disclosure controls that will provide reasonable assurances to management that material information about NACG is made known to management, particularly during the periods in which NACG's financial reports are being prepared, maintain books and records that accurately and fairly reflect NACG's transactions, prohibit the establishment of any undisclosed or unrecorded funds, assets or liabilities and present information in a clear and orderly manner and avoid the use of legal and financial jargon in NACG's periodic reports.

- We are committed to mitigating the risk that forced labour or child labour is used at any step of the production of goods imported by us into Canada. We adhere to and take steps to ensure our suppliers and contractors adhere to, the most stringent of prevailing national laws and recognized international standards relating to modern slavery and human trafficking. We will not knowingly use forced labour in the provision of any of our services nor will we knowingly accept products or services from vendors or contractors that employ or utilize forced labour.



NACG personnel are required to report any conduct which they believe, in good faith, to be a violation or apparent violation of the Code or any applicable law or regulation. The Code outlines several channels for reporting violations, including communication with an immediate supervisor, Human Resources department, Chief Executive Officer or any Vice President, or any Board member. In instances where anonymity is desired, personnel are directed to contact ClearView Connects which is the independent ethics reporting firm. ClearView Connects is available 24 hours a day, 365 days a year to all employees, contractors, and customers. ClearView Connects is accessible via the NACG home page as well as on internal intranet sites. NACG's Ethics Reporting Policy provides further detail about the options for reporting violations of the Code or of any other NACG policies.

Retaliation by NACG or NACG personnel against anyone who acts in good faith in reporting any violation of the Code is expressly prohibited. All reporting of violations of the Code are required to be held by the recipient of the report in strict confidence except as may be required to address the violation or otherwise as disclosure may be required by law. This generally provides protection from work-place harassment or retaliation. In the event retaliation is a concern for a reporter, however, management will take steps, including reassignment to a different geographic worksite if necessary, to ensure that supervision and reporting channels are structured to avoid any real or perceived direct or indirect pressure, intimidation or retaliation with respect to a reporter.

Compliance with the Code is a condition of employment with NACG. All members of the Board, officers, salaried staff, superintendents and non-union hourly professionals, management and supervision are required to take an online course on an annual basis that explains the content, meaning and application of the Code. As such personnel are also required to read and reaffirm their agreement to comply with the Code. Field and maintenance hourly workforce are required to read the Code and to sign an acknowledgement form upon commencement of employment.

ANTI-FRAUD

In addition to the Code, NACG has adopted an Anti-Fraud Policy applicable to employees, officers, directors, agents, associates, consultants, contractors and third-party processors. The Anti-Fraud Policy contains specific processes and procedures, in addition to those set out in the Code, aimed at ensuring that: (a) material fraud risks that could impact the achievement of NACG's strategic objectives are identified, assessed and mitigated; (b) appropriate internal controls are in place and effective with respect to controllable accepted risk tolerances; (c) non-controllable fraud risks are monitored, understood and either managed or mitigated, where practical; (d) information and communication channels are in place to identify and respond to emerging fraud risks; (e) the fraud risk management process is periodically monitored for effectiveness; and (f) NACG has processes and procedures established for the recognition, reporting, investigation, remediation and the application of discipline for suspected fraud, corruption, misappropriation and other irregularities.

Among the types of fraud dealt with by the Anti-Fraud Policy, it expressly addresses:

- Asset misappropriations, which involve the theft or misuse of the Company's assets by employees or management (Common examples include skimming revenues, stealing inventory, and payroll fraud);
- Corruption, in which perpetrators wrongfully use their influence in a business transaction in order to procure some benefit for themselves or another person, contrary to their duty to their employer or the rights of another (Common examples include bribery, accepting kickbacks and engaging in conflicts of interest); and
- Fraudulent financial reporting, which generally involve falsification or omission of financial transactions within an organization's financial statements (Common examples include the intent to conceal, misclassify or manipulate revenues, assets, costs and expenses or otherwise misstate financial reports).

The Anti-Fraud Policy provides for maintenance of a fraud risk matrix (or "heat map") for all fraud risk sub-categories, illustrating the level of likelihood of each potential risk and the related financial impact to NACG of that risk event if it occurs. The risk matrix identifies both the inherent risk and the residual risk for each category. The fraud risk matrix is reviewed with the NACG personnel in the best position to assess and respond to each identified risk (the "Risk Owners") on at least an annual basis, or promptly upon occurrence of a significant change, to determine if there has been a change in the assumptions used in determining NACG's inherent risk, residual risk or risk appetite, or if it is determined that there is a change in the effectiveness of NACG's risk response tactics or mitigating strategies. The fraud risk matrix updates are reviewed by the NACG's Executive Risk Committee and presented to the Audit Committee.

Under the Anti-Fraud Policy, Risk Owners are required to develop risk assessment, response tactics, mitigating strategies, internal controls, procedures, training, communication and self-assessment tools to bring the inherent risk level of their assigned fraud risk down to a residual risk level at or below NACG's risk appetite. Risk Owners are required to regularly test the effectiveness of their internal controls designed to adequately prevent or detect fraud and also regularly assess business activities for changes or additions to activities that may require modifications or additions to internal controls to prevent or detect fraud.

All reports of a known or suspected instance of fraud that are made to any level of NACG's management or through NACG's ethics reporting hotline are forwarded to the Executive Risk Committee for investigation and remediation. NACG's Board and Audit Committee are notified of all reports of a known or suspected instance of fraud by the Executive Risk Committee, which provides the Board and Audit Committee with regular updates on the investigation, conclusion, and remediation related to the known or suspected instance of fraud.



INSIDER TRADING

NACG has adopted an Insider Trading Policy applicable to anyone in the organization who possesses material non-public or confidential information (“Inside Information”), including all of NACG officers and directors as well as certain other employees, consultants and advisors who have access to Inside Information (“Insiders”). The goal of the policy is to: (a) educate and help Insiders comply with applicable securities laws and regulations relating to insider trading; (b) support a strong ethical environment as outlined in the Code; and (c) maintain NACG’s reputation and uphold investor confidence. In addition to prohibiting Insiders from trading or tipping while in possession of Inside Information, the Insider Trading Policy also sets out a process for ensuring Insiders report permissible trades to NACG’s General Counsel and that all required filings with respect to such trading are made on a timely basis. The Insider Trading Policy also establishes regular quarterly earnings blackouts within which Insiders are not permitted to trade.

The Insider Trading Policy also contains prohibitions on hedging. Insiders are not permitted to short sell NACG’s securities, purchase financial instruments (including, for greater certainty, puts, options, calls, prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a change in the market value of any of NACG securities.



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GHG Emissions			
	2022	2021	Reference
Scope 1 emissions, as defined (tCO ₂ e) ¹	396,398	366,534	GRI 305-1
Emissions intensity (tCO ₂ e/operating equipment hour)	.2401	.2452 ⁵	GRI 305-4
Scope 2 emissions, as defined (tCO ₂ e) ²	2,023	1,905	GRI 305-2
Total energy consumption (GJ)	5,728,686	5,297,358	GRI 302-1
Electricity (GJ) ⁴	9,676	9,207 ⁵	
Fuel (GJ) ⁶	5,719,010	5,288,151	



Health, Safety, and Diversity			
	2022	2021	Reference
Total recordable incident rate (TRIR)	.53	.46	EM-SV-320a.1
Hazard ID frequency rate	60.28	Not tracked ³	EM-SV-320a.1
Total hours of health, safety and emergency response training	145,000	155,000	EM-SV-320a.1
Instance of environmental non-compliance	0	0	GRI 307-1
Voluntary turnover ⁷	21%	19%	GRI 401-1
% employees female	28%	28%	GRI 405-1



Governance			
	2022	2021	Reference
Board of Directors' composition			
% female	28%	25%	GRI 405-1
% female, independent	40%	33%	GRI 405-1
% independent	71%	75%	Not referenced
< 50 years old	14%	12%	GRI 405-1
50 – 65 years old	57%	63%	
> 65 years old	29%	25%	
Business ethics			
Internal mechanism for reporting and following up on suspected violations	See business ethics section		EM-SV-510a.2
Employee Awareness Programs			
Anti-corruption policies			

¹ Defined as dyed diesel from off-road vehicles that are directly owned or controlled by the Company. We have defined our scope 1 emissions in reference to the guidance provided by the GHG Protocol. Scope 1 emissions are calculated by multiplying actual liters of dyed diesel consumed during the year by the CO₂ emission factor. In circumstances when the actual liters of dyed diesel consumed is not complete, accurate or deemed reliable for reference, we base the calculation on operating hours and estimated hourly consumption rates. For the purposes of this calculation, we have referenced the diesel conversion factor per the Alberta Greenhouse Gas Quantification Methodologies (<https://open.alberta.ca/publications/alberta-greenhouse-gas-quantification-methodologies>).

² Scope 2 emissions have been calculated by multiplying total kWh consumed during the year and the location-based CO₂ factor (obtained based on rates provided by 2018 National Inventory Report via United Nations Framework Convention on Climate Change).

³ Prior year reporting referred to Near Miss frequency. Effective in 2022, the Company has transitioned to reporting Hazard ID frequency rate. Near Miss frequency is a function of the Hazard ID rate but not comparable, as such 2021 has not been carried forward in this report.

⁴ The data source for scope 2 emissions disclosure and energy consumption are the same (i.e., purchased electricity as provided from utilities statements). Total kWh has been converted to GJ based on Energy Unit Conversion Tables (<https://apps.cer-rec.gc.ca/Conversion/conversion-tables.aspx>) provided by the Canada Energy Regulator.

⁵ Prior year corrected in current reporting period as a result of evolving our reporting processes and procedures.

⁶ The data source for scope 1 emissions and energy consumption are the same (i.e., liters of dyed diesel consumed during the year). Liters consumed are first converted to m³ and then converted to GJ based on Energy Unit Conversion Tables (<https://apps.cer-rec.gc.ca/Conversion/conversion-tables.aspx>) provided by the Canada Energy Regulator.

⁷ Voluntary turnover is an annualized statistic which is calculated based on monthly headcount and turnover reports. This metric represents salaried and non-union hourly employees who voluntarily left the company (includes resignations and retirements).



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