



WAJAX 2023 SUSTAINABILITY REPORT

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Sustainability at Wajax

At Wajax, we are committed to building a people-first, environmentally and socially responsible company, as we live our purpose of empowering people to build a better tomorrow. This all goes hand-in-hand with an unyielding commitment to ethical business practices and sound corporate governance.



Wajax is committed to supporting the United Nations' Sustainable Development Goals as applicable to our operations.

Ongoing Commitment to Sustainability

In 2023, Wajax rolled out our new Purpose and Values and we are working to embed them in our culture. Being “people-first” is about caring for our employees every day, and giving them the tools they need to thrive, so they can support our customers and the communities they live in. In 2023, this included new health and wellness initiatives and an expanded commitment to learning and development, all designed to retain employees and help them succeed in their careers.

Our continued focus in these areas translated into strong employee and customer Net Promoter Scores®, highlighting our commitment to service and strong relationships across stakeholder groups. We also recognize that we have a role to play in delivering sustainable products and solutions to our customers, reducing our overall environmental footprint, and giving back to the communities around us. We succeeded on all fronts in 2023. The Wajax Sustainability Roadmap is based on our materiality assessment conducted in 2020 and aligns with the United Nations Sustainable Development Goals.

Sustainability Roadmap		
Area	Priorities	Progress
Environment	<ul style="list-style-type: none"> Reduce our carbon footprint from owned or controlled sources. Offer increasingly sustainable products, support renewable industries, and provide solutions that help customers meet their own environmental goals. 	<ul style="list-style-type: none"> Reduced our carbon intensity by 15.0% in 2023, and 30.7% since 2020. Re-used/recycled 4,995 tonnes of e-waste. Provided customers with emission-free electric-, hydrogen- and fuel cell-powered units. Supported an estimated 47,700 tCO₂e reduction in GHG emissions by customers through the use of variable frequency drives – equivalent to 13 wind turbines running for a year.
Social	<ul style="list-style-type: none"> Focus on employee health, safety, and well-being as part of our core values. Give back to the community. Support diversity and equal opportunity. 	<ul style="list-style-type: none"> Posted a strong 1.01 TRIF rate and successfully piloted multiple tools to modernize our employee health and safety programs. Introduced an incentive bonus plan for ~1,100 frontline employees; nearly all Wajax employees now participate in some form of commission, bonus or profit-sharing program. Updated mental and financial health resources available to all employees. Furthered diversity and inclusion efforts by launching our first employee resource group, “Women of Wajax” (“WoW”) / « Les Elles de Wajax » (“EdW”). Invested ~\$285,000 in our communities through partnerships with Foodbanks Canada, Canadian Cancer Society, Kids Cancer Care Alberta and Red Cross.
Governance	<ul style="list-style-type: none"> Enhance sustainability ESG governance for future disclosures and regulated reporting. Uphold high ethical standards in the conduct of our business. 	<ul style="list-style-type: none"> Delivered exceptional customer experiences, resulting in a customer Net Promoter Score of +70, and awards from customers including Danfoss, ITT Goulds, Rio Tinto, and many others. Rolled out anti-forced and child labour training and employee acknowledgements to our supply chain and procurement groups, prepared a vendor code of conduct, and produced Wajax’s first report under the <i>Fighting Against Forced Labour and Child Labour in Supply Chain Act</i> (Canada). Implemented sustainability software to enhance data collection, analysis and reporting readiness.

Wajax has established GHG reduction targets that align with The Science Based Targets Initiative's ("SBTi's") Well-Below-2C scenario. Our near-term goal is a 10% reduction in GHG's by 2025, and 25% reduction by 2030, from our established 2022 baseline.

Our ambition is to be net-zero by 2050 through a combination of energy efficiency measures and other emission reduction programs.

As Wajax's business continues to grow, our carbon intensity has consistently declined since 2020, demonstrating our commitment to meeting our environmental targets.

Carbon Intensity				
	2020	2021	2022	2023
Revenue (\$ in millions) from Scope 1 + 2 emissions (tCO ₂ e)	12.21	11.51	9.95	8.46

30.7% decrease
in Wajax carbon intensity since 2020

Reducing GHG Emissions

Facility and Infrastructure Upgrades

In 2023 we successfully reduced GHG emissions by 253 tCO₂e through LED upgrades and other initiatives such as installing thermostat controls.

GHG Reduction Summary			
	2021	2022	2023
Reduction (tCO ₂ e)	57	201	253
Cumulative totals (tCO ₂ e)	57	258	511

Managing Environmental Risks

The efficient management of oil, fuel and other hazardous materials to prevent spills remains a top priority and is our largest environmental risk. We provide ongoing education for our employees for the prevention and control of spill incidents through awareness communications, training programs, and stringent enforcement of our spill prevention and management procedures. As a proactive measure to prevent potential liabilities and impact on the environment, Wajax continued its storage tank replacement initiative, with 10 tanks replaced in 2023.

We returned to in-person environmental audits in 2023 with a more comprehensive audit scope. Audits help manage operational and environmental compliance risk, and support employee engagement and education. Our Environmental Management System catalogues environmental incidents, enables root cause analysis, and tracks audits and other key environmental indicators as part of our continuous improvement focus.

Managing our Resources

We drove a 2,983 tCO₂e GHG reduction through waste recycling and landfill diversion in collaboration with our waste management partners. We also participate in recycling and reuse programs for our electronic waste, helping make technology accessible to those who cannot otherwise afford it.

Wajax consumes only modest volumes of water, but has been collecting data at key usage points, such as vehicle wash bays.

Fleet and Logistics

Wajax manages a fleet of 965 vehicles to support its operations. We use telematics to optimize our fleet maintenance and logistics. Tracking vehicle maintenance ensures they are in good repair and operating efficiently. We closely monitor fuel consumption and the environmental footprint of our fleet, as well as driver habits, and providing National Safety Council driver training. Transportation is scheduled with an optimized route to ensure efficient and safe travel.

2,983 tCO₂e
in GHG reduction through waste recycling and landfill diversion.



Wajax tested, stabilized, and provided training on the operations of this fully electric bucket truck.

Offering Sustainable Products

To help our customers meet their environmental goals, Wajax continues to deliver increasingly sustainable and reliable products. We offer emission-free electric, hydrogen and fuel cell-powered units from our manufacturing partners such as Columbia Vehicle Group, Hyster-Yale Group, Powerboss, MAFI, Terex and Allison. Emerging technologies that Wajax supports include:

- Hydrogen powered container handlers
- Fully integrated lithium-ion forklifts
- Robotic forklifts and scrubbers
- Zero emission sweepers
- Electric yard and terminal trucks
- Electric utility bucket trucks
- Hybrid transmissions

Wajax also remanufactures hydraulic cylinders and rebuilds engines and engine parts to ensure the components are returned to OEM specifications, supporting cost effectiveness and minimizing waste. In addition, Wajax sells hybrid transmissions for commercial vehicles, which maximizes their fuel efficiency.



Hyster hydrogen powered container handler.

Using electric motors to drive rotating equipment cuts emissions versus internal combustion engines. Further emission reductions are achieved when electric equipment is controlled using a variable frequency drive (“VFD”). A VFD allows electric motors to operate at a slower speed with reduced energy consumption. Tundra Process Solutions delivered a cumulative total of ~165,000 HP in VFDs to our customers in 2023, resulting in an estimated carbon emission reduction of 47,700 tCO₂e.



Wajax continues to support the Canada’s multi-decade investment in wind power.

Supporting Renewable Industry

Wind power is on the rise globally. This clean, renewable energy is abundant in Canada, and Wajax’s ERS business continues to support the customer investment in wind power. Delom Services carries out repairs and overhaul for all types of wind power technology, including preventive or predictive maintenance, end-of-warranty inspection, reverse engineering and generator rewinding. Delom Services also offers refurbishment of hydroelectric generators.

Tundra Process Solutions helped clients reduce an estimated

47,700 tCO₂e
in carbon emissions.

Key Environmental Metrics					
Metric	What it Measures	Data			Discussion and Progress
Gasoline fuel consumed megawatt hours (MWh)	Energy consumption within the organization – fleet unleaded and premium gasoline consumption.	9,911	9,907	11,075	Fleet fuel consumption increased due to increased work activity and the size of the fleet.
		2021	2022	2023	
Diesel Fuel consumed megawatt hours (MWh)	Energy consumption within the organization – fleet diesel fuel consumption.	7,757	7,551	8,547	
		2021	2022	2023	
Electricity consumed megawatt hours (MWh)	Energy consumption within the organization – building electricity consumption i.e. lighting and equipment operation.	26,251	26,176	24,929	LED lighting upgrades were completed at multiple branches with a GHG Reduction of 228 tCO ₂ e
		2021	2022	2023	
Natural gas consumed megawatt hours (MWh)	Energy consumption within the organization – building natural gas consumption i.e. boilers for heating.	53,854	58,578	50,863	Industrial thermostats installed at several branches with GHG reduction of 25.35 tCO ₂ e. A Heat Economizer will be piloted in January 2024 with a GHG reduction of 24.81 tCO ₂ e.
		2021	2022	2023	
Tonnes of CO ₂ equivalent (tCO ₂ e)	Direct (Scope 1) GHG emissions from owned or controlled sources – natural gas, fleet fuel gasoline, fleet fuel diesel.	13,644	14,587	13,858	6.8% reduction in total Scope 1 + 2 from prior year due to successful implementation of energy reduction initiatives and changes to emission factor.
		2021	2022	2023	
	Indirect (Scope 2) GHG emissions from the generation of purchased energy – electricity.	5,209	4,939	4,337	
		2021	2022	2023	
Non-hazardous waste recycled: percent of total waste stream/tonnes recycled (t)	Non-hazardous waste recycled and landfilled.	776	825	994	Total waste volumes increased due to increased work activity and acquisitions, but we continue to see small positive increases in diversion from landfill.
		2021	2022	2023	
Hazardous waste recycled: percent of total waste stream/tonnes recycled (t)	Hazardous waste recycled and landfilled.	566	547	630	Percent hazardous waste recycled remained relatively flat while total tonnes increased. Total waste volumes, including recyclable streams, significantly increased due to increased work activity and acquisitions.
		2021	2022	2023	
E-waste reused and/or recycled kilograms (kg)	E-waste reused and/or recycled after equipment is taken out of service through obsolescence or breakdown. ⁽⁴⁾	4,608	2,803	4,995	Our e-waste significantly increased in 2023 due to the cyclical nature of equipment obsolescence.
		2021	2022	2023	
Tonnes of CO ₂ equivalent (tCO ₂ e)	tCO ₂ e avoided from non-hazardous waste diversion from landfill (recycling cardboard, paper, plastics, wood, metal).	1,859	1,937	2,740	Waste and recycling volumes increased over 2023 due to increased work activity and acquisitions resulting in higher tCO ₂ e diverted.
		2021	2022	2023	
	tCO ₂ e avoided from hazardous waste diversion from landfill (oil and solvent recycling).	686	521	243	tCO ₂ e avoided significantly down as our hazardous waste recycling vendor has adopted a new, more conservative, calculation methodology in 2023.
		2021	2022	2023	

(1) Scope 1, 2 GHG emissions are calculated in accordance with the Greenhouse Gas Protocol Accounting and Reporting principles.
 (2) GHG Scope 1, 2 emissions: GHG emissions variance due to real estate mix, acquisitions, and changes in emission factors. The government of Canada publishes every year provincial emission factors for GHG calculations. The emission factors change slightly from year to year as the electrical grid becomes greener and thus favorable impacting our own calculations.
 (3) Energy consumption: 2022 established as baseline.
 (4) E-waste: equipment reused or recycled through Electronics Recycling Association.

Wajax believes that employee safety, health and wellness is critical to the overall strength and performance of our business. Our goal is to provide meaningful opportunities throughout employment, including recruitment, development and retention, supporting employees of all backgrounds. We also believe that being a good corporate citizen goes beyond just providing employment. We want to invest in our people and contribute to the communities that we are part of across the country.



Employees enjoying a wellness challenge outdoors.

Commitment to Safety and Well-being

Our commitment to safety and well-being is part of our Purpose and Values and integral to our safety management program and culture. During 2023 we undertook a modernization of our safety and project management programs by leveraging technology, piloting a new hazard assessment app, and introducing compliance software for certification of equipment, and third-party contractor management. The use of online applications empowers greater engagement and ease of access for our frontline employees. Standardized guidance for customer-facing project safety planning was also developed and our electrical safety program was revamped to align with changes in electrical standards.

Health and Wellness				
Priority	2022	2023	Industry Average	National Norm
EAP Utilization %	13.29%	12.50%	5.96%	9.37%

Wajax remains committed to employee well-being. The Health and Wellness Team, along with 13 Committee Members and 102 Wellness Champions across the country promote various programs, services, and resources to support employees and their family members with managing their mental, physical, financial, and social health. In February 2023, Wajax ran a comprehensive Health Risk Assessment. 30% of employees completed the survey (up 4% compared with 2021). Survey findings will inform the 2023-2024 Health and Wellness Plan. Wajax encourages employees to use the group benefits plan and the Employee Assistance Program (“EAP”) proactively. In 2023, we added a new Health Spending Account, and our EAP utilization is higher than both the industry average and the national norm. This is typically indicative of a healthy workplace culture.

Our second annual Summer Wellness Challenge was offered to help employees form healthy habits. Employees were encouraged to increase their physical, mental, and social well-being in a holistic

way through nutrition. Financial health training was developed in-house and rolled out to employees. This voluntary training has been well received. Health screening clinics and flu clinics were offered at select branches to help employees address lifestyle health challenges. Wajax was presented Gold Level certification from Excellence Canada in both the Mental Health and Healthy Workplace categories in 2022.

Managing EHS Risk

The enhancement of our risk assessment program in 2023 led to the creation of 192 task-specific Job Hazard Assessments for safety-sensitive work. 420 employees completed hazard identification training in 2023. Enhancements to our hearing conservation and respiratory protection programs were implemented and 92% of service branches received a respiratory risk assessment; 11 comprehensive noise surveys were also conducted. A Crisis Management Team and a new emergency alert system is now in place with a three-tier escalation process for emergency response based on severity and potential impact to the health and safety of employees, IT infrastructure and business continuity.

Safety Training

Each Wajax employee receives comprehensive safety orientation and training specifically tailored to their respective roles within the company.

- 1,491 employees have been trained on situational awareness, including 399 in 2023.
- 428 managers and supervisors have completed the Wajax Safety Leadership training, 76 in 2023.
- 115 employees completed Joint Health and Safety Committee training in 2023.
- 84 were trained on incident investigation.



Wajax employees work together to ensure everyone goes home safe and well at the end of each shift.

Key Indicators of Safety Performance						
Metric	What it Measures	Data				Discussion and Progress
		0	0	0	0	
		2020	2021	2022	2023	
Fatalities	Number of workplace fatalities, the goal is always zero.	0	0	0	0	There were no workplace fatalities at Wajax in 2023.
Recordable Injuries	Recordable Injuries includes the total of medical aids, modified duty, lost time incidents.	28	29	26	33	There were 33 recordable injuries in 2023. All were low consequence injuries.
Total Recordable Injury Frequency ("TRIF")	Safety performance is measured by number of recordable injuries for every 200,000 exposure hours. A TRIF of <1.00 is considered exceptional for companies performing high-risk activities.	1.08	1.02	0.84	1.01	Business growth brought an influx of new employees in 2023 which resulted in a slightly higher TRIF over last year.
Potential Serious Injury and Fatality	Incidents with high potential for serious injury or fatality for every 200,000 hours worked.	N/A	N/A	N/A	0.18	Wajax began tracking high potential incidents in Q2 of 2023.
Total Injury Frequency	Total number of recordable and first aid injuries for every 200,000 hours worked.	4.82	3.70	4.13	3.36	Wajax encourages the reporting of all injuries regardless of severity. The Total Injury Frequency rate decreased 19% in 2023.
Lost Time Incident Frequency ("LTIF")	The number of lost time injuries for every 200,000 hours worked. An LTIF of <0.10 is considered exceptional for companies performing high-risk activities.	0.31	0.46	0.16	0.18	LTIF in 2023 was similar to the previous year as severity and consequence of injuries remain low.
Near Misses	A leading indicator that helps prevent injuries and improve our safety program.	133	132	139	151	Near miss reporting in 2023 increased 9% over last year. An increase in near miss reporting is a positive leading indicator of a proactive safety culture.
Corrective Actions Closed on Time	Items requiring follow-up identified through inspections, audits, observations, and incident investigations are each assigned a due date and responsible party.	95%	95%	92%	92%	92% of corrective actions were closed on time. The EHS team monitors and provides support to ensure corrective actions are completed and implemented.
Branch Health and Safety Evaluations (%)	Internal audit program measures compliance with Wajax standards and OHS legislation.	86%	86%	88%	90%	A more comprehensive audit scope was implemented in 2023. Branch compliance resulted in an average grade of 90%.
Successful re-certification of all COR certified branches	Certificate of Recognition ("COR") scores (%) measures adherence to industry-best safety practices. External audit every three years and a maintenance audit in subsequent years.	100%	98%	86%	96%	2023 was a self-assessment year for the 30 branches in the COR program as we prepare for the 2024 external audit for re-certification.
Motor Vehicle Accident ("MVA") Rate ⁽¹⁾	Safety performance of a vehicle fleet. The MVA rate is an industry accepted metric to evaluate fleet safety performance. An MVA rate <1.00 is considered best in class.	2.66	2.23	0.71	0.16	Wajax drivers accumulated 12,844,586 km and two accidents in 2023 resulting in an exceptional MVA rate of 0.16.

(1) MVA Rate = Total number of motor vehicle traffic collisions x 1,000,000 kilometers / number of kilometers driven.

Developing Potential and Expertise

Over the past year, our organization has taken broad strides to enhance learning and development, ensuring alignment with our core value of developing potential and expertise. At the heart of this evolution is our dedicated learning platform, WajaxU, which has become a dynamic hub for fostering growth and honing expertise within our workforce. A key highlight for 2023 was the integration of a new third-party e-learning content provider.

In the last year, we also rolled out various talent management tools for our employees such as personal development plans. Our commitment to comprehensive learning was evident in the diverse

array of courses conducted throughout the year. From technical skill-building to soft skills training, these courses catered to the multifaceted needs of our employees, contributing to a well-rounded and adept workforce that embodies our Purpose and Values.

Learning and Development		
Priority	2022	2023
Total Employee Training Hours Total	61,120	45,404
Total Environment, Health and Safety Training Hours	27,303	16,619
Hours by category	Technician and warehouse	31,620
	Non-technician	13,784



A Diverse Team is a Strong Team at Wajax

One of Wajax’s strategic priorities is to build a people-first company where we continue to make diversity, inclusion and equal opportunity a part of our everyday conversations. Our current priority is gender diversity, supporting women at Wajax.



In 2023, Wajax officially launched its first employee resource group – Women of Wajax/ Les Elles de Wajax. Our mission is to empower women by creating a safe and inclusive work environment that offers opportunities for networking, mentorship and development. In addition, Wajax continued to observe Black

History Month, International Women’s Day, Pride initiatives and the Day of Truth and Reconciliation. We also expanded our partnerships with Jill of All Trades, Catalyst, Women Building Futures, and Indspire. As part of our commitment to employee health and well-being we offered additional benefits coverage, flexible working arrangements, including a “retire to rehire” program, the option to add preferred pronouns to email signatures, updated policies, and a gender wage gap review (with no gaps reported).

Diversity Goals			
Priority	What it Measures	2022	2023
Diversity and Equal Opportunity – Continuous Improvement ⁽²⁾	Percentage of Women on Wajax Board of Directors	44.4%	45.5%
	Percentage of Women in Senior Management ⁽¹⁾	12.5%	11.1%
	Percentage of Women Direct Reports to Senior Management	48.0%	43.0%
	Percentage of Women at Wajax	21.0%	21.2%
	Percentage of Women in Operational Roles (Technician, Warehouse)	10.0%	9.4%

(1) Composed of Wajax’s corporate officers. Representation reported is based on voluntary self-identification.
 (2) Data is based on employee self-disclosure.

Diversity Breakdown		
	2022	2023
Women in Workforce	21.0%	21.2%
Visible Minorities	5.9%	5.2%
Indigenous Persons	1.9%	1.7%
Persons with Disabilities	1.1%	1.0%
LGBTQ2S+	1.0%	0.9%

Communities

Supporting the communities in which we live and work is extremely important to Wajax. Organizations we continued to support in 2023 included: Food Banks Canada, Canadian Cancer Society, Indspire, and Kids Cancer Care Foundation of Alberta.

For the second year in a row, our employees and their family and friends participated in CIBC’s Run for the Cure in support of the Canadian Cancer Society. Team Wajax surpassed the \$10,000 goal, raising an impressive \$22,100 in support of cancer research.

Increased Charitable Giving

Communities			
Priority	What it Measures	2022	2023
Community Service	Charitable contributions to strengthen our organizational culture and our communities	\$260,000	\$285,000



Employees raising funds for the Canadian Cancer Society.

Employee Satisfaction Scores Reflect Commitment to Excellence

Embracing a holistic approach to employee well-being, we’ve made it a priority to create a workplace culture that values and prioritizes the needs of our team members. Through our recent Voice of the Employee survey, with an 88% completion rate, we achieved our highest-ever Employee Net Promoter Score (“eNPS”). This remarkable score is a testament to our employees’ belief in our dedication to creating a workplace that genuinely cares about their experiences and contributions. The eNPS highlights our focus on continuous improvement, one of our core values, where we utilize employee feedback to create action plans, focused on making Wajax an even better place to work.

Voice of the Employee			
Priority	What it Measures	2022	2023
Employee Survey Feedback	Participation rate	90%	88%
	Employee Net Promoter Score SM (eNPS)	+25	+35

Governance

Wajax values its reputation for fair dealing and integrity and is committed to upholding high ethical standards in the conduct of its business. Earning the trust and confidence of our customers starts with having high ethical standards and strong governance practices in place.

Setting a Highly Ethical Standard

Wajax's Code of Business Conduct (the "**Code**") sets out expected behaviour and conduct for all employees and directors. The Code sets forth important guiding principles regarding dignity, respect, and fairness in the workplace, and sets a clear "zero tolerance" approach for bribery and corruption in Wajax's business dealings and relationships. The Corporation has implemented online anti-bribery and anti-corruption training for all managers, and they are required to complete this training every 24 months. Wajax also maintains an ethics hotline, dedicated e-mail account and post office box where concerns may be reported anonymously; all submissions are investigated and reported on to the Audit Committee of the Board of Directors.

Clear Expectations of Our Team Members

To supplement the principles set out in the Code, Wajax has comprehensive policies in place that clearly spell out the Corporation's expectations in specific areas. Each year all employees are required to review and acknowledge the following policies:

- Code of Business Conduct
- Violence and Harassment in the Workplace Policy
- Alcohol and Drug Policy
- Environmental, Health and Safety Policy
- Health and Wellness Policy
- Acceptable Use (Information Systems) Policy
- Travel, Entertainment and Expense Policy
- Social Media Policy
- Cybersecurity Training

Selected employees also must sign off on Chart of Authority and Customer Facing Project policies.

Committed to Sound Corporate Governance Practices

As a publicly traded company, we take our obligation to adhere to sound corporate governance practices very seriously and believe that they are integral to the creation of long-term shareholder value. Our board is strong and experienced, and our directors possess the appropriate competencies, skills and personal attributes to effectively discharge their mandate. Our corporate governance practices are more fully described in our annual management information circular, which is publicly filed and available via SEDAR+. A summary of key corporate governance practices is set out in the adjacent table.

Committed to Sustainability

Wajax's board is committed to sustainability, viewing it as essential to being a good corporate citizen and the long-term success of the Corporation. In 2022, we enshrined ESG oversight in our Board Mandate and the Charters of the Governance, Audit and Human Resources and Compensation committees of the board. In 2023 Wajax rolled out anti-forced and child labour training and employee acknowledgements to our supply chain and procurement groups,

prepared a vendor code of conduct, and produced Wajax's first report under the *Fighting Against Forced Labour and Child Labour in Supply Chain Act* (Canada). The board and its committees oversee and monitor the Corporation's approach, policies and practices related to ESG matters, and environmental, health and safety issues.

Cybersecurity

In an increasingly digitized business environment, cybersecurity remains a top priority to safeguard assets, protect customer data and ensure operational integrity.

Our board recognizes the critical importance of cybersecurity and oversees our strategy. Senior management regularly reviews and updates our cybersecurity framework, ensuring alignment with industry best practices and regulatory requirements.

Wajax conducts regular risk assessments to identify potential cybersecurity threats and vulnerabilities. We employ a comprehensive risk management framework to address identified risks and have business continuity plans to help mitigate any potential impacts on our operations and customers. Our incident response plan is regularly tested and updated to ensure a swift and effective response in the event of a cybersecurity incident.

Human error remains a significant factor in cybersecurity incidents. Wajax conducts regular security awareness training for all employees, emphasizing best practices and cultivating a culture of awareness company wide.

We work closely with our vendors and partners to ensure that they maintain a level of cybersecurity that aligns with our Third-Party Risk Management program. We regularly assess and audit third-party security practices to mitigate potential risks arising from external connections.

Key Corporate Governance Practices

Independent board – 91% of directors are independent⁽¹⁾

Independent committees – 100% of board committees are independent

Equity ownership – directors and certain senior officers are required to own shares or have an equity interest in the Corporation to further align their interests with those of shareholders

Non-executive chair – separate Chair and CEO positions and an independent Chair of the board

Majority voting for directors – the directors are elected in a majority vote

Strong risk oversight – the board and its committees oversee risk management and strategic financial and operating risks

Formal board evaluation process – the directors evaluate the board, committees, chairs and individual director performance every year

Board renewal – the board has adopted age and term limits for directors

Board diversity – the board has adopted a diversity policy, including a target of 30% for the number of women on board, and 45% of directors are women⁽¹⁾

Independent advice – each board committee has full authority to retain independent advisors to assist them in carrying out their duties and responsibilities

Code of conduct – directors, officers and employees must comply with the Corporation's Code of Business Conduct and confirm their compliance every year

Say-on-pay – an advisory vote on our approach to executive compensation has been held every year since 2013

No overboarding of directors – no director sits on more than two other public company boards

No stock options – no stock option awards for directors and officers

(1) As of the date of this report.



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