

Purolator

Going the Extra Mile



2023 Sustainability Report



Message from the President & CEO and Board Chair

At Purolator, we pride ourselves on going the extra mile. From innovative, customer focused shipping solutions to investing in a sustainable fleet and operations, Purolator and our more than 14,000 employees are driven to deliver for our customers, our planet and our communities. Our sixth annual sustainability report outlines our 2023 achievements and how we are advancing on our goal to be an industry leader in sustainability.

In 2023, we continued to focus on decarbonizing our business and made great progress toward our goal of net-zero emissions by 2050. We deployed on-road 80 new all-electric trucks across three terminals as part of our \$1 billion investment in the electrification of our operations. As we continued to electrify, introduced clean fuels and electricity, optimized our routes and switched to rail for more than 750 ground trips, we reduced our absolute Scope 1 and Scope 2 emissions by more than 11 per cent (2020 baseline). Additionally, we amplified our waste reduction efforts and achieved our 2030 goal to divert 70 per cent of waste from landfills seven years ahead of schedule. I am honoured that our 2023 efforts have been recognized with two Canada Clean50 awards for Greenhouse Gas Emissions Reduction and Net-zero Action Plan.

We also went the extra mile for our communities as we celebrated the 20th anniversary of our Purolator Tackle Hunger® (PTH) program. Thanks to the hard work and unwavering dedication of

our employees and our partners, we exceeded our goal of raising two million pounds of food for food banks nationwide. Moreover, we designated 25 per cent of our PTH corporate donation to support Food Banks Canada's Northern Program, which tackles food insecurity in Canada's North, where the need is greater than ever.

I am humbled that Purolator was once again recognized as one of Canada's Most Admired Corporate Cultures. As a four-time winner, we are now in the program's prestigious Hall of Fame. Purolator was also named to the *Forbes* list of Canada's Best Employers for Diversity for the second consecutive year, and the list of Canada's Best Employers for the ninth.

Again in 2023, we delivered outstanding safety performance and made unprecedented investments in the health and well-being of our employees and their families through our Purolator Health program. A first-of-its-kind health initiative, our proactive approach is leading to early detection and access to resources, which is making a tangible difference in the lives of our people. Our achievements this year are a testament to the people-first, One Team culture that makes Purolator an amazing place to work.

I invite you to read more about our many accomplishments and progress toward our goals.

John Ferguson
President and CEO



As Chair of Purolator's Board of Directors, it is my pleasure to share the company's 2023 Sustainability Report with our stakeholders. This report highlights the initiatives and accomplishments that underscore Purolator's commitment to business excellence, sustainability leadership, inclusivity and community support.

In 2023, Purolator experienced another year of growth and evolution, and our continuous improvement efforts yielded measurable results. We continued to drive business excellence by extending our reach, improving our service levels and reliability, and delivering to 100 per cent of postal codes across Canada. In 2023, we increased accessibility for our customers, with 70 per cent of Canadians now within a three-kilometre radius of a Purolator shipping location.

Good corporate governance plays a key role in defining our business success. As such, our Environmental, Social and Governance Committee of the Board continued to play an active role in guiding our strategic roadmap for Purolator's diversity, equity and inclusion (DEI) and environmental sustainability initiatives. In 2023, we refreshed our Corporate Environmental Policy to better communicate our commitment to effective environmental management and material issues.

In 2023, we completed a full materiality assessment to help us stay on top of the issues that are most important to our stakeholders and most likely to affect Purolator's performance. The assessment reinforced that health and safety, DEI, and energy management and greenhouse gas emissions are key priorities for our business.

We also increased our focus on transparency. In 2023, we disclosed for the first time to the Task Force on Climate-related Financial Disclosures (TCFD), and we expanded our Sustainability Accounting Standards Board (SASB) disclosures to include the Road Transportation standards. These enhancements to our reporting help Purolator better understand and track our performance and communicate clearly with our stakeholders.

On behalf of the Board of Directors, I would like to thank the entire Purolator team for their continued dedication to making Purolator a safe, sustainable, inclusive and inspiring place to work.

Lloyd Bryant
Board Chair





About This Report

This is our sixth annual Corporate Sustainability Report. It covers the 2023 calendar year, and unless otherwise noted, the information presented is as of December 31, 2023. All dollar amounts are in Canadian funds. Performance data is company-wide unless otherwise stated.

We have adopted international frameworks and standards to help us align with global best practices in sustainability practices and disclosure. Report content is informed by the findings of a materiality assessment conducted in 2023. Details on our process and priority topics are available in the Governance section of this report on [page 17](#).

We report in reference to the [Global Reporting Initiative \(GRI\) Universal Standards 2021](#). Our GRI content index is available as a separate document. We disclose in alignment with the SASB Air Freight and Logistics Industry Standard (TR-AF), and for the first time, we are also disclosing to the Road Transportation Standard (TR-RO). SASB provides us with reporting standards and key performance indicators (KPIs) in the disclosure of financially material sustainability information relevant to our sector. Our GRI and SASB Index is available as a separate document [here](#).

In 2023, we began to identify and evaluate our climate risks, and for the first time, we disclosed to the Task Force on Climate-related Financial Disclosures (TCFD) and the [International Sustainability Standards Board \(ISSB\) inaugural IFRS S2 standards](#) (see [page 73](#) for more details on our enhanced TCFD table).

We support the Sustainable Development Goals (SDGs) through our sustainability initiatives and have aligned eight goals and their targets to our business practices (see [page 21](#) for additional information on how we contribute to the SDGs).

Purolator discloses to [EcoVadis](#), a sustainability ratings service that helps companies manage and communicate their sustainability performance in a clear and actionable way. In 2023, Purolator earned a Silver Medal rating, placing us in the 79th percentile. EcoVadis covers various non-financial management systems including environment, labour, human rights, ethics and sustainable procurement impacts. Disclosing to EcoVadis helps us monitor our progress on our material topics and helps us identify areas for improvement.

In 2023, Purolator disclosed to the [Carbon Disclosure Project \(CDP\) Climate Change Questionnaire](#). Our submission was not scored publicly. We are currently evaluating disclosing publicly and strengthening future CDP disclosures.

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For questions and feedback, please contact us at info.csr@purolator.com.



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About Purolator

For over 60 years, Purolator has been committed to excellence as a leading integrated freight, package and logistics solutions provider. With one of the most extensive networks in Canada, we reach some of the most remote locations, helping businesses deliver their promises, and drive results through customized shipping and innovative supply chain solutions. Over a period of 250 working days, we observed our ability to move on average over 620,000 packages per day.

Our vision is to be a Canadian industry leader in environmental sustainability and DEI. We will achieve our vision through our culture and by living our values, which are tied to our greater purpose of Making Canada Stronger. As a people-first organization, we focus on making Purolator a safe, sustainable, inclusive and inspiring place to work for our more than 14,000 employees. We are committed to leading the way forward with new technology, enhanced customer experiences, innovative products and services, and a world-class culture.

North American Network

Canada

- 60+ years in operation
- 14,000+ employees
- \$2.65 billion in revenue in 2023
- 2,450 Authorized Shipping Agents
- 175 operations facilities
- 105 Purolator Shipping Centres
- 100 per cent postal code delivery coverage

U.S. Operations

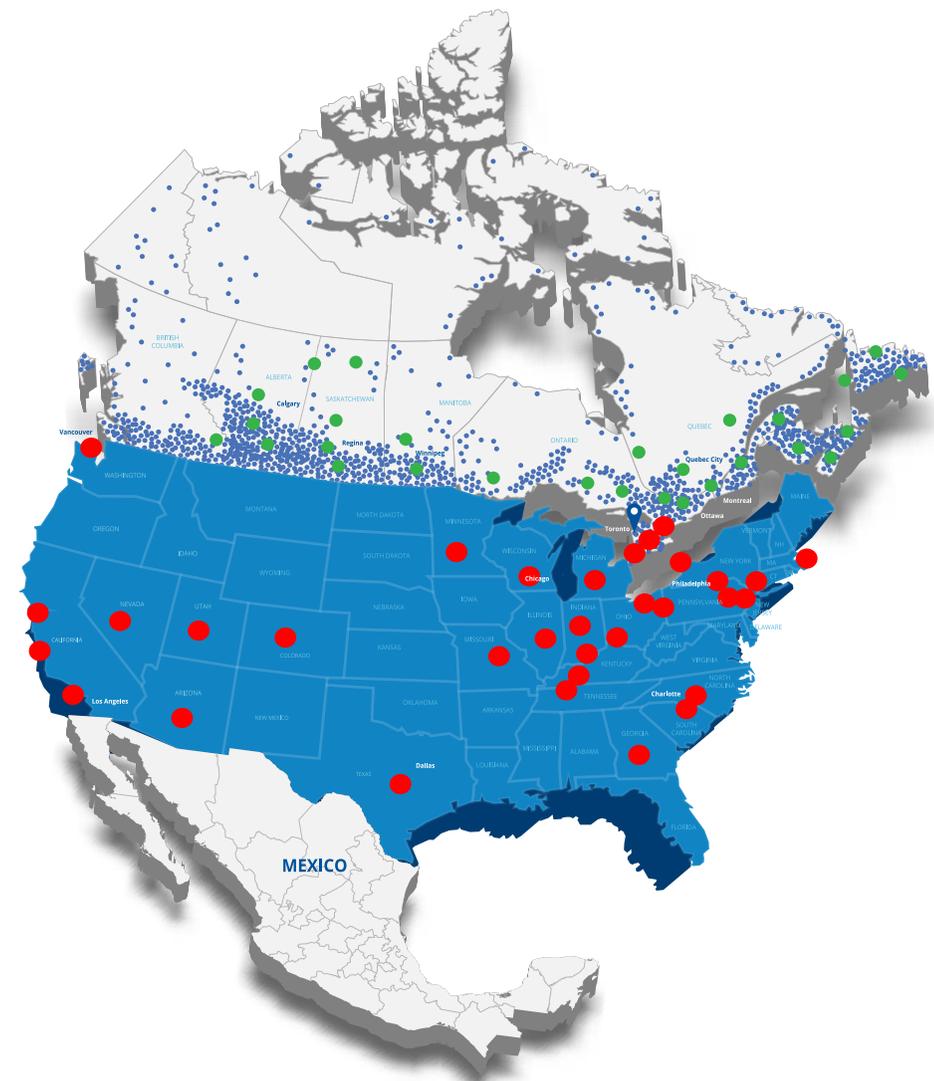
- 33 branch locations
- 420+ employees
- 25 years of cross-border shipping experience

Services

- Purolator Courier Express
- Purolator Courier Ground
- Freight – trailer load (TL)/less than trailer load (LTL)
- Cross-border solutions
- Mission Critical 24/7/365 Solution
- Direct ship vendor
- Returns management
- Team of Trade Compliance Specialists

Network Reach

- Deliver to over 95 per cent of Canada next day
- Access points within three kilometres of Canadians in major markets
- Customizable solutions through our strong network



We service 100 per cent of all postal codes across Canada to ensure that Canadians, regardless of their geographic location, have access to our vast courier network. In 2023, 73 per cent of all Canadians lived within three kilometres of a Purolator drop-off location.





2023 Highlights

Empowering Our People



24,000+ hours

of instructor-led and hands-on learning provided to over 2,400 new employees



18,400 hours

of mental health training delivered to employees across Purolator



48%

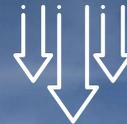
reduction in lost-time injury frequency (2019 baseline)

Delivering for Our Planet



72%

diversion of landfill waste, achieving 2030 target ahead of schedule



11%

decrease in absolute Scope 1 and Scope 2 emissions (2020 baseline)



80

new EV trucks deployed on-road across three pilot terminals



500,000+ litres

of diesel fuel shifted to renewable diesel

Helping Our Neighbours



2.3 million lbs.

of food raised through the Purolator Tackle Hunger program



\$100,000

in grant prizes awarded to 2023 True North Small Business Grant Contest winners



520,000+ lbs.

of food collected in partnership with nine Canadian Football League teams



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2023 Performance

We extend our responsible business practices to how we engage with our diverse network of customers, partners and suppliers. In alignment with our values, we strive to create a safe, healthy, inclusive and inspiring workplace where our employees can thrive personally and professionally and achieve their full potential. Our ambition is to become the greenest courier in Canada and achieve net-zero emissions by 2050. We acknowledge our responsibility to manage the impacts of our operations on the environment and the imperative to address climate change. We are committed to supporting the growing needs of our neighbours and delivering a better tomorrow for the communities in which we live and work. Caring for our communities is a fundamental part of the way we do business.

	Strategic Focus	Metrics	Status	Results
Governance Implement leading governance practices	Board composition	Diversity of governance bodies		<ul style="list-style-type: none"> 44% women on our Board of Directors 11% representation of visible minorities
	Board oversight of ESG issues	Oversight of policies, practices and performance with respect to ESG matters		<ul style="list-style-type: none"> Expanded the role of the ESG Board Committee to oversee sustainability strategy, policies and performance
	Climate governance	Principles and requirements for effective environmental management		<ul style="list-style-type: none"> Refreshed Corporate Environmental Policy and introduced new Responsible Sourcing Standard
Social Be safe, inclusive and inspiring	Human capital development	Employee training and development		<ul style="list-style-type: none"> 182,000 hours of training delivered to frontline and professional staff 76% of employees responding to our MyVoice survey felt that their manager cares about their well-being
	Health and safety	Employee safety (e.g., injury frequency, motor vehicle collision frequency)		<ul style="list-style-type: none"> 18,400 hours of mental health training delivered to employees 1.97 lost-time injuries per 100 full-time employees (10% decrease from 2022)
		Employee health and wellness		<ul style="list-style-type: none"> 1.30 collisions per 100,000 km driven (14.5% decrease from 2022) 62 employees completed the Mental Health First Aid Responder program, with 75 employees now trained across 46 locations
	Community investment	Food raised for food banks and agencies across Canada		<ul style="list-style-type: none"> 2.3M lbs. of food raised, with a goal of 2M lbs.
	Diversity, equity and inclusion	Leadership and overall workforce diversity		<ul style="list-style-type: none"> 36% women in leadership positions (director level and above) 22% women in overall workforce
Environmental Deliver for our planet	Carbon emissions reduction	Net-zero emissions by 2050		<ul style="list-style-type: none"> 7.3% reduction in total emissions (2020 baseline), with a goal of 100% by 2050*
	Carbon emissions reduction	Absolute Scope 1 and 2 emissions reduction		<ul style="list-style-type: none"> 11% reduction in Scope 1 and Scope 2 emissions (2020 baseline), with a goal of 42% by 2030
	Renewable electricity	Renewable electricity use in our operations		<ul style="list-style-type: none"> 70% renewable electricity use (2020 baseline), with a goal of 100% by 2030
	Landfill waste diversion	Diversion of non-hazardous waste from landfill		<ul style="list-style-type: none"> 72% of total waste diverted (2020 baseline), with a goal of 70% by 2030
	Fleet electrification	Electrification of last-mile delivery vehicles		<ul style="list-style-type: none"> 80 new EV trucks deployed, with 100+ total EVs now on-road (trucks, low-speed vehicles and e-bikes), 2% with a goal of 60% by 2030
	Clean fuels	Conversion to clean fuels for heavy-duty vehicles		<ul style="list-style-type: none"> 500,912 litres of renewable diesel used in our operations

* Purolator commits to reduce absolute Scope 1, 2 and 3 GHG emissions by 90% by 2050 from a 2020 base year. The remaining 10% will be neutralized.





Awards and Recognitions

In 2023, we were honoured to receive the following awards and recognitions:

Empowering Our People



Four-time recipient of [Canada's Most Admired™ Corporate Cultures](#), earning prestigious Hall of Fame designation



[CMA Bronze Award in the Meta Business Equity](#) category, which demonstrates commitment to DEI in marketing



Indeed's first-ever [Better Work award](#), which highlights companies that provide an outstanding employee experience



[Gold OHS Culture Award](#) and the [Silver OHS Psychologically Safe Workplace Award](#)



[Cigna Gold Level](#) designation for creating a healthy work culture through a well-established, progressive and measurable employee well-being and engagement program

Named to the *Forbes* list of Canada's Best Employers for Diversity for the second consecutive year, and the list of Canada's Best Employers for the ninth time.

Delivering for Our Planet



Two [2024 Clean50 awards](#): for GHG Reduction and Net-Zero Action Plan



Retail Council of Canada [Excellence in Retailing Award](#) in the category of Environmental Leadership for two Urban Quick Stops



Two-time recipient of the [YVR Green Excellence Award](#) presented by the Vancouver Airport Authority



[ITE Toronto Project of the Year Award](#) for innovation in transportation in collaboration with the University of Toronto



Added to the CBSR's [Net-Zero Leaderboard](#)



Climate Change Questionnaire submitted for private scoring

In 2023, Purolator was featured in the [VISION 2045](#) campaign – a series of groundbreaking documentary films that aim to inspire and mobilize individuals, businesses and governments globally to take bold actions toward creating a more sustainable and equitable world by 2045.

Purolator's investment in the well-being of employees, our aspiration of being the greenest courier company in Canada and our goals to help alleviate hunger through Purolator Tackle Hunger were highlighted in the film.



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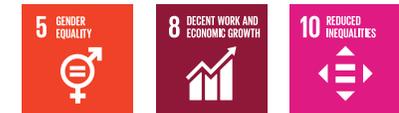
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GOVERNANCE



At Purolator, we pride ourselves on our governance practices, which are the foundation of our business. Good governance promotes a culture of trust, accountability, transparency, sound decision-making and ethical behaviour among our employees. It instills trust in our stakeholders and holds us accountable for our commitments. Our responsible business practices also extend to how we engage with our diverse network of customers, partners and suppliers.



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Core Values

Our values underpin our business practices. They unify us with pride, meaning and purpose to ensure we deliver on our commitment to business excellence, being a people-first organization, protecting the environment and caring for our communities.

Our values are embedded into the culture of our organization, and they are integral to Purolator’s commitment to social responsibility. They are part of our employee lifecycle activities (e.g., recruitment, onboarding and performance evaluations).

Our values are further demonstrated in our rewards and recognition, well-being programs, meeting agendas, training, leadership development, business and decision-making processes, and employee engagement surveys and activities. To ensure our values are front and centre in all that we do, we have placed murals in prominent locations at several of our sites to help make our Core Values a familiar part of our company culture and the language we use.

Trust – Trust is at the foundation of everything we do.

Safety, Health and Wellness – We are committed to the safety, health and well-being of our people and communities.

Diversity, Equity and Inclusion – We are committed to inclusion, belonging and development for everyone.

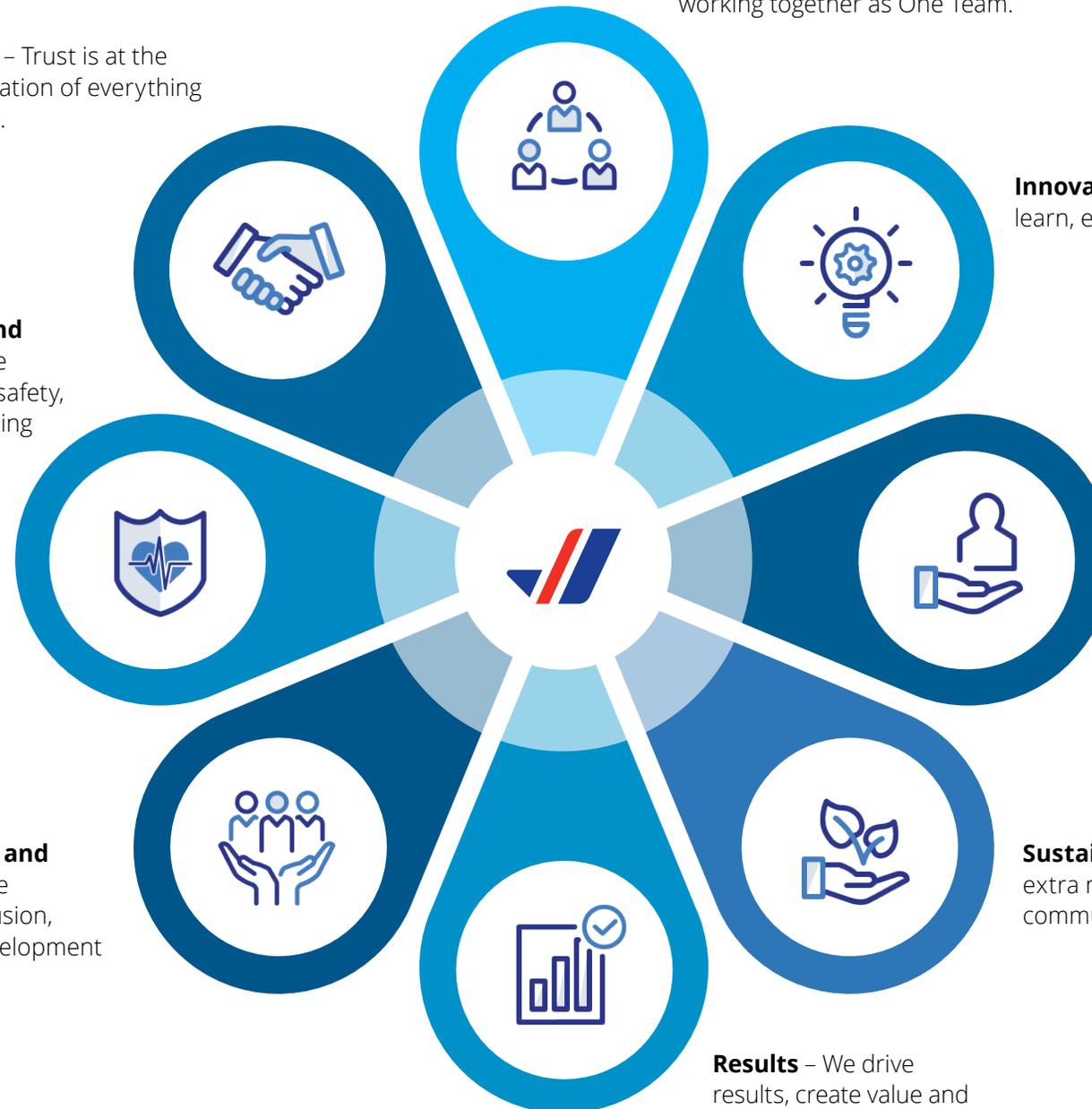
Collaboration – We win by working together as One Team.

Innovation – We continuously learn, evolve and innovate.

Customer – We deliver an exceptional customer experience.

Sustainability – We go the extra mile for our people, communities and planet.

Results – We drive results, create value and deliver excellence.



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Sustainability Governance and Management

Our focus on strong governance allows us to effectively identify and mitigate risks, attract new customers and engage our stakeholders. Our sustainability governance structure and management are aligned with our core pillars: Empowering Our People, Delivering for Our Planet and Helping Our Neighbours.

Purolator's Board of Directors, including through its Environmental, Social and Governance (ESG) Board Committee, oversees Purolator's sustainability policies, strategy and progress toward our goals through regular reporting from our President and CEO.

Reporting to the President and CEO, Purolator's Senior Vice President, People and Culture and Chief Human Resources Officer (CHRO) oversees Purolator's sustainability strategy and is an executive sponsor of the Decarbonization and Greenhouse Gas (GHG) Emissions Reduction Steering Committee and Workplace Health and Safety Committee.

Responsibility for developing and implementing our Community Investment and Environmental Sustainability program and strategy sits with the Corporate Sustainability Officer, who reports to the Senior Vice President, People and Culture and CHRO.

Also reporting to the President and CEO, Purolator's Senior Vice President, General Counsel and Corporate Secretary oversees Purolator's corporate governance and ethics, as well as its DEI strategy, and is the Chair of the DEI Advisory Board. The DEI Advisory Board and nine regional councils support Purolator's efforts to develop a strong culture of diversity, equity, inclusion and belonging for our employees.

The Director, Diversity, Equity and Inclusion is responsible for the DEI program and strategy and reports to the Senior Vice President, General Counsel and Corporate Secretary.



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We recognize the importance of incorporating strong governance measures as the cornerstone of our sustainability management. This is why we align our governance and management practices with our core strategic pillars, which allows us to better identify and control both the risks and the opportunities.”

Ken Johnston

Senior Vice President, People and Culture



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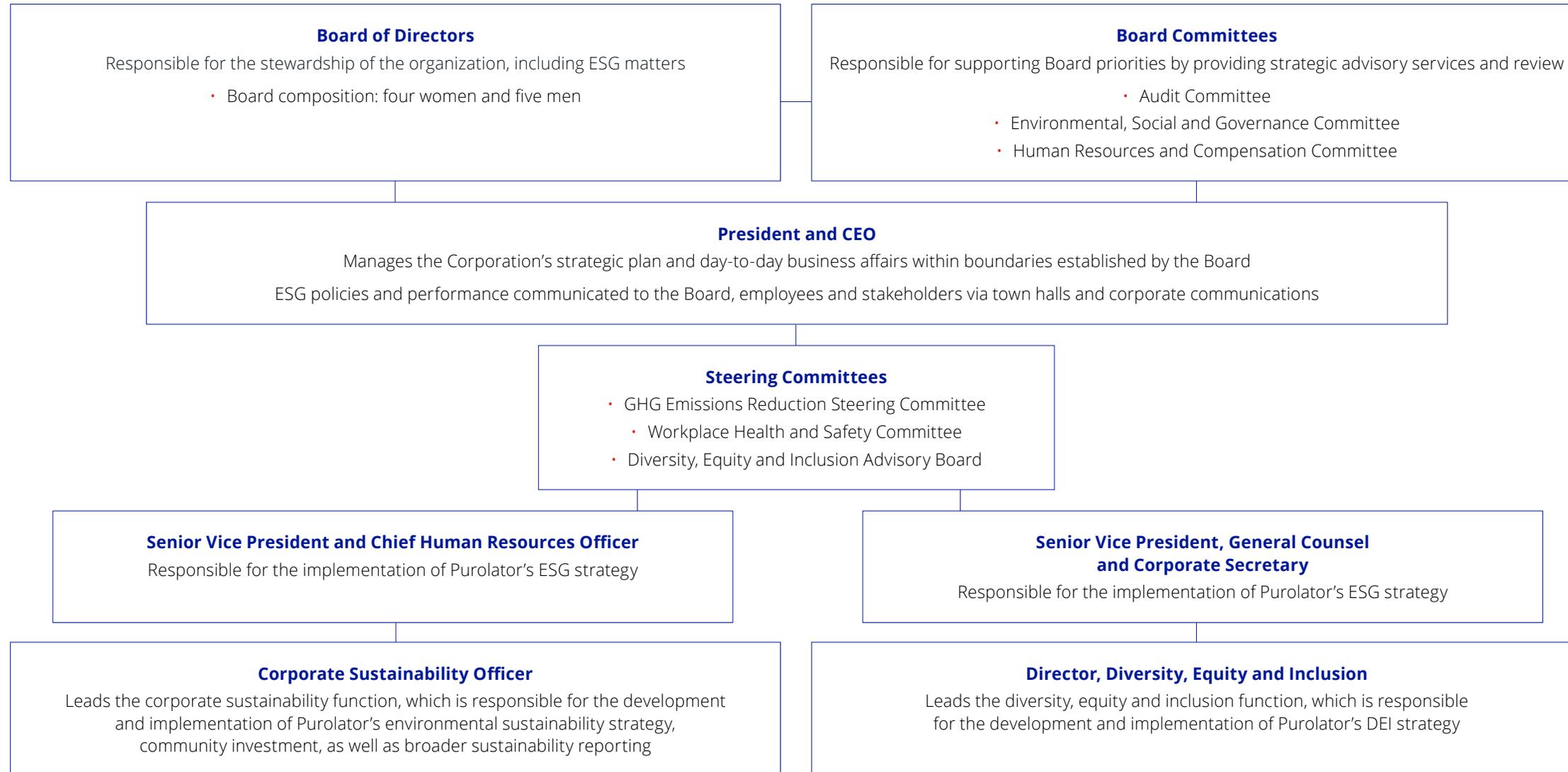
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Organizational Governance Structure





Ethical Conduct

We expect Purolator employees to carry out their work in accordance with our [Code of Business Conduct and Ethics](#) (the Code), which outlines the standards of conduct in areas such as legal compliance, anti-corruption, conflicts of interest, DEI, political activities, competitive practices, privacy and more. These standards are considered in our evaluation of partnerships with suppliers and in the provision of services to our customers and stakeholders.

All employees are expected to understand and comply with the Code, and Purolator employees must complete an annual Code certification to support its ongoing relevance and reporting requirements. Requirements include reporting code

violations to management, human resources or using Purolator's [Confidential Submissions Policy](#) process. The Code is updated and approved by the Board annually, and we have revised the Code to reflect Purolator's commitment to comply with laws intended to prevent and reduce the risk of forced or child labour in its supply chain and other systemic human rights violations. This update was an opportunity to educate employees and ensure enterprise-wide awareness of this critical issue. Another important update was the inclusion of Purolator's intention to enhance its focus on risk by encouraging open discussion and risk-informed decision-making.

While the Code speaks to key areas, employees are expected to understand and comply with other company policies and procedures on a range of topics that contribute to ensuring Purolator continues to be a safe, rewarding and sustainable place to work.

In 2023, we updated our [Corporate Environmental Policy](#) to include more topics to better reflect the needs of our environmental governance and oversight.

Corporate Governance Charters, Mandates and Role Descriptions

- [Board of Directors Mandate](#)
- [Board Chair](#)
- [President and CEO](#)
- [Directors](#)
- [Corporate Secretary](#)
- [Board of Directors and Committee Membership](#)
- [Audit Committee Charter](#)

- [Environmental, Social and Governance Committee Charter](#)
- [Human Resources and Compensation Committee Charter](#)
- [Operating Procedures for Board Committees](#)

Corporate Policies

- [Code of Business Conduct and Ethics](#)
- [Confidential Submissions Policy](#)
- [Corporate Environmental Policy](#)

- [Health and Safety Policy](#)
- [Psychological Health and Safety Policy](#)
- [Workplace Harassment and Violence Prevention Policy](#)
- [Accessibility Plan](#)
- [Supplier Code of Conduct](#)
- [Responsible Sourcing Standard](#)



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Risk Management

Enterprise Risk Management

Our risk office team provides our company with support, tools and guidance to ensure we manage risk effectively at every level of the organization. Enterprise risk management (ERM) helps us mitigate enterprise-level risks that may affect Purolator’s ability to meet our strategic objectives. Our ERM framework outlines how risks, including environmental risks, are managed at all decision-making levels. The framework includes processes to identify, assess, evaluate, treat, communicate, monitor and report on existing and potential enterprise risks. Ongoing risk identification and monitoring ensures that management can effectively assess and proactively respond to new and emerging threats.

Enterprise risks, including both physical and transition climate change risks, are assessed and evaluated using a risk-assessment scale approved by the senior leadership team to rate the potential adverse impact of a risk, were it to materialize (e.g., health and safety and environmental, financial, operational and reputational impacts) and the likelihood of occurrence. We have also integrated environmental impact as a category in our enterprise risk assessments to allow for consideration of environmental impacts in the assessment of every enterprise risk. Once risks are assessed, the level of risk is categorized as negligible, low, medium,

high or critical, which helps us prioritize the allocation of resources to control and mitigate identified risks.

We conduct enterprise risk assessments annually, and quarterly updates on key risks are provided to the senior leadership team and the Board of Directors. Outside of the formal annual enterprise risk assessment, additional processes have been developed to identify, assess, evaluate, monitor, communicate and escalate risks as they arise. In 2023, we completed an initial risk assessment of environmental physical risks, such as wildfires and earthquakes. We plan to continue building on this work and completing a climate-related scenario analysis and modelling temperature-rise scenarios in the future.

Delegation of Authority

In 2023, our legal and finance teams revised our Delegation of Authority, which sets out the approvers and approval limits, as well as who needs to be engaged for decisions concerning Purolator and our U.S. operations, Purolator International. The revised policy incorporated feedback from across the business, employs a new RACI (recommend, approve, consult and inform) format and is gender neutral. It includes new sections, such as risk management, and is user-friendly with a clickable format.



In 2023, building on our previous work, we:

- Enhanced risk culture by hosting our first risk-awareness campaign
- Improved risk reporting processes and developed new processes to enable stakeholder engagement and strategic decision-making
- Facilitated risk education through training sessions and tailored guidance documentation





Child and Forced Labour

On May 11, 2023, the federal government and the Senate passed Bill S-211, which introduced the new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act). The Act came into effect on January 1, 2024.

It introduces annual reporting requirements for certain private-sector entities, on the measures taken to prevent and reduce the risk that forced labour and child labour is used in their supply chain. The Act amends the *Customs Tariff Act* to allow for a prohibition on the importation of goods manufactured or produced, in whole or in part, by forced labour and child labour. It also focuses on disclosure, due diligence, transparency and continued progress in fighting forced and child labour.

Affected businesses must submit their first report and answers to the questionnaire by May 31, 2024, to the Minister of Public Safety. The report must contain specific details regarding actions taken in the previous financial year to help prevent and reduce forced labour and child labour

in their supply chain. This includes due diligence in relation to forced and child labour, measures taken to remediate forced and child labour, and an identification of the activities in the business that carry a risk of forced and child labour. The report must be approved and attested to prior to submission and publication.

Purolator has taken steps to prepare for the annual report and questionnaire, including by preparing an action plan, reviewing and updating applicable policies and procedures, providing employee training, and performing a review of the supply chain and the due diligence process to identify opportunities to prevent and reduce the risk of forced labour and child labour in the supply chain.

To see our report, please click [here](#).

Responsible Sourcing

In 2023, we expanded our procurement processes to include ESG criteria, and we launched our annual supplier ESG survey to supplement our existing supplier registration process. This annual survey enables Purolator to better understand our suppliers' ESG maturity levels.

2023 procurement milestones include the following:

- We enhanced procurement policies to incorporate ESG requirements.
- Purolator's latest [Supplier Code of Conduct](#) provides comprehensive coverage and guidance on environmental, human rights and diversity aspects and complies with government policy updates.
- We designed a supplier ESG maturity assessment survey to evaluate our suppliers' ESG maturity levels. All suppliers were invited to answer questions related to ESG engagement, program maturity, GHG reductions and waste management.

- We incorporated ESG criteria into our sourcing process, including:
 - Additional ESG language in the RFX templates
 - Additional criteria in the RFX evaluation process to be used as required
 - Consultation with Corporate Sustainability and DEI teams in projects with high ESG risks
 - Updating of contract templates to include ESG and diversity criteria
 - Contract compliance tracking on ESG requirements
 - Reinforced collaboration between Procurement and the Corporate Sustainability team
 - New ESG KPIs for procurement review to evaluate supplier ESG performance based on their spend categories



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Data Protection and Cybersecurity

Employees, customers and suppliers trust us to handle their personal information responsibly. As a federally regulated entity, Purolator is subject to the [Personal Information Protection and Electronic Documents Act](#) (PIPEDA). Our Enterprise Data Protection Program includes privacy-risk mitigation practices, which involve regularly reviewing Purolator policies, procedures and employee training programs related to data management and privacy. The program incorporates an overall privacy-by-design element based on PIPEDA's 10 fair information principles to ensure that stakeholder privacy is accounted for in the development of our service offerings and technologies.

We make commercially reasonable efforts to safeguard the personal information we collect, and to protect it against loss, theft, or any unauthorized access, disclosure, copying, use or modification. Access to the personal information in our systems requires authentication and is restricted to select Purolator personnel. Purolator employees are also required to participate in mandatory policy and regulatory training that includes privacy and data management.

In 2023, we continued to strengthen our privacy management program with a focus on enhanced department training, employee engagement, policy and procedure reviews and privacy risk-mitigation processes. Stronger contractual protections have been ongoing to ensure consistency with vendor and customer expectations. Purolator has successfully integrated privacy practices into the business through the support of strong collaboration with information security and data governance departments. The organization has taken a risk-based approach to managing potential incidents and proactive interventions with updated incident

management processes and clear data identification and classification. Enhanced visibility with senior executives on privacy risk and mitigations has led to increased support for the privacy by design culture.

We also apply the same method to cybersecurity. We approach all computing in a security-by-design methodology for when we review the design for potential SaaS products or the design of a new product we develop. Our current environment uses commercially reasonable efforts to protect customer and employee data through processes as set out in our audit and risk management, monitoring and measurement, technical security, including "need to know" access management, firewall protection and encryption.

Going forward, we will work to incorporate more automation into our processes and will continue to include additional cybersecurity tools to improve Purolator's security landscape.

In 2023, we continued to strengthen our privacy management program with a focus on enhanced department training, employee engagement, policy and procedure reviews, and privacy risk-mitigation processes.



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Our Strategy

In 2023, we continued focusing on our strategic priorities to deliver the future through growth and innovation. This includes plans for modernizing our network and fleet, enhancing our customers' digital experience, fostering a safe, sustainable, inclusive and inspiring workplace, and driving growth for businesses of all sizes throughout North America and globally.

Focus on Premium Growth

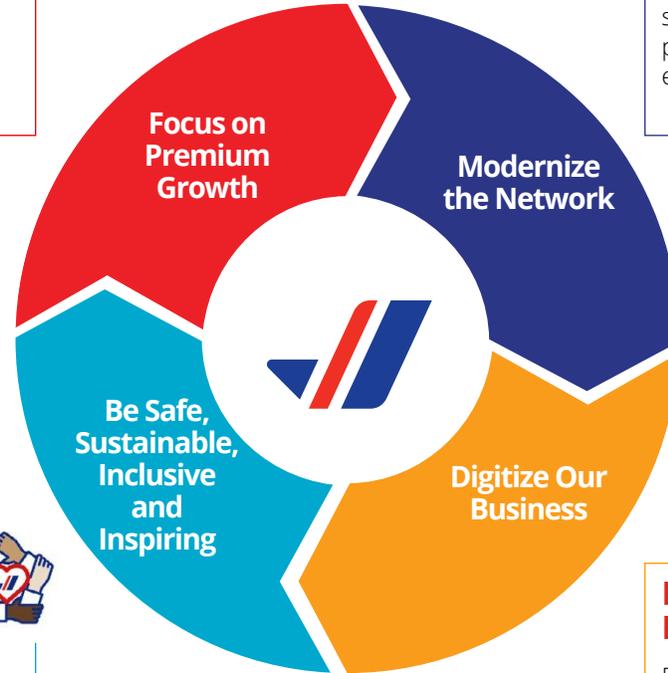


Offer premium capabilities to the marketplace and service our customers where they operate. Drive growth for businesses of all sizes throughout North America and globally.

Modernize the Network



Drive innovative and sustainable delivery solutions to deliver best-in-class customer performance and flexibility while executing on operational excellence.



Be Safe, Sustainable, Inclusive and Inspiring



Reinforce a purpose-driven, inclusive culture for a future-ready workforce and set the industry standard for leadership, performance, and practices in safety and ESG.

Digitize Our Business



Enhance our customers' digital experience while driving efficiency in our end-to-end business through advanced digitization and analytics.

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We recognize the role our business plays in advancing sustainability. We view it as an intrinsic part of our strategy and believe it is our responsibility to make a positive impact on our communities and the environment. As we strive for premium growth, modernize our network and digitize our business, we maintain our commitment to being at the forefront of sustainability as we serve our people, customers and communities.”

Brett Huttman
Senior Director, Corporate Strategy & Product Management



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Materiality Assessment

We aim to conduct materiality assessments regularly, usually within a three-year time frame. We use these assessments to help us identify, assess and prioritize Purolator's ESG factors and impacts, which are most important to our stakeholders and most likely to affect Purolator's performance and long-term value creation. In 2023, we completed our materiality assessment to validate current ESG factors and identify emerging issues to inform our ESG strategy and focus efforts on the most material topics faced by our business.

Through a combination of desktop research and stakeholder engagement, we prioritized the ESG factors that have the greatest potential to impact our business over the short, medium and long terms by using the following inputs:

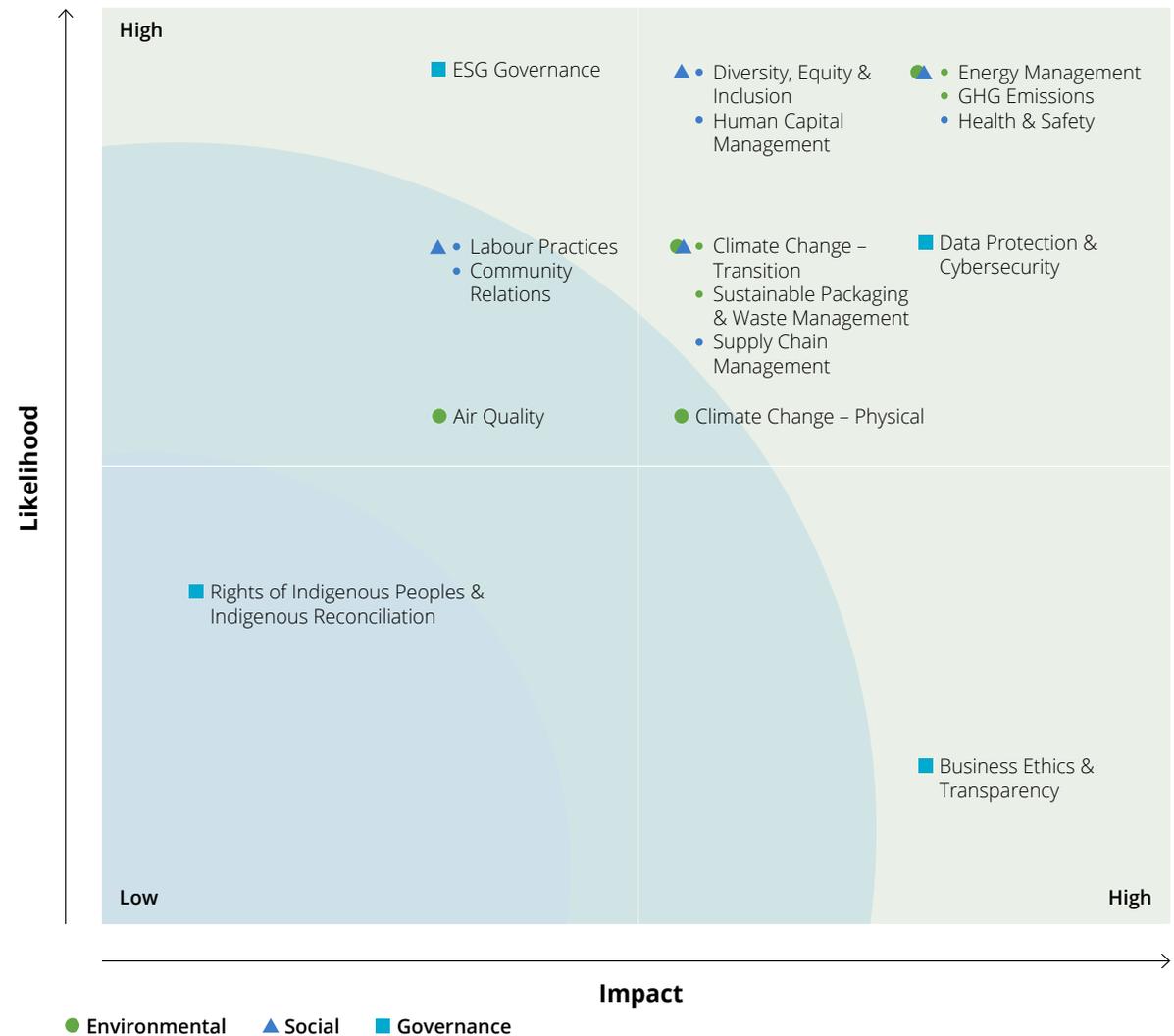
- Review of Purolator's current ESG priorities, policies and disclosures
- Engagement through surveys and interviews with internal and external stakeholders, including staff, leadership, Board members, supply chain partners and government partners
- Evaluation of Purolator's customers' ESG supply chain priorities
- Benchmarking review of Purolator's peers' ESG priorities and practices

- Insights from ESG research and ratings providers
- Leading ESG frameworks and standards such as the SASB Air Freight & Logistics Standards and Road Transportation Standards, TCFD and ESG regulations, rules, guidance and initiatives

ESG-related terminology can vary between organizations, with many overlapping terms used interchangeably. To enable consistency and comparability, we have aligned the ESG factor-related terminology in our materiality assessment with the SASB standards to the greatest extent possible.

Each ESG factor was assessed using the potential impact to the business and the likelihood of the impact and was aligned with Purolator's broader risk management criteria over the short term (0-1 year), medium term (1-3 years) and long term (3+ years). In conducting the materiality assessment, we used the definition of financial materiality as laid out in legal and regulatory definitions from the International Financial Reporting Standards (IFRS) and Canadian Securities Administrators (CSA).

Our 2023 assessment identified 16 ESG factors most likely to impact Purolator's performance and long-term value:





Stakeholder Engagement

At Purolator, we recognize the importance of stakeholder engagement to the success of our business. We pride ourselves on building meaningful connections with our stakeholders and engage with them on a regular basis to share information and gather feedback on our business practices.

“

Trust is at the core of our values, the heart of everything we do, and the foundation of how we engage with our stakeholders. We're committed to building and maintaining strong relationships through consistent communication and effective collaboration, all while continuously striving for innovative ways to connect, communicate and create shared value.”

Erin Burcham
Director, Corporate Communications



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Stakeholder Engagement Table

Stakeholder Group	How We Engage	Top 2023 Initiatives and Topics
Employees	<ul style="list-style-type: none"> • Annual MyVoice Employee Engagement Survey • Pulse surveys • Focus groups • Semi-annual all-employee town hall meetings • Weekly messages from our President and CEO • Weekly newsletter to corporate employees • Bi-weekly newsletter to operations employees • Internal social media platform and intranet site • Digital signage screens • Controlled access app on mobility scanners • Pre-shift team huddles • Learning and development centres of excellence • E-learning kiosks • Cross-functional committees • Field/terminal visits by leadership team • Video messages from senior leadership team • Town hall information booths • Annual Wellness Calendar and Public Health Observances • Self-care series pilot • All location send-outs – employee and family assistance program (EFAP) cards and guided conversations 	<ul style="list-style-type: none"> • MyVoice survey culture and employee experience themes include Well-Being, Inclusion and Belonging, ESG, Connection to Our Mission, Development and Career Advancement, Leadership, Employee Experience, Collaboration and Change Management • DEI strategy and programs (pages 37-41) • Redevelopment of Purolator Health website • Wellness Wednesday workshops • Ask Your Chief Medical Director chats • Earth Month events • Employee webinars • Purolator Green Team • Social Justice Movie Club • DEI Regional Councils (page 40) • Launch of Mental Health First Aid Responder program • Launch of Well-Being Champion network • Launch of monthly stretch posters • Launch of Monthly Well-Being Champion newsletters • Delivery of Mental Health Manager Playbook to all people leaders • Employee onboarding executive videos – ESG strategy and values • Circle of Excellence Awards • Healthy Workplace Month Employee Challenge • Purolator Health roadshows • Purolator Tackle Hunger Month (page 64): <ul style="list-style-type: none"> - Employee on-site activation events - Auctions, 50/50 raffle and step challenge - Purolator Tackle Hunger newsletter
Contractors and Suppliers	<ul style="list-style-type: none"> • Supplier pre-qualification process • Supplier registration process • Incorporation of sustainability requirements into procurement process • Contract negotiations • Supplier compliance management • Assessments and audits • Ongoing interactions with suppliers/continuous improvement 	<ul style="list-style-type: none"> • Policies/Standards: <ul style="list-style-type: none"> - Procurement Policy updated - Responsible Sourcing Standard finalized - Supplier Code of Conduct updated • RFx documentation updates: <ul style="list-style-type: none"> - Pre-qualification criteria - Mandatory requirements - Evaluation criteria • Contract templates being reviewed and updated • Annual supplier attestation updated • ESG questions incorporated into supplier questionnaires • Annual ESG survey to assess suppliers' ESG maturity level • Ongoing evaluation on procurement ESG requirements



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Stakeholder Group	How We Engage	Top 2023 Initiatives and Topics
Customers	<ul style="list-style-type: none"> Feedback via phone, live chats and social media Service alerts and updates on website Sustainability presentations and workshops Highlighting of small business customer stories – Black History Month, International Women’s Day and Pride Month 	<ul style="list-style-type: none"> Purolator Packaging Guide to help customers pack efficiently and minimize damage Calculation resources on fuel surcharges Sustainability progress included in customer Quarterly Business Reviews Collaboration with customers on circular economy partnerships True North Small Business Grant Contest (page 67)
Communities	<ul style="list-style-type: none"> Community sponsorship and partnerships Virtual events Social media engagement Community food drives and fundraising 	<ul style="list-style-type: none"> Purolator Tackle Hunger Red Bag Campaigns (page 64) Purolator Tackle Hunger CFL partnership and Game Day Food Drive activations (page 65) Purolator Gives Back (page 66) Back-to-School Cereal Challenge in support of Breakfast Club of Canada (page 66) Volunteer@Purolator (page 68)
Industry Associations	<ul style="list-style-type: none"> Industry association memberships, conferences, meetings and roundtable discussions 	<ul style="list-style-type: none"> Participation in Pembina Institute’s Urban Delivery Solutions Initiative Participation in the North American Council for Freight Efficiency (NACFE) Run on Less event (page 48) Electric Mobility Canada Purolator Health launch and initiatives in partnership with Cleveland Clinic Canada (page 30) Health and Safety engagement of Employment and Social Development Canada and provincial worker compensation boards Ontario Trucking Association OHS Canada
Government	<ul style="list-style-type: none"> Meetings with elected officials, bureaucrats, public health officials and political staffers 	<ul style="list-style-type: none"> Outreach to government in support of various Purolator projects Canadian Chamber of Commerce’s Net-Zero Council Ontario Chamber of Commerce Natural Resources Canada Canadian Infrastructure Bank Province of British Columbia – Commercial Vehicle Pilots (CVP) incentive Application to government incentives (i.e., ZEVIP, Green Freight Program) Outreach for the grand opening of the Mississauga, Cooksville GO Urban Quick Stop – aligned to the City of Mississauga’s Climate Change Action Plan Media event for the grand opening of the new Bank Street, Ottawa, Purolator Shipping Centre with Urban Distribution Centre – in collaboration with the City of Ottawa (guest speakers: Mayor Mark Sutcliffe and Transportation Committee Chair, Councillor Tim Tierney) Media events and outreach in support of Purolator Tackle Hunger Red Bag Campaigns and initiatives
Shareholders	<ul style="list-style-type: none"> Annual General Meeting Quarterly Board of Directors meetings Annual sustainability report 	<ul style="list-style-type: none"> Quarterly financial and ESG reporting ESG Board Committee and governance structure (page 11) President & CEO and Board Chair message (page 2)
Bargaining Agents (Unions)	<ul style="list-style-type: none"> Regular relationship committee meetings with union representatives Joint National Committee meetings Divisional, monthly and quarterly meetings 	<ul style="list-style-type: none"> Mental health support and initiatives (pages 31–35) Collaboration on improving customer service, environmental responsibility and DEI Dispute resolution



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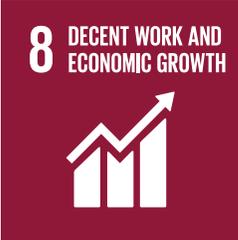
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UN Sustainable Development Goals

At Purolator, we understand our role in the collective effort of the UN Sustainable Development Goals and are committed to contributing to it. Our sustainability initiatives are focused on eight of the 17 SDGs and fall under three pillars: People, Planet and Neighbours. We align our efforts with the SDGs that are most relevant to our business, as determined through a materiality assessment, stakeholder engagement and increased transparency in our sustainability reporting. Our goal is to prioritize topics that have the most significant impact and that drive positive change.

Empowering Our People				Delivering for Our Planet			Helping Our Neighbours
 <p>3 GOOD HEALTH AND WELL-BEING</p>	 <p>5 GENDER EQUALITY</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	 <p>10 REDUCED INEQUALITIES</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	 <p>13 CLIMATE ACTION</p>	 <p>2 ZERO HUNGER</p>
<p>3.4: Promote mental health and well-being</p> <p>3.6: Halve the number of deaths and injuries from road traffic accidents</p> <p>Employees completed 18,400+ hours of mental health training.</p> <p>48 per cent total reduction in our lost-time injury frequency rate.</p> <p>Learn More</p>	<p>5.1: End discrimination against women and girls</p> <p>Diverse Talent Matters program focused on women.</p> <p>36 per cent of women in leadership positions (director level and above).</p> <p>Learn More</p>	<p>8.3: Promote development-oriented policies that support the growth of micro, small and medium-sized enterprises</p> <p>8.8: Protect labour rights and promote safe and secure working environments</p> <p>Recognized small businesses via our True North Small Business Grant Contest, awarding \$100,000+ in grant prizes.</p> <p>Delivered ~182,000 hours of training across 187 locations.</p> <p>Learn More</p>	<p>10.2: Empower and promote the inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <p>10.4: Progressively achieve greater equality</p> <p>Ran 10 cohorts of EVOLVE, our flagship leadership development program.</p> <p>Published our Accessibility Plan.</p> <p>Learn More</p>	<p>9.4: Upgrade infrastructure and retrofit industries to make them sustainable</p> <p>Introduced a new Green Building Standard and completed 90 LED lighting retrofits at terminals across Canada.</p> <p>Deployed three innovative Urban Quick Stops in conjunction with e-bikes.</p> <p>Learn More</p>	<p>12.5: Reduce waste generation through prevention, reduction, recycling and reuse</p> <p>12.6: Adopt sustainable practices and integrate sustainability information into reporting cycle</p> <p>Diverted 72 per cent of total waste from landfills through comprehensive recycling programs.</p> <p>Reduced waste by 580 tonnes (compared to 2022).</p> <p>Learn More</p>	<p>13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters</p> <p>13.2: Integrate climate change measures into policies, strategies and planning</p> <p>Decreased absolute Scope 1 and Scope 2 emissions by 11 per cent (2020 baseline).</p> <p>Deployed 80 all-electric delivery vehicles.</p> <p>Deployed renewable diesel (R100) at all terminals in British Columbia.</p> <p>Learn More</p>	<p>2.1: End hunger and ensure access by all people to safe, nutritious and sufficient food</p> <p>Delivered 2.3 million pounds of food through the Purolator Tackle Hunger program.</p> <p>Donated \$100,000+ to Canadian food banks.</p> <p>Learn More</p>



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EMPOWERING our people

At Purolator, we value the contributions of our more than 14,000 passionate, dedicated and talented employees across the country who drive our business success. To help them thrive in all they do, we are committed to creating a safe, healthy, inclusive and inspiring workplace that fosters their well-being.



Employee Experience

EMPLOYEE SPOTLIGHTS



Karen Lelli

Karen Lelli began her career with Purolator in 1989 as a courier driver. Throughout her time at the company, she has held multiple positions, including National Accounts Sales Coordinator, Quality Manager, National Manager Freight, and her current role as Manager, Central Freight Clerical Services. Karen attributes her growth and achievements over the years to the many exceptional leaders, peers and team members she has worked with.

Vanessa Mahoney joined Purolator in 1995 while still in college. Early in her career, she participated in the Workplace Trainer program. This gave her the inspiration and confidence to pursue other roles within the Retail department. During her time at Purolator, Vanessa has worked on many exciting projects, such as Purolator's Mobile Quick Stop and Urban Quick Stop and, most recently, leading the Retail Refresh project. She is currently Senior Manager, National Retail.



Vanessa Mahoney

As a people-first organization, we have consistently focused on enhancing our employee experience. To this end, we foster an environment conducive to collaboration, teamwork and recognizing community impact and development. In 2023, we significantly boosted our brand recognition, both within and outside the organization, to ensure we are building the workforce of the future by attracting and retaining top talent.

2023 Highlights

Thanks to concerted efforts across all business units and dedicated media campaigns, the launch of our [Employee Value Proposition](#) and core values propelled our employer brand to unprecedented heights. Our career site saw an impressive 88 per cent year-over-year increase in applications, and overall employee turnover was reduced by 3.4 per cent.

At Purolator, we deliver careers with meaning and purpose.

Our brand presence on campuses and universities expanded significantly in 2023. We successfully hired 92 students, with 11 transitioning to contract and permanent full-time roles.

Our efforts have not gone unrecognized. In 2023, Purolator won Indeed's first-ever [Better Work award](#), which highlights companies that provide an outstanding employee experience. We also received a [Cigna Gold Level](#) designation for creating a healthy work culture through a well-established, progressive and measurable employee well-being and engagement program.

We were also very proud to be named on the *Forbes* list of [Canada's Best Employers for Diversity](#), and for the ninth consecutive year, we were recognized by *Forbes* on its list of [Canada's Best Employers](#). Additionally, Purolator was a four-time recipient of [Canada's Most Admired Corporate Cultures in 2023](#), which earned us a prestigious Waterstone Hall of Fame designation.



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Continuous Improvement

At Purolator, we strive for continuous improvement (CI) in all aspects of our business, and we have built a strong culture that regularly builds CI into our daily activities. Through our focus on CI, we continually enhance our operations and performance, which leads to better quality products and higher service levels, increased productivity, lower costs, reduced waste and overall improved employee and customer satisfaction.

Each year, we celebrate the accomplishment of CI champions across our organization who have completed outstanding CI initiatives, including in the areas of process improvement, sustainability and safety. In 2023, we recognized our Richmond, B.C., Hub team in the Sustainability category for their work, which included reducing their weekly middle-mile trips from Richmond to our national head office (NHO) in Ontario, lowering fuel use and reducing emissions. The team also implemented reusable shrink wrap and a cardboard recycling program, driving both environmental and cost-saving benefits.

Our Calgary, Alta., terminal won in the Safety category by improving the layout and space utilization in the dangerous goods and damaged goods areas, not only increasing efficiency and workplace organization but also enhancing safety and employee engagement for process improvement. Additionally, three winners were recognized for Process Improvement. These included our Moncton, N.B., Terminal for flow and containerization improvements, the Contact Care Centre for reduction of traces through their new dispatch and driver process, and Richmond Air for their sorting and unloading process improvement.

At Purolator, we strive for continuous improvement in all aspects of our business, and we have built a strong culture that regularly builds CI into our daily activities.

CASE STUDY



In 2023, our continuous improvement team focused on service differentiation by prioritizing our Express volume. As part of this work, the team optimized key shipments by either consolidating volume or moving freight movement from road to rail. The results were impressive.

In 2023, we achieved:



~5,500 tonnes
of CO₂e reduction from ground transportation



~1,300 tonnes
of CO₂e reduction from air transportation





Talent Management

Recruitment

Talent and performance management lie at the heart of our people strategy. Over the past years, we have invested in our talent acquisition team with the expertise to recruit for all roles in our organization, from unionized frontline to senior leadership positions.

Our [Employee Value Proposition](#) (EVP) pillars represent the unique employment experience employees can expect at Purolator. A multi-functional project team led the development of the pillars through benchmarking, input from an employee and stakeholder survey and focus group feedback. The pillars capture the essence of our organization and were created with the intention of attracting and retaining employees who share our mission, vision and values.

To enhance our recruitment practices, we sensitized hiring managers to articulate Purolator's EVP authentically. We also introduced psychometric assessment tools to evaluate candidates for organizational and team fit.

Embedding Inclusivity in Our Recruitment Practices

Embedding inclusivity into our hiring practices was instrumental in Purolator earning a spot on the *Forbes* [Best Employers for Diversity](#) list for 2023. To ensure we are hiring a diverse talent pool, we educated hiring managers on strategies to reduce bias in the selection process and revised job postings to reflect inclusive language to attract more diverse candidates. We collaborated with more than 50 universities and colleges to facilitate equitable opportunities for students to apply for entry-level jobs. We also created a more representative job candidate pool encompassing multiple generations of the Canadian job market.

Purolator has partnered with various recruitment organizations dedicated to promoting diversity, including Lifeline Afghanistan; Ready, Willing and Able; and WoodGreen Community Services, which allows us to seek out applicants from traditionally marginalized communities. In addition, our HR team developed a three-year strategy for attracting, retaining and promoting more women at Purolator. Current employees have also formed employee resource groups (ERGs) related to technology and operations to further attract, empower and develop women for future growth opportunities.



Purposeful and rewarding work
People depend on us. Our talented, diverse and dedicated workforce takes on the day fueled with a sense of purpose and meaning in their work.



A meaningful team experience
Trust, teamwork and fun are the secrets to our success of keeping things moving.



A sustainable future
At Purolator, we're creating a future enabled by innovation. And for us, innovation leads to a more sustainable world.



A world of opportunity
Purolator is a learning organization. Through a defined and intentional learning journey, we give employees the opportunity to develop their skills to deal with a rapidly changing world.



182,000 hours
of training delivered to employees across 187 locations





Onboarding

At Purolator, we recognize that the onboarding process is critical to the success of new and newly promoted employees. Our comprehensive onboarding program includes customized paths based on an individual's role. For frontline employees, e-learning and a combination of in-class and/or virtual training is followed by on-the-job training. For non-unionized employees, e-learning is followed by a more tailored approach to help employees achieve employment milestones. All new hires experience our culture and values through both formal training and interaction with colleagues, managers and leadership.

Training

In 2023, we successfully onboarded over 2,400 new hires and provided more than 24,000 hours of instructor-led and hands-on learning encompassing task-specific and safety training. We also delivered approximately 182,000 hours of training across 187 locations to our frontline and professional staff through e-learning kiosks and virtual and instructor-led teaching. This averaged over 174,000 training units.

Coaching

Purolator partnered with GrowthSpace, an external vendor, to pilot a personalized one-on-one coaching and mentoring program. By the end of 2023, approximately 22 employees had engaged with the program to support their performance-related goals in areas such as building

core management skills, leadership styles, effective communications, strategic mindset and building best-practice processes.

Talent Planning and Development

Purolator believes in continuous development both in existing roles and toward employee career aspirations. As such, we facilitate a robust talent planning and development process on an annual basis. This includes career-building activities, and succession- and development-planning activities. Various tools, information and webinars are provided to support employees and leaders through the Talent Planning and Development cycle.

Women in Operations Network

Women are underrepresented in our industry, and Purolator is taking steps to help drive change. Our Women in Operations Network (WON) supports women's talent at all levels and brings diverse ideas and innovation to the business. WON focuses on four areas: community, development, culture and impact, and allyship.

WON's mission is to empower and support women at Purolator by providing them with the tools, resources and opportunities to excel and lead. By fostering a strong community and advocating for gender diversity, we drive positive change, break down barriers and create a more inclusive and equitable landscape for all.

Techquity

Techquity is a committee-based program that brings together women and allies in technology and innovation to facilitate the growth of women at Purolator. Our mission is to promote professional growth, hiring, networking and mentorship opportunities for women, while advocating for gender diversity and equality within the organization. The committee is open to all women and allies employed at Purolator who are interested in or working in technology and innovation. Goals of the program include:

- Achieving 40 per cent representation of women in technology, analytics and executive project management
- Engaging and inspiring women across technology roles at Purolator
- Acting as a pilot for a broader women at Purolator program
- Advancing DEI goals and objectives



Specialized Talent Development Programs

Purolator is proud to offer two specialized programs that provide customized one-on-one development planning and support in addition to providing shared learning and networking opportunities.



- **Diverse Talent Matters** – focused on providing career planning and development support to employees in equity-seeking groups. In its third year, in 2023, we offered two cohorts (Black, Indigenous and other people of colour [BIPOC] and Women), providing customized support to 21 employees.

- **Future Leader Program** – focused on providing development support to senior leaders who are potential successors to executive or critical roles in the organization. Twelve leaders participated in programming and personalized development in 2023.





Leadership Development

We also continued to invest heavily in our leaders. In 2023, we ran 10 cohorts of EVOLVE, our flagship leadership development program. This three-phase, 11-day program focuses on managing self, managing others and embracing change. Leaders from a broad cross-section of the organization came together for in-person, experiential learning and also completed related assessments and online learning components. In addition, the leaders of our participants attended a two-day primer session so they could support their employees as they developed their skills throughout the program. In 2023, we celebrated the graduation of 194 leaders from the EVOLVE program – our largest-ever annual cohort.

Recognizing the Contributions of Our People

Through continued commitment to strong corporate and individual performance, Purolator’s employees are integral to the success of the organization. The Annual Incentive Plan (AIP) is one of the key elements in Purolator’s total rewards offering that recognizes the contribution of its people in driving the achievement of corporate results. In this pay-for-performance compensation model, all AIP-eligible employees within Purolator, up to and including senior leadership and the CEO, are held accountable to shared organizational goals as outlined in our Balanced Scorecard, as well as two personal goals. Shared organizational goals include environmental sustainability,

DEI and community investment. Purolator’s AIP program and Balanced Scorecard are governed and approved by the Board of Directors.

Connecting with Our Employees

At Purolator, we understand that ongoing engagement with our workforce is essential to ensuring our employees are aligned with our vision, mission, values and business goals. Through clear, consistent and frequent communication we help our employees understand the expectations for achieving success in their roles and how to execute their work safely and proficiently.

To connect with our diverse employee base in a way that meets individuals’ needs,

we deploy a variety of communication channels. These include messages to courier scanning devices, digital signage screens, frequent meetings such as pre-shift team huddles, regular all-employee town halls, one-on-one meetings with managers, newsletters, email and intranet communications. In addition, we seek formal feedback from our employees on an annual basis through our MyVoice Employee Engagement Survey. The survey provides a regular pulse check so we can measure and see trends in employee engagement and experience across a variety of topics.

Women of Excellence Award

Every year, we award the Women of Excellence Award to deserving female employees and technicians across the regions where Purolator operates. The award recognizes continued efforts to ensure operational excellence and support across a broad array of functions. A senior leadership panel reviews all candidates to select employees who have gone above their role by taking on additional projects and exceeding overall expectations. In 2023, we recognized Brenda Bowes and Dacia Lindsay for their contributions within our fleet team.



Our state-of-the-art National Hub is leading the way in cutting-edge technology with augmented reality (AR) headsets for educational tours of the facility. In 2023, we offered 100 tours, providing an immersive experience into the world of automation for over 600 visitors, clients and internal employees.



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Health and Safety

The health and safety of our employees is a top priority at Purolator. Everyone within our company, from frontline workers to senior leadership team members and the Board, are responsible for ensuring a healthy and safe workplace.

The Purolator Board and senior leadership team set the strategic direction for our health and safety practices. Our [Health and Safety](#), [Psychological Health and Safety](#) and [Workplace Harassment and Violence Prevention](#) policies provide the foundation of our health and safety governance structure and help us execute on our health and safety requirements and commitments effectively. Each Purolator facility has either a workplace health and safety committee or representative. The committee members and representatives

play a critical role as health and safety ambassadors who build awareness, help reduce risk and improve overall compliance throughout Purolator.

We have created robust health and safety programs that build capacity, maintain compliance and focus our efforts on the highest impact opportunities. These programs have helped us achieve our safety incident rate targets.

In 2023, we completed our five-year safety plan. We are proud to report that we exceeded our target of a 40 per cent reduction in our lost-time injury frequency rate from our 2019 baseline by 20 per cent, for a total reduction of 48 per cent. We will be reviewing and updating our safety plan in 2024.

To align with industry best practice, starting in 2023, we began using hours driven rather than kilometres driven for our motor vehicle collision frequency calculation. This update will be reflected in our 2024 Sustainability Report.

2023 Results

Health and Safety		
Lost-time injury frequency	↓	48%
Total injury frequency	↓	32%
Lost-time severity	↓	14%
Aggregate severity	↓	13%
Motor vehicle collision frequency	↓	24%





2023 Highlights

Our safety achievements are only possible with a strong foundation of safety education and practice. In 2023, we continued our foundational approach to our health and safety strategy. We continued to build health and safety capacity through our workplace health and safety committees and representatives, and we introduced new programs that are helping us develop a world-class safety culture.



In 2023, Purolator was the Gold Winner of the Occupational Health and Safety Culture Award and the Silver Winner of the Psychologically Safe Workplace Award.

These include:

- Developing a new linehaul finishing school program in Toronto, Ont.: This program consists of 10 days of in-class and in-cab training focused on providing our drivers with the necessary tools to be a professional linehaul driver. One-on-one training is provided by our workplace trainers, who act as mentors to the trainees and guide them in their development.
- Launching our first defensive driving pilot program in Ottawa, Ont.: This three-day program consists of in-class and on-road training, and highlights the key skills needed for defensive driving on our busy Canadian roads and streets.
- Rolling out a campaign to generate awareness of backing collisions: Our workplace health and safety committees in Chatham, Ont., and Val d'Or, Que., developed backing prevention awareness videos that demonstrate the importance of not backing up the vehicle, and if necessary, how to do so safely.
- Finalizing the development and launch of myCority, Purolator's incident management software: This tool provides an easy-to-use interface and enhanced data outputs to support information gathering on trending. Training on incident reporting and incident investigation was provided to Purolator managers.

Dangerous Goods

Purolator's dangerous goods program is comprehensive in scope and specific in detail. It was developed to comply with all applicable Canadian federal and provincial regulations, including the Transportation of Dangerous Goods (TDG) Regulations for ground shipments and the International Civil Aviation Organization (ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air, as well as other international regulations.

Comprising regularly updated policies, procedures, practices, manuals and training components, Purolator's dangerous goods program has appropriate measures to meet our customers' shipping needs. Program features include spill prevention, appropriate handling, agency notification and emergency response to dangerous goods incidents. Purolator can also transport radioactive materials in compliance with the Canadian Nuclear Safety Commission.

Purolator has an exemplary safety and compliance record, thanks to a team of certified dangerous goods specialists who work in the field. These specialists receive ongoing training to remain current with TDG regulations and requirements. In addition, Purolator meets and maintains the appropriate insurance necessary for handling dangerous goods.



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Health and Wellness

At Purolator, we support the health and well-being of our employees, their family members and the communities and customers we serve. We offer a comprehensive healthcare benefits package, an EFAP and numerous offerings and resources to support employees' physical, mental and social health.

Purolator Health

Purolator Health represents our holistic approach to well-being in alignment with our core value to evolve and remain committed to the safety, health and overall well-being of our people. Launched in 2022, at a time of heightened awareness around the importance of wellness, the program was developed with a collaborative lens in mind to ensure inclusivity. It leverages experts across the organization to increase utilization and awareness of our health programming and aims to ensure that resources and supports are accessible and meet the needs of our geographically diverse teams.

Cleveland Clinic Canada – Chief Medical Director Program

We continue to work with Cleveland Clinic Canada and our Chief Medical Director (CMD), Dr. Shaan Chugh, who is critical in supporting and enhancing our health and well-being strategy. Dr. Chugh provides medical expertise and strategic guidance on initiatives aimed at reducing the prevalence of mental and physical health issues, promoting the health and safety of employees and responding to public and organizational health emergencies.

Biometric Screening Pilot

In 2023, we began planning for the launch of our biometric screening pilot, in partnership with Cleveland Clinic Canada. Beginning in 2024, we anticipate offering health screenings on-site in the workplace at two pilot locations. We believe this will enhance access to preventative healthcare for our frontline operations teams.

Measuring Our Impact

Our annual MyVoice Employee Engagement Survey provides insights and metrics that help us continuously evolve our strategy and leverage multidisciplinary collaboration.



76%
of MyVoice survey respondents feel that their manager cares about their well-being and 76% trust their manager



The biometrics pilot will give employees crucial insights into their overall health and well-being. This program will not only break down barriers in accessing care for frontline workers, but also empower individuals to make important decisions about their health."

Dr. Shaan Chugh
Chief Medical Director



Mental Health

Our mental health strategy comprises a multi-year approach to create a supportive environment that fosters allyship and reduces mental health stigma. As part of our commitment to continuous improvement, we acknowledge the need to advance our mental health strategy by embracing flexibility and the changing needs of our team. Providing training on mental health for employees at all levels of the organization is key to achieving our goals.

Our Psychological Health and Safety Policy outlines Purolator's commitment to fostering and sustaining a psychologically safe workplace, and the work needed to achieve this. This includes identifying and eliminating hazards, assessing and controlling risks, ensuring a workplace culture with a positive attitude toward mental health and adopting best practices.

In 2023, we continued working toward the goals set out in our strategy. These include increasing awareness of mental health through training and education, empowering early identification and interventions, and providing appropriate access to care for employees and their families. We also focus on enabling our leaders to effectively build and sustain a psychologically safe workplace. We believe these steps will build a solid foundation and strengthen our culture of caring while reducing mental health stigma.



Purolator Health roadshow

Emphasis on Training

In collaboration with TELUS Health, key internal stakeholders from Human Resources and frontline operations leaders, we created and distributed the Mental Health Manager's Playbook. This resource provides managers with the tools to recognize and effectively respond to mental health issues in the workplace with confidence and compassion. During October's Healthy Workplace Month, this resource was printed and distributed to over 900 people leaders across our organization.

In 2023, we continued to offer the Workplace Mental Health Leadership certificate as a mandatory training program for all directors and senior leaders. This university-certified program, developed in collaboration with the Faculty of Health Sciences at Queen's University and TELUS Health, provides participants with practical, empathetic and solution-focused leadership tools to apply to their teams as well as the confidence to manage performance and promote mental health. In 2023, 64 directors and senior leaders from across the country completed the training in four cohorts; our final cohort will complete the training in 2024.



Also in 2023, The Working Mind (TWM) manager training program continued to be prioritized for our people leaders. This training, facilitated by the Mental Health Commission of Canada, equips our leaders with the knowledge and skills to support their teams in the workplace. We added this one-day instructor-led training to EVOLVE, our award-winning management training program. This ensures that all our leaders and upcoming leaders receive the appropriate training and solidifies the importance of mental health awareness and employee support as a key trait for leadership success. By the end of 2023, 363 additional people leaders had completed this training, bringing our total to 516 Purolator people leaders.

We are continuing to evaluate the success of this training through a research study in collaboration with the Mental Health Commission of Canada. This research, when completed, will provide insights into the effectiveness of our training.

It will be complemented by a program called Refresh, co-developed through our partnership with the Cleveland Clinic Canada and further refined in 2023 based on feedback from participants. This unique offering is a program available to all graduates of TWM manager training. The program consists of monthly virtual drop-in workshops that cover a broad range of topics and aim to apply the learnings to relevant work scenarios and participants' real-life situations. Workshop topics include self-care, burnout, resiliency, importance of language, crisis management, debriefing and de-escalation.

A key resource for sharing information and making our resources accessible to employees and their family members is our Purolator Health website. In 2023, we improved the site's functionality to make it more user-friendly, and we developed additional content to increase available resources.



18,400 hours
of mental health training completed by Purolator employees in 2023



Members of the Purolator Health team

2023 Results

Health and Wellness	
95% of all employees complete three e-learning modules (Building Blocks for Mental Health)	98%
100% compliance from leadership (directors and senior leadership team members) to complete the Workplace Mental Health Leadership certificate	100%
Host 17 Purolator Health roadshows	22





Mental Health First Aid

In 2023, we expanded this initiative by developing our Mental Health First Aid (MHFA) Responder program. The program supports trained individuals who have volunteered as MHFA responders to provide initial support for mental health challenges and guide colleagues to the appropriate resources. We aim to train and designate an MHFA responder at every Purolator location, with multiple responders at larger terminals and hubs. MHFA responders are connected through a community of practice that meets quarterly and communicates regularly via email to ensure that our responders are supported, have access to ongoing education and skills development and remain engaged in their role.

In 2023, we launched a nomination process to build a pool of interested employees to complete MHFA training. We also developed terms of reference to define and set expectations for the role and program. In 2023, 62 individuals completed training, bringing our total to 75 trained MHFA responders at 46 locations.

In 2024, we will continue to grow our community of MHFA responders with a focus on locations that do not yet have a trained individual on-site.



Celebrating International Women's Day at head office

2023 Mental Health Training

- 516 people leaders completed The Working Mind manager training through the Mental Health Commission of Canada
- 94 leaders completed the Workplace Mental Health Leadership certificate through TELUS Health and Queen's University
- 166 employees have completed training for Mental Health First Aid (MHFA) since 2019, and 75 employees have accepted the voluntary role of designated MHFA responder





Lyndsay Baetz, Senior Consultant Health & Wellbeing, at NOHL Roadshow

Purolator Health Roadshows

For 2023, we set a goal to visit 17 Purolator terminals to meet with our frontline teams, share information on Purolator Health resources and gather feedback. This goal was developed as a result of our Wellness Survey, which informed us that our frontline team members needed more awareness of the health and well-being resources available to them. Because our frontline employees do not have company emails, in-person roadshow events are an impactful and important way to connect with this group of employees and share information. In 2023, we successfully visited 22 terminals and connected with approximately 3,000 team members:

- At our Ottawa, Ont., terminal, our roadshow included messages from our President and CEO, John Ferguson, and our Chief Medical Director, Dr. Shaan Chugh. We also heard from special guests and Canadian fitness icons Hal Johnson and Joanne McLeod. This dynamic duo rode right up on the stage on their bicycles to deliver a message on prioritizing self-care and health for longevity and happy, healthy futures.

- We visited our Ville St. Pierre, Que., terminal to share our message about the importance of wellness and collaborated with one of our 2021 True North Small Business Grant Contest finalists, Skateboards for Hope, for a skateboarding demonstration.
- Our Moncton, N.B., Customer Contact Centre and terminal location hosted our team and provided the opportunity to take part in a music therapy learning session and on-site yoga.
- At our Niagara-on-the-Lake, Ont., terminal, our team, which included our Senior Vice President, People and Culture and CHRO, participated in their weekly Friday BBQ breakfast and were joined by some four-legged friends from Fox Den Goat Yoga for a therapeutic experience with the animals.



22

terminals visited to connect with more than 3,000 team members



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Mental Health Awareness Week

Every May, we recognize Mental Health Awareness Week. In 2023, we collaborated with our health and safety team's Safety and Health Week to combine our awareness messaging. Building on the Canadian Mental Health Association's theme of "My Story," we created videos featuring frontline employees sharing their mental health journeys. These stories were shared throughout Purolator through multiple communication channels for broad employee reach. We also hosted an "Ask Your CMD" forum where a panel of employees and our CMD discussed their experiences with mental health and how leaders can support their teams.

Well-Being Champions

At Purolator, many of our employees are passionate about well-being and promoting it to others. In 2023, we formalized what began as a grassroots idea into our Well-Being Champions program. Our goal is to leverage these passionate individuals across our network to bring tailored health and wellness information to their teams in their unique workplace cultures and locations. At the end of 2023, we had 49 Well-Being Champions in place across the country.

Wellness Wall of Fame

We know that recognition and reward are important factors in driving employee engagement. Through our Wellness Wall of Fame program, we continued to nominate and recognize employees in 2023 who are prioritizing their health and well-being by celebrating them

on our digital Wellness Wall of Fame. Select employees are featured each month on our Purolator Health website, where we share their story. This has become a fun and engaging way to show appreciation for our team and inspire others to continue or develop their healthy habits.

Healthy Workplace Month

Healthy Workplace Month in October allows us to link various aspects of well-being for individuals and align with our DEI, sustainability and community investment strategies. In 2023, each of the four weeks in October featured a theme related to taking action on physical, psychological, social and community well-being. We hosted virtual workshops and learning activities throughout the month and launched a company-wide Purolator Health Well-Being challenge that encouraged employees to complete activities related to practicing healthy habits and testing their knowledge on the four themes.

Hal Johnson and Joanne McLeod

Hal Johnson and Joanne McLeod (of BodyBreak fame) continued to support our internal employee communications, providing us with Purolator Health videos focused on themes specific to our health and wellness strategy. In 2023, Hal and Joanne attended our Purolator Health roadshow in Ottawa to deliver a message about prioritizing self-care and health for longevity and happiness.



Joanne McLeod, Hal Johnson and our CEO, John Ferguson, at the Ottawa Roadshow

In 2023, our Wellness Calendar activities included monthly events such as Wellness Wednesdays, seminars focused on financial well-being, Ask Your Chief Medical Director open forums and EFAP information sessions.



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U.S. Operations

Throughout 2023, our employees in the U.S. coordinated wellness programming and provided monthly content on physical, mental, nutritional and financial well-being through our Connector newsletter, emails and our Wellness Workplace webpage. This includes content on overall wellness, such as preventive care, dental care and online health assessment campaigns.

The team also hosted virtual events on topics such as heart and brain health, the importance of sun protection, good oral health, breast cancer, diabetes awareness and a nutritious comfort food cook-a-long. We also held our annual Step Challenge and monthly financial well-being webinar sessions. An on-site Health and Wellness Fair featured a nutrition wellness station, a Cigna Healthcare representative to discuss “knowing your numbers” and chair massages. Employees also have access to Wellbeats, a virtual wellness resource to help live a healthier life. This includes over 1,200 expert-led fitness, nutrition and mindfulness classes for all ages, levels, abilities and interests.



Next Steps

We have made considerable progress since launching Purolator Health, and our goal is to continue to enhance the program to respond to evolving needs. Our MyVoice survey indicated that workplace factors can exacerbate stress for employees.

In 2024, we aim to understand these factors better and will evaluate how we can address them through our Purolator Health program. We are committed to increasing awareness of our current health and well-being offering and are working toward offering additional support and resources to help keep our team healthy. As part of these efforts, Purolator Health decal stickers will be placed in all fleet vehicles in 2024, raising awareness of resources available to our frontline team members.

Purolator International was honoured with the Cigna Gold Level designation for creating a healthy work culture through a well-established, progressive and measurable employee well-being and engagement program.

CASE STUDY

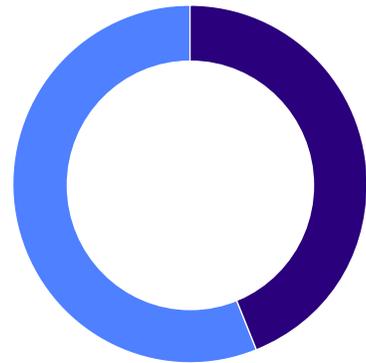


For the second year in a row, our U.S. operations were recognized as a Gold-Level Healthy Workforce by Cigna Healthcare, our U.S. medical and dental plan provider. We received this designation for demonstrating a strong commitment to improving the health and well-being of employees through our wellness program that includes high levels of employee engagement and a “whole-person-health” approach. In 2023, we offered a full slate of educational events covering personal finances, physical fitness, mental wellness and nutrition.



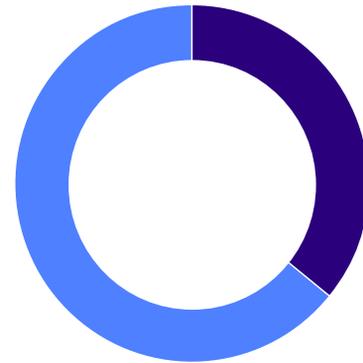
Diversity, Equity and Inclusion

Diversity of Governance Bodies in 2023 – Gender (%)



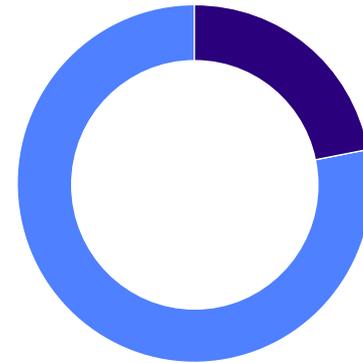
■ Women: 44%
■ Men: 56%

Diversity of Leadership in 2023 – Gender (%)¹



■ Women: 36%
■ Men: 64%

Diversity of Overall Workforce in 2023 – Gender (%)



■ Women: 22%
■ Men: 78%

Purolator continues to expand and integrate DEI within our business practices by involving and engaging employees at all levels of the organization and launching initiatives that strengthen a culture of inclusion where everyone feels they belong. In 2023, we formalized our DEI strategy to include leadership accountability, and we developed a DEI governance framework and RACI model to define roles and responsibilities for key stakeholders. In alignment with Canada’s *Employment Equity Act*, Purolator reports quarterly metrics on the four designated

representation groups: women, Indigenous people, persons with disabilities and members of racialized groups.

In 2023, we published our [Accessibility Plan](#) after consultation with our employees and people with disabilities. Through our engagement process, we identified barriers in various aspects of our business. The plan, available on our internal and external websites, outlines our commitment to improving accessibility throughout Purolator.

¹ Director level and above for Canadian and U.S. operations.





DEI Priorities

Key Priorities

Our DEI priorities for 2023:

1. Support the **growing community of women at Purolator** through workplace inclusion.
2. Foster a **speak up culture** where employees feel safe to raise ideas, questions and challenges related to DEI.
3. Promote **active allyship** through awareness and education on everyday actions employees can take to become effective allies and create a more inclusive workplace.

What We Are Doing

Women at Purolator

- Diversify our talent pool: **Increase women applications** in management positions.
- Establish **development programs for women**.
- Create **support structures** for women.

Speak up culture

- Develop **speak up channels** and create widespread opportunities for employee input and sharing.
- Create **safe spaces** for courageous conversations on DEI issues.
- Facilitate **listening sessions** to solicit ideas to create a more inclusive workplace.

Allyship in action

- Launch **allyship in action** video series.
- **Spotlight employees** who are active allies in the workplace and community.
- Share **allyship tools and resources** with employees.

Workforce Diversity

	2021	2022	2023
Representation of people with disabilities	4%	4%	4%
Representation of visible minorities	27%	28%	28%
Representation of Indigenous people	3%	3%	3%





Purolator employees in the U.S. celebrating Diwali

10 sessions of inclusive leadership training were delivered through our esteemed management training program, EVOLVE.

Four pillars serve as key enablers to executing our DEI strategy:

1. Leadership Accountability

- Purolator leadership completed 10 sessions of Inclusive Leader training through EVOLVE, our esteemed management training program
- Delivered one session of Inclusive Leader training for managers at Purolator's Women's Summit

2. Recruitment, Selection and Retention

- Diversified applicant pool to increase women applicants in management positions
- Recruited more women into management roles – a working committee was formed to develop a women in management strategy
- Provided equitable access to development opportunities

3. Learning and Development

- Completed 10 sessions of Unlearning Bias training for DEI Regional Council members and various functional groups
- Promoted active allyship through awareness and education on everyday actions employees can take to become effective allies – released two learning videos and 10 toolkits with resources for Regional Council members

4. Outreach and Communication

- Created speak-up and feedback channels for employee input listening forums
- Gathered the experiences and perspectives of employees and customers with disabilities



Pride Month celebration at head office



The Diverse Talent Matters program gave me the opportunity to grow and learn in a way that is tailored specifically for me, by helping me truly understand what I am instead of what I think I should be."

Jenny Ma
Unit Manager, Calgary

DEI Regional Councils

In 2023, our theme was allyship, and the DEI department provided education and resources throughout the year about what allyship in action looks like. The DEI Regional Councils committed to allyship in action by raising awareness and gathering donations for local community organizations that serve equity-deserving populations aligned with social justice days of observation.

- Prairies DEI Council: collected and donated 90 lbs. of gently used clothing and 19 new packages of period care products in partnership with the Up Store.
- Corporate DEI Council: donated gently used clothing, including winter gear, and made a donation to Ellen House, a shelter organization serving women in Brampton, Ont.; made donations to an Indigenous organization and 519 in Toronto, Ont.
- Metro DEI Council: collected donations and provided support to a number of community organizations:
 - The North York terminal donated \$1,700 to the Centre for Addiction and Mental Health.
 - Toronto Freight hosted a holiday toy drive and collected gifts for 38 families, including 95 children.

- Greater Ontario DEI Council: collected \$800 for the Ottawa Food Bank, and \$4,900 for 507 Centre in Ottawa.
- Ontario Hub DEI Council: donated and transported a skid of carbonated water to The Good Guides, while the Scarborough terminal donated \$500 to the organization.
- Retail team Central West: frontline employees donated \$555 to Tropicana Community Services, which provides life skills and social services to persons of Black heritage.

Diverse Talent Matters

Our Diverse Talent Matters (DTM) development program provides career development support for employees who self-identify in equity-seeking groups. In 2023, the program included cohorts for women and BIPOC employees. During this one-year program, participants are provided with one-on-one support to create a development plan that is unique to each employee's goals and objectives. They are also invited to attend development events such as group workshops, guest speaker presentations and networking sessions. In 2023, this initiative was in its third year and saw 21 employees complete the DTM program.



DEI Training and Development

Our DEI Fundamentals training promotes awareness and understanding of the core concepts of DEI and why DEI is key to Purolator's success and provides guidance to employees on how to be a DEI advocate in the workplace to drive positive change. All newly hired employees are required to complete the DEI Fundamentals training. In 2023, Purolator's senior leadership team completed inclusive leadership training as part of the Executive Leadership Program. The senior leadership team also engaged in Mental Health Training to foster inclusion and de-stigmatize illness.

Communication and Outreach

Throughout 2023, we continued to promote inclusiveness and connection through our impactful DEI events and initiatives and ongoing communication efforts. We celebrated Black History Month with activities that featured releasing the video, *Unlocking the Power of Allyship – Speak Up, Spark Change*. We partnered with our CMD to host Dr. Aamir Bharmal's address on the importance of speaking up for Black health and wellness, identifying myths and stigmas as they relate to health, sharing practical steps to address health inequalities, and showing how Purolator employees can be effective allies through advocacy and by championing change at work and in your communities.

We recognized International Women's Day by hosting Courageous Conversations, an online event facilitated by [Inclusivv](#), an organization that ignites change through conversation. Participants included women and allies engaging in discussions on topics aligned to the theme Embrace Equity.

For International Day of Persons with Disabilities, Purolator employees comfortable speaking about living with an invisible disability shared their personal stories with their colleagues, and in recognition of National AccessAbility Week, we donated six memberships to Able Sail for Purolator employees or their immediate family members with a disability. Able Sail Toronto, a 2022 finalist in the True North Small Business Grant Contest, is a not-for-profit dedicated to providing people living with a disability the opportunity to go sailing.

Our Pride Month celebrations included a pronoun campaign to provide education on the use of pronouns and the distribution of pronoun buttons throughout the organization. We also released a video featuring employees explaining why the use of pronouns is important to them. Employees from the Saskatoon, Sask., terminal participated in the Saskatoon Pride Parade with a Purolator Pride-wrapped truck. We also welcomed Nat Rambold of the 519, a Toronto agency that serves the LGBTQ+ community, as a guest speaker at our Social Justice Movie Club. Nat taught us tangible advocacy skills to help us take our team's commitment to allyship to the next level.

Purolator celebrated National Indigenous Peoples Day with an in-person and virtual presentation by Daniel Secord and the Spring Creek Dancers of the Mississaugas of the New Credit First Nation – Nishinaabek, sharing Indigenous teachings through song and dance. We observed International Day of the World's Indigenous People with a virtual tour through Mohawk College, a former residential school site. The tour provided viewers with insight into the struggle Indigenous children faced and the tragic conditions they lived in. In 2023, we also celebrated Diversity Month, Hispanic Heritage Month, Juneteenth and National Truth and Reconciliation Day with special workplace campaigns, activities and events. And we partnered with the Social Justice Movie Club on discussion topics about social issues.

In 2023, we built on our DEI Fundamentals training with the EVOLVE program. EVOLVE is Purolator's comprehensive manager development program, specially designed to provide managers with key skills and competencies to be efficient leaders and to guide their teams in alignment with Purolator's values and mission. The eight-month program consists of online e-learning courses, in-class sessions and interactive learning activities. In 2023, 191 participants completed the training.



Pride flag-raising ceremony at head office



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DELIVERING for our planet



As we focus on reducing our impact on the environment, we continue to work toward our ambition to be the greenest courier in Canada. We are guided by Purolator's [Corporate Environmental Policy](#), which sets out our company's commitment to high professional standards for our environmental practices and describes our approach to environmental stewardship.

Through our continuous improvement efforts, we aim to increase our energy efficiency, decrease our GHG emissions and reduce our waste. We continuously evaluate our impact on the environment and invest in solutions that help us achieve our environmental sustainability goals.



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60%

electrification of last-mile delivery vehicles

42%

reduction in Scope 1 and Scope 2 emissions

100%

renewable electricity

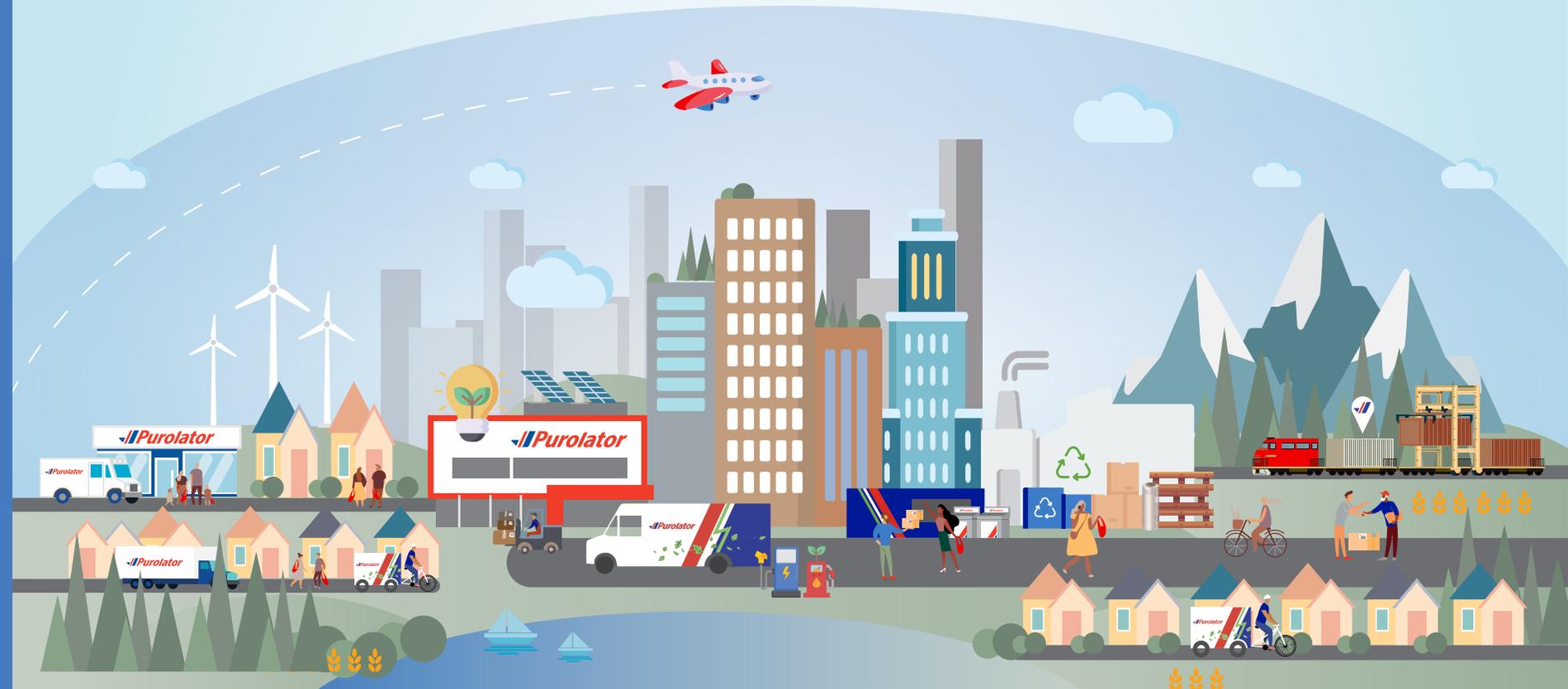
70%

diversion of non-hazardous waste from landfill

2030 Goals

Our ambition is to be the greenest courier in Canada

To avoid the catastrophic impacts of climate change, we are doing our part by setting 2030 goals that put us on the path to net-zero by 2050. Our ambitious science-based target uses a 2020 emissions baseline and the methodology set out by the Science Based Targets initiative. Our goals focus on taking meaningful action in key areas of our business that support our ambition to be the greenest courier in Canada.



Facilities

- Design and build facilities to reduce energy consumption
- Procure renewable electricity
- Apply green building design elements to new builds (e.g., solar panels)

Waste

- Implement comprehensive recycling solutions
- Minimize waste
- Adopt reusable solutions (e.g., pallet wraps)

Transportation

- Invest in alternative-fuel vehicles and supporting infrastructure
- Use clean fuels (renewable diesel)
- Optimize routes and trailers
- Switch to lower-carbon transportation (e.g., rail)

Innovation

- Invest in emerging low-carbon technologies (e.g., e-bikes, carbon capture)
- Pilot innovative solutions (e.g., Urban Quick Stops)



Climate Change and GHG Emissions

We measure Scope 1, Scope 2 and Scope 3 GHG emissions associated with our business through a comprehensive annual GHG emissions inventory prepared according to the ISO 14064-1 standard and the World Resources Institute (WRI) Greenhouse Gas Protocol. Completing an annual emissions inventory helps us better understand our emissions sources and identify critical areas of impact, set goals and monitor our performance over time.

We continuously strive to find ways to reduce our emissions by investing in alternative-fuel vehicles, procuring clean fuels and renewable electricity, optimizing our operations and improving the energy efficiency of our facilities. We also encourage GHG emissions reductions throughout our value chain and offer carbon reporting services to our customers.



7%
reduction in our total emissions across all three scopes (2020 baseline)

2023 Performance

We once again completed [third-party verification](#) of our GHG emissions inventory.

Scope 1

- Direct emissions from sources controlled by Purolator
- Emissions associated with on-site combustion of fuels at Purolator facilities (e.g., natural gas)
- Emissions associated with fleet owned and operated by Purolator (includes rental vehicles and the use of renewable diesel)

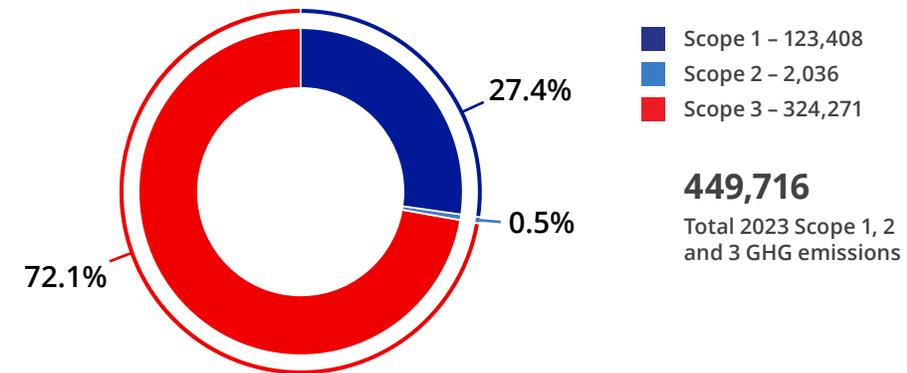
Scope 2

- Emissions associated with the generation of purchased electricity used at Purolator facilities (including electric vehicles)

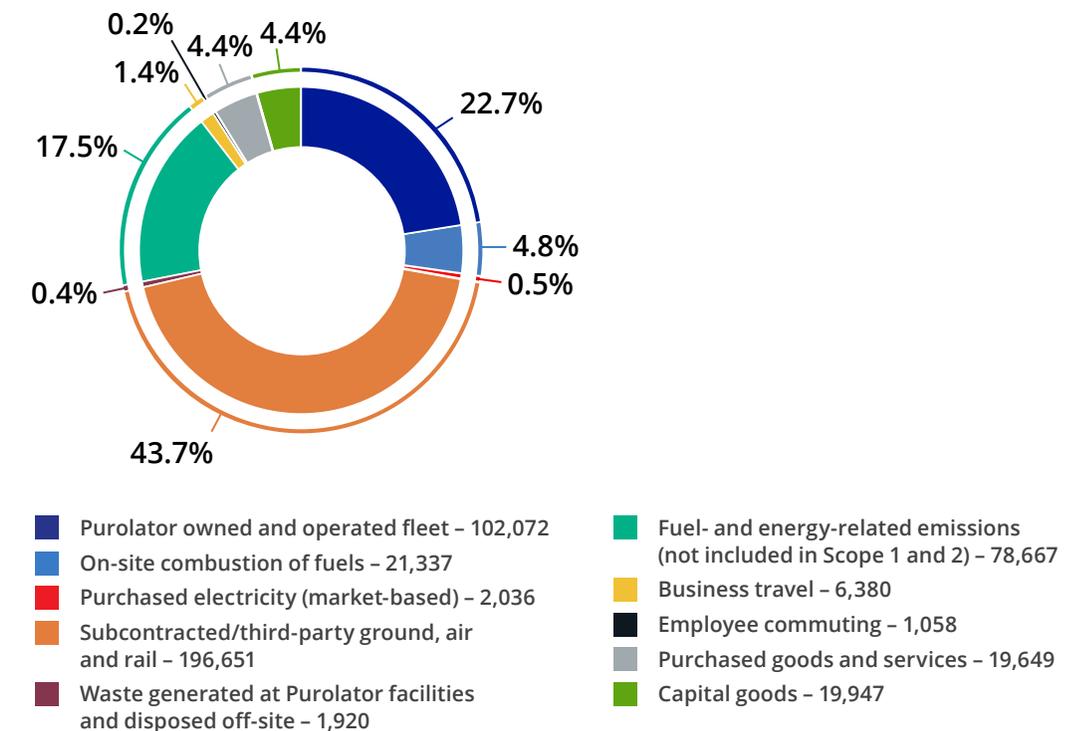
Scope 3

- Emissions associated with subcontracted/third-party ground fleet, air carriers and rail
- Emissions associated with waste generated at Purolator's facilities and disposed of off-site
- Business travel
- Upstream emissions from purchased fuels (i.e., extraction, production and transportation of consumed fuels)
- Purchased good and services
- Capital goods

2023 GHG Emissions by Scope (tCO₂e)



2023 GHG Emissions by Source (tCO₂e)



Our GHG Emissions Profile

In 2023, we continued to make steady progress toward decarbonizing our business. In our 2022 Sustainability Report, we announced our science-based goal to reduce our Scope 1 and Scope 2 emissions by 42 per cent. In 2023, our absolute Scope 1 and Scope 2 emissions decreased by 11 per cent compared to our 2020 baseline. Our total emissions per dollar revenue decreased by 23 per cent, and our total emissions per package decreased by 4 per cent, compared to 2020.

In 2024, we will announce our 2030 science-based goal for Scope 3 emissions reduction. In our 2024 Sustainability Report, we will share more details regarding our roadmap to reducing our Scope 3 emissions.

Our 2030 goal is to electrify 60 per cent of our last-mile delivery fleet – approximately 3,500 vehicles across more than 60 locations. As we plan to invest an estimated \$1 billion to build our fleet of last-mile electric vehicles, we will also pilot and deploy other low-carbon solutions for our heavy-duty vehicles including electric tractors, mobile carbon capture and clean fuels. Furthermore, we will continue to focus on fuel efficiency in our operations through route optimization and deploying the right vehicle on the right route.

Emissions Reporting for Our Customers

Purolator continues to offer our customers customized carbon reporting. In 2023, we began efforts to improve our reporting capabilities including aligning our reporting with the Global Logistics Emissions Council (GLEC) Framework methodology, which applies carbon intensities for air, ground and logistics. This methodology was developed to provide companies like Purolator with a harmonized, efficient and transparent way to calculate and report logistics emissions across multi-modal supply chains. In 2024, we will continue to broaden our emissions reporting capabilities and improve the data accuracy of our reports.



11%
reduction in
total Scope 1 and
Scope 2 emissions
(compared to 2020
baseline)



GHG Emissions (tonnes CO ₂ e)	2021	2022	2023
Scope 1 (direct) GHG emissions	147,196	133,088	123,408
Scope 2 (indirect) GHG emissions	4,682	3,841	2,036
Scope 3 (other indirect) GHG emissions	373,314	347,190	324,271



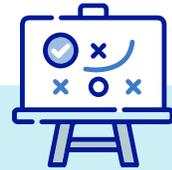
Aligning to TCFD and IFRS S2

This marks the first time Purolator has adopted the TCFD, and this endeavour has been strengthened by adhering to the IFRS S2 Standards. We have incorporated the guidance and recommendations between TCFD and S2 to disclose our climate-related risks and opportunities. The figure below showcases our key TCFD achievements to date and our plans for further progress. For more details on Purolator’s alignment, see the TCFD and IFRS S2 table on [page 73](#).



Governance

Describe the organization’s governance around climate-related risks and opportunities.



Strategy

Describe the organization’s actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.



Risk Management

Describe how the organization identifies, assesses and manages climate-related risks.



Metrics and Targets

Describe the metrics and targets used by the organization to manage climate-related risks and opportunities and performance against targets.

PROGRESS TO DATE

The ESG Board Committee oversees Purolator’s sustainability policies, strategy and progress toward our goals and climate-related risks and opportunities.

Progress against goals and targets is reviewed quarterly. Our Senior Vice President, People and Culture is responsible for the implementation of Purolator’s sustainability strategy.

Environmental sustainability included in our core strategic pillars. Set the ambition to be the greenest courier in Canada and designed an emissions reduction roadmap that will enable our 2030 science-based goals.

Integrating climate-related considerations into business decisions and continuing to innovate, pilot and evolve our strategy to meet our climate goals.

The ERM framework includes a process to identify, assess, evaluate, treat, communicate, monitor and report on all enterprise risks. The process of enterprise risk assessment and mitigation strategy review is conducted annually.

Completed an initial risk assessment of environmental physical risks in 2023.

Reduce our absolute Scope 1 and Scope 2 emissions by 42 per cent by 2030 using a 2020 baseline.

We have set additional 2030 goals that put us on the path to net-zero by 2050:

- Electrify 60 per cent of our last-mile delivery vehicles
- Divert 70 per cent of non-hazardous waste from landfill
- Reduce emissions from electricity by 100 per cent through the use of renewable sources

FUTURE PLANS

The Board of Directors will review and approve our annual Corporate Sustainability Report. Quarterly reporting to the ESG Committee of the Board on Purolator’s Decarbonization Program.

We will review and revise our emissions reduction roadmap annually, including reforecasting our progress toward our 2030 goals based on an evolving strategy that integrates new risks and opportunities.

We will further integrate climate into our ERM program and use climate-related scenario analysis to inform risk identification.

We will establish additional climate-related metrics and goals, including sharing publicly our science-based Scope 3 emissions reduction goal and roadmap.



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Greening Our Fleet



We are focused on greening our fleet to reduce our absolute Scope 1 and Scope 2 emissions by 42 per cent and electrify 60 per cent of our last-mile delivery vehicles by 2030. We prioritize research and investment in low-carbon technologies, optimizing our operations to reduce fuel use, integrating clean fuels and deploying zero-emission vehicles.

As we move toward our 2030 goals, each year we will update and evolve our roadmap as our operations change, technologies mature and new innovations come to market. The roadmap is supported by an expected \$1 billion investment, which would mark the largest network investment in Purolator's 63-year history, with more than \$100 million invested in 2023 alone.

In 2023, we procured 95 all-electric trucks including the Ford E-Transit™, Motiv Power Systems EPIC4 and the GM BrightDrop Zevo 600. By the end of 2023, 80 new all-electric trucks were deployed on routes at our three pilot terminals: Richmond, B.C., London, Ont., and Quebec City, Que. In 2024, we will increase our EV procurement and deployment with an increased focus on infrastructure readiness prior to receiving vehicles.

In dense urban centres, our all-electric cargo bikes (e-bikes) and low-speed vehicles (LSVs) provide an optimal solution for parcel delivery. They are quiet, fast, easy to manoeuvre and park and ideal for pedestrian-only zones. In 2023, 17 of these smaller all-electric vehicles were on routes in cities across Canada including Vancouver, B.C.; Toronto and Ottawa, Ont.; and Montreal, Que.

Beyond alternative-fuel vehicles, we look for ways to reduce fuel use in our operations. Our fleet uses Geotab, a fleet management software and GPS tracking device, to monitor and address unnecessary engine idling and poor driving habits such as harsh braking and rapid acceleration. Using this data, we target driving behaviours that may negatively affect fuel economy and vehicle maintenance costs. We also match the right vehicle with the right route to ensure optimal efficiency.

Finally, our vehicles use equipment designed to reduce fuel consumption. This includes aerodynamic skirts and tractor fairings, low-rolling resistance tires and speed limiters.



We have set ambitious science-based 2030 goals that put us on the pathway to achieve net-zero emissions by 2050. We are committed to investing in alternative-fuel vehicles, clean fuels and innovative low-carbon solutions."

Cindy Bailey
Corporate Sustainability Officer



80

new all-electric trucks deployed across three pilot terminals in 2023

Foot Couriers

Also in 2023, we actively increased the number of foot couriers in our network to help address capacity needs and enable lower-carbon last-mile deliveries. This mode of delivery supports worker health and well-being and helps Purolator address increased volume during peak season. In 2024, we will permanently retain foot couriers in areas that do not require vehicle deliveries such as malls and office buildings.

Route Optimization

In 2023, we prioritized digitizing our on-road network and optimizing courier routes. By maximizing route efficiency and decreasing route density, we reduced our kilometres travelled and fuel consumed. By determining route sectors, we avoided overlap in our routes, and by using driver helpers, we maximized the number of stops per vehicle and reduced the number of vehicles required. The driver helper model is used during high-volume seasons to allow for more package to be delivered and picked up by foot rather than adding more trucks. In 2023, the route optimization program received Purolator's internal Operations Excellence, Better Every Day Award.

In 2023, Purolator put a greater emphasis on the Driver Helper model and used this job classification to support seasonal deliveries in different Ontario terminals. Driver helpers assist during high-volume seasons by accompanying our couriers on the road. Driver helpers mainly deliver packages on foot, which increases

Purolator's ability to pick up and deliver packages while reducing the vehicle distance travelled.

Partnerships and Industry Collaboration

In 2023, we engaged with Natural Resources Canada (NRCan) and provincial governments to further support our fleet decarbonization strategies, including through federal and provincial incentive programs. EV charging infrastructure is currently the greatest challenge we face as we deploy all-electric vehicles. As the demand for electricity and EVs continues to grow, we will collaborate with a diverse group of stakeholders, including utilities, governments and industry experts to find solutions and reduce the barriers to adoption.

In 2023, Purolator continued to engage with the North American Council for Freight Efficiency (NACFE) and RMI's [Run on Less – Electric \(RoL-E\) campaign](#). RoL-E is a best-in-class technology demonstration that showcases advancements in freight efficiency by showcasing electric truck technology in everyday operations. Its purpose is to feature the latest developments in clean transportation and provide education and best practices to move the transportation industry toward a sustainable future.

We also participated in the [RoL-E DEPOT](#) event as the only Canadian logistics provider. The event featured fleet depots with 15 or more class 3 to class 8 battery electric vehicles (BEVs) operating in the U.S., Canada and Mexico. As part of this initiative, Run on Less is monitoring a class 6 Motiv

step-van and a Ford E-Transit operating out of Purolator's Richmond, B.C., hub.

Purolator is also a founding member of the Urban Delivery Solutions Initiative (UDSI). UDSI is a first-of-its-kind coalition of businesses, clean-energy providers, fleet operators and policy experts that together are tackling the growing problem of urban-freight emissions.

In 2023, we became a member of the Canadian Chamber of Commerce Net-Zero Council. The Council consists of over 20 Canadian businesses committed to decarbonizing their operations by 2050 or sooner to help achieve the emissions reduction targets set by the federal government.

Aviation Partners

To help reduce the emissions intensity of flights carrying our packages, we work closely with our aviation partners to lessen our environmental impact. Our current focus is on the implementation of fuel-optimization programs with an emphasis on using data to optimize aspects such as optimum climb, cruise altitude, aircraft speed and direct routing. Also, replacing older aircraft with more energy-efficient, next-generation models can help achieve emissions reductions as well as replacing traditional cargo containers with lighter-weight alternatives.

We are also investigating the use of sustainable aviation fuel (SAF) and identifying ways we can work with the industry and our aviation partners to make SAF available in the Canadian market.



In 2021, Purolator became the first Canadian courier to launch fully electric curbside-delivery trucks nationally. Since then, we have committed to investing \$1 billion to electrify our network. This is another important step Purolator is taking toward a more sustainable future and healthier planet."

John Ferguson
President and CEO





Renewable Energy

Renewable energy plays a vital role in helping us achieve our 2030 goal to reduce our emissions from electricity use by 100 per cent. Increasing our procurement and use of renewable electricity year-over-year is key to achieving this goal.

In 2023, we continued to progress toward our goal by purchasing Renewable Energy Certificates (RECs) from Bullfrog Power for our operations in Alberta and Nova Scotia. We partner with Bullfrog Power to support the development of sustainable, renewable energy infrastructure across Canada. Bullfrog's green electricity is a blend of wind, solar and low-impact hydro power sourced from new Canadian renewable energy facilities. Additionally, Bullfrog Power uses

a portion of REC purchases like ours to provide grants, project debt financing and equity capital supporting ethical and community-based renewable energy projects.

Through our investment in renewable electricity in Canada, the emissions associated with our electricity use are displaced by an equivalent quantity of electricity added to the grid derived from emissions-free, renewable sources. In 2023, our REC purchases continued to be supported by the [Ellershouse Wind Farm](#) in Nova Scotia and the [Burdett and Yellow Lake Solar Facility](#) in Alberta.

In 2023, we reduced our Scope 2 emissions by 70 per cent compared to our 2020 baseline.



3,650
tonnes of CO₂e offset
in 2023 through
the purchase of
renewable electricity

CASE STUDY



Burdett and Yellow Lake Solar Facility

The Burdett and Yellow Lake Solar Facility produces renewable energy to power approximately 6,400 homes. These two solar farms are located on multi-use land, home to 400 sheep and two donkeys and are a great example of how multi-use land can help renewable developers and local communities alike. The sheep provide a sustainable means of vegetation management by ensuring the ground cover doesn't grow to heights that can shade the solar panels, thus minimizing the need for mechanical mowing equipment. In return, the animals receive sustainable feed, and the donkeys help protect the herd from coyotes.



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Clean Fuels

Renewable Diesel

In 2023, Purolator deployed renewable diesel (R100) at all terminals within the British Columbia Lower Mainland. Through this fuel switch, we significantly reduced the emissions from our Class 8 vehicles in this region. Purolator shifted more than 500,000 litres of ultra-low-sulfur-diesel (ULSD) to renewable diesel. We anticipate shifting additional locations to renewable diesel fuel in 2024, with an eye on multiple sites within the Greater Montreal market.

In 2024, we aim to increase the use of renewable diesel fuel from 2.5 per cent of our 2020 diesel fuel baseline to eight per cent. This shift will involve over 1.2 million litres of renewable diesel in the Montreal, Que., market alone. Because our ability to deploy clean fuels in our fleet depends on local availability, we work closely with national suppliers and distributors to secure clean fuels for our operations.



Air Quality and Noise Pollution

Research shows that traffic-related air and noise pollution can have negative health impacts.¹ At Purolator, we are committed to promoting sustainable and healthy living standards for our communities and employees.

Air Quality Enhancement and Mitigation of Noise Pollution

Internal combustion engine (ICE) vehicles are significant contributors to nitrogen oxides (NO_x) and black carbon emissions, which are implicated in almost half of traffic pollution-related fatalities in specific regions like the Greater Toronto and Hamilton Area (GTHA).¹

Recent studies from the Ontario Public Health Association and Environmental Defence revealed that transitioning to electric vehicles could prevent an estimated 275 annual deaths resulting from traffic-related air pollution within these areas.¹

ICE engine vehicles, especially larger ones like trucks, are also a major source of noise pollution, which can cause adverse health effects such as increased blood pressure, weakened immune systems and mental health issues in urban areas.²

Electric vehicles significantly reduce noise levels, promising a quieter, healthier environment for residents and workers alike.

Fleet Electrification and Decarbonization Impact on Employee Well-Being

The transition to electric vehicles positively impacts drivers' working conditions.¹ Reports from the NACFE Run on Less study indicate that drivers operating electric vehicles consistently report higher satisfaction levels and increased retention rates compared to drivers of diesel trucks.³ The improved driving experience, lower noise levels, better acceleration, absence of diesel odours and simplified charging mechanisms contribute significantly to driver well-being.

¹ <https://clearingtheair.ca>

² <https://www.healthline.com/health-news/loud-noises-bad-for-your-health>

³ <https://runonless.com>



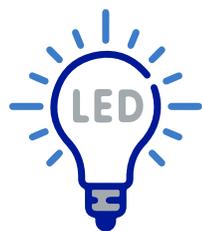


Greening Our Buildings

We operate more than 175 buildings including hubs, terminals, retail locations and corporate offices. Greening our facilities is a key component of our sustainability strategy and plans to meet our emissions reduction goals.

Sustainable Design

In 2023, our sustainability, network planning, facilities and infrastructure teams worked together to create Purolator's first Sustainable Design Principles and Green Building Guidelines. The purpose of these guidelines is to provide specific guidance, recommendations and information related to sustainable building features that are required for new construction facilities. The sustainable building features are deliberately uncoupled from any individual environmental building standard or framework to allow Purolator the flexibility to prioritize features that are applicable to our building designs and apply for various green building certifications.



633
tonnes of CO₂e
avoided in 2023 from
LED lighting retrofits

Energy Efficiency

Throughout 2023, we continued to improve the energy efficiency of our buildings through lighting and heating, ventilation and air conditioning (HVAC) replacements.

Our LED retrofit program for existing terminals concluded in 2023 with 90 terminals upgraded. We are committed to ensuring the ongoing maintenance of LED lighting and will ensure that any future retrofit projects include only high-efficiency lighting units. Also in 2023, eight facilities in our U.S. operations completed LED lighting upgrades in their warehouses and office spaces and converted 13 forklifts from propane to electric.

In 2023, Purolator completed an additional 15 LED retrofit projects across the portfolio. Overall, our corporate LED retrofit program has completed 90 separate retrofit projects since the inception of the program in 2020.

Since its inception, the LED retrofit program has resulted in cost savings of over \$1.2 million, and emission savings of 1,007 tCO₂e. Moving forward, all newly installed lighting fixtures will be LED units, ensuring Purolator continues toward its goal of reducing energy-related emissions by 100 per cent.

Solar Power

We continuously seek opportunities to reduce our electricity demand and reduce our GHG emissions. To this end, we are investigating possibilities for rooftop solar and parking lot solar installations at our sites across Canada. In 2023, we began working with our facilities team to explore opportunities across our network. We have approved one new build site to feature rooftop solar installations, and we will continue to identify and implement solar solutions where best suited in the future.

Water

While not a material issue for our business, Purolator is actively working with our property management partner to increase our visibility into our water use and find ways to reduce our consumption.

As part of the sustainable design criteria for our new and retrofit facilities, we install low-flow fixtures, equipment and technologies that conserve water use.

Purolator Head Office

Purolator's head office, located in Mississauga, Ont., is a LEED Gold Certified Building. Purolator proactively works with the landlord on sustainability initiatives. The facility's HVAC is regulated through an automated system, which allows for temperature control and enhanced indoor air quality. The building is designed to reduce waste, conserve energy and decrease water consumption. In 2023, additional employee EV charging stations were installed, bringing the total to 38 chargers at head office.



CASE STUDY



Calgary South

Purolator is continuously making important sustainability investments in the company's portfolio of buildings and terminals. Our approach is to integrate sustainable features and practices into all areas of our operations, as we set ambitious GHG emissions and waste reduction goals. To support our sustainable growth, Purolator's new Calgary South terminal was built with features that improve resource efficiency and reinforce our ability to meet our climate goals by creating environmentally sustainable buildings.

These include:

- Low-flow fixtures, including toilets, urinals, sinks and showerheads, to reduce water use
- High-efficiency hand dryers
- Electric forklifts with designated indoor charging capabilities
- High-volume, low-speed fans to support moisture control and reduce building cooling requirements
- Energy efficient, motion-activated LED lighting fixtures
- On-site waste sorting, recycling and compacting to divert waste from landfill
- Outdoor electric vehicle charging for employees and customers
- Charging infrastructure for all-electric last-mile delivery vehicles

In 2023, Purolator introduced Sustainable Design Principles and Green Building Guidelines to provide specific criteria and information related to sustainable building design features for new and retrofit buildings.

In 2024, construction will begin on our new hub facility in Kanata, Ont., which will incorporate sustainable design features including rooftop solar panels.



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Green IT

At Purolator, we recognize the environmental footprint of our IT-related activities. To mitigate our impact, we are working with our technology partners to migrate from data centres to the cloud. Our cloud provider is reducing emissions related to server use and networking equipment by increasing the lifespan of their servers. This includes refining their software to run more efficiently, lowering hardware stress and extending its useful life.

Since 2020, our cloud provider has delivered software updates that have extended useful server life from three to five years. Our cloud partner has a robust maintenance and repair program designed to increase component reuse and further reduce carbon emissions and waste across the supply chain. To help prevent their equipment from ending up in landfills, they invest in responsible end-of-life management systems and use reverse logistics hubs to evaluate and reuse electronic equipment in their global data centre fleet. Our cloud provider also allows Purolator to use IT resources efficiently by auto-scaling resource usage to match demand.

Our on-premises Equinix data centres are run on 100 per cent renewable energy. For the data centre hardware refresh, in collaboration with the Canada Post Corporation, sustainability factors have been considered. We have introduced PURE storage and high-density computing servers in the environment, resulting in a data centre footprint reduction of 12 per cent, a CO₂ emissions reduction of 93 per cent for storage refresh and 53 per cent reduction for compute server refresh.

For managed print services, our cloud partner offers energy-efficient processors, some of which provide up to 50 per cent more performance per watt than other chips. Electricity consumed in our cloud partner's region, which is the majority of Purolator's cloud footprint, is attributable to 100 per cent renewable energy. Our handheld scanners are leased devices that are returned at the end of the lease term to our partner who leverages a circular economy concept or environmentally friendly electronic recycler.



70%
of our technology footprint is cloud services





Retail Solutions

We offer our customer an extensive shipping network and suite of customized retail solutions and services, including many convenient ways to ship and receive packages. As a market leader, we invest in innovative technology and leverage strategic relationships while striving to reduce carbon emissions in our retail operations.

The final leg of a package's journey from a warehouse to the recipient's address can be one of the most significant contributors to GHG emissions, which is why our team is working to develop and implement alternative ways to reach our customers. For example, we provide convenient pick-up locations and help our customers avoid multiple delivery attempts by a courier. Therefore, our goal is to bring 75 per cent of all Canadians within a three-kilometre radius of a Purolator shipping access point to minimize kilometres travelled.

Purolator offers several pick-up and drop-off solutions:

Agents and Partner Locations: We have over 2,400 partner access points nationwide through partnerships with organizations such as Staples, Michaels, Best Buy, Swiftpost, Metrolinx and other Authorized Shipping Agents.

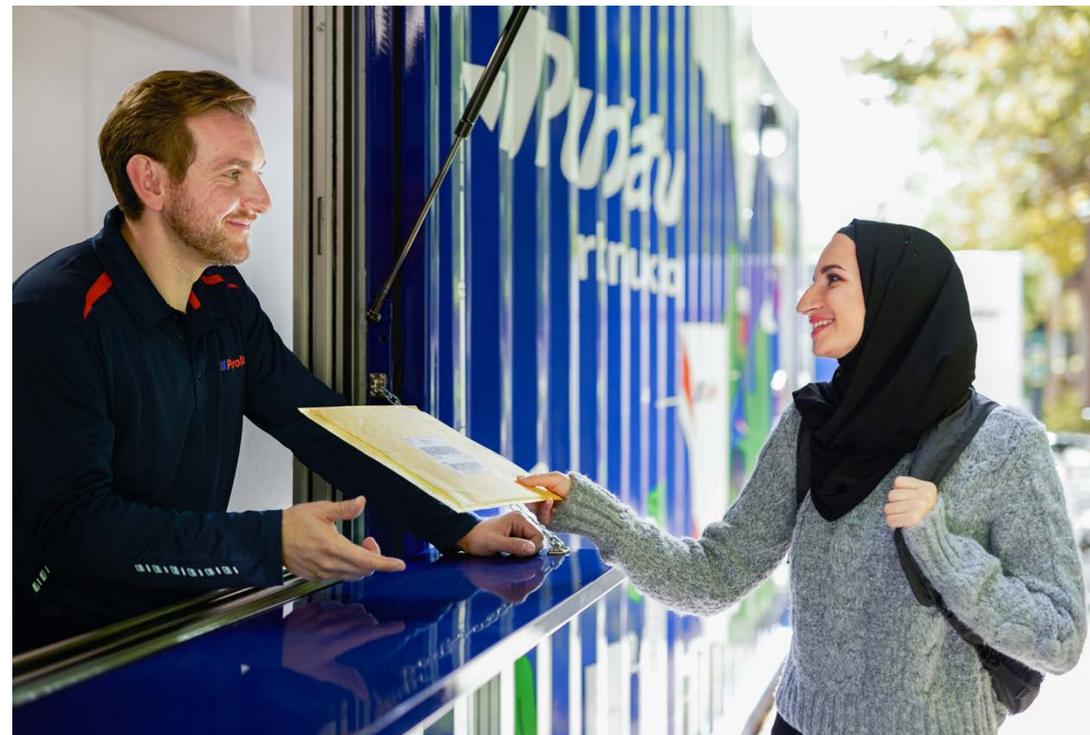
Mobile Quick Stop Trucks: Our Mobile Quick Stop trucks have a significantly lower environmental footprint than a building and streamline last-mile delivery by providing a safe and accessible delivery location.

Drop Boxes: Purolator's 240+ drop boxes located in building lobbies and outdoor commercial spaces across Canada allow for safe and efficient shipments of pre-paid and labelled packages. In 2023, our entire network of drop boxes was refreshed and upgraded. We also piloted a new extra-large box for high-volume locations to help with return shipments.

Quick Stop Parcel Lockers: Our parcel lockers are a convenient alternative for our customers to pick up and drop off packages safely and securely any time, day or night. In 2023, we added a drop-box feature to help with the drop-off capacity. In 2024, we anticipate introducing label printing for even more convenience.

Quick Stop Kiosks: The kiosks offer an enhanced customer experience at our Purolator Shipping Centres and select partner locations by helping to reduce line-ups and by offering contactless transactions. In 2024, we will issue an RFP for a new kiosk vendor to introduce self-serve options for label printing, rating and drop boxes.

Quick Drop Boxes: These drop boxes offer customers the convenience of scanning a QR code, printing waybills and providing a receipt, thereby offering additional types of contactless transactions.



73%

of all Canadians are located within a three-kilometre radius of a Purolator access point



Urban Quick Stop: The Urban Quick Stop is designed to reduce commercial vehicle traffic and related emissions while offering enhanced customer convenience and increased brand affinity. Our two Urban Quick Stop mini hubs operate four e-bikes that deliver packages to the surrounding areas and provide customers with the convenience of a package pick-up and drop-off shipping point.

In 2023, we introduced a 20-foot version (no retail counter) at the Cooksville GO Station in Mississauga, Ont. This unit serves the nearby community with its two e-bikes. Purolator's Urban Quick Stop (UQS) e-bike pilot project on the University of Toronto campus was awarded the Institute of Transportation Engineers (ITE) Toronto Chapter Project of the Year award for 2023.

Ottawa Bank Street

In 2023, we opened our new retail store on Bank Street in Ottawa. At the grand opening, Purolator President and CEO John Ferguson, Ottawa Mayor Mark Sutcliffe, and other city officials unveiled Purolator's fleet of four e-bikes and two LSVs for deployment on delivery routes in Centretown and the Glebe. Ottawa was the fourth Canadian city in which Purolator introduced e-bikes. Post event, Purolator donated \$4,500 to the Centre 507 drop-in centre, which provides meals, social services and resources to community members in need.



554,070+ kiosk transactions	46 kiosks
2,850+ Purolator access points	27 Mobile Quick Stop (MQS) vehicles
2,450+ extension retail agent and partner locations	40 parcel lockers
240+ drop boxes	3 Urban Quick Stops located in downtown Toronto and the Cooksville GO Station



Customers want convenient and sustainable ways to ship and do business with Purolator. Our new Ottawa location offers an innovative solution for the busy downtown area: a unique urban distribution centre, with shipping services and environmentally friendly e-bike package delivery. I'm so proud to be part of an organization that is committed to helping improve the communities we serve."

Vanessa Mahoney
Senior Manager, National Retail



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Circular Economy and Waste

We have set an ambitious goal to divert 70 per cent of our waste from landfill by 2030. To achieve our goal, we work with our customers and suppliers to reduce waste at the source, find innovative means to maximize our recycling efforts and seek ways to contribute to the circular economy. Our waste reduction initiatives include recycling programs for office waste, cardboard, plastic film and wood pallets. Through continued efforts to improve our recycling program – including new recycling services and equipment, improved bins and signage, and more training – we reached our 2030 goal in 2023. We closed out the year with 72 per cent of non-hazardous waste across Canada being diverted from landfills.

2023 Highlights

- Expanded recycling capabilities at 10 additional Purolator facilities – three in Eastern Canada and seven in Western Canada
- Took a services-fit approach to ensure that the services fit the operational output of waste and recycling at our facilities
- Deployed bins, signage and training at additional sites to increase diversion and reduce contamination

- Clearly labelled sorting stations in common areas and meeting rooms to increase correct garbage disposal
- Replaced all single-use cups in our offices with reusable mugs and glasses
- Substituted bottled water with water dispensers and jugs
- Piloted reusable pallet wraps in select terminals

Sometimes, sustainability solutions can be achieved through small, creative day-to-day changes that don't require major investments. For example, in 2023, one of our Quebec terminals implemented a solution that modified the use of existing equipment to allow for plastic film recycling. By better purposing existing equipment, the site overcame challenges with warehouse space and doubled its landfill diversion.

Also in 2023, we launched an asset recovery returns pilot at 109 of our corporate retail locations. Customers with end-of life assets can return them at their closest Purolator Shipping Centre. We also expanded our Nespresso coffee pod pilot to 10 retail locations. Nespresso customers can conveniently drop off their recyclable Nespresso pods where they are consolidated for return.

In 2024, we will conduct waste audits at select sites across Canada to further determine how we can increase our diversion of landfill waste. Furthermore, we will add key

performance service indicators into our vendor contracts and focus on data accuracy and reporting capabilities to monitor performance and support future goal setting.

CASE STUDY



(From left) Eric Pateman, Vancouver Airport Authority, and Purolator employees Enrico Palma and Nathan Close

Supporting the Circular Economy

In 2023, we received the [YVR Green Excellence Award](#) presented by the Vancouver Airport Authority; this is the second time that Purolator has been presented with this award. This year, Purolator was recognized in the Environmental Innovation category for our use of reusable pallet wraps at our hub in Richmond, B.C. This initiative not only reduces our environmental impact by minimizing waste but is also a cost-effective and time-saving alternative.



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E-waste

Purolator has various solutions in place to manage its e-waste. The majority of its electronic equipment is leased and returned at end-of-life. For purchased equipment, Purolator has a long-standing relationship with a leading R2-certified recycler and IT Asset Disposition (ITAD) service provider that offers a closed-loop solution, which includes reuse and data erasure to shredding and commodity separation, with a secure chain of custody from end to end.

U.S. Operations

In 2023, we created and implemented a plastic and metal recycling program at our facility in Etobicoke, Ont., that processes return shipment volume for our U.S. operations. We are working with our customers on product donation opportunities to aid the communities in which we operate and increase our waste diversion.

We are also piloting and implementing recycling solutions to prevent product returns that require disposal from going to landfill. Types of donated and recycled products include automotive tools, school supplies, plastic food containers, confectionary, clothing and housewares.

In 2023, we:

- Reduced waste directed to landfill by 580 tonnes compared to 2022
- Recycled 2,242 tonnes of cardboard
- Recycled 3,079 tonnes of scrap wood
- Recycled 231 tonnes of plastic film (pallet wrap)
- Recycled 261 tonnes of mixed recycling



72%

of total landfill waste diverted from landfills, exceeding our 2030 goal



“

As we continue to divert more waste from landfills, we are demonstrating our commitment to the environment. It truly is a team effort, and we're proud of what we've achieved through our innovative solutions and partnerships.”

Anna Oandasan
Sustainability Manager



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Sustainable Packaging

We work with our customers and suppliers to optimize our packaging and make an effort to increase recycled content, use fibre from responsibly managed forests, reduce waste and maximize recycling. Our research on sustainable shipping revealed the importance that customers place on purchasing from a company that offers sustainable packaging solutions.

We provide our customers with [comprehensive packaging guidelines](#) to help them pack efficiently and avoid damages in transit that can lead to returns and replacements. We have also improved our packaging integrity to prevent the risk of damage.

In 2023, our [Digital Lab](#) team, which specializes in applied research and innovation, continued to work with select customers to design and create tailored packaging solutions that minimize waste. This includes reusable packaging solutions that can be continuously redeployed in the system, thereby eliminating single-use packaging. In 2024, we will focus on developing our sustainable packaging strategy, including 2030 goals and annual objectives.



Purolator's Express Pak contains 25 per cent recycled content, and our Express Box contains 90 per cent recycled content and is Forest Stewardship Council (FSC)-certified. Our Purolator Express® Envelope is made from 100 per cent recycled and fully recyclable content and is FSC-certified.



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HELPING our neighbours



At Purolator, caring for our communities is a fundamental part of how we do business. Our employees pride themselves on going the extra mile to support and engage with the communities in which we live, work and play. Together, we are delivering a better tomorrow for our neighbours.



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Celebrating 20 Years of Tackle Hunger

Twenty years ago, we launched [Purolator Tackle Hunger](#) – our signature, employee-led fundraising program – to help alleviate hunger in Canada. Since then, thousands of passionate Purolator employees have dedicated their time and energy to raising awareness of the intensifying issue of food insecurity and have donated and delivered over 20 million pounds of food to support local food banks.

The success of our Purolator Tackle Hunger (PTH) program relies on annual events such as Tackle Hunger Month and the Red Bag Campaign. The program is strengthened by the generosity of our partners and customers across the country. Our partnership with the Canadian Football League (CFL) is a cornerstone of the program.

Each year, all nine CFL teams host their own PTH Game Day Food Drive. These events have become entrenched in the CFL fan base and community. As a Canadian company, we are thrilled to be part of this long-standing CFL tradition and look forward to working together for the future growth of the Purolator Tackle Hunger program.



Steve Scorca, Senior Manager Operations, with other volunteers at the Daily Bread Food Bank event



2.3M

pounds of food delivered to food banks across Canada in 2023 alone



According to [Food Banks Canada](#), food insecurity impacts communities across the country and has reached critical levels. One in five Canadian households is struggling with escalating food prices and the rising cost of living. In March 2023, there were almost two million visits to food banks in Canada – the highest in Canadian history – and one in three visits were by children.¹

¹ <https://foodbanksCanada.ca/hunger-in-canada>



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In honour of 20 incredible years, we looked to our inspirational Purolator Tackle Hunger pioneers and champions from across Canada to hear about their lived experiences and involvement in the program. We wanted to showcase what the program means to them and hear why Purolator Tackle Hunger matters in their own words. Their pride is a testament to the program's success and highlights how Purolator's employees work collectively to make a lasting impact on the communities where we operate.

Karim Abaza – Unit Manager (Ontario)

I've participated in Purolator Tackle Hunger since 2020, and since that time, Scarborough has donated nearly \$5,000 and 1,000 pounds of food to Feed Scarborough. But it's not just about what we donate. It's also about the incredible community partnerships and relationships we've forged with our local public school, grocery store and Toronto Police Services, all pulling together for such an important cause.

Kelly Yoon – Operations Administrative Assistant (Alberta)

I am proud to work for Purolator and have been involved with Purolator Tackle Hunger since 2008. On my first game day, it was inspiring and heartwarming to see so many people walking to the stadium with bags of food to donate. Before that, I didn't know much about food banks, but I became a volunteer and today, I oversee most of the organizing and planning at our Edmonton North facility.

Steve Scorca – Senior Manager, Operations (Ontario)

It's been amazing to be involved with the Purolator Tackle Hunger program for 20 years and to see it grow and evolve. I always like to remind our volunteers that this program changes lives. The work we do helps put food on the table for someone who otherwise and through no fault of their own might not be able to so.

Terry Ewanchyna – District Manager (Saskatchewan)

One of our most memorable food drives was when Regina hosted the 91st Grey Cup, and we participated in the parade. It was exciting to see so many people supporting our cause and such great team spirit. I think the program's success lies in our grassroots approach, which gives our employees a way to give back to their communities in a really important way.

Chanelle Bradshaw – Senior Account Executive (British Columbia)

The Purolator Tackle Hunger program is one of the reasons I joined the company, and I am so proud to work for a company that has built so much momentum and dedication around helping others. We've built an impressive Purolator Tackle Hunger team in B.C., and the energy we've created, both inside and outside of the company, helps us attract more people to the cause every year.

Scott Jacobs – Manager, Learning and Development Regional (Alberta)

With my passion for football, our CFL partnership is a match made in heaven, and I feel very lucky to have been able to help grow employee engagement in the program. Since 2007, we have gone from five volunteers to over 30 in Regina, and in Edmonton, we've grown from six to over 70 participants in Purolator Tackle Hunger. The program is now a brand of its own, recognized right across Canada.



22M+ lbs.
of food raised since the inception of the program 20 years ago



2023 Annual Purolator Tackle Hunger Softball Tournament

Jihanne (Anne) Tchelebi – Operations Administrative Assistant (Quebec)

I've been involved every year in volunteering during the CFL Alouette games. Preparing for the games and planning fundraising events involves a lot of work and time, but I always feel great pride and accomplishment when I see our team coming together with one objective in mind: to collect as much food and as many donations as we possibly can to help alleviate hunger.

Dean Brown – Unit Manager, Rural Couriers, Field Operations (Saskatchewan)

I've participated in Purolator Tackle Hunger since the inception of the program. Every year, we've become more efficient in how we collect and deliver donations, and our local CFL fans never cease to amaze me. They rise to the occasion, many by carrying 10 pounds of food for blocks to donate on game day.

As we celebrate the tremendous accomplishments of our employees and community partners, we recognize that there is still much work to be done. The need for food banks in Canada is greater than ever and continues to grow. The Purolator Tackle Hunger program is making a difference in the lives of Canadians who face food insecurity, and as long as there is a need, we promise to keep going for as long as it takes.



As a Canadian I'm saddened to know that people are going hungry in our country. It's our responsibility as human beings to address food insecurity. Everyone can play a part in the fight against hunger by donating their time as a volunteer or making a financial or food contribution. Together, we can make a difference for someone in need."

Scott Jacobs
Manager, Learning and Development Regional





Tackle Hunger

Recognizing the growing need for food donations, we further strengthened our Purolator Tackle Hunger program in 2023 by surpassing our goal to raise two million pounds of food and delivered nearly 2.3 million pounds to food banks across Canada. This represents a 17 per cent increase over our 2022 fundraising effort and equates to over two million meals for hungry Canadians. In 2024, our goal is to raise another two million pounds of food in support of communities across Canada.

In 2023, Purolator employees hosted 188 fundraising events in communities across the country. These included Red Bag food drives, Stuff-the-Truck events at local grocery locations, raffles and draws, silent auctions, barbecues and the annual employee softball tournament.

In addition to collecting food, Purolator provides in-kind logistical support and services to food banks and provincial associations to help them safely transport food donations. In 2023, we provided the equivalent of over \$64,000 in in-kind shipping support to our charity partners to help alleviate food insecurity in Canada and the equivalent of over \$500,000 in in-kind shipping assistance to our CFL and charitable foundation partners.



2023 Highlights

- Over 600,000 pounds of food was raised and delivered during Tackle Hunger Month in June – more than any previous month in the program’s history.
- Red Bag food drives expanded nationally, with 15 communities across the country participating in our first-ever Purolator Tackle Hunger National Red Bag Campaign in September.
- Red Bag food drives were held in 31 locations across Canada.
- Purolator’s Tackle Hunger CFL Game Day Food Drives raised over 520,000 pounds of food.
- We donated \$100,000 to [Food Banks Canada](#) and \$15,000 to the Second Harvest [Feeding Our Future](#) program.
- Purolator was a Silver Sponsor of The Grocery Foundation’s Night to Nurture Gala, with an additional \$1,500 of in-kind support to deliver items from the gala’s silent auction.
- We raised \$70,000 through employee events and general online and retail store point-of-sale fundraising.

Total Food Donated and Transported	2021	2022	2023
Pounds of food	1,734,100	1,952,787	2,287,016



Since 2019, food bank visits have increased exponentially, with the highest year-over-year increase in usage reported in 2023. Now, more than ever, we are grateful for Purolator’s unwavering commitment to Food Banks Canada. Purolator’s ongoing partnership allows us to continue working toward our vision of a Canada where no one goes hungry.”

Kirstin Beardsley
CEO, Food Banks Canada



Governance

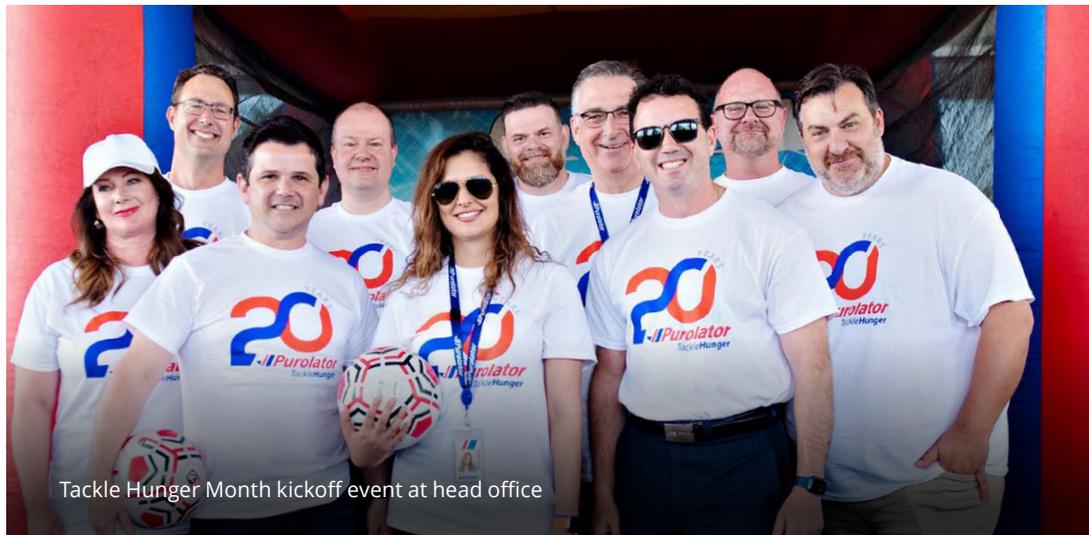
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Tackle Hunger Month kickoff event at head office

Purolator Tackle Hunger Month 2023: Tackling Hunger for 20 Years!

Every June, employees, customers and communities unite in support of PTH Month, during which frontline and office employees host a variety of events and activities to drive awareness of hunger in Canada and fundraise for this cause. In 2023, over 300 employees joined us in-person at our head office for the annual PTH Month kick-off and wrap-up events. For the kick-off, we were joined by our Purolator Tackle Hunger ambassador and TSN host, Kate Beirness; Purolator President and CEO John Ferguson; and Food Banks Canada CEO Kirstin Beardsley. Employees were challenged with their own Red Bag food drive, during which more than 3,000 pounds of food was successfully collected and delivered to Food Banks Mississauga for distribution to families in need.

Throughout the month, our employees hosted a total of 72 events across the country, and we raised more than 616,000 pounds of food, nearly double what was raised in 2022. We are grateful for the collaboration of our many dedicated and engaged customers who helped raise funds, collect food and made corporate monetary donations. Our wrap-up event included a presentation by Tony Manful, Purolator's Wellness Specialist, on the well-being benefits of volunteering.

For more information on the Purolator Tackle Hunger program and initiatives, visit purolatortacklehunger.com.

Red Bag Campaigns

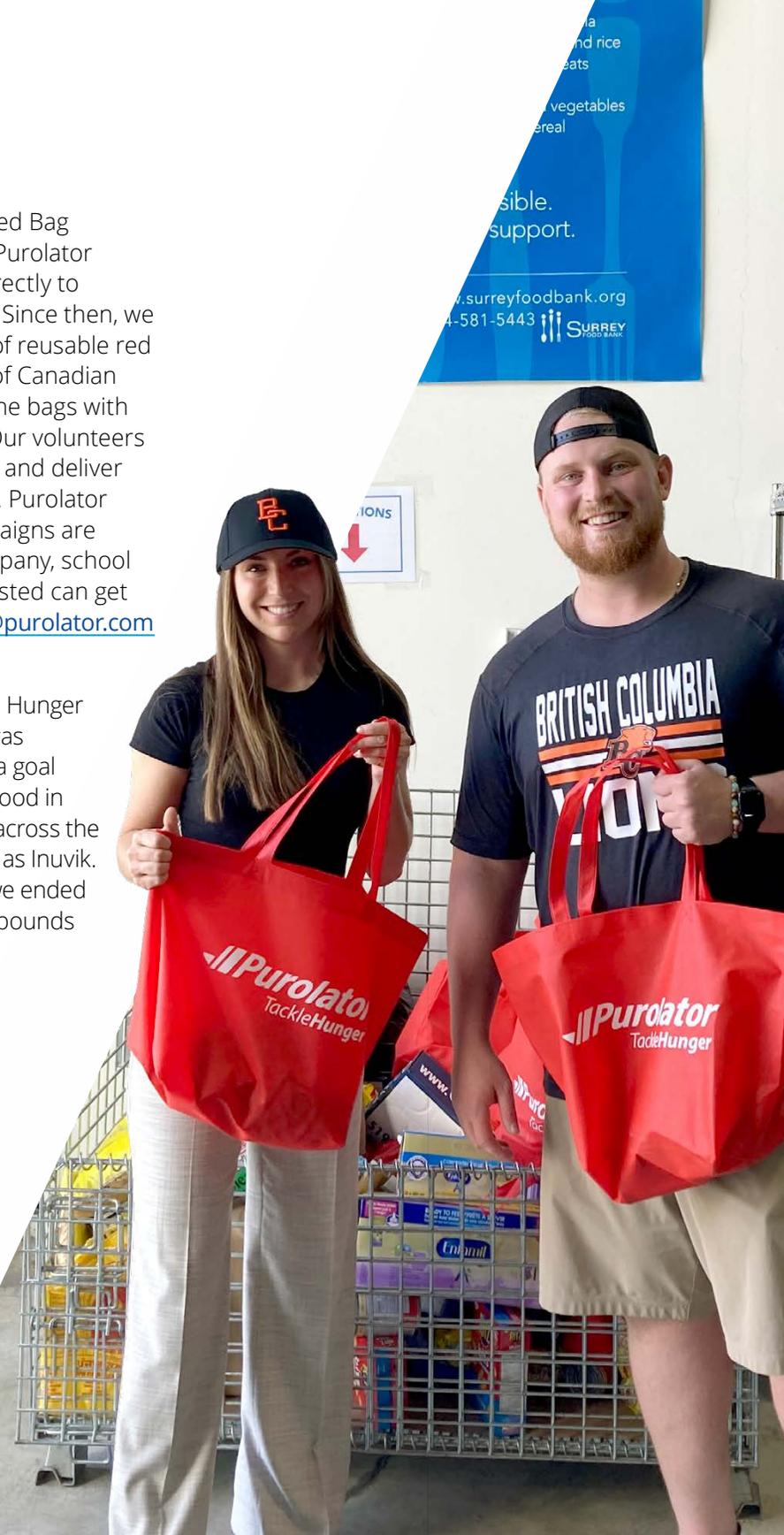
In 2019, we introduced our Red Bag Campaigns, which bring our Purolator Tackle Hunger food drives directly to communities across Canada. Since then, we have distributed thousands of reusable red bags to the front doorsteps of Canadian homes with a request to fill the bags with non-perishable food items. Our volunteers pick up the bags a week later and deliver them to the local food banks. Purolator Tackle Hunger Red Bag campaigns are open to any community, company, school or organization. Those interested can get involved by emailing RedBag@purolator.com or by donating [here](#).

Our first-ever Purolator Tackle Hunger National Red Bag Campaign was held in September 2023 with a goal of raising 100,000 pounds of food in 15 participating communities across the country, including as far north as Inuvik. When all was said and done, we ended up delivering almost 150,000 pounds of food to local food banks.



15

communities across Canada participated in our first-ever National Red Bag Campaign





CFL Partnership

In 2023, our partnership with the CFL continued to be a significant contributor to the success of the Purolator Tackle Hunger program. Between June and October 2023, each of the nine CFL teams hosted their own Purolator Tackle Hunger Game Day Food Drive. Fans attending these games were encouraged to bring non-perishable food items or make monetary contributions.

Select CFL teams also ran food drives through local youth football associations and in partnership with local grocery chains. This additional initiative was a great way to raise awareness and broaden the program's reach to fans who wanted to help but may not have been able to attend a Purolator Tackle Hunger game day. To make donating

as easy as possible for fans, select CFL teams also partnered with their stadium concessionaires and retailers to allow fans to round up or add \$2 or \$5 to their purchases in support of their local food bank.

Throughout 2023, CFL player ambassadors and Purolator Tackle Hunger champions visited partner food banks as part of their role as PTH ambassadors. These visits helped us champion our program through the media coverage received in advance of Purolator Tackle Hunger game days.

In 2023, Purolator was the Presenting Partner of the Grey Cup trophy. As such, we delivered the Grey Cup from a local Purolator depot to the festival site on James Street in Hamilton.

Also, as a signature partner of the 2023 Grey Cup Festival, Purolator and the Hamilton Tiger-Cats visited five local schools together. Leading up to the Grey Cup, the Purolator Pep Rally reached over 1,500 children, teaching them the importance of health and fitness, teamwork and community. Students had the opportunity to get their photo taken with

the Grey Cup, interact with some of their football heroes and enjoy performances by Stripes, the mascot, and the Ti-Cats Dance & Cheer team. The Purolator Pep Rally also included food drives at each school for Hamilton Food Share. The event was a great opportunity to drive Purolator Tackle Hunger brand awareness and engage with young people as future donors.

In 2023, over 520,000 pounds of food was collected in partnership with the nine CFL teams through events including game days and the Grey Cup weekend.



Purolator employees with the CFL's Grey Cup





Our operations in the U.S. received the AHRC 2023 Partner of the Year award. This family-led organization advocates for people with intellectual and developmental disabilities to help them lead full and equitable lives. Our U.S. employees supported AHRC's Martin Luther King Day of Service through participation in their Thanksgiving food basket program.

Back-to-School Cereal Challenge

With one in three children in Canada at risk of going to school on an empty stomach, the demand for school nutrition programs has grown exponentially. In 2023, we continued our partnership with Breakfast Club of Canada (BCC). We once again challenged our employees to collect BCC-approved cereals for distribution to local schools and food banks. In total, we collected nearly 16,500 lbs. of cereal in 2023 and donated \$7,500 to BCC.

U.S. Operations - Purolator Gives Back

Through our Purolator Gives Back program, U.S. employees support and participate in both national and local causes to give back to the communities we serve. They contribute their time, energy and donations to many worthwhile initiatives across the United States.

Throughout 2023, employees volunteered at Ronald McDonald House locations across the U.S. preparing and serving home-cooked meals to the families of hospitalized children. They also partnered with Island Harvest, a hunger relief program on Long Island. Purolator volunteers helped with planting crops, weeding, harvesting and distributing produce to communities in need.

Also in 2023, our U.S. employees joined the Long Island Coalition for the Homeless to provide a camp experience for more than 200 children. Through this initiative, we collected school supplies, beach towels and bathing suits for children who live in shelters and helped create "Pirate Day" for them, a special day of fun activities. We also supported Toys for Tots, a national toy drive conducted by the U.S. Marine Corps Reserve. Toys for Tots delivers toys and books to America's disadvantaged children.

“

We are delighted to have Purolator as a valued corporate partner. Over the past two years, Purolator has generously contributed over \$50,000 to support breakfast programs nationwide, particularly addressing increased needs in Ontario schools.

Additionally, Purolator employees have demonstrated their commitment to the cause through an annual cereal drive. We eagerly anticipate the expansion of our partnership with Purolator and are committed to working together for years to come.”

Angel D'Andrea
National Director, Philanthropy,
Breakfast Club of Canada



True North Contest

Helping Small Businesses Go the Extra Mile

Purolator's [True North Small Business Grant Contest](#) awards more than \$100,000 in grant prizes, including cash awards and free shipping, to four deserving small businesses across Canada every year. New for 2023, the program featured a [Community's Choice Award](#), voted on by Canadians. One of the grant recipients, First Indigenous Biomass Future Inc. (FIND Biomass) received this award, which included a \$5,000 donation paid forward to the food bank of their choice. FIND Biomass chose High Prairie and District Food Bank Society in Alberta for their donation. Additionally, Purolator donated \$1 toward Canadian food banks through Purolator Tackle Hunger for every vote received, resulting in a further \$10,000 donation.

Read more about the winners and finalists [here](#).



Canadian small businesses are facing numerous challenges, including rising inflation and labour shortages. That's why we continue to run Purolator's True North Small Business Grant Contest. The contest is Purolator's way of recognizing the invaluable contributions of small businesses in supporting and growing local economies across Canada."

Stacey Cummings
Director, Marketing

WINNER SPOTLIGHT



[FIND Biomass](#) creates opportunities in the alternative energy and environment sectors for First Nations communities in Alberta. The company focuses on sustainable energy production from biomass and waste diverted from landfills. Their business also includes a hybrid poplar propagation initiative capable of producing one million trees annually that can be planted in afforestation projects. With over 25 years of experience in the sustainable environment sector, the FIND Biomass owners are relationship-driven entrepreneurs who rely on and give back to the community of Kinuso, Alta. Core to their mission is encouraging and developing forestry-based skills to help break down the barriers experienced by First Nations people and women, who are underrepresented in the forestry and natural resources sector.



[Elate](#) has woven sustainability into its business model and its beauty products. As a [Certified B Corporation](#) (aka B Corp), Elate demonstrates a rigorous commitment to sustainability, governance, engagement and ethics. Their high-performing, vegan and cruelty-free cosmetics are created using an ethical supply chain and refillable packaging. Elate serves 200 retail partners and, through its recycling program, has eliminated almost 700,000 plastic packages from going to landfill. They are also committed to giving back to their community by supporting and volunteering with local initiatives, including women's shelters and food banks.



Our True North Grant program received the 2023 Bronze Meta Business Equity Award from the Canadian Marketing Association for our contribution to diversity and inclusion.



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Supporting Our Communities

Supporting Indigenous Communities

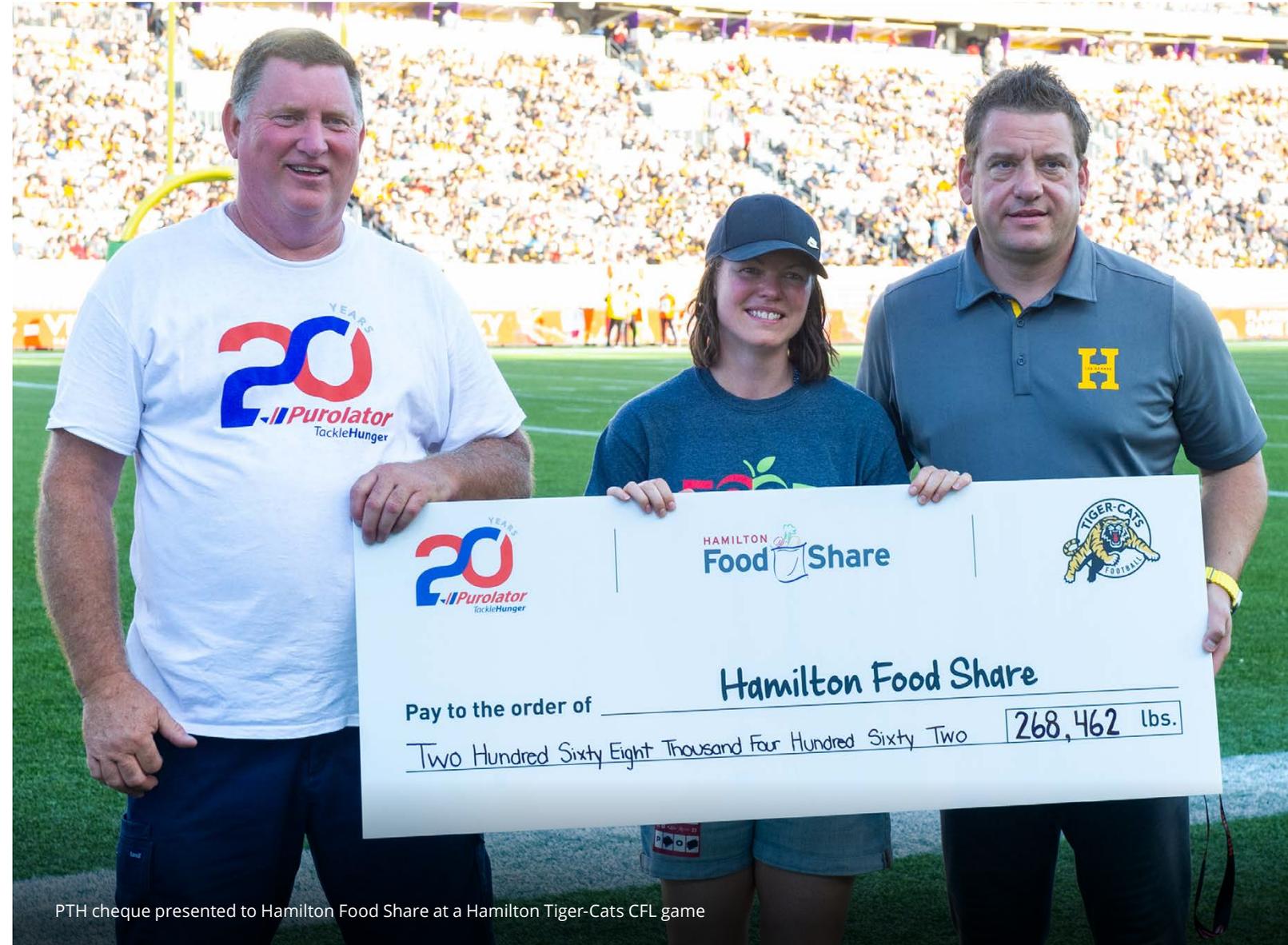
At Purolator, we believe in the importance of supporting our Indigenous communities. In 2023, we partnered with Indigenous artist Peatr Thomas from Turtle Island to design a mural for our new Ottawa Bank Street Purolator Shipping Centre and urban distribution centre. We also supported Indigenous food banks and designated 25 per cent of our Food Banks Canada corporate donation to their Northern Program, which addresses food insecurity and the systemic barriers facing Indigenous communities in Northern Canada.

Volunteer@Purolator

Our Volunteer@Purolator internal portal provides employees with a platform to post upcoming volunteering opportunities in their community. The portal provides employees with an easy and convenient way to sign up for volunteering opportunities they wish to support.

Donation and Sponsorship Requests

In 2023, Purolator implemented a formal process for managing donation, value-in-kind shipping and sponsorship requests. The application form and eligibility criteria for charitable organizations who wish to apply for Purolator community investment can be found [here](#).



PTH cheque presented to Hamilton Food Share at a Hamilton Tiger-Cats CFL game



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ESG Performance

Delivering for Our Planet

GRI Indicator	Topic-Specific Disclosure	Units	2021	2022	2023
302	Energy				
302-1	Energy consumption from buildings				
	Natural gas, propane and oil	GJ	409,095	458,299	404,382
	Electricity (market-based)	GJ	176,383	180,389	157,659
	Total energy consumption from buildings	GJ	585,478	638,688	562,041
302-3	Energy intensity	GJ/m ²	1.30	1.40	1.19
	Total floor area	m ²	449,417	454,625	471,157
	GHG emissions intensity	tonnes CO ₂ e/m ²	1.17	1.06	0.95
305	Greenhouse Gas Emissions				
305-1	Scope 1 – Direct GHG emissions	tonnes CO₂e	147,196	133,088	123,408
	Owned and rental fleet	tonnes CO ₂ e	127,864	109,208	102,072
	On-site combustion of fuels (natural gas, propane and oil)	tonnes CO ₂ e	19,332	23,880	21,337
305-2	Scope 2 – Indirect GHG emissions	tonnes CO₂e	4,682	3,841	2,036
	Purchased electricity (location-based)	tonnes CO ₂ e	6,079	6,164	5,686
	Purchased electricity (market-based)	tonnes CO ₂ e	4,682	3,841	2,036
305-3	Scope 3 – Other indirect GHG emissions	tonnes CO₂e	373,314	347,190	324,271
	Purchased goods and services (Category 1)	tonnes CO ₂ e	21,853	21,279	19,649
	Capital goods (Category 2)	tonnes CO ₂ e	32,967	20,186	19,947
	Fuel- and energy-related emissions (Category 3)	tonnes CO ₂ e	86,006	83,945	78,667
	Subcontracted carriers (Category 4)	tonnes CO ₂ e	186,434	98,674	87,386
	Aviation (Category 4)	tonnes CO ₂ e	82,949	74,609	64,874
	Rail (Category 4)	tonnes CO ₂ e	645	1,910	2,425
	P&D owner-operator (Category 4)	tonnes CO ₂ e	18,976	18,897	18,597



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GRI Indicator	Topic-Specific Disclosure	Units	2021	2022	2023
	Third-party ground – U.S. operations (Category 4)	tonnes CO ₂ e	23,147	20,337	23,369
	Waste (Category 5)	tonnes CO ₂ e	2,126	2,077	1,920
	Business travel (Category 6)	tonnes CO ₂ e	915	4,233	6,380
	Employee commuting (Category 7)	tonnes CO ₂ e	891	1,044	1,058
	Total GHG emissions	tonnes CO₂e	525,193	484,120	449,716
305-4	GHG emissions intensity ratio				
	Revenue	\$MM	\$2,606	\$2,834	\$2,653
	Packages delivered	total # of packages	174,043,434	169,261,220	155,194,827
	GHG emissions intensity	tonnes CO ₂ e/\$MM revenue	202	171	170
	GHG emissions intensity	tonnes CO ₂ e/1,000 packages	3.02	2.86	2.90
306	Waste				
306-3	Total waste generated	tonnes	7,024	7,407	8,222
306-4	Waste diverted from landfill	tonnes	3,607	4,649	6,054
306-5	Waste directed to landfill	tonnes	3,417	2,747	2,167

Empowering Our People

GRI Indicator	Topic-Specific Disclosure	Units	2021	2022	2023
2-7	Total workforce – Canadian and U.S. operations as of December 31, 2023	headcount	14,573	14,684	14,294
405	Diversity, Equity and Inclusion				
405-1	Diversity of governance bodies				
	Gender – Women	%	44%	44%	44%
	Gender – Men	%	56%	56%	56%
	Other indicators of diversity				
	Representation of people with disabilities	%	0%	0%	4%
	Representation of visible minorities	%	11%	11%	11%
	Representation of Indigenous people	%	0%	0%	3%



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GRI Indicator	Topic-Specific Disclosure	Units	2021	2022	2023
	Diversity of employees – senior management (director level and above for Canadian and U.S. operations)				
	Gender – Women	%	30%	35%	36%
	Gender – Men	%	70%	65%	64%
	Other indicators of diversity				
	Representation of people with disabilities	%	5%	4%	3%
	Representation of visible minorities	%	14%	11%	28%
	Representation of Indigenous people	%	0%	0%	0%
	Diversity of overall workforce				
	Gender – Women	%	20%	22%	22%
	Gender – Men	%	80%	78%	78%
	Other indicators of diversity				
	Representation of people with disabilities	%	4%	4%	4%
	Representation of visible minorities	%	27%	28%	28%
	Representation of Indigenous people	%	3%	3%	3%
403	Occupational Health and Safety				
403-8	Employees and contractors covered under the OH&S management system	%	100%	100%	100%
	Is the OH&S management system internally audited?	Yes/No	Y	Y	Y
	Is the OH&S management system audited or certified by an external party?	Yes/No	Y	Y	Y
403-9	Employee lost-time injury frequency rate (per 200,000 hours worked)	number of injuries per 100 full-time employees	2.43	2.19	1.97
	Motor vehicle collision frequency	number of collisions per 100,000 km driven	1.59	1.52	1.30



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Helping Our Neighbours

GRI Indicator	Topic-Specific Disclosure	Units	2021	2022	2023
413	Local Communities				
413-1	Community engagement program – Food donated and transported through Purolator Tackle Hunger	lbs	1,734,000	1,952,787	2,287,016

Economic Performance

GRI Indicator	Topic-Specific Disclosure	Units	2021	2022	2023
201-1	Direct economic value generated and distributed				
	Revenue from operations	\$MM	\$2,608	\$2,834	\$2,653
	Cost of operations	\$MM	\$2,315	\$2,496	\$2,356
	Profit from operations	\$MM	\$293	\$338	\$297
	Investing and financing income (expense), net	\$MM	-\$24	-\$21	-\$3
	Profit before tax	\$MM	\$269	\$317	\$294



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TCFD and IFRS S2

The table below adheres to the Task Force on Climate-related Financial Disclosures (TCFD) and the International Sustainability Standards Board (ISSB) inaugural IFRS S2 standards.

We have incorporated the guidance and recommendations between TCFD and S2 to be as comprehensive as possible in disclosing our climate-related risks and opportunities. This marks the first time Purolator has adopted TCFD, and this endeavour has been

strengthened by alignment to IFRS S2. As we continue advancing our sustainability efforts, we understand that identifying and evaluating our climate-related risks and opportunities will be a multi-year process for our organization. We will conduct scenario analysis and present the results in future sustainability reporting. This disclosure highlights our leadership in environmental sustainability and our efforts to become the greenest courier in Canada.

Section	Disclosure	Purolator Response
Governance	Describe the board's oversight of climate-related risks and opportunities	<p>We extend our responsible business practices to how we engage with our diverse network of customers, partners and suppliers. Our focus on strong governance allows us to effectively identify and mitigate risks, attract new customers and engage our stakeholders.</p> <p>Purolator's Board of Directors, including through its Environmental, Social and Governance (ESG) Board Committee – which was created in 2022 – oversees Purolator's sustainability policies, strategy, performance and management of our climate-related risks and opportunities. The ESG Committee Charter outlines the scope and responsibilities of the members. The Charter was drafted and approved by the Board in 2023. Our ESG Committee of the Board meets quarterly and adheres to the Charter.</p> <p>2023 marks the first year that Purolator has adopted the TCFD disclosure framework for reporting our climate-related risks and opportunities.</p> <p>Governance, page 8 Sustainability Governance and Management, page 10 Organizational Governance Structure, page 11 Environmental, Social and Governance Board Committee Charter</p>
	Describe management's role in assessing and managing climate-related risks and opportunities	<p>In 2023, senior leadership began researching and evaluating how Purolator can use the TCFD framework to further incorporate climate risks and opportunities into our existing management processes.</p> <p>Progress against our environmental sustainability strategy and targets is regularly reviewed by the senior leadership team and presented quarterly to the Board.</p> <p>Our Senior Vice President and Chief Human Resources Officer is responsible for the implementation of Purolator's sustainability strategy and is the executive sponsor of Purolator's Greenhouse Gas (GHG) Emissions Reduction Steering Committee.</p> <p>Purolator's GHG Emissions Reduction Steering Committee is comprised of several members of the senior leadership team, who meet monthly with the program team to provide strategic oversight and timely management of emerging risks and opportunities. Furthermore, every week the GHG Emissions Reduction Program business leads meet to review and action upon critical items.</p> <p>Our senior leadership is responsible for identifying, assessing, prioritizing, managing and monitoring enterprise risks (including climate) in compliance with approved risk management policies, procedures and risk appetites.</p> <p>An enterprise risk assessment (ERA) process is conducted annually, and consists of an Enterprise Risk Survey, and workshops with each line of business to identify and assess top risks. A senior leadership workshop is then held to validate and prioritize our list of top risks. The outcome of our ERA process is a report to our Board of Directors, which includes detailed risk profiles. Quarterly updates are provided to our senior leaders and the Board of Directors on the status of our top risks to ensure ongoing monitoring.</p> <p>Sustainability Governance and Management, page 10 Organizational Governance Structure, page 11</p>



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Section	Disclosure	Purolator Response
Strategy	<p>Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term</p>	<p>Purolator considers climate-related risks and opportunities over short-term (0–1 year), medium-term (1–5 years) and long-term (5–10 years) time horizons.</p> <p>Physical Risks:</p> <p>Damage and Property Losses – Damages to our facilities and fleet resulting from acute climate events such as flooding, wildfires and extreme heat.</p> <p>Impairment and Productivity Losses – Impacts to our operations and productivity caused by severe climate events that could cause, for example, damage to public infrastructure, road closures and restricted access to customers. These disruptions can lead to delays in shipping, causing financial losses and impacting customer satisfaction.</p> <p>Supply Chain Disruptions – Production delays caused by severe climate events that impact the supply of goods and services for both Purolator and its customers.</p> <p>Transition Risks:</p> <p>Policy and Legal – Policy actions that seek to reduce GHG emissions – for example, shifting towards alternative-fuel vehicles and energy-efficiency requirements in facilities. Also, the increasing cost of fuel due to carbon taxes.</p> <p>Technology – Significant change to business operations caused by the adoption of alternative-fuel vehicle technologies and supporting infrastructure. Increased upfront capital requirements to transition fleets to lower-carbon solutions. Quickly evolving vehicle technologies and clean fuels.</p> <p>Market – Increasing demand for low-carbon transportation services and Scope 3 customer reporting. Opportunity to attract new customers and risk of losing existing customers if decarbonization efforts do not keep pace with customer expectations. Cost pressures in the market while investing in lower-carbon solutions.</p> <p>Reputation – Enhanced reputation for early adopters of alternative-fuel vehicle technologies. Risk of greenwashing claims where performance does not align with ambitious emissions reduction goals. Increasing stakeholder expectations around transparent reporting, credible target setting and data verification.</p> <p>Climate Opportunities:</p> <p>Attract and retain top talent. Reduced operating costs through fuel reduction and energy efficiency. Attract new customers with emissions reduction goals. Opportunity to develop new products and services and potentially charge a premium.</p> <p>Risk Management, page 13</p>



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Section	Disclosure	Purolator Response
Strategy	<p>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning</p>	<p>Physical Risks: Purolator's focus is on actionable business continuity plans, incorporated into our business, strategy and financial planning. They focus on swiftly activating alternative operations at each of our sites in the event of a natural disaster or climatic event. Business continuity plans are reviewed and revised every six months to maintain effectiveness and allow operations staff to respond quickly. Transportation services are modified as needed to minimize service impacts and ensure safety.</p> <p>Transition Risks: Transitioning to lower-carbon transportation services requires a fleet decarbonization strategy and roadmap that is anchored in science-based emissions reduction goals. This roadmap drives annual financial planning where alternative-fuel vehicles, infrastructure and clean fuels require significant investment. The roadmap is dynamic and evolves each year as new low-carbon solutions come to market.</p> <p>Climate Opportunities: Continued investment in fleet electrification and adoption of clean fuels and electricity is reducing emissions and driving continued interest from customers. The decarbonization strategy is continually optimized to achieve lowest cost per tonne of CO₂e reduced. Focus will remain on delivering low-carbon solutions as a means of retaining and attracting new customers.</p> <p>Purolator will continue to embed climate-related risk management into our long-term business strategies and financial planning with guidance from our ESG Board Committee.</p> <p>Risk Management, page 13 Air Quality and Noise Pollution, page 50</p>
	<p>Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</p>	<p>Purolator has not yet performed formal scenario analysis. We will begin disclosing our analysis and findings in future sustainability reports. Our goal is to continually advance our reporting and disclosure of climate risks and opportunities.</p>



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Section	Disclosure	Purolator Response
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	<p>Purolator's enterprise risk management (ERM) framework outlines how enterprise risks are managed, including environmental risk, at all levels of decision-making. The role of ERM is to mitigate enterprise-level risks that may affect Purolator's ability to meet its strategic objectives.</p> <p>In the future, Purolator will use climate-related scenario analysis to inform its identification of risks and assist with revising and improving our existing processes used to identify, assess, prioritize and monitor risks. After preparing our first TCFD reporting, we will look to monitor and evaluate risks compared to the prior reporting year.</p> <p>Risk Management, page 13</p>
	Describe the organization's processes for managing climate-related risks	<p>The ERM framework includes a process for identifying, assessing, evaluating, managing, communicating, monitoring and reporting on all enterprise risks. Ongoing risk identification and monitoring is required to ensure that management can effectively assess and proactively respond to new and emerging threats.</p> <p>Enterprise risks, like environmental risk, are assessed and evaluated using a risk-assessment scale approved by the senior leadership team to rate the potential adverse impact if the risk were to materialize (e.g., health & safety and environmental, financial, operational and reputational impacts) and likelihood of occurrence.</p> <p>It is important to highlight that integrating environmental impact as a category in our enterprise risk assessments allows us to consider environmental impacts in the assessment of every enterprise risk. Once risks are assessed, the level of risk is categorized as negligible, low, medium, high or critical. Greater attention and resources are dedicated to controlling and mitigating risks that are categorized as critical.</p> <p>The process of enterprise risk assessment and mitigation strategy review is conducted annually, and quarterly updates are provided on key risks to the senior leadership team and the Board of Directors. Processes have also been developed to identify, assess, evaluate, monitor, communicate and escalate risks, as they arise, outside of the formal annual enterprise risk assessment.</p> <p>In 2023, we completed an initial risk assessment of environmental physical risks (e.g., acute climate events) and hope to continue to build on this work and complete climate-related scenario analysis and modelling.</p> <p>Risk Management, page 13</p>
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	<p>Enterprise risks, like environmental risk, are assessed and evaluated using a risk-assessment scale approved by the senior leadership team to rate the potential adverse impact if the risk were to materialize (e.g., health & safety and environmental, financial, operational and reputational impacts) and likelihood of occurrence. It is important to highlight that integrating environmental impact as a category in our enterprise risk assessments allows us to consider environmental impacts in the assessment of every enterprise risk.</p> <p>Once risks are assessed, the level of risk is categorized as negligible, low, medium, high or critical. Greater attention and resources are dedicated to controlling and mitigating risks that are categorized as critical.</p> <p>Risk Management, page 13</p>
Metrics & Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<p>The following are metrics used to assess climate-related risks and opportunities:</p> <ul style="list-style-type: none"> • Research and development expenditures in new and alternative technologies • Capital investments in alternative-fuel vehicle technologies and infrastructure • Operating costs (e.g., fuel, electricity, maintenance) • Shifts in energy costs • Demand for low-carbon transportation services (customer interest) • Competitive position, enhanced reputation



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Section	Disclosure	Purolator Response
Metrics & Targets	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	We measure Scope 1, Scope 2 and Scope 3 GHG emissions associated with our business through a comprehensive annual GHG emissions inventory prepared according to the ISO 14064-1 standard and the World Resources Institute (WRI) Greenhouse Gas Protocol.
		<p>Scope 1: 123,408 tonnes of CO₂e Scope 1 risks include:</p> <ul style="list-style-type: none"> Increased fuel costs associated with increases to Canada’s carbon tax and emerging provincial emission caps Lack of government policy, regulations and incentives supporting the adoption of alternative-fuel vehicle technologies, infrastructure and clean fuels Lack of availability and delayed expansion of clean fuels production in Canada Increased demand impacting the supply of alternative-fuel vehicles, clean fuels, power and equipment
		<p>Scope 2: 2,036 tonnes of CO₂e Scope 2 risks include:</p> <ul style="list-style-type: none"> Increased demand for electricity generated from renewable energy projects resulting in higher prices for renewable energy credits (RECs) in Canada Increased severity of climate events leading to damage of renewable energy infrastructure such as turbines, solar panels and hydroelectric dams Severe climate events causing facility power outages that result in the use of diesel generators for backup power generation
		<p>Scope 3: 324,271 tonnes of CO₂e Scope 3 risks include:</p> <p>Category 4: Upstream Transportation and Distribution Most of Purolator’s Scope 3 emissions come from this category. These are subcontracted vendors that offer transportation and logistics services for Purolator for middle-mile (aviation, rail and heavy-duty trucks) and last-mile (owner-operator last-mile delivery). Top risks include:</p> <ul style="list-style-type: none"> Transportation partners’ ability to access low-carbon solutions (e.g., sustainable aviation fuel, electric tractors) Lack of government policy, regulations and incentives to help increase the adoption of low-carbon technologies among our transportation partners (e.g., high cost to implement) Lack of data and gaps in data that is used for emissions calculations (e.g., fuel, kilometres driven) Supplier maturity levels in climate change action <p>Categories 1 & 2: Purchased Goods, Services and Capital The second largest component of Purolator’s Scope 3 emissions come from this category. We are currently developing a Responsible Procurement strategy that will help us engage our suppliers in discussions on how to measure and lower their emissions. Top risks include:</p> <ul style="list-style-type: none"> Supplier maturity levels in climate change action Lack of data for products and services that is used for emissions calculations Higher cost of environmentally sustainable products and services Limited selection and availability of sustainable products and services
		<p>Climate Change and GHG Emissions, page 44 Our GHG Emissions Profile, page 45 ESG Performance, pages 69–70 GRI and SASB Index, pages 10–12</p>



Section	Disclosure	Purolator Response
<p>Metrics & Targets</p>	<p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>Purolator has set science-based, net-zero targets reviewed and approved by the Science Based Targets initiative (SBTi).</p> <p>Purolator commits to reduce absolute Scope 1 and Scope 2 GHG emissions by 42.7 per cent by 2030 from a 2020 baseline year. Purolator also commits to increase annual sourcing of renewable electricity from zero per cent in 2020 to 100 per cent by 2030. Purolator further commits to reduce absolute Scope 3 emissions from fuel- and energy-related activities, upstream transportation and distribution (of fuel), and waste generated in operations by 25 per cent by 2030 from a 2020 baseline year.</p> <p>In addition to SBTi targets, Purolator has set the following 2030 goals:</p> <ul style="list-style-type: none"> • Electrify 60 per cent of last-mile delivery vehicles • Divert 70 per cent of non-hazardous waste from landfill <p>The following is Purolator's 2023 performance against its 2030 goals:</p> <ul style="list-style-type: none"> • Reduced Scope 1 and Scope 2 emissions by 11 per cent • Reduced Scope 3 emissions by six per cent • Reduced emissions from purchased electricity by 70 per cent • Electrified two per cent of last-mile delivery vehicles • Diverted 72 per cent of waste from landfills <p>2030 Goals infographic, page 43</p>



Governance

People

Planet

Neighbours

Performance

TCFD/IFRS 2



Corporate Profile

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