

2025 ESG REPORT

Driving Change

407 ETR
Express Toll Route



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INTRODUCTION

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PRESIDENT & CEO

MESSAGE FROM THE
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2025 HIGHLIGHTS



MESSAGE FROM THE President & CEO



“We remain committed to operating with integrity, reducing our environmental impact, strengthening our governance and continuing to invest in our roadway, our people and the communities we serve.”

Every week, more than three million people choose Highway 407 ETR to get where they need to go. As one of Ontario’s most critical transportation corridors, we recognize our responsibility to not only keep people and goods moving, but to contribute meaningfully to the social, environmental and economic fabric of the communities we serve. This Environmental, Social and Governance (ESG) Report reflects how we’re translating that responsibility into meaningful, measurable action.

This year, we continued to build ESG considerations more deeply into our overall business strategy. We strengthened our governance, oversight and transparency to support better decision-making and long-term performance. These efforts strengthen our accountability and help ensure we remain resilient as the ESG landscape continues to evolve.

Advancing Environmental Stewardship

Environmental stewardship remained a key focus in 2025. We reduced our absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 17% compared to our 2018 baseline, and we continue to work towards a 25% reduction by 2030. This year, we expanded our disclosure to include Scope 3 emissions and continued to invest in operational efficiencies that reduce our environmental footprint.

This year, we enhanced the efficiency of our winter operations through a \$15 million investment in winter maintenance vehicles, including the addition of 19 wide-wing snowplows — an investment that is also helping reduce emissions. Our biodiversity initiatives delivered tangible results, including the planting of 30,000 native trees along the highway corridor with Trees for Life, and restoration of 15.8 hectares of pollinator habitat at various community sites through our partnership with Canadian Wildlife Federation (CWF).

Safety at the Core of Our Operations

Safety continues to define who we are. Collision rates on Highway 407 ETR remain 60% lower than other 400-series highways, and we recorded no lost-time employee incidents in 2025. These outcomes reflect a deeply embedded safety culture and our proactive approach to risk management across all areas of our operations.

Our Highway Operations Team monitors the highway 24/7 using real-time systems and highway patrollers, allowing us to respond quickly to incidents, debris and changing conditions. Dedicated patrollers work to assist stranded motorists and remove hazards to help our customers get to their destinations safely.

Reliable Infrastructure and Customer-Focused Service

As we continue to invest in the systems and infrastructure that ensure Highway 407 ETR operates consistently for the millions who rely on us each week, that same focus on reliability extends to customer service.

In 2025, we advanced major upgrades to our telecommunications platform, supporting the world-class performance of our local team that continues to earn international recognition and reflects our focus on delivering a dependable, customer-focused experience. Our Customer Service Team and Business Support Team once again earned the distinguished World Class Call Centre First Call Resolution (FCR) Certification from Service Quality Measurement Group (SQM) for the 12th and ninth consecutive years, respectively. This long-standing recognition underscores our commitment to service excellence and to resolving customer needs efficiently, consistently and with care.

Investing in Our People

Our people are at the heart of everything we do. We continue to invest in our employees through a strong focus on learning and development, well-being,

inclusion and engagement, recognizing that a supported and skilled workforce strengthens long-term performance.

Our overall employee engagement score of 67% has continued to trend upward since 2022, despite a decline in engagement benchmarks across the broader industry. While results from our 2025 engagement survey varied across the organization, with some teams seeing notable gains and others remaining steady, leadership remains firmly committed to listening, acting on feedback and continuing to strengthen the employee experience.

In 2025, we invested more than \$540,000 in professional development and employees completed over 9,900 hours of learning to support technical excellence, leadership capability and career growth. We continued to strengthen our diversity, equity and inclusion (DEI) strategy with the launch of NextGen, our newest employee resource group (ERG) focused on empowering emerging talent and amplifying the voices of the next generation. Women continue to represent nearly half of all employees, reflecting our commitment to a work environment grounded in equal opportunity, respect and belonging.

We continue to support employee well-being through mental health resources, wellness programming and meaningful engagement practices that encourage connection, inclusion and open dialogue. This commitment reinforces the strong, people-first culture that drives our success and helps ensure our people can thrive at work and beyond.

Strengthening Communities Where We Operate

Our community investments are one of the ways we build trust and help strengthen the regions we serve. In 2025, we invested approximately \$3.4 million in our surrounding communities through sponsorships, donations and free travel.¹

We invested \$150,000 in youth sports through Keep Moving™ by 407 ETR, supporting more than 4,500 kids across 130 teams. As well, we were proud to once again be a diamond sponsor of the 51st annual Little Native Hockey League (Little NHL) tournament — Ontario’s largest Indigenous youth hockey event — providing \$30,000 in funding and \$150,000 in free travel for athletes and their families to easily get to the games.

In 2024 and 2025, Route Relief supported more than 3,500 drivers by providing \$1.4 million in free travel, improving access to work, education and essential services. In 2026, the program expanded to eight free trips per month for eligible drivers, reflecting our belief that responsible corporate citizenship includes helping make travel more accessible.

Contributing to a Strong Regional Economy

Highway 407 ETR continues to play a meaningful role in the region’s economy. According to a 2025 [Economic Impact Assessment](#) conducted by [Steer](#), a global infrastructure consultancy, 407 ETR contributes \$490 million annually to Canada’s

GDP, supports 1,800 jobs and delivers \$1.2 billion in socioeconomic benefits, including travel time savings, fewer collisions and better access to jobs and services. We’re proud to reinvest in the local economy, including using Canadian-made equipment and materials to operate and maintain the highway.

Our Path Forward

Expectations for critical infrastructure operators continue to evolve. We recognize that addressing climate risks, advancing equity and inclusion, and meeting rising expectations for transparency and performance requires focus, discipline and continuous improvement.

We remain committed to operating with integrity, reducing our environmental impact, strengthening our governance and continuing to invest in our roadway, our people and the communities we serve. By setting clear priorities, measuring our progress and being transparent about where we’re succeeding — and where more work remains — we aim to build long-term resilience and shared value.

With the dedication of our employees, the oversight of our Board and the trust of our customers, we’re well positioned to navigate these challenges and to contribute to a more resilient, inclusive and sustainable future.

JOSE ESPINOSA

President & CEO,
407 ETR

¹ Excludes free travel provided through driving offers.



MESSAGE FROM THE Chair of the Board

"We're encouraged by the Company's continued progress in reducing GHG emissions, enhancing biodiversity, strengthening data protection and maintaining exceptional safety on the highway."



The Board of Directors is proud of the progress reflected in the 2025 ESG Report. This year demonstrated the importance of strong governance, disciplined risk management and long-term planning as the Company advanced sustainability commitments and delivered meaningful results for customers, communities and shareholders.

The Board continues to oversee key ESG-related priorities, including climate risk management, emissions reduction strategy, human capital performance, DEI, information security, and community and Indigenous relations. We remain committed to supporting effective oversight through ongoing education — including our Board's annual 40-hour ESG education commitment — and through transparent reporting aligned with leading frameworks.

We're encouraged by the Company's continued progress in reducing GHG emissions, enhancing biodiversity, strengthening data protection and maintaining exceptional safety on the highway. The Company's work to deepen Indigenous partnerships, expand community investments and build an inclusive workplace culture reflects the values that guide responsible long-term stewardship.

On behalf of the Board, I want to thank our employees, Management Team, community partners and stakeholders for their ongoing commitment to responsible growth and sustainable impact. Through effective oversight and a long-term focus, the Board is committed to supporting the Company's continued stability, performance and responsible stewardship of this vital transportation corridor.

DAVID MCFADDEN, K.C.

Chair of the Board of Directors,
407 International Inc.



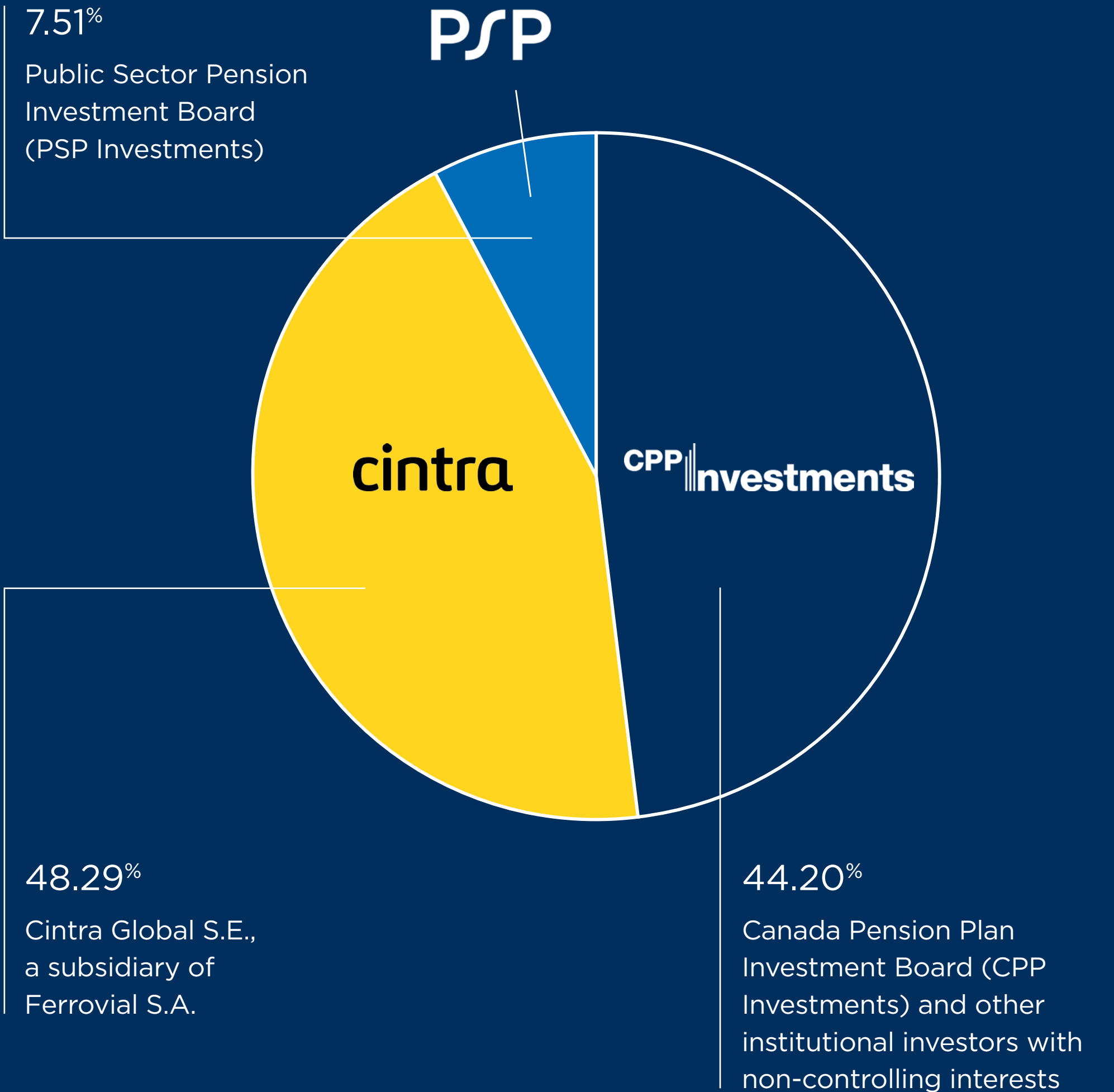
About 407 ETR

Highway 407 ETR extends 108 kilometres through the GTA, from Burlington in the west to Pickering in the east, spanning Canada’s largest urban centre.

In the spring of 1999, we began a 99-year Concession Agreement with the Province of Ontario to assume the management and operation of Highway 407 ETR, including tolling, customer service and the maintenance and expansion of the roadway. The concession was purchased for \$3.1 billion – twice as much as the province’s cost to build the highway, which was only 68 kilometres at the time. Since then, we expanded Highway 407 ETR east and west, adding 40 kilometres to its length. Over the past 25 years, we have invested approximately \$2 billion toward highway extensions, expansions and customer service.

We fund 100% of operating, maintenance, snow removal, policing and enforcement costs for Highway 407 ETR. This structure emphasizes our long-term approach to safety, environmental stewardship and infrastructure resilience, while ensuring the highway remains reliable and well maintained for the communities we serve. We were previously responsible for customer service, tolling and billing for provincially-owned Highway 407, which was de-tolled in June 2025.

407 International Inc. is the sole shareholder of 407 ETR and is owned by:



-  **HIGHWAY 407 ETR**
QEW to Brock Road 108 km
-  **PARTIAL INTERCHANGE**



Infrastructure at a Glance



1,377
Front and rear
tolling cameras



236
Bridges



204
Active
toll sites



126
Closed-circuit
television cameras



80
Stormwater
management ponds



Guided by Purpose

Vision

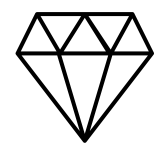
To be the GTA's highway of choice, driving productivity and strengthening communities.

Mission

To provide a fast, safe and reliable customer experience on and off the highway.

Values

These values guide our approach to governance, environmental stewardship and social responsibility.



EXCELLENCE WE DRIVE RESULTS

Safe

We always focus on safety

Customer-Focused

We put our customers in the driver's seat

Innovative

We're excited to discover a better way

Efficient

We take the most direct path

Collaborative

We work together to ensure we're all driving in the same direction



INTEGRITY WE ALWAYS TAKE THE HIGH ROAD

Ethical

At every intersection we take the right path

Diverse and Inclusive

We check our blind spots to ensure everyone is seen and heard

Socially Responsible

We respect the environment and the communities we serve

Accountable

Each one of us is responsible for making our Company's journey a success

Vigilant

We never take shortcuts with privacy and information security





About this Report

This report demonstrates how we turn ESG commitments into meaningful impact. It provides a transparent, detailed overview of our ESG performance and priorities for employees, customers, suppliers, stakeholders and investors.

The information in this report applies to 407 International Inc. (the “Company” which, where the context requires, refers to certain of its wholly-owned subsidiaries). Throughout this document, any references to “our,” “we,” “us” and/or “the Company,” collectively refer to 407 ETR. Unless otherwise stated, this report highlights our ESG activities and performance during the calendar year ending December 31, 2025.

Forward-Looking Statements

This document has been prepared and published on a voluntary basis. The information contained in this report is not necessarily material to the Company or our operations. The ESG Report includes statements about expected future events and operating results that are forward-looking. Forward-looking statements may include words such as “anticipate,” “believe,” “could,” “expect,” “goal,” “intend,” “may,” “outlook,” “plan,” “strive,” “target” and “will.” These forward-looking statements reflect the internal projections, expectations, future growth, performance and business prospects and opportunities of 407 International Inc. and its subsidiaries including 407 ETR, as well as our ESG projections, objectives, vision and goals (collectively, our ESG Objectives) such as safety improvement targets and emissions reduction targets.

These forward-looking statements are based on information currently available. Actual results and developments may differ materially from results and developments discussed in the forward-looking statements as they are subject to several risks and uncertainties as discussed in this ESG Report.

As a result, our ESG Objectives may not be achieved. In developing these forward-looking statements, certain material assumptions were made, including assumptions as to the timing of highway development activities. Readers are cautioned not to place undue reliance on our forward-looking statements and assumptions as Management cannot provide assurance that actual results or developments will be realized or, even if substantially realized, that they will have the expected effects on the Company. These forward-looking statements are subject to change as a result of new information, future events or other circumstances, as discussed in this ESG Report, in which case they will only be updated by us where required by law.

In setting and implementing our ESG Objectives, and in preparing this document, we have made various assumptions, including about technological, economic, scientific, policy and legal trends and developments. As such, the information set out in this document is subject to evolution, amendment, update and restatement over time.





Frameworks

This report was produced in alignment with widely recognized, investor-relevant frameworks, including the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) Standards for Engineering & Construction Services; Road Transportation; and Professional & Commercial Services. These SASB Standards were selected based on their relevance to our business as a toll road operator where we carry out construction and maintenance services and provide customer service to meet the contractual obligations of the Concession and Ground Lease Agreement (CGLA or Concession Agreement) and the *Highway 407 Act*.

We continue to monitor the evolving ESG reporting landscape, including the International Financial Reporting Standards Sustainability Disclosure Standards (IFRS S1 General Requirements for Disclosure of Sustainability related Financial Information, IFRS S2 Climate-related Disclosures), the Canadian Sustainability Disclosure Standards (S1 and S2) and applicable disclosure laws and guidelines.

Our alignment with SASB and TCFD has established a strong foundation for our continued alignment with industry standard practices and preparedness for new reporting requirements as they emerge.

United Nations Global Compact

In 2025, we became a participant of the United Nations Global Compact (UNGC) Network Canada, proudly joining a global movement of businesses committed to responsible and sustainable practices. As part of the Canadian network, we collaborate with over 230 companies working to advance the United Nations Sustainable Development Goals (UN SDGs) through principled action and transparent reporting.

Our commitment to the Ten Principles of the UNGC — covering human rights, labour, environment and anti-corruption — is embedded in our strategic initiatives and operational practices, guiding our ESG strategy, supporting progress on the UN SDGs and contributing to our long-term value.


We remain committed to integrating these principles into our ESG strategy and performance metrics, where feasible. This ESG report serves as our first Communication on Progress,² outlining how we’re aligning with the UNGC and identifying areas for continuous improvement. Our UNGC participation marks an important milestone in our sustainability journey and reinforces our commitment to responsible business practices, ethical leadership and global impact.



² A Communication on Progress is the UNGC’s required disclosure outlining how participating companies implement the Ten Principles and advance the UN SDGs.

Advancing Sustainability for a Better Tomorrow

We recognize the role the UN SDGs play in advancing a more sustainable, inclusive and resilient future. We have mapped our business activities to key goals and describe our current and past initiatives that support their advancement.

 [Learn more about the UN SDGs.](#)

UN SDG GOALS

SDG TARGETS

OUR CONTRIBUTIONS TO THE SDGS



Ensure healthy lives and promote well-being for all at all ages

SDG 3.4: Promote mental health and well-being.
SDG 3.6: Reduce road injuries and death.
SDG 3.8: Support access to quality essential health-care services for all.

- Highway 407 ETR is one of Ontario’s safest highways, with a 60% lower collision rate compared to other 400-series highways, resulting in fewer road injuries and fatalities.³
- Our Highway Operations and Control Centre Team patrols and monitors Highway 407 ETR around the clock to help ensure the safety and well-being of our customers and employees on the road.
- In 2025, we donated \$100,000 to support [road safety education and injury prevention programs](#).
- We invested \$150,000 in 2025 through Keep Moving™ by 407 ETR, supporting over 4,500 youth across 130+ teams. Over \$1 million invested since 2015.
- We donated \$135,000 to United Way Greater Toronto in 2025 to help increase access to vital resources for those in need. Over \$4.8 million donated through corporate donations and employee fundraising efforts since 2006.
- In 2025, we donated \$130,000 to local hospitals. Over \$1.8 million donated to GTA hospitals since 2006.
- We continue to deliver a strong health and safety culture through a recognized Occupational Health & Safety Management System, with no fatal or critical employee injuries in 2025.
- Employee well-being is supported through mental health initiatives and wellness programs.



Achieve gender equality and empower all women and girls

SDG 5.1: End all forms of discrimination against all women and girls.
SDG 5.5: Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making.

- Maintained 33% female representation on the Board of Directors in 2025.
- Women are represented across all levels of the Company, comprising 27% of our Executive Management Team and 48% of the current workforce.
- Female employees are supported through the Women-Empowered Community & Network (WE CAN) ERG, focused on belonging, well-being and connection.
- We work to advance gender equity through leadership development, inclusive recruitment practices and Board-level oversight of DEI.
- In 2025, we contributed \$100,000 to support York University’s Lassonde School of Engineering k2i Academy, advancing STEM education for girls and underrepresented groups, as part of a \$400,000 commitment from 2023–2026.
- We maintain workplace policies that prohibit discrimination and support dignity, respect and equal opportunity for all employees.

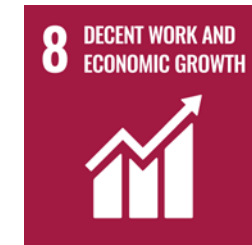
³ This figure is based on 407 ETR’s internally reported collision rate compared to MTO’s reported collision rates on other 400-series highways in the GTA.

Advancing Sustainability for a Better Tomorrow

UN SDG GOALS

SDG TARGETS

OUR CONTRIBUTIONS TO THE SDGS



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SDG 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation.

SDG 8.5: Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

SDG 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and elimination of the worst forms of child labour.

SDG 8.8: Protect labour rights and promote safe and secure working environments for all workers.

- We deliver up to \$1.2 billion in annual socioeconomic benefits, including time savings, enhanced safety and greater productivity. Our operations and spending generate \$490 million in annual GDP. This supports approximately 1,800 jobs across Canada, and results in \$140 million in wages paid to Canadian workers each year, including through direct employment and jobs throughout the supply chain.⁴
- Career growth is supported through learning and development, leadership development and employee-led opportunities that build skills, experience and long-term professional growth. In 2025, employees completed more than 9,900 hours of learning and we invested more than \$540,000 in employee development.
- We protect labour rights and safe working environments through strong health and safety systems, union representation and zero tolerance for forced or child labour across the supply chain.
- We adhere to ethical employment and procurement practices by complying with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Bill S 211).
- Prompt reporting is encouraged to help prevent harm in the workplace and on the road.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG 9.1: Develop quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being, with a focus on affordable and equitable access for all.

- Highway 407 ETR delivers faster and more reliable travel for commuters and businesses across the GTA. Independent analysis found that users benefit from travel time savings of 20 to 60 minutes per trip for a typical rush-hour trip, supporting productivity, better regional mobility and economic activity.⁴
- Customers travelled over 2.8 billion kilometres on Highway 407 ETR in 2025.
- Since 1999, we have invested approximately \$2 billion in highway expansions, extensions and customer service.
- We have strengthened our infrastructure resilience through our climate scenario analysis and through flood preparedness planning.
- We modernized our telecommunications infrastructure to improve reliability, customer service and operational efficiency.

⁴ According to an [Economic Impact Assessment](#) conducted by [Steer](#), a global infrastructure consultancy, commissioned by 407 ETR. All amounts are in Canadian dollars and show yearly totals for 2024.

Advancing Sustainability for a Better Tomorrow

UN SDG GOALS

SDG TARGETS

OUR CONTRIBUTIONS TO THE SDGS



Reduce inequality within and among countries

SDG 10.2: Empower and promote the social and economic inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

SDG 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory policies and practices and promoting appropriate policies and action in this regard.

- We promote an inclusive workplace culture through our DEI strategy, employee engagement surveys, ERGs and employee learning and development.
- We provided over \$1.4 million in free travel to low-income drivers in 2024 and 2025 through the Route Relief Program.
- We're working to advance equitable access to opportunity through community partnerships, youth programs, Indigenous employment outreach and diverse supplier engagement.
- We're sponsoring CivicAction's DiverseCity Fellows program, supporting underrepresented leaders across the GTA; \$75,000 commitment from 2024-2026.
- We offer a secure, voluntary portal for employees to share demographic information — such as gender identity, sexual orientation, ethnicity and religious affiliation — to help inform DEI initiatives and support a more equitable workplace.
- Our inclusive hiring practices help expand access for all candidates, including name-masked applications and posting roles on diverse job boards.
- Our buildings are compliant with *Accessibility for Ontarians with Disabilities Act* requirements.



Take urgent action to combat climate change and its impacts

SDG 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and disasters.

SDG 13.2: Integrate climate change measures into policies and planning.

- We have committed to a 25% reduction in absolute Scope 1 and Scope 2 GHG emissions by 2030. In 2025, we achieved a 17% reduction in absolute Scope 1 and Scope 2 GHG emissions relative to our 2018 baseline.
- We're participating in the Ontario Clean Energy Credit Program with the voluntary purchase of Renewable Energy Credits (RECs).
- We have enhanced our climate resilience through scenario analysis that addresses both physical and transition risks.
- We're continuing to explore ways to reduce vehicle emissions. We have eight hybrid-electric vehicles and two fully electric vehicles in our fleet. We have also expanded our climate disclosure in 2025 to include Scope 3 emissions, strengthening transparency and accountability.
- In 2025, we invested \$15 million in winter equipment, including 19 wide-wing snowplows.
- Our heating systems have been converted from natural gas to electricity.

Advancing Sustainability for a Better Tomorrow

UN SDG GOALS



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss

SDG TARGETS

SDG 15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species.

SDG 15.8: Introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species.

SDG 15.A: Increase and mobilize financial resources to conserve and sustainably use biodiversity and the ecosystem.

OUR CONTRIBUTIONS TO THE SDGS

- We donated over \$676,000 to support biodiversity initiatives in 2025 and completed our \$1.9 million investment in local environmental initiatives since 2023.
 - Supported 15.8 hectares of pollinator habitat restoration through our partnership with CWF. We contributed \$500,000 to support the program from 2023 to 2025.
 - Supported Nature Conservancy of Canada's Conservation Intern program with a three-year, \$1 million sponsorship from 2023 to 2025.
- In 2025, 30,000 trees were planted along Highway 407 ETR; 60,000 trees have been planted since 2023.
- We maintain strong environmental compliance, with zero non-compliance incidents and no reportable company-caused spills in 2025.
- University of Toronto launched its Biological Control Program under our Biodiversity Program to study the use of moths to control invasive phragmites and reduce the need for pesticides.



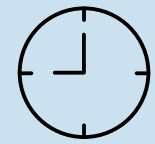
2025 Highlights

TRAFFIC



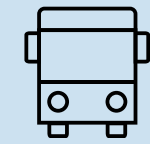
2.8B

Total annual vehicle kilometres travelled



387,116

Average workday trips



2,312

Daily trips by public transit agencies

ECONOMIC IMPACT⁵



\$1.2B

In socioeconomic benefits

\$990M
From faster travel times and more reliable journeys

\$70M
In safety benefits from reduced collisions

\$130M
In productivity benefits from better access to jobs and workers



\$490M

In annual GDP contribution from 407 ETR's operations

\$1.93
In economic value delivered for every \$1 invested in the highway

\$140M
In wages paid to Canadian workers

1,800
Jobs supported across Canada

543
Employees based out of the head office in Woodbridge, Ontario



43M

Hours of travel time saved annually

480 Hours
saved annually for a commuter making five round trips per week

20-60 Minutes
saved per trip on typical rush hour trips

HIGHWAY



\$33.6M

Invested in highway capital projects through third-party contractors



\$15M

Invested in winter maintenance equipment

19
Wide-wing snowplows that improve efficiency of winter operations, including reduced emissions



\$2.3M

Invested in roadside tolling infrastructures



\$10.9M⁶

Invested in policing and enforcement to keep the highway safe



60% ↓

Lower collision rate compared to other 400-series highways in the GTA⁷



3,000+

Pieces of debris safely removed from Highway 407 ETR

⁵ According to an Economic Impact Assessment conducted by Steer, a global infrastructure consultancy, commissioned by 407 ETR. All amounts are in Canadian dollars and show yearly totals for 2024.

⁶ Policing and enforcement expenditures in 2024 totalled \$8.4 million and were underreported in the 2024 ESG Report. The correct value for 2025 is reflected in this report.

⁷ This figure is based on 407 ETR's internally reported collision rate compared to MTO's reported collision rates on other 400-series highways in the GTA.



2025 Highlights

WORKFORCE

543 Employees ⁸ 48% Female workforce 91 Unionized employees	9,900+ Hours of employee learning completed \$540,000+ Invested in employee development	\$70.4M In direct employee compensation and benefits	67% Employee engagement score ⁹	79% Employee inclusion score ¹⁰

CUSTOMER SERVICE

1.3M Total contacts 538,074 Total calls 235,926 Total emails 587,021 Total live chats	82% Contact Channel Customer Satisfaction	78% Call Centre First Contact Resolution	2M+ Transponders in circulation	2,000+ Drivers received free roadside assistance

COMMUNITY & INDIGENOUS RELATIONS

\$3.4M¹¹ Invested in GTA communities through sponsorships, donations and free travel	\$135,000+ Donated to United Way Greater Toronto through employee fundraising and corporate matching program	\$100,000 Invested in road safety initiatives <ul style="list-style-type: none"> • Teens Learn to Drive • Accident Awareness • Sunnybrook Health Sciences Centre P.A.R.T.Y. program • Parachute Canada • Canadian Spinal Research Organization 	\$130,000 Donated to local hospitals <ul style="list-style-type: none"> \$50,000 To support Hockey Night in Brampton as Presenting Meet and Greet Sponsor in support of William Osler Health System Foundation \$50,000 To SickKids Foundation's Patient Amenities Fund \$30,000 To local hospitals 	\$1.4M Provided in free travel through Route Relief in 2024 and 2025 3,500+ drivers helped through the program	\$150,000 Invested in Keep Moving™ by 407 ETR 4,500 kids supported	\$180,000 In funding and free travel as diamond sponsor of the 51 st annual Little NHL tournament	\$75,000 Three-year partnership to support the CivicAction Leadership Foundation's DiverseCity Fellows program

⁸ Includes 488 full-time and 55 part-time employees.

⁹ Employee engagement measures employees' connection and commitment to 407 ETR and its goals.

¹⁰ Employees who report "I feel like I belong at 407 ETR" in annual employee engagement survey.

¹¹ Excludes free travel provided through driving offers.

Developed *Indigenous Peoples Policy*



2025 Highlights

ENVIRONMENT & BIODIVERSITY



\$676,000

Invested to support biodiversity and conservation

\$1.9M Investment completed from 2023–2025



17%

Reduction in absolute Scope 1 and Scope 2 GHG emissions relative to our 2018 baseline

Included Scope 3 emissions disclosure to strengthen transparency around emissions reporting



30,000

Trees planted along Highway 407 ETR with Trees for Life

Established the 407 ETR Biodiversity Steering Committee



10

Electric and hybrid fleet vehicles



AWARDS & ACHIEVEMENTS



SQM World Class Call Centre FCR Certification

Awarded to our Customer Operations Team for achieving top performance in SQM Group’s customer experience and operational excellence benchmarks

Customer Service **12 years in a row** Business Support **9 years in a row**



CAM-X Call Centre Award of Distinction

Awarded to our Customer Operations Team — recognizes call centre service excellence and reflects the team’s dedication to professionalism, consistency and customer-first service



2025 Healthy Communities Award

Awarded by the City of Brampton in recognition of our financial support of accessible and inclusive recreational programming for residents



2025 Watershed Stewardship Award

Awarded by Conservation Halton for our corporate environmental leadership and hands-on restoration efforts



2025 Culture Champion Award

Awarded by Igloo Software for showcasing our corporate culture within our digital workspace



Two IABC Silver Leaf Awards of Excellence for 2025 for Corporate Social Responsibility and Marketing, Advertising & Brand Communication

One IABC Ovation Award of Excellence for 2025 for Corporate Social Responsibility

Awarded by the International Association of Business Communicators (IABC) for Toronto and Canada to the 407 ETR Communications & Government Relations Team



OUR APPROACH TO ESG

IN THIS SECTION

STRATEGY

ESG MATERIALITY ASSESSMENT

RISK MANAGEMENT

METRICS & TARGETS



Strategy

ESG is a dynamic and evolving space. We remain committed to monitoring emerging trends, adapting our strategy and ensuring that our actions reflect both local priorities and global best practices.

At 407 ETR, our ESG strategy remains closely aligned with our core strategic objectives. The way we manage ESG factors continues to shape our business performance, stakeholder relationships and long-term value creation.

In 2025, we deepened the integration of ESG considerations into our enterprise-wide strategy to enhance operational efficiency, mitigate risks and uncover new avenues for innovation and growth. This approach ensures we meet the evolving expectations of our investors, customers, communities and other stakeholders.

Our *ESG Policy* continues to guide our strategy, embedding ESG considerations into our business model and decision-making processes. Strong governance remains a cornerstone of our approach, with clearly defined roles and responsibilities across both the Board and Management levels.

We remain firmly committed to reducing our GHG emissions through our emission reduction initiatives. Our strategy is designed to include strengthening the climate resilience of our infrastructure amidst rapidly intensifying climate change events.

Safety remains a priority for our organization. We're dedicated to maintaining a safe and healthy environment for our employees and customers who rely on our roadway. In an increasingly digital world, we also recognize our responsibility to protect customer data. Our information security strategy ensures robust safeguards are in place to maintain trust and data integrity. Innovation remains a key enabler of our long-term growth, driving operational efficiency and development of sustainable solutions that create value for our customers, employees and surrounding communities.

We continue to invest in meaningful community engagement. Our social licence to operate is one of the critical pillars of our new business strategy. Through active partnerships and targeted community-based initiatives, we aim to drive positive social impact and contribute to a more inclusive and sustainable future. We're focused on strengthening our Indigenous relationships through continuous engagements, respectful collaborations and integration of Indigenous perspectives into our decision-making.





Strategic ESG Pillars and Commitments

Our approach to ESG is based on these four strategic pillars which align to the ESG factors identified as having the greatest potential to impact 407 ETR’s value.

To support these foundational pillars, we commit to:

- Analyzing the impacts of ESG on our business activities and integrating ESG factors into our long-term strategic planning;
- Ensuring sufficient allocation of budget to maintain regulatory compliance on ESG factors and achieving our ESG priorities;
- Striving to capture ESG opportunities, including evaluating and implementing innovative technologies to improve our ESG performance.

1

GOVERNANCE

We’re committed to maintaining strong governance structures that incorporate ESG, including Board-level oversight of material ESG factors and executive management accountability for ESG priorities and performance.



Learn more about [governance](#).

2

RISK MANAGEMENT

As we continue to enhance the integration of ESG-related risks into our entity risk management processes, we work to ensure that our ESG-related risks and opportunities are appropriately identified, assessed and prioritized.



Learn more about [risk management](#).

3

METRICS AND TARGETS

We continue to monitor our ESG performance using appropriate ESG-related metrics and targets as part of our ESG strategy and implementation plan. We will continue to evaluate the feasibility and relevance of expanding the scope of our ESG metrics while exploring setting additional ESG targets over time.



Learn more about our [metrics and targets](#).

4


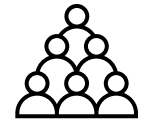
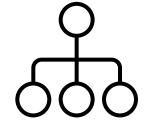
REPORTING AND DISCLOSURE

Providing clear, accountable and transparent reporting to our investors and stakeholders continues to be a core commitment of our organization.

We’re committed to continually improving our voluntary ESG reporting efforts and disclosure through our annual ESG reports and regulatory filings. We have adopted the SASB Standards which support the identification of material ESG factors within our sector, and the recommendations of TCFD which focuses on identifying and managing climate-related risks and opportunities. We continue to monitor developments in local and international reporting requirements, including the IFRS Sustainability Disclosure Standards (S1 and S2) and the Canadian Sustainability Disclosure Standards (CSDS 1 and 2), as we prepare to align our disclosure practices with emerging reporting requirements.

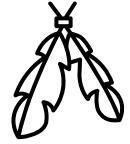


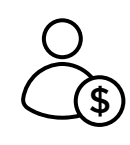


How We Engage With Stakeholders

STAKEHOLDER	HOW WE ENGAGE	KEY TOPICS	HOW IT INFORMS ACTION
 Customers	<ul style="list-style-type: none"> • Customer service interactions (phone, live chat & email) • Bill inserts and other print communications • Digital communications (email marketing, newsletters, mobile app, website & social media) • Contests and promotions • Surveys and focus groups • Office of the Ombudsman 	<ul style="list-style-type: none"> • Service experience and issue resolution • Billing and communications clarity • Fairness and complaint handling 	<p>Customer feedback helps us identify and prioritize ESG risks through our risk and materiality processes.</p>
 Employees	<ul style="list-style-type: none"> • Surveys and focus groups • Town halls and employee engagement events • Committees and ERGs • Employee communication channels including intranet, posters, digital signage, video and other digital communications • Learning and development • Volunteer opportunities • Employee fundraising activities • Wellness programs 	<ul style="list-style-type: none"> • Workplace culture, inclusion and well-being • Learning and development • Employee experience and engagement 	<p>Employee feedback supports continuous improvement and informs ESG priorities through our risk and materiality approach.</p>
 Communities & the General Public	<ul style="list-style-type: none"> • Advertising • Investments to strengthen and preserve local biodiversity • Support for DEI initiatives • Company-wide 'One Big Day' of volunteering • Support of United Way Greater Toronto through volunteering, corporate donations and employee fundraising • Community events • Sponsorship of children and youth sports • Annual donations to GTA hospitals • Support of road safety initiatives • Job fairs • Surveys and focus groups 	<ul style="list-style-type: none"> • Community investment priorities • Safety and well-being • Local environmental stewardship • Access and inclusion 	<p>Helps validate and refine our ESG focus areas and the allocation of effort and resources.</p>



How We Engage With Stakeholders

STAKEHOLDER	HOW WE ENGAGE	KEY TOPICS	HOW IT INFORMS ACTION
 Indigenous Communities	<ul style="list-style-type: none"> • Membership with Canadian Aboriginal and Minority Supplier Council • Support for local Indigenous organizations: <ul style="list-style-type: none"> - Little NHL - Sponsor of Credit Valley Conservation's Crane Gathering Space • Development of internal <i>Indigenous Peoples Policy</i> 	<ul style="list-style-type: none"> • Supplier inclusion • Cultural preservation and education • Youth and community partnerships 	Helps strengthen the relevance of Community & Indigenous Relations as an ESG focus area within risk and materiality processes.
 Governments	<ul style="list-style-type: none"> • Quarterly newsletter • Ongoing dialogue with elected officials, provincial and municipal staff to provide briefings and input on industry policies and other matters related to the operation of Highway 407 ETR • Meetings with the Province of Ontario to discuss matters related to the Concession Agreement 	<ul style="list-style-type: none"> • Concession Agreement obligations • Policy and operations updates 	Insights feed our ESG risk and priority-setting through our enterprise risk and materiality processes.
 Industry & Associations	<ul style="list-style-type: none"> • Board of Trade and Chamber of Commerce memberships • Member of Toronto Region Board of Trade Congestion Task Force and Governing Council • Events and conferences • Partnerships • Sponsorship and support of transportation sector and business events, discussions and best practices 	<ul style="list-style-type: none"> • Congestion and mobility solutions • Sector collaboration • Emerging best practices and shared learnings 	Inputs support our understanding of emerging risks and opportunities reflected through ESG risk and strategy processes.
 Shareholders & Investors	<ul style="list-style-type: none"> • Quarterly Board and Committee meetings • Conferences and regular meetings with bond investors • Financial disclosures • ESG reporting • Maintenance of Sustainability-Linked Loan 	<ul style="list-style-type: none"> • ESG performance and disclosure expectations • Governance oversight • Financing-linked targets and progress 	Stakeholder input is captured within processes that guide our ESG strategy and resource allocation.



ESG Materiality Assessment

The material ESG topics identified through our most recent comprehensive ESG materiality assessment remain relevant and continue to provide a strong foundation for our ESG strategy and decision-making process.

This alignment reflects our ongoing commitment to addressing the priorities that are most significant to our business operations and stakeholders. For more information on our ESG Materiality Assessment process, see our [2024 ESG Report](#).

In 2025, we developed a new business strategy, launching in 2026, built around three interconnected priorities — Social Licence to Operate, Revenue and Highway Usage Optimization and Operational Excellence — each reinforcing our commitment to sustainable, long-term value creation.

These core strategies are supported by three fundamental enablers: our people, our technology and our data. The ESG topics identified through our materiality assessment remain closely aligned with these strategies and enablers, supporting each area directly and indirectly.

By maintaining continuity in our materiality assessment, we're confident that our ESG priorities will remain relevant and forward-looking. This consistent approach enables us to effectively respond to stakeholder expectations, manage risks and capture opportunities in ways that directly support our long-term strategic objectives.





Our Material ESG Factors

■ Core Priorities
 ■ Other Significant Priorities



HEALTH & SAFETY

Health and safety risks faced by employees and customers.

Includes: Product governance (e.g. highway maintenance, structural integrity and safety of infrastructure) and employee health and safety, mental health and wellness.



INFORMATION SECURITY & CUSTOMER PRIVACY

Information security incidents and cyberattacks impacting our reputation and ability to operate.

Includes: Protection of information and customer privacy.



ENVIRONMENTAL IMPACT & BIODIVERSITY

Risks associated with adverse impacts to the local environment from our operations.

Includes: Environmental management (e.g. biodiversity, spills) and environmental standards and regulations.



ESG GOVERNANCE

Risk management and Board oversight of ESG factors.

Includes: Board and Management diversity.



GHG EMISSIONS

GHG emissions generated through business activities.

Includes: Scope 1, 2 & 3 GHG emissions.

Business Ethics

Risks related to ethical business conduct, including bribery, corruption and anti-competitive practices.

Climate Change – Physical

Risks associated with the physical impacts of climate change.

Climate Change – Transition

Risks associated with the global transition to a low-carbon economy.

Human Capital Management

Risks associated with an ability to recruit, develop or retain a skilled and diverse workforce.

Supply Chain Management

Risks associated with the environmental and social impacts of our supply chain activities.

Climate Change Opportunities

Opportunities associated with the global transition to a low-carbon economy and resilience to climate change risks.

Community & Indigenous Relations

Risk associated with social licence to operate, including engagement with and recognition of Indigenous Peoples.



Risk Management

At 407 ETR, risk management is embedded throughout our corporate strategy and day-to-day operations.

Our Board has oversight and responsibility for our entity risk management, which includes specific ESG factors identified by the ESG materiality assessment process. The outcome of the materiality assessment guides our ESG strategy and informs the allocation of our efforts and resources.

Our entity risk assessment is completed annually by Management and the Board through enterprise risk surveys, with results reported to both groups.

The entity risk assessment serves as an important step in our annual strategic planning sessions, during which priorities are set for the year. Through this process, we identify and assess potential and actual risks that could materially impact our financial and operational performance, including ESG risks. The risks are aligned with our ESG materiality assessment, which identifies and prioritizes ESG factors that could impact our business over the short, medium and long term.

During our entity risk assessment, ESG risks are identified along with risks that are not related to ESG. ESG initiatives and opportunities are regularly discussed during bi-monthly ESG Steering Committee (ESG Committee) meetings to ensure they are adequately managed.





Metrics & Targets

We continue to strengthen our approach to establishing, monitoring and refining the metrics and targets we use to measure our ESG performance.

This year, we expanded the scope of our disclosures to include additional indicators such as water and waste management and Scope 3 emissions, enhancing transparency and reinforcing our commitment to accountability. We remain dedicated to reporting annually on our progress and establishing new targets, where appropriate, as our ESG strategy continues to mature.

ESG Metrics

In this report, a [SASB Index](#) summarizes our disclosure on relevant standards, a [TCFD Index](#) provides a summary of our TCFD-aligned climate-related disclosures, and a [Performance Data Table](#) provides our consolidated ESG metrics.

Data methodologies and limitations are explicitly noted where relevant and where information is available. Where data is not reported, we have explained why it's not relevant to 407 ETR and have noted if we intend to report on it in the future.

ESG Targets

We remain committed to monitoring and reporting on our ESG targets over time. As our ESG strategy continues to evolve, we will evaluate opportunities to set additional targets across other material ESG factors where appropriate.

To advance our ESG strategy, we have:

- Established ESG targets to track our performance on important ESG priorities;
- Established and maintained targets tied to our Sustainability-Linked Loan;
- Developed our GHG emissions reduction roadmap which will support the continued implementation of our Scope 1 and Scope 2 emissions reduction targets.





Accountability in Action

ESG Targets and Results for 2025

METRIC	TARGET	MEASUREMENT FREQUENCY/TARGET YEAR	PROGRESS IN 2025
GOVERNANCE			
ESG Governance			
Female representation on the Board	Equal to or greater than 30%	Annually	✓ 33%
ESG-related Board education	40 hours total across the Board	Annually	✓ The Board completed 50.2 cumulative hours of education.
SOCIAL			
DEI			
Employee engagement survey inclusion score	82% Annual increase by 2% (2021 baseline = 65%)	Annually	✗ 79% Our inclusion score is 4% above the industry average.
Health & Safety			
Lost-Time Injury Rate	0.00	Annually	✓ 0.00
Total Recordable Injury Frequency Rate	< 1.79	Annually	✓ 1.23
Privacy & Security			
Major data breaches ¹²	0	Annually	✓ 0
Community			
Invest \$1.8M into local biodiversity and conservation efforts over three years (2023-2025)	\$1.8M	2023-2025	✓ Donated approximately \$676,000 to complete \$1.9M total investment (2023-2025). Exceeded target of \$1.8M.
ENVIRONMENTAL			
GHG Emissions			
GHG emissions reduction	Achieve 25% reduction in absolute Scope 1 and Scope 2 GHG emissions relative to 2018 baseline	By 2030	⚠ Absolute Scope 1 and Scope 2 GHG emissions were 17% lower relative to 2018 baseline. Met our annual target of 16% reduction in 2025.

- ✓ Met
- ⚠ In Progress
- ✗ Not Met

¹² 407 ETR discloses data breaches as required by law and those the Company deems material. Disclosures are limited to information that is not confidential or privileged. There were no such breaches in 2025.



GOVERNANCE

IN THIS SECTION

ESG OVERSIGHT

SUPPLY CHAIN MANAGEMENT

BUSINESS ETHICS



ESG Oversight

Effective governance is at the heart of our ESG strategy. At 407 ETR, ESG oversight and accountability is managed by leadership at both the Board and Management levels.

This comprehensive governance structure establishes accountability and transparency, and enables strategic decision-making, laying the groundwork for successful ESG initiatives.

Board Oversight

Three of the Board’s four standing committees have oversight of specific ESG factors:

- The Audit Committee has oversight over ESG matters related to supply chain management, information security, customer privacy and business ethics;
- The Corporate Governance & Compensation Committee has oversight over ESG governance, human capital management and community & Indigenous relations;

- The Environmental, Health & Safety Committee has oversight over ESG strategies related to health and safety, environmental impact & biodiversity and climate change (transition, physical and opportunities).

As part of the annual Board effectiveness assessment process, the Board and the Corporate Governance & Compensation Committee consider, among other things, the knowledge, diversity, skills and competence of Directors individually and as a group.

This assessment helps to ensure there is an appropriate balance of necessary skills and experience on the Board. Board members complete a minimum of 40 hours of ESG-focused training annually. This training provides the knowledge to effectively oversee our ESG-related risks and opportunities. As well, 10% of executive compensation is linked to ESG considerations.



407 International Board of Directors

Management Oversight

The Board delegates the day-to-day management of the Company to Management. The ESG Committee meets bi-monthly to drive the implementation of our ESG strategy and ensure cross-functional alignment across departments. The ESG Committee is chaired by the President & CEO and is represented by senior leaders across the business. The ESG Committee has the responsibility of monitoring the progress of our ESG initiatives, reporting to the Board through its various committees and ensuring the implementation of our ESG goals through well-defined initiatives.

Our ESG Senior Manager serves as the operational lead for ESG initiatives, bridging the strategic oversight provided by the ESG Committee with the day-to-day implementation of efforts across the organization. This role leads the execution of specific ESG projects and tracks key ESG metrics and performance indicators. The ESG Senior Manager also updates the Board on emerging ESG trends and developments relevant to our business. This helps maintain alignment between our ESG strategy and the continuously evolving ESG landscape. The role also works with other departments and ESG data owners, groups and committees to implement the ESG strategy across different areas of the Company.

Safety Governance and Executive Oversight

In 2025, we strengthened our governance framework by enhancing executive oversight of safety. The President & CEO now directly oversees safety, reinforcing safety as a core enterprise priority and ensuring that performance, risk management and continuous improvement are fully integrated into organizational decision-making.

This reporting structure strengthens accountability, supports timely escalation of safety-related risks and aligns operational safety oversight with enterprise-level governance. It reflects our view that strong safety performance is fundamental to responsible operations, long-term asset resilience and stakeholder trust, and underscores Management’s commitment to maintaining the highest standards of safety for employees, customers and the public.

ESG Oversight

BOARD OF DIRECTORS

Shares oversight responsibility and reviews performance.

ESG STEERING COMMITTEE

Responsible for developing and implementing our ESG strategy, the coordination of ESG-related activities and oversight of ongoing ESG-related disclosures.

407 ETR PRESIDENT & CEO

Board member with the highest level of executive accountability for ESG matters. Serves as the Chair of the ESG Steering Committee.

ESG SENIOR MANAGER

Coordinates ESG-related initiatives across the Company and reports to the ESG Steering Committee.

407 ETR COMMITTEES & GROUPS

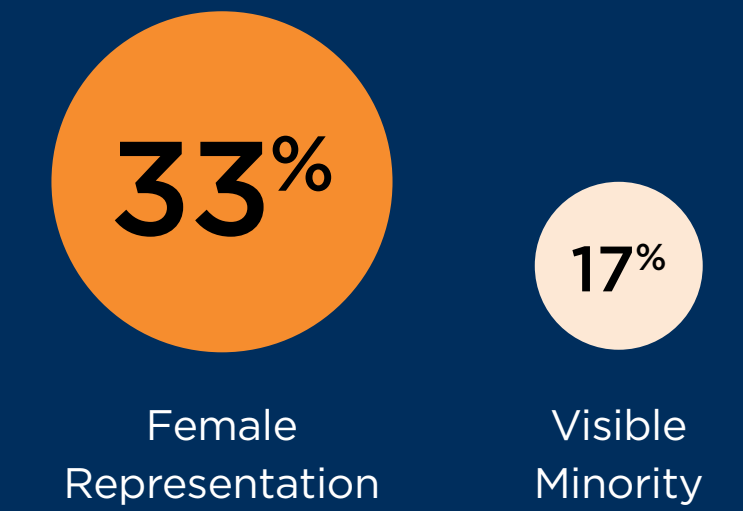
Includes the DEI Committee, Biodiversity Steering Committee, Climate Change Working Group and Innovation Committee.

ESG DATA OWNERS

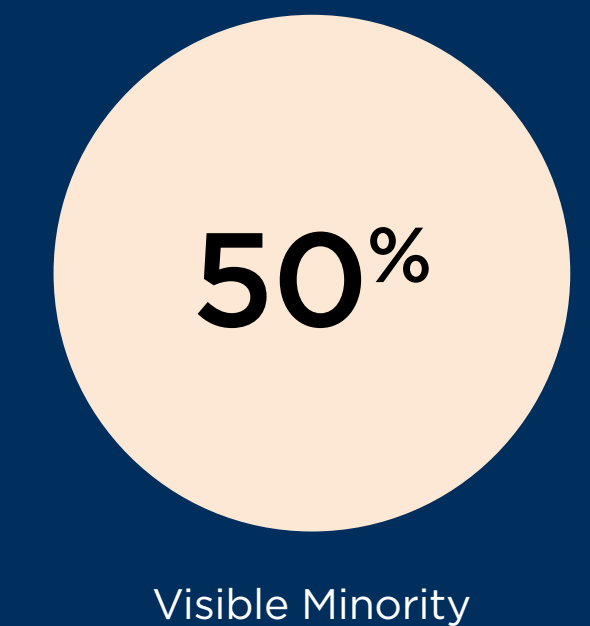
All departments within the Company contribute ESG data.

Leading with Inclusion

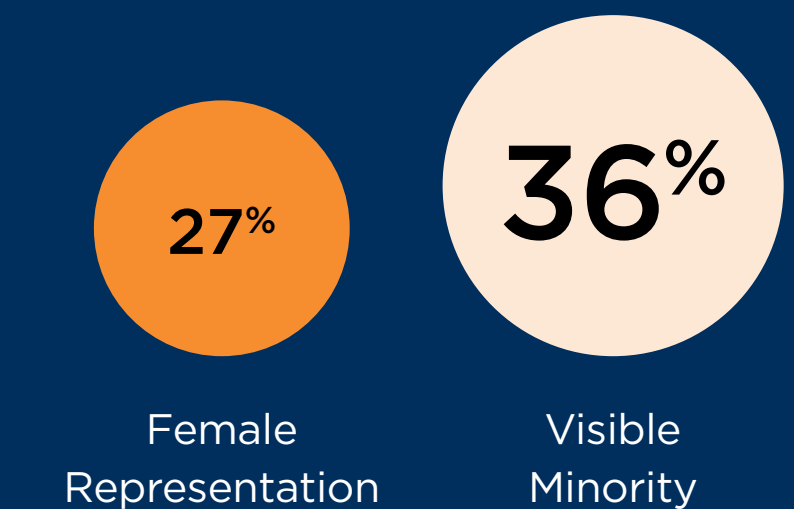
Board Diversity:



Named Executive Officer Diversity:



Management Diversity:





Board ESG Skills and Experience

Directors are nominated by shareholders who consider the ESG-related experience and expertise of candidates as part of the Board nomination process. In addition to the ESG training and education provided by 407 ETR, our shareholders maintain robust ESG programs in which nominee Directors may participate, further supporting the ongoing development of ESG-related skills, knowledge and oversight capability.

Board ESG Continuing Education

Beginning in 2023, the Board committed to track and complete a minimum of 40 cumulative hours per year of ESG-related education and training to ensure that Directors have the knowledge to adequately oversee our ESG strategy. This commitment continued in 2025, building on strong progress in prior years, including exceeding the annual target in 2025 with 50.2 cumulative hours of ESG-focused training completed.





Board ESG Training Hours and Participation

COURSE TITLE	NUMBER OF PARTICIPATING DIRECTORS	TOTAL HOURS
Be It Resolved: Canada Needs to Set its own Path regarding Sustainability Standards	4	2.0
Be It Resolved: Indigenous Partnerships are Critical to Unlocking Canada's Global Competitiveness	4	2.0
Be It Resolved: Boards Need to Rethink Cyber Risk in the Age of AI	3	1.5
Communicating about Culturally Sensitive Issues*	1	0.5
Canada Pension Plan Investment Board (CPPIB) - Director Day	4	18.0
Cultivating Cultural Competence and Inclusion*	1	1.0
Dealing with Microaggression as an Employee*	1	0.9
Deloitte - Directors Series Roundtable - The Governance of Technology Transformation and the Role of the Audit Committee*	1	1.5
Deloitte - Directors Series Webinar - The Governance of Technology Transformation and the Role of the Audit Committee*	1	1.0
Deloitte - GenAI: What Boards Need to Know*	1	1.0
Deloitte - New Global Report - How Board and C-suite Collaboration Can Build Organizational Resilience*	1	1.0
Fireside Chat with Dominique O'Rourke* (October)	1	1.0
From Orange Shirt Day to National Movement: A Conversation with Phyllis Webstad*	1	1.0
ICD - Board Oversight of Artificial Intelligence*	1	5.0
ICD - Resiliency Planning in Today's World*	1	1.5
ICD - Navigating US Policy Shifts-Implications for Canadian BODs & Execs*	1	1.0
ICD - Aligning Climate and Critical Business Strategy*	1	1.0
Inclusion and Equity for Workers Disabilities*	1	0.6
Learning to Unlearn: A Revolutionary Way to Disrupt Bias*	1	1.0
Nasdaq - Integrity, Business & the Economy Going Forward*	1	1.5
Nasdaq - The Evolving Face of Corporate Activism*	1	1.5
Nasdaq - Regulation & Governance in Canada: A Post-Election Impact Briefing*	1	1.0
Nasdaq - Future of the Boardroom Forum: Unveiling AI's Role in Corporate Governance*	1	2.0
Nasdaq - Empowering your Cyber Governance: Unveiling Strategic Insights For Stronger Security*	1	1.0
Understanding Intersectionality*	1	0.6
Total Hours		50.2

* Independent self-study sessions undertaken at the director's initiative, reported to the Corporate Secretary, assessed as relevant to one of the 12 ESG factors comprising the 407 ETR strategy, and counted toward the annual 40 hour ESG education goal.



ESG-Related Policies

Our ESG-related policies provide the structure that supports our commitment to ethical conduct, responsible operations and environmental stewardship. Together, these policies demonstrate strong governance and sustainable practices as we work toward our long-term ESG goals.

POLICY	PURPOSE	LAST UPDATED
GOVERNANCE		
Business Continuity Plan	Outlines steps required to maintain critical business processes in the event of an unanticipated interruption of normal operations.	December 16, 2025
Code of Conduct Policy	Describes 407 ETR's commitment to ethical standards of business conduct and behaviour.	August 26, 2025
Code of Conduct for Suppliers	Outlines our commitment to ethical standards of business conduct and behaviour, and to only do business with Suppliers who share this commitment.	February 1, 2023
Collections Code of Conduct Policy	Outlines the practices that 407 ETR employs to collect unpaid amounts.	September 24, 2024
Collection Policy	Outlines the collection methods and practices used by 407 ETR.	September 24, 2024
ESG Policy	Drives the implementation of our ESG strategy, approach, commitments and initiatives across the Company.	March 8, 2024
GHG Emissions Baseline Recalculation Policy	Outlines how 407 ETR treats recalculation of its GHG baseline and historical numbers.	March 8, 2024
Ombudsman Role and Responsibilities Policy	Describes the role and responsibilities of 407 ETR's Ombudsman.	November 18, 2022
Privacy Policy	Governs the privacy goals and strategic direction of 407 ETR with respect to customer privacy.	May 15, 2024
Procurement Policy	Outlines 407 ETR's guidelines and requirements for the procurement of all goods and services.	November 1, 2025
Whistle Blowing Policy	Outlines 407 ETR's ongoing commitment to achieve the highest standards of openness, accountability and security.	August 26, 2025
ENVIRONMENTAL IMPACT & BIODIVERSITY		
Anti-idling Policy	Describes our commitment to reducing air pollution and GHG emissions by discouraging unnecessary idling of vehicles owned, rented, leased or operated by 407 ETR employees.	September 19, 2022
Environmental Policy Statement	Describes our commitment to establish, maintain and continually improve an effective Environmental Management System (EMS) incorporating best industry practices and applicable standards related to environmental protection and sustainability.	January 7, 2025



ESG-Related Policies

POLICY	PURPOSE	LAST UPDATED
HEALTH & SAFETY		
Occupational Health and Safety Policy Statement	Describes our commitment to establish, maintain and continually improve an effective Occupational Health and Safety Management System (OHSMS) to reduce the risk of injuries, occupational illnesses and other accidental loss.	January 7, 2025
Workplace Harassment and Discrimination Policy	Outlines how we support a working environment at 407 ETR that is safe, healthy and rewarding, and free of personal harassment, including implied or express forms of sexual harassment and discrimination.	August 27, 2025
Workplace Violence Prevention Policy	Describes the processes that 407 ETR has put in place to help safeguard employees from workplace violence.	August 27, 2025
INFORMATION SECURITY & CUSTOMER PRIVACY		
Information Security Policy	Describes how 407 ETR protects information and information systems from unauthorized access, use, disclosure, disruption, modification, perusal, inspection, recording or destruction.	October 3, 2024
Protection of Classified Information Policy	Describes 407 ETR's approach to safeguarding classified information.	November 6, 2021
Records Management and Retention Policy	Describes the requirements of 407 ETR, and the Province of Ontario's Highway 407, as applicable, for the retention and management of its records created or generated during business.	November 29, 2022
New Policy: Artificial Intelligence (AI) Policy	Describes the responsible and ethical use of AI by 407 ETR through clear principles and requirements while reducing AI-related risks.	October 17, 2025
COMMUNITY & INDIGENOUS RELATIONS		
New Policy: Indigenous Peoples Policy	Describes 407 ETR's commitments towards recognizing and respecting the rights, values and diversity of the Indigenous Peoples while strengthening our relationships.	December 1, 2025



Supply Chain Management

Supply chain management is a key material ESG factor for our business. To uphold the highest standards, we require all suppliers to adhere to our [Code of Conduct for Suppliers](#), which reflects our commitment to ethical practices and responsible business operations.

This ensures our partnerships align with our ESG strategy and shared values of integrity, sustainability and accountability.

In 2025, we completed a comprehensive review and update of our *Procurement Policy*.¹³ As part of the update, we introduced a dedicated ESG section that outlines clear expectations for ensuring ethical conduct and sustainable practices across our vendor and supplier relationships. The policy also highlights our support for local procurement.

The updated policy strengthens our approach to evaluating and managing our suppliers by embedding ESG considerations across key areas, including human rights, labour and safety practices, business ethics, environmental responsibility and governance. By integrating ESG criteria into our procurement decision-making process, we aim to reduce risk, enhance accountability and encourage suppliers and vendors to adopt practices that align with our business objectives and sustainability strategy. This approach supports partnerships with suppliers who share our values and helps ensure our procurement practices create lasting, sustainable value.

This year, we once again fulfilled the annual regulatory reporting requirements outlined in Bill S-211, the [Fighting Against Forced Labour and Child Labour in Supply Chains Act](#), also known as the Modern Slavery Act, reaffirming our commitment to applying ethical business practices across our operations. [The report](#) details our corporate structure, supply chain management process, policies and due diligence procedures related to preventing forced and child labour practices. It also outlines our employee learning program and how we evaluate the effectiveness of our human rights learning initiatives.

¹³ The Procurement Policy is an internal document and is not publicly available.





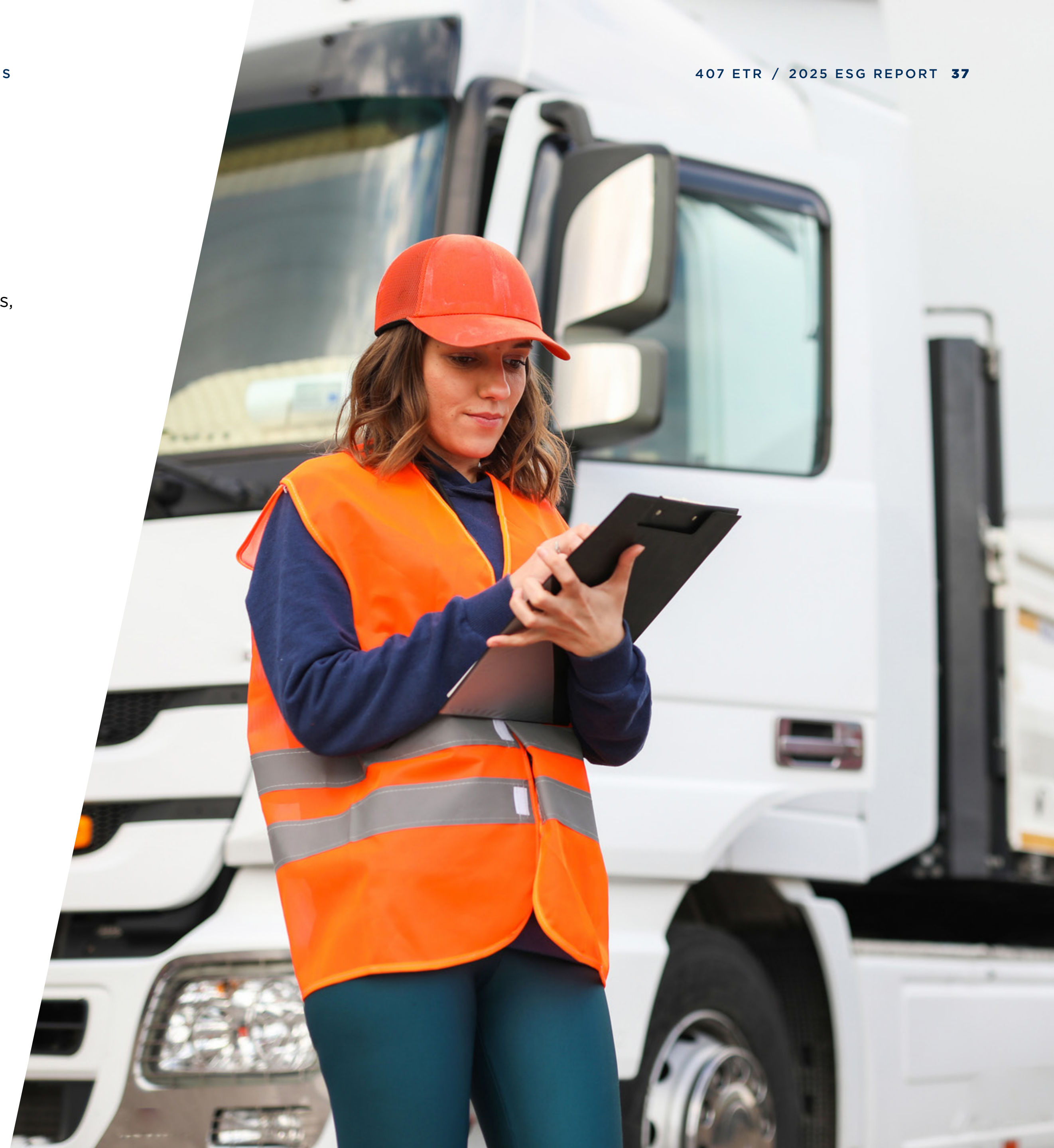
We continue to maintain our membership with the [Canadian Aboriginal and Minority Supplier Council](#) as part of our ongoing efforts to advance supplier diversity. The organization facilitates the growth of Aboriginal and minority-owned businesses by connecting them to procurement opportunities with companies and governments committed to building inclusive and diverse supply chains. This collaboration supports the growth of diverse suppliers and reinforces our approach to embedding inclusive procurement practices within our supply chain.

We remain committed to strengthening the integration of ESG considerations across our supply chain and continuing to identify new opportunities to embed these practices into our procurement approach.

Code of Conduct for Suppliers

Our *Code of Conduct for Suppliers* sets clear expectations for ethical business practices. All eligible suppliers, vendors and service providers are contractually required to comply with these standards and ensure it's communicated to their employees, contractors, agents and subcontractors involved in delivering goods or services on our behalf, as well as actively monitor their adherence to these principles.

To safeguard integrity, we have implemented strong process controls to prevent anti-competitive or unethical behaviour. This includes an independent [ethics reporting tool](#), available to both employees and suppliers, providing a secure and confidential platform for anonymous reporting of concerns related to unethical conduct as outlined in our [Code of Conduct Policy](#) and the *Code of Conduct for Suppliers*.





Business Ethics

Millions of drivers rely on Highway 407 ETR every year, and we take that responsibility seriously.

Our commitment goes beyond keeping traffic moving — we operate with integrity, transparency and fairness in everything we do. By embedding ethical practices into our business, we strengthen stakeholder relationships and create a foundation for long-term, sustainable growth.

Approach

Our *Code of Conduct Policy* serves as our code of ethics and sets clear expectations for ethical behaviour across the organization. All employees and fixed-term contract employees — both new and existing — are required to annually review and attest to their understanding of the *Code of Conduct Policy*. This process reinforces ethical standards, business conduct expectations and our core values, helping ensure they remain embedded in everyday decision-making.

All employees are responsible for upholding the *Code of Conduct Policy* to support ethical, responsible and effective operations. The Board plays a critical role in setting the tone for a culture of integrity and believes that strong corporate governance and ethical business conduct must be endorsed by the Board and Management.

The *Code of Conduct Policy* emphasizes guiding principles, such as honoring trust, fairness, integrity and corporate and individual responsibility, and addresses many areas of business conduct including:

- Honesty and integrity in all conduct, including customers, suppliers and others;
- Compliance with all applicable laws;
- Avoiding and dealing with conflicts of interest situations;
- Ensuring high standards of disclosure and integrity in relation to the Company’s activities and financial performance and reporting;
- Ensuring the security of the Company’s communications, transactions and information;
- Ensuring the workplace is free from any form of hostility, discrimination, harassment or violence in accordance with the Company’s *Workplace Harassment and Discrimination Policy*;
- Dealing with confidential and privacy matters.

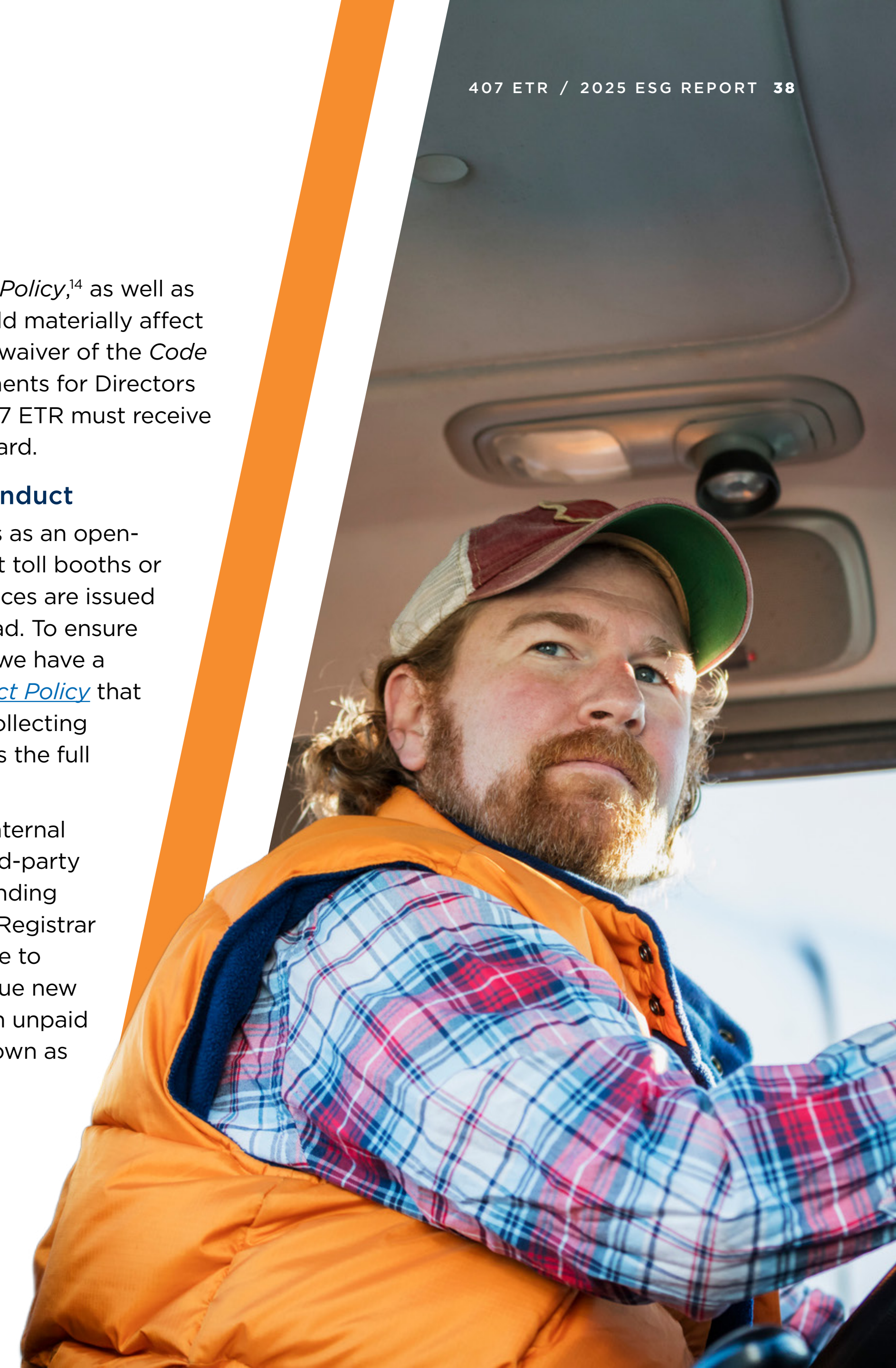
The Board periodically reviews Management’s reporting on the effectiveness of the *Code of Conduct Policy* and any identified compliance matters. In addition, the Chief Financial Officer and Chief Legal Officer provide the Board with quarterly updates on issues reported

under the *Whistle Blowing Policy*,¹⁴ as well as any other matters that could materially affect 407 ETR’s reputation. Any waiver of the *Code of Conduct Policy* requirements for Directors or Executive Officers of 407 ETR must receive prior approval from the Board.

Collections Code of Conduct

Highway 407 ETR operates as an open-access toll highway without toll booths or barriers, which means invoices are issued after customers use the road. To ensure fairness and transparency, we have a [Collections Code of Conduct Policy](#) that outlines our approach to collecting unpaid amounts and details the full collections process.

We use a combination of internal collections and trusted third-party agencies to recover outstanding balances. Additionally, the Registrar of Motor Vehicles will refuse to renew existing plates or issue new ones when amounts remain unpaid for more than 90 days (known as Licence Plate Denial).



¹⁴ The Whistle Blowing Policy is an internal document and is not publicly available.



Office of the Ombudsman

The 407 ETR Ombudsman serves as an independent advocate for fairness, reviewing customer concerns with impartiality to ensure outcomes are reasonable for both the customer and the Company. Recommendations are guided by sound business practices and a commitment to transparency. For a detailed overview of activities and insights, see the [2025 Ombudsman Annual Report](#).

Performance

Our employees and suppliers are held to high ethical standards, primarily governed by the *Code of Conduct Policy* and the *Code of Conduct for Suppliers*. The potential for anti-competitive or unethical behaviour is minimized by our use of strict controls that have been integrated across our operations. In 2025, there were no monetary losses from legal proceedings associated with charges of bribery, corruption, anti-competitive practices or professional integrity.

ANALYST CORNER

- SASB SV-PS-510a.1
- SASB SV-PS-510a.2
- SASB IF-EN-510a.2
- SASB IF-EN-510a.3

METRIC	2025	2024	2023	2022
Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices (CAD)	\$0	\$0	\$0	\$0
Total amount of monetary losses as a result of legal proceedings associated with professional integrity (CAD)	\$0	\$0	\$0	\$0





ENVIRONMENT

IN THIS SECTION

ENVIRONMENTAL IMPACT
& BIODIVERSITY

GHG EMISSIONS &
CLIMATE CHANGE



Environmental Impact & Biodiversity

UN SDG Alignment



Highway 407 ETR runs through a diverse mixture of urban and rural landscapes, and borders natural areas, wildlife habitats, protected lands and waterways.

Recognizing the sensitivity of the ecosystems surrounding us, we work proactively to understand and reduce the environmental footprint of our operations.

We continuously monitor, assess and manage potential environmental impacts to help ensure our operations remain responsible and responsive to the surrounding environment. This commitment to environmental stewardship shapes how we operate and guides our efforts to help safeguard the natural resources that support healthy, resilient ecosystems.

Approach

We take a proactive approach to environmental management that builds on legislative compliance and industry best practices. We also invest in initiatives that strengthen ecological resilience, such as native pollinator plantings, habitat restoration projects and partnerships with local conservation authorities.

Environmental responsibility is a core value embedded throughout our operations. We prioritize maintaining and continually enhancing our Environmental Management System (EMS), which is a comprehensive framework of policies and procedures that enables us to systematically manage environmental impacts.





Our EMS reflects industry best practices and meets all applicable environmental standards. Compliance is built into our daily operations, ensuring responsible environmental management remains a consistent and integral part of how we work.

We're committed to:

- Protecting the environment, including pollution prevention, waste reduction, resource efficiency improvements and minimizing our environmental footprint and GHG emissions;
- Fulfilling our compliance and contractual obligations;
- Continual improvement of our EMS to enhance environmental performance.

Minimizing Impacts Through Effective Spill Management

Operating a major transportation corridor comes with significant responsibility — we understand that maintaining a safe and sustainable roadway means being prepared for unexpected events. A critical aspect of this responsibility is managing spills effectively. While not all incidents are within our control, our commitment to environmental protection ensures that when spills do occur, we act swiftly to minimize the impact.

When spills are identified, our Highway Operations Team responds immediately to mitigate the initial impact of a spill by ensuring it's properly contained, then works closely with spill response specialists to clean and restore affected areas. Each response is carried out in full compliance with environmental laws and regulations. This approach ensures that remediation is thorough and effective, helping prevent long-term consequences and maintaining the integrity of the highway.



Waste Management

Minimizing waste and practising responsible waste management are essential components of reducing our environmental footprint. Waste generated through our office operations, roadway maintenance and facilities activities is carefully managed and closely monitored. We ensure proper disposal of electronic waste and safe handling of hazardous waste through a licensed waste service provider. In addition, we operate in a jurisdiction where waste management is regulated and subject to mandatory annual audits, with which we fully comply. Recommendations from our waste audit report inform our waste reduction strategies.

Employee-led Environmental Action

We continue to promote waste reduction through responsible practices and employee engagement, supported by our 407 ETR Green Team — a group of environmental ambassadors.

In 2025, the team organized engaging environmental initiatives, including One Big Day volunteer projects, Earth Day garbage collection and a campaign to reduce plastic waste in the office.

A major milestone was achieved with the removal of single-use plastic cups and utensils from our head office. This step eliminates thousands of disposable items each year, reducing waste and supporting more sustainable practices. To make the transition easier, employees were provided with reusable alternatives, like ceramic mugs and stainless-steel utensils.

The Green Team continues to focus on practical changes that make a real difference, such as improving recycling programs, promoting energy-saving habits and encouraging employees to take part in community environmental events.

Waste Management Along the Highway

We do not directly manage asphalt pavement waste generated through highway maintenance activities. Responsibility for handling and disposal of the waste remains with our contractors after asphalt resurfacing. Under contract requirements, the contractor must submit a signed MTO Form 182 – *Site Selection Notification for Excess Material*, specifying the destination of the waste. The removed asphalt is usually sent to the contractor’s asphalt plant where it’s reused for other purposes, including incorporation into asphalt mixes for other projects, blended with crushed concrete to create recycled asphalt or granular materials, or used as road-base materials. This ensures that zero waste is sent to the landfill.

Water Management

Recognizing water as a critical environmental metric helps ensure our operations align with responsible resource management practices.

At 407 ETR, water is used across our facilities primarily for domestic purposes — including sanitation, cleaning and staff amenities — as well as operationally to produce brine used in winter road maintenance and truck washing. By incorporating water usage into our ESG reporting, we’re better positioned to track consumption trends, identify opportunities for efficiency and ensure that our practices reflect our environmental values.

We have implemented several measures across our facilities to manage domestic water consumption. These include the installation of low-flow fixtures, routine leak detection and maintenance protocols and ongoing monitoring of water usage. In addition, we have a built-in underground tank to collect and retain rainwater. This reduces our reliance on freshwater for operational purposes like brine production.



407 ETR employees planting trees on One Big Day

Earth Day litter clean up at 407 ETR head office



Protecting and Restoring Biodiversity

We continue to advance our commitment to environmental stewardship through the Highway 407 ETR Biodiversity Project.

In 2025, we established the 407 ETR Biodiversity Steering Committee to ensure the proper governance of the project and support the implementation of initiatives to achieve the desired outcomes.

The program maintained its three-part focus:

- 1 **Eradicating invasive phragmites using targeted herbicide applications along the roadside**
- 2 **Overseeding in some of the treated areas with native plant species that support pollinators and enhance ecological resilience**
- 3 **Tree planting in selected zones to restore habitat and improve biodiversity**

Under the project, we worked with the City of Brampton in early spring 2025 to align restoration efforts within Emancipation Park. This included mirroring invasive phragmites removal, native overseeding and tree planting within the adjacent right-of-way, supporting ecological continuity and enhancing overall restoration outcomes.

As part of these efforts, we also supported Toronto and Region Conservation Authority (TRCA) with targeted phragmites treatment in areas near Emancipation Park. As well, we continued to sponsor TRCA’s phytoremediation study to investigate the use of biotechnology to remove road salt from the soil.

In 2025, we collaborated with the University of Toronto to study the use of moths as a biological control to manage phragmites in two test areas — Keele Street and Donald Cousens Parkway. Researchers will monitor moth populations and their ability to help control phragmites in these two locations.

Partnering for Environmental Progress

Supporting biodiversity and climate resilience is central to our environmental commitment. From 2023 to 2025, we invested \$1.9 million through our partnerships with six key environmental organizations, exceeding our target investment of \$1.8 million. This funding has helped advance critical initiatives aimed at restoring habitats, protecting species and addressing the growing challenges of climate change and biodiversity loss.

Through these partnerships, we’re proud to support projects that enhance local ecosystems and create sustainable green spaces for future generations.



Key outcomes of our environmental investments from 2023-2025



15.8

Hectares of pollinator habitat restored within local municipalities and along the Highway 407 ETR corridor through our partnership with Canadian Wildlife Federation (CWF)



60,000

Trees planted along Highway 407 ETR through the 407 ETR Biodiversity Project and with Trees for Life



12,000

Trees planted and 27.3 acres of land restored with Conservation Halton



60+

Future conservation leaders supported through our sponsorship of Nature Conservancy of Canada’s Conservation Internship Program

[Learn more about our environmental initiatives.](#)

Transforming Roadways for Pollinators

In 2025, our partnership with CWF marked a major milestone in pollinator habitat restoration along the Highway 407 ETR corridor and in local municipalities. In 2023, we embarked on a three-year, \$500,000 sponsorship with CWF to support its *Rights-of-Way as Habitat Program*.

[Learn more about the restoration program.](#)

In addition to supporting the planting of native wildflowers and grasses, our funding is helping CWF educate rights-of-way managers about best practices in roadside vegetation management to support the recovery of monarchs, bees, hummingbirds and other pollinator species that are crucial to maintaining healthy ecosystems.

We're proud to report that restoration efforts surpassed the original 12 hectare goal, with nearly 15.8 hectares restored — the equivalent of 30 football fields. In total, fifteen restoration sites across the GTA have been completed, including native meadow plantings at Kingsford Gardens in Oakville and on boulevards in Toronto, restoration on roadsides in Halton Hills and meadow plots in Keswick.

In 2025, we earned national recognition for our partnership with CWF, receiving two Awards of Excellence from the International Association of Business Communicators (IABC) for Corporate Social Responsibility. This included an Ovation Award of Excellence from IABC Toronto and a Silver Leaf Award of Excellence from IABC Canada. The award highlights our environmental support and amplification of the *Bend the Curve for Biodiversity* campaign with CWF.



407 ETR accepts an IABC Toronto Award of Excellence for *Bend the Curve for Biodiversity* campaign

CASE STUDY

Partnering for Biodiversity and Climate Resilience: 407 ETR and Trees for Life

In 2024, we began working with Trees for Life, a Canadian charity dedicated to creating a healthier, happier Canada by planting native trees where people live, work and play.

Following the pilot year of the Highway 407 ETR Biodiversity Project, the opportunity to transform a major transportation corridor into a thriving, biodiverse landscape quickly revealed strong alignment between the two organizations. With our long-term environmental strategy and this partnership with Trees for Life, the initiative significantly accelerated urban tree planting.

At the heart of the collaboration is a shared vision to restore and enhance the 108-kilometre Highway 407 ETR corridor. By replacing invasive species with native trees, the project supports habitat restoration, improves air quality

and strengthens ecological resilience in surrounding communities. Tree planting efforts have increased, with 50,000 trees planted over two years through this joint effort, advancing ecological restoration and creating a lasting legacy that will benefit communities for generations to come.

Through the initiative, a diverse mix of native species have been planted to ensure long-term environmental health and adaptability. Species included Red Cedar, Red Oak, White Cedar, White Pine, White Spruce, Bur Oak, Pin Cherry and Eastern Cottonwood — all selected for their suitability to local conditions and their ability to support wildlife, enhance canopy cover and improve overall ecosystem function.

The collaboration also honours Highway 407 ETR's role as a vital route for emergency services, with trees planted through the project dedicated as *Trees for Heroes* in recognition of first responders who use the corridor to save lives every day.



“Our partnership with 407 ETR is a powerful example of what happens when environmental stewardship meets corporate leadership. By planting trees along this vital corridor, we aren’t just restoring biodiversity — we’re growing a 108-kilometre ‘Hero Forest’ that stands as a living thank you to the first responders of the GTA. It’s a legacy of resilience, both for our ecosystem and for the community heroes we’re so proud to honour.”



MARINA DIMITRIADIS
Executive Director, Trees for Life



Performance

We work to protect and improve the biodiversity and natural areas that surround Highway 407 ETR and nearby communities. This includes using sound environmental practices and partnering with local conservation organizations. Our teams follow strict environmental requirements and take part in projects and volunteer programs that support these goals.

Occasionally, accidental spills occur along the highway that can pose risks to the environment. In 2025, there were no reportable spills caused by 407 ETR employees, and four spills involving customers, all of which were addressed immediately to minimize impact.

ANALYST CORNER

SASB IF-EN-160a.1
SASB IF-EN-160a.2
SASB TR-RO-540a.3

METRIC	2025	2024	2023	2022
Number of incidents of non-compliance with environmental permits, standards and regulations	0	0	0	0
Number of reportable spills and releases to the environment caused by 407 ETR	0	0	0	0
Number of reportable spills and releases to the environment caused by road users	4	5	4	4
Number of site cleanups/remediation completed	4	5	4	4
Aggregate volume of spills and releases to the environment (m ³) ¹⁵	0	0	0	1.7
Number of trees planted along Highway 407 ETR	30,000	20,000	10,000	N/A
Waste generated from facilities (t)	235	N/A	N/A	N/A
Percentage of waste diverted from landfill (%)	34.3	N/A	N/A	N/A
Asphalt waste generated from road maintenance (m ³)	20,715	N/A	N/A	N/A
Percentage of asphalt waste diverted from landfill (%)	100	N/A	N/A	N/A
Water consumption (m ³)	10,733	N/A	N/A	N/A

¹⁵ We report spill volumes caused by 407 ETR employees only. We will continue to clean up spills and remediate contaminated sites within the boundaries of our operations regardless of their cause. Information on the number of all reportable spills and remediations will continue to be included in our ESG Report.





GHG Emissions & Climate Change

UN SDG Alignment



Climate change remains a material ESG topic for 407 ETR, presenting both risks and opportunities that shape how we operate and guide our long-term strategic planning.

As a critical transportation corridor in the GTA, we recognize the importance of preparing our operations and assets for these challenges, while supporting Canada’s transition to a low-carbon economy.

Approach

Our approach is guided by leading frameworks, aligning our strategy with the latest TCFD recommendations to address evolving climate-related risks that are relevant to our operations. This ensures that governance, strategy, risk management, metrics and targets are integrated into how we assess and respond to climate change risks and opportunities. By strengthening our resilience and aligning with global climate objectives, we remain committed to delivering long-term value while ensuring the highway remains safe, reliable and sustainable for the communities that depend on it.



Climate Change Governance

Effective governance remains central to our climate strategy with oversight of climate-related issues embedded across our governance structure. While the Board has the overall responsibility for our ESG strategy, the Environmental, Health & Safety Committee is focused on overseeing the implementation of environmental-related procedures and initiatives, including the management of climate-related risks and opportunities. The Board and the Committee receive climate change-related updates during the annual strategy session and

quarterly committee meetings, respectively. The Board remains committed to ensuring the continuous integration of our ESG strategy into our operations.

The President & CEO has the highest management level of accountability for climate-related risks and opportunities and is also the chair of the ESG Committee. The ESG Committee reports to the Board quarterly on the development, implementation and performance of our ESG metrics, strategy and initiatives, including climate risks and opportunities.

Climate Change Strategy

We recognize that climate change presents significant transition and physical risks and opportunities for our business. This informs the integration of climate-related factors into our corporate strategy to build resilience and support a low-carbon economy.

In addition to our commitment to reducing our GHG emissions, we're actively strengthening our climate resilience by maintaining and enhancing our adaptation strategies.

Climate Change Scenario Analysis

We continue to strengthen our understanding of the implications of climate-related risks and opportunities for our operations, including stress testing to assess the resilience of our organization across different scenarios and time horizons.¹⁶ These assessments inform our decision-making and help ensure our climate mitigation and adaptation measures remain responsive to evolving climate-related challenges.



¹⁶ Time Horizons: short term (1-3 years), medium term (3-10 years), long term (>10 years).



Transition Risk Scenarios

S Short term / M Medium term / L Long term

We adopted the most recent scenarios from the [International Energy Agency's World Energy Outlook 2025 Report](#), which are:

Current Policy Scenario (CPS):

This considers climate-related policies that have been adopted in legislation and regulations as of today, assuming no change.

Stated Policy Scenario (STEPS):

This considers climate-related policies that have been formally tabled but not yet adopted.

Net-Zero Transitions (NZE):

This considers a global pathway for the energy sector towards achieving net-zero CO₂ emissions by 2050.

TRANSITION RISKS

Policy and Legal Risks (carbon pricing mechanisms)

This involves carbon pricing regulations, established under Canada's Greenhouse Gas Pollution Pricing Act. Exposure to consumer carbon tax has the potential to increase our operational costs.

CPS

N/A
S M L

STEPS

N/A
S M L

NZE

Low
S M L

MITIGATION STRATEGY

In 2025, Canada eliminated the consumer carbon tax, shifting its focus to industrial pricing. This ensures that carbon tax is no longer applicable under current and stated policy scenarios. We continue to seek opportunities to reduce our emissions footprint across our operations.

Technology Risk (transition to low-emission fleet)

This risk is related to the capital, pace and operational complexity of shifting our fleet to lower or zero-emission technologies. Canada has a Zero Emissions Vehicle (ZEV) mandate which requires a 100% sale of new light-duty vehicles by 2035 and heavy-duty by 2040. Although this is aimed at manufacturers, it also has a direct impact on 407 ETR by shaping vehicle availability, cost and the speed of transition.

Low
S M L

Low
S M L

Medium
S M L

The Canadian Government announced the waiver of the 2026 ZEV sales target and paused the broader ZEV mandate for a 60-day policy review, introducing greater uncertainty in the expected pace of fleet electrification. Despite this, we maintain a phased approach to transitioning our light-duty vehicles toward lower emissions while closely monitoring policy developments.

Our fleet decarbonization plan involves a gradual integration of low-emission vehicles into our fleet including hybrid vehicles, fully electric vehicles and renewable diesel while exploring other innovative solutions through pilot programs.

Market Risk (increased energy prices and changing customer behaviour)

Higher fuel and energy costs may influence customers to reduce travel or consolidate trips, reducing demand for Highway 407 ETR. This could potentially impact traffic volumes and revenue. Market volatility could also drive up energy costs which could impact operational expenses.

Low
S M L

Low
S M L

Low
S M L

We conducted a high-level analysis of the impact of increasing gas prices on customer travel decisions. Our results showed traffic trajectories remained strong under increased gas price scenarios. To mitigate energy price volatility, we continue seeking opportunities to implement energy-efficient initiatives which would lead to cost savings and emission reductions.



Transition Risk Scenarios

S Short term / M Medium term / L Long term

TRANSITION RISKS

CPS

STEPS

NZE

MITIGATION STRATEGY

Reputational Risk (increased stakeholder concern)

Low

S M L

Low

S M L

Low

S M L

Failure to meet climate-related goals or not addressing potential climate-related disruptions could impact stakeholder trust, negatively affect reputation and increase the cost of capital.

ESG and climate risks remain a core part of our overall business strategy. We're committed to providing fast, safe and reliable trips, building a strong reputation and remaining the highway of choice for our customers.

We disclose the progress made towards our climate targets annually and improve on the scope of our disclosures where possible. This demonstrates our commitment to transparency as we continue seeking ways to mitigate our exposure to climate-related risks and impacts.





Physical Risks Scenarios

S Short term / **M** Medium term / **L** Long term

Physical risks arise from the direct impacts of climate change and we're aware of the potential impact of these risks on our infrastructure and financial performance. We have referenced the Intergovernmental Panel on Climate Change (IPCC) scenarios in our risk analysis to illustrate varying levels of warming and associated physical impacts specific to Canada and North America. The scenarios are:

Representative Concentration Pathways (RCP) 4.5:

A moderately optimistic scenario where emissions peak around 2040 and then decline slowly. The effects of climate change are not as grave.

Representative Concentration Pathways (RCP) 8.5:

A worst-case scenario where emissions continue to rise throughout the 21st century leading to the most severe climate change effects.

PHYSICAL RISKS	RCP 4.5	RCP 8.5	ADAPTATION STRATEGY
<p>Heat Waves and Increasing Mean Temperatures (acute and chronic risks)</p> <p>With extreme heat waves projected to become more frequent and intense, such events could affect the integrity of our highway pavement. Extended periods of high heat may reduce asphalt stiffness, increase cracking and lower rutting resistance due to thermal stress, therefore leading to increased capital expenses.</p>	<p>Low</p> <p>S M L</p>	<p>Low</p> <p>S M L</p>	<p>To manage these risks, we use four weather stations along the highway to monitor pavement surface temperatures. Our pavement is built with a high-grade asphalt mix engineered for durability, offering strong resistance to cracking and rutting. It's designed to perform reliably in temperatures ranging from -28°C to 64°C.</p> <p>If surface temperatures begin to exceed this threshold, we can shift to a modified asphalt mix rated for up to 70°C and incorporate additives such as reinforced fibers. Given our average 14-year resurfacing cycle, we expect to make these adjustments without a material financial impact.</p>
<p>Pluvial Flooding (acute)</p> <p>Short-duration, high-intensity rainfall can create significant inland flooding risks, causing damage to transportation infrastructure and negatively affecting mobility. Such events may cause drains to clog and accumulate sediment from stormwater runoff, compromising drainage systems and increasing maintenance requirements. This could potentially lead to increased maintenance costs and reduced revenue resulting from traffic disruption caused by flooding.</p>	<p>Low</p> <p>S M L</p>	<p>Low</p> <p>S</p> <hr/> <p>Medium</p> <p>M L</p>	<p>We conduct regular drainage inspection and maintenance.</p> <p>The focus of this inspection is to assess the vulnerability of our drainage and address any deficiencies. We also have stormwater ponds that capture stormwater and reduce the risk of flooding.</p> <p>In 2025, we conducted hydrogeological assessments on certain areas along the highway that are potentially susceptible to significant flood events. These studies will inform future adaptive infrastructure improvements, ensuring that the highway remains flood-resilient under evolving climate conditions.</p>
<p>Winter Events (acute)</p> <p>Winter events that make the road slippery and impact driver visibility can increase the risk of accidents or incidents on the highway. This could potentially impact revenue due to road closures resulting from an increased rate of road accidents during winter events.</p>	<p>Low</p> <p>S M L</p>	<p>Low</p> <p>S M L</p>	<p>In 2025, we invested over \$15 million in winter maintenance equipment including 19 wide-wing snowplows. This investment reduces route duplication, lowers fuel consumption per lane cleared and mitigates service disruption risk during severe winter events — protecting both safety performance and ensuring operational continuity.</p> <p>Additionally, we use a Type II enhanced salt that performs better in lower temperatures and activates de-icing capabilities faster. We also perform diamond grinding to improve roughness to ensure sufficient friction on the road surface. This helps ensure a smoother and safer ride, even during winter months.</p>



Climate-Related Opportunities

We recognize that managing climate-related risks is critical to our operations and provides opportunities to improve energy efficiencies, drive innovation and strengthen resilience over the short to long term. Our climate-related opportunities include:

- **Resilience – Climate-Resilient Infrastructure:**

Climate change impacts present an opportunity for us to strengthen the resilience of our infrastructure to withstand more frequent and severe weather events. By integrating climate considerations into our maintenance and capital planning, we can reduce the risk of service disruptions, protect our assets and enhance public safety. Climate-resilient infrastructure improves the customer experience and builds customer confidence during adverse weather conditions while strengthening our long-term financial performance through increased revenue and reduced repair costs.

- **Energy Source – Participation in Renewable Energy Programs:**

Our participation in the Ontario Clean Energy Credit Program in 2025 through the purchase of Renewable Energy Credits (RECs) is a key climate-related opportunity to help reduce the carbon intensity of our electricity consumption. By procuring RECs generated from approved and eligible clean energy sources within Ontario, we support the development of renewable energy projects within the province while reducing our Scope 2 emissions.

Climate Change Risk Management

We remain committed to the robust integration of climate-related risks into our Enterprise Risk Management (ERM) process. Our approach to ESG risk management — including both transition and physical climate-related risks — is outlined in detail in the [ESG Risk Management](#) section of this report.

Climate-related risks are identified, assessed and managed alongside all other enterprise risks through a structured and proactive ERM process. This ensures that material risks, such as those associated with extreme weather events, regulatory shifts and long-term climate projections, are embedded into our strategic planning and operational decision-making. Our identification, assessment and management of climate-related risks remain unchanged. Please refer to our [2024 ESG Report](#) for more details.





Climate Change Metrics & Targets

Climate-Related Metrics

As part of our commitment to managing climate-related risks and capturing emerging opportunities, we continue to strengthen our disclosure of climate metrics as aligned with the recommendations of the TCFD.

We track several metrics that support our measurement and monitoring of climate-related risks and opportunities. In 2025, we expanded our climate-related metrics to include Scope 3 emissions. Our methodology for calculating our GHG emissions metric is aligned with *The Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard*, and our emission factors are obtained from the most recent *Canadian National Inventory Report*.

Scope 1 & Scope 2 GHG Emissions

GHG EMISSIONS SCOPE	EMISSIONS SOURCE	UNIT	2025	2024	2023	2022	2021	2020	2019 (BASE YEAR)	2018
Scope 1	Diesel ¹⁷	tCO ₂ e	1,490	1,021	1,145	1,290	1,144	1,299	1,663	1,569
	Gasoline		476	650	598	631	667	747	786	874
	Natural Gas		263	346	335	341	289	299	307	226
	Propane		83	64	58	49	37	36	28	33
Scope 2	Electricity (Market-Based) ¹⁸	tCO ₂ e	329	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Electricity (Location-Based)		758	493	409	445	455	435	464	490
TOTAL GHG EMISSIONS										
Total Scope 1		tCO ₂ e	2,312	2,081	2,136	2,311	2,137	2,381	2,784	2,702
Total Scope 2			329	493	409	445	455	435	464	490
Total Scope 1 & Scope 2			2,641	2,574	2,545	2,756	2,592	2,816	3,248	3,192

Scope 1 Emissions increased year-over-year primarily due to more severe and intense winter conditions which led to increased diesel fuel consumption for snowplowing and winter maintenance activities. Higher demand for space heating across our facilities was also a consequence of the weather events. Scope 2 emissions also increased as Ontario's electricity grid emission factor increased significantly during this period, as referenced in the National Inventory Report. This reflects a higher contribution of more carbon-intensive sources in the provincial electricity generation mix, which increased the overall carbon intensity of grid-supplied electricity. As a result, location-based Scope 2 emissions increased despite a relatively stable electricity consumption.

¹⁷ Diesel emissions vary depending on the severity of the winter and the operations required to keep Highway 407 ETR safe during winter events.

¹⁸ Scope 2 market-based achieved through purchase of RECs.



Climate Change Metrics & Targets

Climate-Related Metrics

Energy Consumption

TOTAL CONSUMPTION	UNIT	2025	2024	2023	2022	2021
Natural gas (% of total fuel consumption)	Percentage (%)	10%	13%	13%	15%	13%
Renewable fuel (% of total fuel consumption)		0%	0%	0%	0%	0%
Diesel	Litres	546,965	374,964	417,873	470,732	417,386
Gasoline		205,521	280,666	258,109	272,328	287,878
Natural Gas		136,205,000	179,079,000	173,301,000	176,610,000	149,644,000
Propane		53,553	41,594	37,678	31,786	24,070
Total fuel consumed	Litres	137,011,039	179,776,224	174,014,660	177,384,846	150,373,334
EMISSIONS SOURCE						
Electricity	kWh	14,130,424	13,888,933	14,378,594	15,067,703	15,403,160



Climate Change Metrics & Targets

Climate-Related Metrics

We recognize the importance of presenting a comprehensive assessment of our carbon footprint across Scope 1, Scope 2 and applicable Scope 3 categories. For the first time, we're disclosing our Scope 3 emissions, which account for indirect emissions across our value chain. We completed an assessment to identify the relevant Scope 3 activities across our business, in line with the [GHG Protocol Guidance for Scope 3](#).

Our approach to disclosing Scope 3 emissions emphasizes transparency and continuous improvement. While data quality varies across the categories, we remain committed to improving and refining our methodologies over time, as appropriate.

Scope 3 Emissions

SCOPE 3 CATEGORIES	EMISSIONS-RELATED ACTIVITIES/EVENTS	2025 EMISSIONS (tCO ₂ e)
Category 1: Purchased goods and services*	Procurement of goods and services from vendors and suppliers for day-to-day operational activities including maintenance, IT services, professional services, etc.	6,025
Category 2: Capital goods*	Procurement of capitalized goods and services such as construction, equipment, etc.	9,522 ¹⁹
Category 3: Fuel and energy-related activities**	Upstream emissions from fuel consumed in our operations. Transmission and distribution losses in electricity consumed in our operations.	591
Category 4: Upstream transportation and distribution*	Inbound and outbound postage and distribution services purchased by 407 ETR such as Canada Post, Purolator, etc.	3,216
Category 5: Waste generated in operations**	Generation and disposal of waste generated through day-to-day operations.	291
Category 6: Business travel**	407 ETR employees' business travel.	53
Category 7: Employee commuting**	407 ETR employees' commute to and from work.	964
Total		20,662

Note: Scope 3 Categories 8-15 are not relevant to our business. Our Scope 3 emissions are currently reported for transparency and disclosure purposes only, as we're not setting any reduction targets for Scope 3 at this time.

¹⁹ This considers CAPEX spend above \$50,000.

*We adopted a spend-based approach to calculations using the [US Environmentally Extended Input-Output \(USEEIO\)](#) 2022 economic emission factors.

**We adopted an activity-based approach to calculations using both the [US EPA](#) 2025 and [DEFRA](#) 2025 emission factor data.



Climate Change Metrics & Targets

Climate-Related Targets

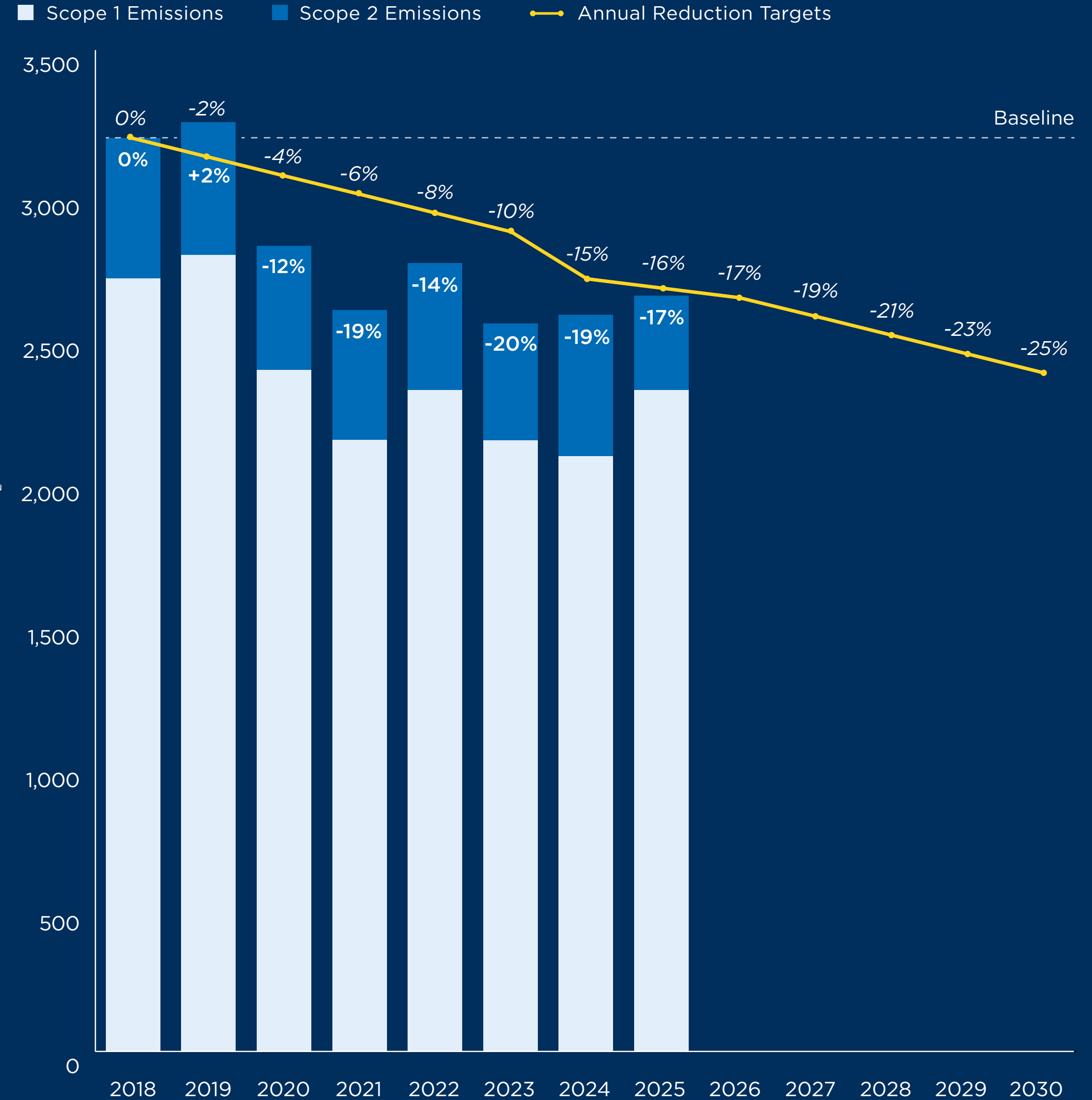
We continue to maintain our established target to reduce our absolute Scope 1 and Scope 2 GHG emissions by 25% by 2030. To support this target, we developed an emission reduction roadmap which outlines the initiatives planned for implementation over the target period. In 2025, we achieved a 17% reduction in absolute Scope 1 and Scope 2 GHG emissions, exceeding our annual target of 16%, relative to our 2018 baseline. This performance was primarily driven by initiatives including energy-efficient upgrades to our boiler and water heater systems, the acquisition of more efficient wide-wing snowplows and the purchase of RECs. Performance in 2025 also reflects the impact of more severe winter events, which increased operational demands during the year.

In 2025, we achieved a

17%

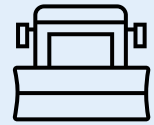
reduction in absolute Scope 1 and Scope 2 GHG emissions relative to our 2018 baseline. We also met our annual GHG emission reduction target of 16%.

Emissions Reduction Target Performance





Updates on Our Emission Reduction Initiatives



WIDE-WING SNOWPLOWS

In 2025, we invested in 30 new winter maintenance vehicles, including 19 wide-wing snowplows and 11 combination units — multi-purpose vehicles that function as a salter and plow — to improve operational efficiency and reduce GHG emissions. Wide-wing snowplows are equipped with extended plow wings that clear a larger surface area per pass, enabling more efficient snow removal. By increasing the lane coverage per trip, these plows reduce fuel consumption and the total number of vehicles required for winter operations. This investment streamlines our fleet, lowers overall emissions and supports progress towards our emissions-reduction targets. The wide-wing snowplows replaced older, less energy-efficient units, enhancing fleet efficiency and our environmental performance.



FLEET DECARBONIZATION

In 2024, we completed a comprehensive *Green Fleet Study* which informed the development of a phased fleet decarbonization plan in 2025. While this plan establishes a clear pathway for reducing fleet emissions over time, evolving policy and market conditions have affected our implementation plan and timelines. Changes to federal and provincial incentive programs, supply constraints associated with recent tariffs and delayed availability of electric vehicle models suitable for our operational requirements have impacted procurement schedules. Despite these challenges, we remain committed to advancing our fleet transition. We will continue to monitor policy developments and emerging technologies, positioning ourselves to respond to opportunities as they arise. In 2025, we increased the number of electric vehicles and hybrid-electric vehicles from five to 10. Our long-term objective remains to progressively reduce fleet-related emissions and support the achievement of our overall emissions reduction target.



RENEWABLE ENERGY CREDITS

In 2025, we advanced our GHG reduction efforts through the purchase of RECs. To support transparency and credibility in our renewable energy procurement, we registered with the Midwest Renewable Energy Tracking System (M-RETS), a platform that provides verified tracking of renewable energy generation and ownership. The RECs were purchased through Ontario Power Generation and were registered and retired under the 2025 Ontario Clean Energy Program on the M-RETS platform. The RECs are EcoLogo-certified, confirming independent verification against recognized environmental standards. Through the acquisition of these RECs, we're lowering the carbon intensity associated with our purchased electricity thereby reducing our Scope 2 emissions.



FACILITIES OPTIMIZATION - ELECTRIFICATION OF HEATING SYSTEMS

In early 2025, we completed the conversion of our operations facility on-site water heater and boiler from natural gas to more efficient electric systems. This transition has contributed to the reduction of our Scope 1 GHG emissions through reduced onsite consumption of natural gas and shifting energy use to electricity which is cleaner due to Ontario's low-carbon grid.



CASE STUDY

Managing Winter Climate Risk Through Operational Efficiency

Winter weather events represent a material climate-related risk, with implications for safety, service reliability, fuel consumption and emissions.

In response, we continue to integrate climate considerations into winter operations to improve efficiency while reducing GHG emissions.

In 2025, enhancements to our winter maintenance approach, including investing in 30 new winter maintenance vehicles, enabled faster snow clearance with fewer passes per route. By improving lane coverage per trip, our winter operations required less total driving time during storm events, resulting in reduced fuel consumption and less idling across the fleet. These efficiencies contributed to reductions in Scope 1 emissions, even in a year characterized by severe winter conditions.

Beyond emissions impacts, these operational improvements strengthened the resilience of Highway 407 ETR by supporting more consistent service levels during adverse weather. Faster snow removal reduces the risk of disruptions, enhances roadway safety and helps maintain customer confidence during extreme winter events.

This approach demonstrates how managing climate-related physical risks can deliver both emissions reductions and long-term operational resilience, supporting our climate targets while maintaining reliable service for customers.



In 2025, enhancements to our winter maintenance approach, including investing in 30 new winter maintenance vehicles, enabled faster snow clearance with fewer passes per route.



SOCIAL

IN THIS SECTION

HEALTH & SAFETY

INFORMATION SECURITY &
CUSTOMER PRIVACY

HUMAN CAPITAL
MANAGEMENT

COMMUNITY &
INDIGENOUS RELATIONS



Health & Safety

UN SDG Alignment



Operating a major transportation corridor requires a disciplined approach to managing risk. Strong health and safety practices are fundamental to our operations and embedded in our culture, supporting the well-being of our employees and the reliability of our business.

We believe that a safe and healthy workplace enables our people to perform at their best — and when our people perform well, our operations are safer, more efficient and more resilient.

This extends beyond our workforce to the customers who rely on Highway 407 ETR every day. A consistent focus on safety is critical to maintaining public trust and ensuring a reliable travel experience. By prioritizing safety across our operations, we help reduce risks, limit disruptions and support safe driving conditions — delivering confidence and peace of mind for those who depend on the highway.

Approach

Through comprehensive learning programs, robust protocols and a commitment to continual improvement, we proactively identify and mitigate risks while meeting — and often exceeding — all applicable safety regulations. We uphold the highest standards for Highway 407 ETR’s infrastructure, ensuring reliability and minimizing potential hazards for both employees and customers.

Our approach is rooted in a strong safety culture guided by our Internal Responsibility System (IRS). This system reinforces that safety is a shared responsibility where every employee plays a vital role. From Management and leadership teams to supervisors, workers and the Joint Health & Safety Committee (JHSC), collaboration is key to creating and maintaining a safe work environment.



At 407 ETR, we take a proactive approach to managing risks and hazards to sustain a safe and healthy workplace. We're committed to continuously strengthening our Occupational Health & Safety Management System (OHSMS), driving improvements that elevate our safety performance and reinforce our culture of safety.

We do this by:

- Ensuring compliance with applicable legislative requirements;
- Exploring and implementing best practices;
- Sharing knowledge and lessons learned;
- Aligning with recognized national and international standards;
- Managing change and Management review processes.

We continue to build our OHSMS in alignment with the [Certificate of Recognition \(COR®\) 2020 Standard](#) — Canadian National Standard for Occupational Health & Safety Management Systems, which is administered in Ontario by the Infrastructure Health & Safety Association.

Health & Safety Governance in Practice

Our Occupational Health & Safety, Environmental and Wellness (OHSEW) performance is reported to the Board regularly according to the established Board meeting schedule. These updates include major accomplishments, performance milestones, key indicators, incident reviews and lessons learned.

The Board provides feedback to address concerns and identify opportunities for improvement, reinforcing continuous progress.

Employees are encouraged to participate in OHSEW committees that serve as formal channels for collaboration, enabling employees to contribute to program development, strengthen compliance and drive continual improvement in our health, safety, environmental and wellness practices across the organization. Health and safety performance is also built into our compensation framework, reinforcing shared accountability and aligning performance outcomes with our commitment to maintaining a safe workplace.

In 2025, we completed our annual one-day risk review session — a key component of our proactive safety strategy. During this session, we conducted a thorough review of the Risk Register, assessing existing controls and identifying new or changing risks and opportunities for improvement. This collaborative effort brought together representatives from across the organization, including members of the JHSC, ensuring diverse perspectives and shared accountability.

The outcome of this review reinforces our commitment to continual improvement, enabling us to strengthen preventive measures, enhance compliance and encourage a culture where safety remains a shared responsibility across all levels of the Company.

In 2025, we embraced the concept of Life Saving Controls (LSCs) and conducted a LSC gap analysis audit to identify gaps, assess opportunities for improvement and develop an action plan to address them.

Strengthening Safety through Incident Reporting

We conduct thorough, impartial investigations whenever an incident occurs. This process is essential for determining root causes and implementing effective corrective and preventive measures that strengthen our safety culture.

We actively encourage employees to report all incidents and near misses,²⁰ recognizing that early reporting is critical to risk mitigation. Each report triggers an investigation scaled to the actual or potential severity of the event. For high-potential incidents²¹ we initiate an executive-level review involving the President & CEO and senior Management to ensure accountability and timely corrective action.

Celebrating Our Commitment to Safety

In May 2025, 407 ETR employees came together to celebrate Employee Safety Day, an annual event that reinforces our commitment to employee health & safety. Hosted by the Health, Safety, Environment & Wellness Team (HSEW) and attended by guests from the [League of Champions](#) and [MySafeWork](#), the event provided a dedicated space for learning, engagement and recognition of the vital role safety plays in our culture.

²⁰ An incident where no injury or ill health occurs but has the potential to do so.

²¹ Any event that could, in other circumstances, have realistically resulted in serious disabling injury/illness, death or extensive property damage.



Rob Ellis from MySafeWork sharing the importance of maintaining a strong safety culture on Employee Safety Day

Maintaining Safety Excellence on and Off the Highway

Safety is central to our mission. From maintaining a reliable highway to supporting organizations that promote injury prevention and road safety education, we're committed to creating safer journeys and stronger, healthier communities.

Along the Highway

Highway 407 ETR is trusted by millions of drivers each year. We proudly fund 100% of the costs required to maintain the highway, including snow removal and policing and enforcement to keep the highway safe. Collision rates continue to be 60% lower compared to other 400-series highways,²² reflecting our dedication to reducing risks and protecting our customers and employees on the road.

Customer safety is a foundational value that informs every aspect of our highway operations. We understand that maintaining safety depends on the quality of our infrastructure, clear communication and the attentive work of our Highway Operations Team. This year, we continued to invest in the infrastructure, technology and partnerships that help keep the roadway safe and reduce risks for everyone who uses it.

We conduct regular inspections and perform prompt repairs to keep Highway 407 ETR in top condition. Last year, we invested \$33.6 million in capital improvements, including resurfacing projects designed to deliver a smoother, safer drive. Our Highway Operations Team also maintains every bridge along Highway 407 ETR each year, using high-pressure water to clear debris between the expansion joints.

This allows the bridge to safely expand and contract during temperature changes, preventing structural damage that could compromise safety.

We continue to prioritize education and enforcement. Digital signs along Highway 407 ETR remind drivers to avoid distractions, move over for emergency vehicles and drive according to weather conditions. We also invested \$10.9 million in policing and enforcement services in 2025, with the 407 OPP detachment issuing over 10,000 charges focused on speeding, seatbelt violations, distracted driving and careless driving.

Ambulances, fire department vehicles, police vehicles and Ontario government enforcement vehicles remain toll-exempt, ensuring emergency responders can act quickly when needed.

In Our Communities

We're proud to partner with organizations that promote road safety and injury prevention. In 2025, we invested \$100,000 in road safety and injury prevention initiatives, reinforcing our commitment to promoting safer communities. Through [Teens Learn to Drive](#) and [Accident Awareness](#), young drivers are equipped with the knowledge and resources they need to stay safe on the road. Our support for the [Prevent Alcohol and Risk Related Trauma in Youth \(P.A.R.T.Y.\) program](#) at Sunnybrook Health Sciences Centre and our collaboration with [Parachute Canada](#) further amplify awareness around preventable injuries.

In addition, we contribute \$25,000 annually to the [Canadian Spinal Research Organization](#) to fund advancing research aimed at helping individuals with catastrophic spinal cord injuries regain mobility.



\$100,000

Invested in road safety and injury prevention initiatives



\$25,000

Annual contribution to the Canadian Spinal Research Organization

²² This figure is based on 407 ETR's internally reported collision rate compared to MTO's reported collision rates on other 400-series highways in the GTA.

CASE STUDY

Incident Response to Keep Drivers Safe

Every day, our Highway Operations Team plays a critical role in preventing collisions and keeping drivers moving safely.

In 2025, we increased the number of closed-circuit cameras along the highway from 66 to 126 to improve coverage of blind spots and enhance our response to emergency situations. The team monitors Highway 407 ETR in real time and responds when hazards arise.

In 2025, crews safely removed more than 3,000 pieces of debris, preventing potentially dangerous incidents. Patrollers also provided free roadside assistance to over 2,000 customers, helping stranded drivers get back on the road quickly and safely.²³ This rapid response model is a key contributor to our strong safety performance, including collision rates that remain 60% lower than other 400-series highways.

Together, these efforts demonstrate how proactive operations and vigilant monitoring help ensure a safer, more reliable journey for millions of drivers each year.

[See how our crews safely remove debris from the highway.](#)

In 2025, crews safely removed more than 3,000 pieces of debris, preventing potentially dangerous incidents.



²³ Roadside assistance is subject to patroller availability and only available on Highway 407 ETR (QEW to Brock Road).



Prioritizing Employee Well-Being

We aim to create a workplace where well-being is genuinely valued and employees feel supported, respected and able to do their best at work. When people feel cared for, they are more satisfied with their jobs, leading to lower absenteeism and stronger retention of our top talent. Our commitment to employee well-being also helps us attract candidates who share our values.

In 2025, we provided a wide range of learning and engagement opportunities that support employee well-being. Initiatives included celebrating Wellness Week with various events and activities, our annual company-wide walking challenge and recognition of [Pink Shirt Day](#) to raise awareness about bullying and inspire acts of kindness. These efforts are coordinated by our HSEW Team in collaboration with stakeholders across the organization to deliver a comprehensive wellness program.



Kindness Cards – Choose Kindness

Take a Moment to Spread Kindness!

In honor of Pink Shirt Day, we encourage you to take part in our Kindness Card Activity!

How to Participate:

1. Pick up a Kindness Card from the table.
2. Write a kind message—it could be a compliment, words of encouragement, or a positive quote.
3. Give your card to someone—a friend, colleague, or even a stranger to brighten their day!

In recognition of Pink Shirt Day, 407 ETR employees took part in activities that encourage kindness, respect and inclusion



Performance

We work to reduce incidents by strengthening proactive hazard identification and encouraging consistent near-miss reporting. In 2025, there were no fatal or critical injuries involving 407 ETR employees, reflecting our continued focus on prevention and a strong safety culture.

In 2025, we recorded 10 near misses compared to seven in 2024. While this represents an increase, it reflects our strong reporting culture and improved employee awareness of safety protocols. Encouraging employees to report all hazards and near misses is a critical part of our proactive approach to risk management. This transparency allows us to identify potential issues earlier and implement corrective measures to prevent incidents before they occur.

We're committed to operational excellence and aim to meet or exceed all applicable safety and MTO standards related to the design and operation of Highway 407 ETR. Periodically, there are motor vehicle accident claims made against 407 ETR for safety-related deficiencies regarding the design or operation of Highway 407 ETR. In most cases, these claims are abandoned or dismissed without costs. In 2025, there were no monetary losses for claims regarding design defects or safety-related incidents, other than the legal costs incurred to defend such claims.

ANALYST CORNER

- SASB IF-EN-250a.2
- SASB IF-EN-320a.1
- SASB TR-RO-320a.1
- SASB TR-RO-540a.1

METRIC ²⁴	2025	2024	2023	2022
Lost-Time Free Hours ²⁵	1,377,833	404,526	206,355	2,854,502
Lost-Time Free Days	519	153	88	1,282
Fatality Injury Frequency Rate (FIFR)	0.00	0.00	0.00	0.00
Lost-Time Incident Frequency Rate (LTIFR) ²⁶	0.00	0.22	0.23	0.00
Medical Aid Injury Frequency Rate (MAIFR)	1.23	1.95	1.59	1.69
Total Recordable Incident Rate (TRIR)	1.23	1.95	1.81	1.69
Near Miss Reports	10	7	5	7
Road accidents and incidents index ²⁷	28.1	26.6	23.5	23.1
Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents (CAD)	\$0	\$0	\$0	\$0

²⁴ These safety metrics (lost-time free hours, lost-time free days, FIFR, LTIFR, MAIFR, TRIR, near miss reports) pertain to 407 ETR direct employees and fixed-term contract employees, but do not include safety information for contractors. Fixed-term contract employees are on 407 ETR's payroll and covered under WSIB, whereas contractors possess their own insurance.

²⁵ This metric pertains to 407 ETR employees and does not include safety information for contractors or customers.

²⁶ LTIFR is used interchangeably with LTIR.

²⁷ 407 ETR discloses road accidents and incidents involving customers. The figures have been adjusted from absolute figures to an indexed metric, expressed per 100 million vehicle kilometres travelled. This change enables more realistic year-over-year comparison and alignment with industry practice.





Information Security & Customer Privacy

In today's fast-moving digital world, protecting information is more critical than ever. We're committed to safeguarding customer data through robust physical, technological, organizational and contractual measures that help prevent unauthorized access or misuse.

Our approach to security is comprehensive and adaptive — combining leading technologies with proven industry best practices. By continuously evolving our strategies, we work to ensure that customer information remains secure, private and protected at every step.

Approach to Information Security

As we operate and manage Highway 407 ETR and provided tolling and back-office services for provincially-owned Highway 407 (de-tolled on June 1, 2025), two privacy laws apply to the collection, use and disclosure of personal information:

- Canada's Personal Information Protection and Electronic Documents Act (PIPEDA) for Highway 407 ETR (applicable to private, commercial entities in Ontario);
- Ontario's Freedom of Information and Protection of Privacy Act (FIPPA) for the Province of Ontario's Highway 407 (applicable to ministries of the Government of Ontario).

In the context of information security, we follow an IT Governance, Risk and Compliance (GRC) program that identifies relevant aspects of the IT risk management framework, such as IT security policies, standards, procedures, control assessments and attestations. The IT risk management framework applies principles of the Payment Card Industry Data Security Standard (PCI DSS) and uses industry-leading frameworks, including the National Institute of Standards and Technology Cybersecurity Framework and Control Objectives for Information Technology.





Information security, cybersecurity and privacy protection apply to all systems that store, process and transmit sensitive information. Our GRC program integrates various internal processes to perform risk and control assessments. These processes allow us to determine the highest priority control areas and align our security objectives to enterprise business plans using risk-based decision-making. This approach allows for a full view of technical and process controls that are based on regulatory requirements and industry best practices. These enhance our ability to identify and address information security risks and vulnerabilities. Along with automated applications and tools, our Information Security Team works to monitor for threats and identify malicious activity to protect our environment, customers and other third parties that access, store or process information. The Information Security Team is responsible for identifying, containing, remediating and disclosing breaches to internal stakeholders, including the Privacy Officer, who ensures the required reporting is completed and the integrity of customer information is maintained.

Our Chief Information Officer is accountable for information security and works with the President & CEO, Chief Financial Officer, Privacy Officer and Audit Committee to maintain transparency and accuracy of IT security, GRC and the associated risk management program. Our Information Security Team is committed to developing and maintaining a best-in-class information security program for information protection and privacy. The program integrates our business objectives with industry and internal best practices to provide a foundation for decision-making regarding the management, security and use of data within the organization.

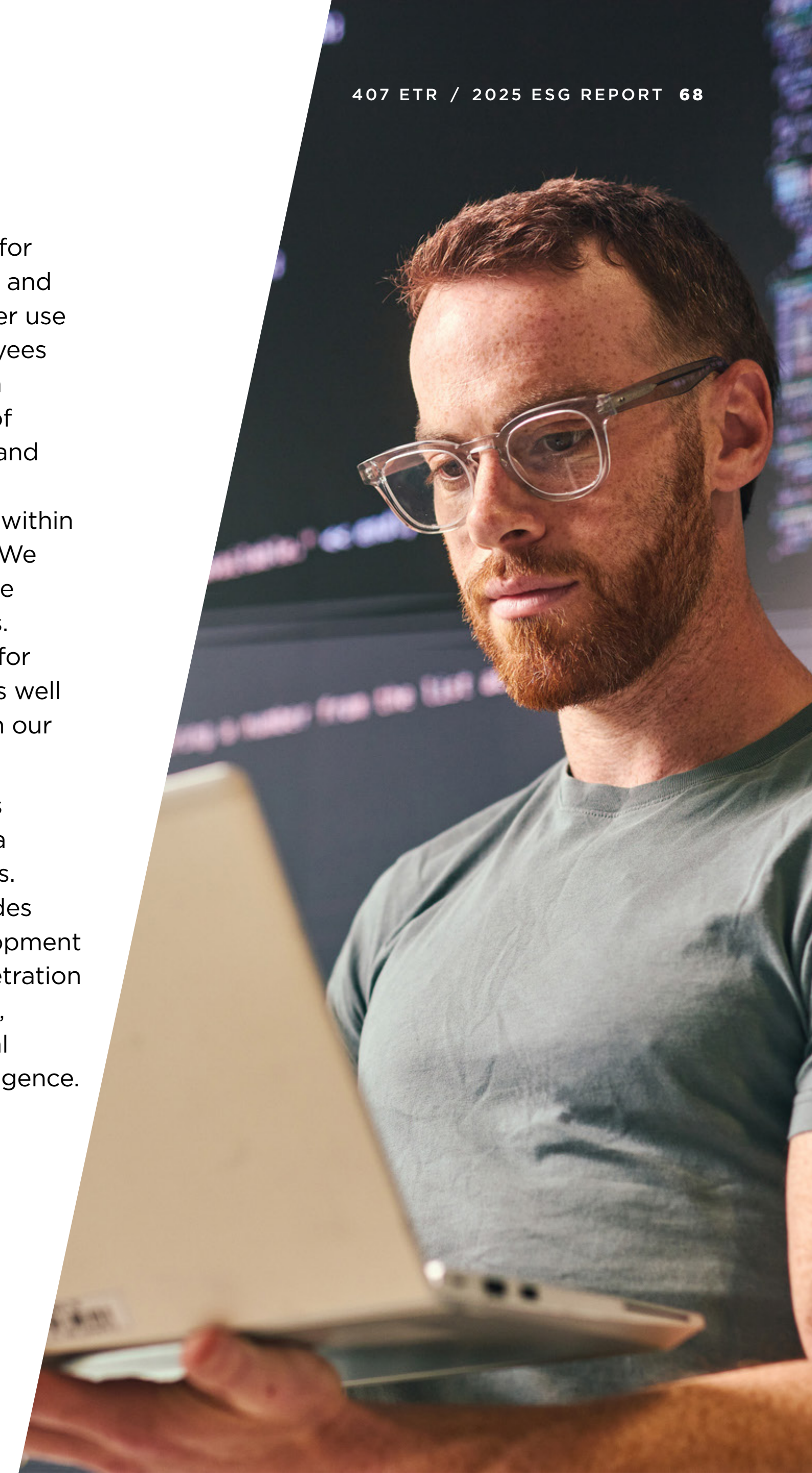
Artificial Intelligence (AI) Risk Management

In addition to our comprehensive approach to information security, we're actively addressing the emerging risks associated with AI. We're implementing strong governance frameworks to ensure the ethical and secure deployment of future AI use cases. Our risk management strategies include regular assessments, adherence to industry standards and continuous monitoring to mitigate potential AI-related threats. By integrating AI risk management into our overall IT governance, we aim to enhance our resilience and maintain the trust of our stakeholders.

Protecting Data through Training and Technology

All 407 ETR employees are responsible for maintaining the confidentiality, integrity and availability of information through proper use and handling. To support this, all employees are required to complete an information security learning program on a variety of topics, including data privacy, phishing and other emerging issues. The information security learning program is completed within 30 days of hire and annually thereafter. We deploy phishing programs to help ensure employees can identify malicious emails. Additional security learning is available for developers and security practitioners, as well as through learning modules available in our internal employee platform.

We leverage cybersecurity technologies designed to secure the confidential data of customers, employees and businesses. The information security portfolio includes data encryption, secure software development practices, application and network penetration testing, incident response, anti-malware, endpoint detection and response, virtual private networks and cyber threat intelligence.





Our approach to identifying and addressing information security risks is based on a comprehensive strategy involving these steps:

1

RISK ASSESSMENT & ANALYSIS

We conduct a thorough risk assessment to identify potential vulnerabilities, threats and exposures. This involves evaluating our data infrastructure, systems and processes to understand where sensitive information is stored and how it's accessed.

2

CLASSIFICATION OF INFORMATION

We determine data protection requirements based on the sensitivity and relevance, ensuring consistent security across all data. Critical and other sensitive information such as PII data receives additional safeguards.

3

COMPLIANCE & REGULATORY ALIGNMENT

We stay current with applicable information protection laws and industry regulations ensuring that our practices are aligned with legal requirements or industry-specific standards.

4

ACCESS CONTROLS & AUTHENTICATION

We maintain robust access controls, limiting access to systems and information to only those who need the access to perform their role. This includes the use of strong authentication mechanisms, such as multi-factor authentication to verify the identity of users.

5

ENCRYPTION & DATA MASKING

We use encryption techniques to protect information at rest and in transit. This includes encrypting files, databases and communications channels. Additionally, we use data masking techniques to conceal sensitive information when it's not needed for processing.

6

REGULAR SECURITY AUDITS & MONITORING

We conduct regular security audits and penetration tests to identify vulnerabilities and weaknesses. We also manage continuous monitoring systems to detect and respond to suspicious activities promptly.

7

EMPLOYEE LEARNING & AWARENESS

We ensure that all employees are well informed about information security best practices and what they must do to protect information that we create or manage for others. This includes learning to recognize phishing attempts, secure password management and the importance of safeguarding sensitive information.

8

VENDOR & THIRD-PARTY RISK MANAGEMENT

We evaluate the information security and risk practices of vendors and partners to ensure they have adequate safeguards in place to protect any information they manage or process.

9

INCIDENT RESPONSE PLAN

We have a robust incident response plan in place that outlines the steps to be taken in case of a security incident. This includes procedures for containment, investigation, notification and recovery.

10

DATA BACKUPS & DISASTER RECOVERY

We have implemented appropriate data backups and established a comprehensive disaster recovery plan. This ensures that in case of a data loss incident or breach, critical information can be restored with minimal downtime.



CASE STUDY

Testing Cybersecurity Resilience Under Pressure

In October 2025, we partnered with our Managed Security Service Provider (MSSP) to conduct a comprehensive tabletop exercise for senior leadership and key stakeholders within the Company.

The exercise tested decision-making under pressure during a simulated ransomware attack on core toll processing systems, validating readiness for scenarios that could disrupt our operations and impact customer trust.

The scenario unfolded through multiple phases, replicating the dynamic nature of a real-world cyber crisis and requiring critical decisions under uncertainty.

Objectives

The exercise provided a safe environment to:

- Activate and evaluate our Incident Response Plan (IRP) and its integration with our Business Continuity and Disaster Recovery strategies;
- Test governance and escalation processes for high-impact decisions, including ransom evaluation and disclosure obligations;
- Strengthen communication protocols for internal stakeholders, regulators and the public;
- Identify gaps in technical recovery planning and cross-functional coordination.

Execution

Facilitated by the MSSP, the session engaged our senior leadership and designated crisis response roles. While facilitators simulated technical containment actions, participants focused on strategic decision-making, regulatory compliance and stakeholder engagement.

Impact

This initiative reinforces our commitment to strong governance, risk management and customer privacy — key pillars of our ESG strategy. By proactively testing our response capabilities, we strengthen our resilience against cyber threats, safeguard customer trust and ensure operational continuity in the face of emerging risks.

The exercise tested decision-making under pressure during a simulated ransomware attack on core toll processing systems.



407 ETR employees participating in cybersecurity tabletop exercise



Approach to Customer Privacy

407 ETR's Privacy Office oversees our privacy management program and keeps the Company accountable for privacy obligations. This includes our compliance with privacy policies and procedures designed to ensure that the collection, use, disclosure and retention of personal information are carried out in accordance with applicable laws. For example, 407 ETR's [Privacy Notice](#) informs customers of their privacy rights, while internal policies ensure those rights are respected.

The Privacy Office works closely with various stakeholders to ensure that safeguards are maintained to help detect, manage, mitigate and control potential threats. In keeping with our commitment to prioritize privacy, we follow a tailored and highly integrated Privacy GRC program based on PIPEDA requirements and privacy best practices. The Privacy GRC is designed to track privacy compliance at the operational level by requiring data stakeholders from across the organization to annually attest to relevant privacy controls. If attestations reveal that controls are not being fully achieved, 407 ETR's Privacy Office engages with applicable stakeholders to remediate the privacy gaps. This process ensures that we remain vigilant and accountable to individuals who entrust us with their personal information.

The Privacy Office also works with internal support teams to ensure that:

- Customer privacy inquiries are appropriately addressed;
- Up-to-date learning programs and awareness activities are made available to new and existing employees;
- Third-party engagements involving data are subject to appropriate terms and considerations;
- Privacy impact assessments or analyses are carried out for internal data-driven projects.

Fraud Prevention in Action

Protecting customer data and maintaining trust remained a top priority in 2025 as fraudulent text messages impersonating 407 ETR continued to rise. These scams aim to deceive recipients into clicking malicious links, exposing them to identity theft and financial fraud. In response, we implemented a multi-layered strategy combining technology, communication and collaboration. In 2025, our cybersecurity teams shut down over 1,100 fraudulent domains with the use of enhanced detection tools and faster takedown protocols.

Education and awareness are central to our fraud prevention approach. We launched targeted campaigns during Fraud Prevention Month and throughout the year, distributing educational emails to our customers. These communications highlighted how to identify scam texts and reminded customers to only use official 407 ETR channels for payments and other communication. We also published social media content and maintained a dedicated [fraud awareness webpage](#) with practical tips for avoiding fraud and reporting instructions. Our customer service agents continue to complete specialized learning programs to recognize scam-related inquiries and guide customers on safe practices, ensuring consistent and informed responses to rising concerns.





Performance

We respect the privacy rights of our customers and employees and remain committed to protecting their information. We take a targeted approach to information access, providing employees only with the data required for tasks and responsibilities tied to their role.

To ensure data remains confidential, we:

- Provide appropriate privacy notices regarding the collection, use, disclosure and retention of personal information;

- Limit the collection, use and disclosure of personal information to that which is relevant for legitimate business purposes;
- Retain personal information for a period required for the purpose for which it was collected, pursuant to applicable law and in accordance with our Record Retention Schedule.

Because of our adherence to strong information security and privacy programs, we had no major data breaches in 2025. Additionally, there were no legal proceedings associated with customer privacy.

METRIC	2025	2024	2023	2022
Number of data breaches ²⁸	0	0	0	0
Percentage of data breaches involving customers' confidential business information (CBI)	0%	0%	0%	0%
Percentage of data breaches involving customers' personally identifiable information (PII)	0%	0%	0%	0%
Number of customers affected	0	0	0	0
Number of legal proceedings associated with customer privacy	0	0	0	0

ANALYST CORNER

SASB SV-PS-230a.1
 SASB SV-PS-230a.2
 SASB SV-PS-230a.3



²⁸ 407 ETR discloses data breaches as required by law and those the Company deems material. Disclosures are limited to information that is not confidential or privileged. There were no such breaches in 2025.



Human Capital Management

UN SDG Alignment



Our workforce is the foundation of our success. Across every function, our people bring talent, dedication and a shared commitment to excellence that drives our organization forward. Their skills, perspectives and contributions shape the quality of the services we deliver and the communities we support.

We recognize that our long-term success is directly tied to the strength and well-being of our employees, and we remain focused on creating an environment where they can thrive.

We're proud to play a meaningful role in supporting jobs across the province through direct employment of our workforce based out of Woodbridge, Ontario, and through the wider supply chain. Our commitment to investing in people remains central to who we are. We continue to create opportunities for employees to grow, develop and build rewarding careers, ensuring our workforce can thrive. A portion of our workforce is unionized; we maintain a constructive and professional relationship with union representatives and engage in collective bargaining in accordance with applicable labour laws and established agreements.





Approach

We remain committed to maintaining a workplace grounded in respect, dignity and fairness. As part of our DEI strategy, we regularly review and strengthen our policies and practices to ensure they reflect our core values. Our *Code of Conduct* reinforces these expectations across the organization, ensuring every employee — regardless of their role — is recognized and valued for their contributions.

Our Board, shareholders and leadership continue to emphasize the importance of diversity at all levels of the organization. To better reflect the communities we serve, we’re deepening our understanding of racial and ethnic representation within our workforce by encouraging employees to voluntarily share their demographics. These insights help inform our recruitment practices, learning and development programs and ongoing policy updates, supporting our long-term commitment to equity and inclusion.

In 2025, we continued to invest in building the skills and capabilities of our workforce, delivering more than 9,900 hours of employee learning and development across the organization. This learning supported both technical excellence and leadership development, ensuring employees have the tools and confidence to grow in their roles. Our investment of over \$540,000 in professional development reflects our commitment to continuous learning and to creating a workplace where people are supported to build long-term, rewarding careers.

Employee Engagement

Each year, we conduct our company-wide employee engagement survey to better understand how our employees experience the workplace and identify where we can continue to grow. Using a secure third-party platform, we analyze feedback through a data-driven lens that highlights our strengths and areas of opportunity. These insights help us celebrate what is working well while refining the strategies and programs that support our employees and strengthen our culture.

2025 Employee Engagement Highlights



82%

407 ETR values diversity



78%

I feel like I belong



80%

I feel respected



82%

People of all backgrounds have equal opportunities to succeed at 407 ETR



67%

Employee engagement score

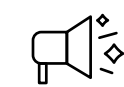
While some individual engagement indicators declined modestly year-over-year, overall employee engagement **increased by 2%** in 2025, reflecting continued progress in key areas such as development, well-being and inclusion.





Advancing DEI

We recognize the importance of embedding DEI practices throughout 407 ETR to build a workplace where everyone feels a sense of belonging and can contribute fully. Our DEI strategy in 2025 was guided by a belief that belonging is created through everyday actions that honour dignity, equity and respect. Throughout the year, we expanded opportunities for employees to learn, connect and lead through cultural observances, dialogue sessions, leadership development and community partnerships.

Our DEI Steering Committee oversees the implementation of our strategy, which is focused on three strategic pillars:

-  **Increasing awareness and understanding**

-  **Leadership and accountability**

-  **Promoting a diverse and inclusive workforce**

Learning that Drives Inclusion

In 2025, we strengthened our DEI learning framework through two core programs delivered by our DEI Specialist — *Valuing DEI* for employees and *Fostering a DEI Workplace* for leaders. Leaders continued to enhance their knowledge by participating in leadership learning programs. Participant feedback highlighted the value of practical tools, real-world scenarios and open dialogue, reinforcing the meaningful role DEI learning plays in shaping a more inclusive and equitable workplace.

Strengthening Awareness through Employee Events

In 2025, we deepened our commitment to learning and cultural appreciation by honouring significant days that reflect the rich diversity of our workforce and communities. As part of Black History Month, employees

explored the profound contributions of Black Canadians to our nation’s history, brought to life through the vibrant sounds of reggae music and powerful storytelling.

We also engaged in meaningful Indigenous education during our observance of Truth & Reconciliation Day and Orange Shirt Day, led by Dr. Dawn (Memee) Lavell Harvard, a member of the Wiikwemkoong First Nation and Director of the [First Peoples House of Learning](#) at Trent University. As part of this learning journey, employees participated in the Kairos Blanket Exercise, which used experiential learning to help us reflect on Canada’s colonization and its impact on Indigenous peoples. The blankets were used to signify the land and how over time, Indigenous people experienced loss of territory and cultural assimilation. This activity cultivated empathy and understanding of the Indigenous experience in Canada.

As we celebrated Pride Month, we reaffirmed our ongoing commitment to promoting a culture where everyone feels respected, seen, appreciated and valued. In June, 407 ETR employees participated in celebrations, including our annual Pride walk. We also put our values into action by creating care kits for [Friends of Ruby](#), a Toronto organization supporting 2SLGBTQIA+ and all gender non-conforming youth.

As part of our support, we donated \$15,000 to the organization to support the important work they are doing in our communities.



407 ETR employees participating in a Kairos Blanket Exercise, reflecting on Canada’s colonization and its impact on Indigenous peoples

407 ETR Employees celebrating Pride Month



\$60,000

Donated to Friends of Ruby since 2022



Workforce Representation

We continue to encourage employees to voluntarily share their demographic information through our secure self-identification portal. These insights help us better understand the diversity within our workforce, strengthen the accuracy of our reporting and support a more meaningful DEI strategy. Improving the completeness of this data also allows us to track progress over time, identify gaps and refine our initiatives to ensure our strategy truly reflects the people who make up our organization.

Advancing Indigenous Representation through Inclusive Recruitment

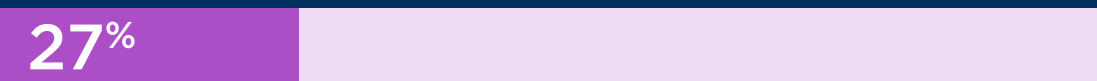
In our effort to increase the representation of Indigenous candidates, we expanded our outreach and strengthened our recruitment practices in 2025. We participated in a job fair at Trent University to help increase employment opportunities for Indigenous candidates. We also post job openings on Indigenous career portals to broaden our reach.

Female Representation:

Board of Directors



Executive Management Team



Non-Executive Management Team²⁹

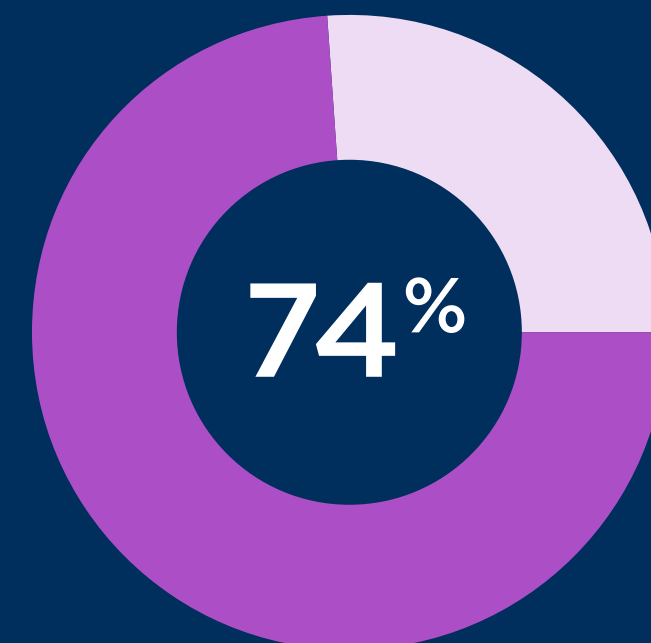


All Other Employees³⁰



Cultural Diversity:

Underrepresented Ethnic and Cultural Groups³¹



²⁹ Non-executive management includes senior managers, managers, senior directors and directors.
³⁰ All other employees include individual contributors, team managers and supervisors.
³¹ We currently maintain aggregated employee diversity data only and do not separate this data based on specific groups.



Driving Impact through Employee Resource Groups (ERGs)

ERGs play an essential role in strengthening community, connection and belonging across our organization. These employee-led groups bring together individuals who share common identities, interests or lived experiences, creating supportive spaces where people feel valued, heard and empowered.



2025 marked the successful launch of NextGen, our newest ERG to address a growing need for a dedicated platform that supports, uplifts and amplifies the voices of the next generation. Supporting emerging talent has long been a key pillar of our corporate citizenship — with NextGen, we extend this commitment inward, focusing on empowering the next generation of the 407 ETR team.

In its inaugural year, NextGen welcomed 100 members across the Company, demonstrating strong enthusiasm and participation. Throughout 2025, the group delivered 14 diverse initiatives — from a high-energy kickoff game show featuring

our talented team of leaders to professional development sessions including the LinkedIn Learning launch. Wellness remained a central thread, supported by sessions on financial literacy and mental health.

NextGen’s “Coffee Chats” were a standout success, giving members the chance to connect directly with senior leaders through open and interactive mentorship conversations. These sessions encouraged meaningful dialogue, networking and learning.

Together, these achievements made 2025 a memorable and defining first year for NextGen, establishing a foundation for continued growth, engagement and impact.



In 2025, WE CAN continued to strengthen its vibrant community, growing to over 115 active members and welcoming 47 new members throughout the year. The ERG delivered a rich lineup of educational, wellness and community-building initiatives, including externally-hosted industry conferences — International Women’s Day, The Art of Leadership and The Menopause Conference — offering meaningful opportunities for learning, reflection and professional development.

Building on its current success, WE CAN remains dedicated to creating a supportive, empowering space that amplifies women’s voices, encourages belonging and provides opportunities for collaboration, networking and shared learning across the organization.

“Wonderful to see so many team members from across the business focused on continuous learning and career development.”



NATASHA PACE
Director, Segment Marketing



2025 NextGen leaders



Raising the Bar for Customer Experience

Our Customer Operations Team is the front line of support for the millions of drivers who rely on our services each year. The team manages inquiries across multiple channels — including phone, email and live chat — ensuring customers receive timely and accurate assistance no matter how they choose to connect with us. A dedicated Business Support group provides specialized support for commercial and corporate customers, addressing more complex account and billing needs. Across all channels, our focus remains on delivering high-quality service, resolving issues efficiently and maintaining the standards of excellence that customers expect from us.

In 2025, our Customer Service Team earned the SQM World Class Call Centre FCR Certification for the 12th year in a row, while our Business Support Team achieved the distinction for the ninth consecutive year. This recognition places our contact centre among fewer than 30 centres across North America to meet SQM's world-class performance standards out of the 500 centres benchmarked annually.

To qualify, at least 80% of customer interactions must reach SQM's world-class threshold for a minimum of three consecutive months — an achievement that reflects our teams' consistent commitment to exceptional service.

The team also earned the Call Centre Award of Distinction from CAM-X based on a measure of service accuracy and attentiveness by a 'mystery shopper' using a rigorous scoring framework based on industry best practices. The award reflects the strength of our frontline team and the consistency with which they bring professionalism, empathy and clarity to every interaction.





CASE STUDY

Delivering a Better Employee and Customer Experience Through Technology Modernization

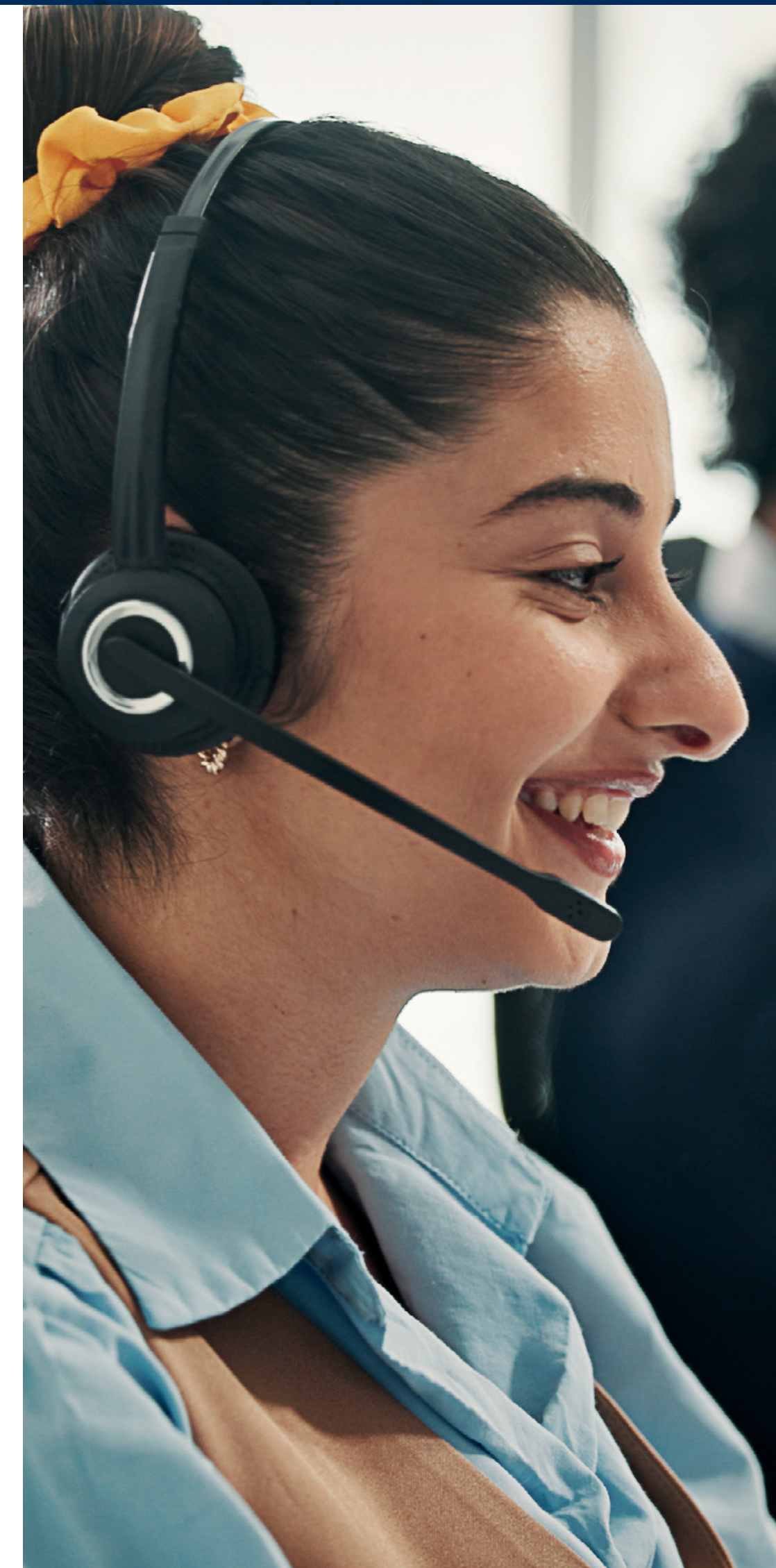
In 2025, we undertook a major modernization initiative to upgrade our existing telecommunications platform — an investment designed to improve the working experience for frontline teams and enhance the customer experience.

The updated platform equips our teams to deliver a more streamlined service experience, reducing resolution times and expanding service capabilities. The update also provides improved analytics and more responsive digital tools, supporting better decision-making, learning and development, and workforce planning. These changes help simplify work, strengthen collaboration and create a more stable environment for frontline teams.

Improvements include:

- Consistent customer interactions across phone, chat and email;
- Preserved interaction history, enabling agents to resolve issues more quickly with full context;
- Enhanced customer self-service options for everyday transactions;
- A redesigned IVR menu featuring clearer prompts and more intuitive customer pathways.

This initiative reflects our commitment to investing in modern infrastructure that supports our employees, strengthens operational resilience and ensures customers continue to receive high-quality service. By focusing on people, technology, and long-term capability building, we're better positioned to meet evolving service expectations and maintain excellence in customer care.



This initiative reflects our commitment to investing in modern infrastructure that supports our employees, strengthens operational resilience and ensures customers continue to receive high-quality service.

Performance

As of December 31, 2025, four (33%) of our 12 directors were women. There were two (17%) directors who identified as a visible minority and no directors identified as Indigenous, or as having a disability. Of the 11-person Management Team, three (27%) are women, and three (27%) are individuals that identify as visible minorities. No one identified as Indigenous, or as having a disability. Of 407 ETR's two executive officers who are male, one (50%) identifies as a visible minority.

In 2025, employees completed more than 9,900 hours of learning and we invested more than \$540,000 in employee development.

By equipping employees with the knowledge and skills needed to perform their roles effectively and adapt to evolving operational demands, these investments help reduce risk, improve consistency and reliability across operations and support a culture of continuous improvement.

As we continue to implement major strategic projects, we engage contingent workers with specialized skill sets to meet critical milestones and support implementation and change management.

ANALYST CORNER

SASB SV-PS-000.A
 SASB SV-PS-330a.1
 SASB SV-PS-330a.2
 SASB SV-PS-330a.3

METRIC ³²	2025		2024		2023		2022	
Number of full-time employees	488		492		499		477	
Number of part-time employees	55		58		40		36	
Number of contractors ³³	434		493		523		178	
Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, and (c) all other employees ³⁴	(1a)	27%	(1a)	27%	(1a)	20%	(1a)	18%
	(1b)	38%	(1b)	40%	(1b)	N/A	(1b)	N/A
	(1c)	48%	(1c)	48%	(1c)	48%	(1c)	48%
	(2)	74%	(2)	72%	(2)	N/A	(2)	N/A
Voluntary turnover rate for all employees	14%		14%		17%		20%	
Involuntary turnover rate for all employees	10%		7%		9%		7%	
(1) Total volunteer hours and	(1)	999	(1)	899	(1)	1,564	(1)	602
(2) Average volunteer hours per employee	(2)	1.7	(2)	1.6	(2)	3	(2)	1
Employee engagement	67%		65%		64%		63%	

³² SASB requires a disclosure of temporary employees. This is not a material metric for 407 ETR.

³³ In 2025 we continued to engage contingent workers with specialized skill sets to increase business capacity and support with the implementation of major strategic initiatives.

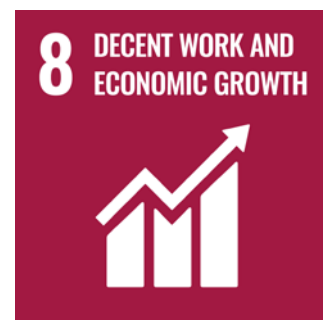
³⁴ As of December 31, 2025. Management is defined as the most senior level of leadership reporting directly to the CEO. Non-executive management includes senior managers, managers, senior directors and directors. All other employees include individual contributors, team managers and supervisors. We currently maintain aggregated employee diversity data only and do not separate this data based on specific groups.





Community & Indigenous Relations

UN SDG Alignment



Transportation is just one part of our impact. As a responsible corporate citizen, we're committed to improving the social and environmental fabric of the communities around us.

Our community investments are directed to programs focused on addressing important local needs such as health and well-being, environmental action, social services, education and DEI. These commitments reflect our belief that responsible business leadership means helping build stronger, more equitable communities.

Approach

We take our role as a trusted community partner seriously, recognizing the impact we can make beyond our operations. Our community investments focus on driving meaningful, long-term impact through partnerships that strengthen local health care, advance environmental protection, support inclusive opportunities and expand social and educational resources.

In 2025, we worked with more than 160 community partners across the region and remained active members of multiple boards of trade and chambers of commerce, reinforcing our commitment to helping the GTA grow stronger, more connected and more resilient.

Our community relations initiatives and activities are developed and managed within the Communications & Government Relations department and are overseen by our Vice President, Communications & Government Relations.





Building Stronger Connections with GTA Business Leaders

As an active member of the GTA’s transportation and business community, we’re building strong relationships that support regional growth and shared prosperity. Our involvement across boards of trade and chambers of commerce helps us contribute to conversations shaping the future of mobility, economic development and community well-being.

Participating in these conversations helps us gain valuable insights into local priorities and allows us to share our expertise as a leading transportation provider — collaborating on solutions that benefit commuters, businesses and municipalities across the region. These partnerships strengthen our ability to advocate for efficient, connected infrastructure while ensuring the voices of our customers and communities are reflected in broader policy and planning discussions.

We help shape business policy, innovation and mobility discussions through active memberships.

GTA Boards of Trade and Chambers of Commerce:

- Ajax-Pickering Board of Trade
- Brampton Board of Trade
- Burlington Chamber of Commerce
- Greater Oshawa Chamber of Commerce
- Markham Board of Trade
- Milton Chamber of Commerce
- Mississauga Board of Trade
- Oakville Chamber of Commerce
- Ontario Chamber of Commerce
- Richmond Hill Board of Trade
- Toronto Region Board of Trade
- Vaughan Chamber of Commerce
- Whitby Chamber of Commerce

Transportation & Infrastructure Leadership:

- Canadian Association of Tolling Authorities (founding member)
- Halton Peel Supply Chain Council
- Ontario Chamber of Commerce Infrastructure Policy Council
- Toronto Region Board of Trade Transportation & Infrastructure Policy Committee
- Toronto Region Board of Trade Congestion Task Force and Governing Council
- Toronto Region Board of Trade Young Professionals Network Committee
- Vaughan Chamber of Commerce Infrastructure Council

Business & Policy Committees:

- Brampton Board of Trade’s Policy & Government Relations Committee
- Mississauga Board of Trade’s Policy & Government Affairs Committee
- Ontario Chamber of Commerce’s Ontario Business Advisory Council
- Toronto Region Board of Trade’s AI & Innovation Economy Committee



Driving Ontario Forward — One Trip at a Time

407 ETR continues to play a pivotal role in strengthening Ontario’s economy, enhancing mobility and supporting local communities. We operate not just as a transportation corridor, but as a driver of economic productivity, job creation and quality of life across the GTA.

According to an [Economic Impact Assessment](#) released in 2025 by [Steer](#), a global infrastructure consultancy, Highway 407 ETR delivered \$1.2 billion in annual travel time, safety and access benefits in 2024. This reflects faster commutes, fewer collisions and improved access to jobs, services and recreation.

The report found that Highway 407 ETR’s operations contributed \$490 million in annual GDP, with spending that supports industries and communities across Ontario and Canada.

This economic activity helps sustain 1,800 jobs nationwide through a combination of direct employment and jobs supported across our supply chain. This includes more than 500 employees based at our Woodbridge, Ontario head office, home to our award-winning contact centre. In total, workers received \$140 million in wages, showing the direct impact of our reinvestment in the local economy.

Through continued investment, reliable operations and a commitment to economic and social impact, we remain a vital part of the province’s infrastructure — keeping people, goods and communities moving.

Supporting Canada’s Economy and Workforce



\$1.2B

In annual socioeconomic benefits to drivers



\$490M

Contributed to Canadian GDP



1,800

Jobs supported across Canada

543 employees based out of the head office in Woodbridge, Ontario



\$140M

In wages paid to Canadian workers

[Learn more about our economic impact.](#)



We’re proud to help strengthen domestic industries using Canadian-made equipment, including transponders designed and made in Mississauga, road salt mined in Goderich and tolling equipment manufactured in Woodbridge and Markham.



Building Stronger, Healthier Communities

Caring for the health and well-being of the communities we serve is a core part of our commitment to creating positive, lasting impact beyond the highway.

Strengthening Youth Through Sports

For over a decade, we have helped young people in the GTA stay active, connected and confident through [Keep Moving™ by 407 ETR](#) — our youth team sponsorship program. Since launching in 2015, we have invested more than \$1 million to support children and youth in the program.

In 2025, we invested \$150,000 in the program, enabling more than 4,500 young athletes to participate in sports ranging from dance and swimming to hockey and accessible athletic programs. By supporting sports and recreation, we’re helping kids discover new interests and build healthy habits that last a lifetime.

We remain committed to supporting organizations that offer inclusive and accessible programming, ensuring that children of all backgrounds and abilities have equitable opportunities to participate, grow and thrive through sport.

Advancing Community Health with Hockey Night in Brampton

In 2025, we strengthened our commitment to supporting community health by contributing \$50,000 in support of [Mayor Patrick Brown’s Hockey Night in Brampton](#), Canada’s largest charity hockey game. The annual event raises critical funds for the [William Osler Health System Foundation](#), helping ensure residents across Brampton and the surrounding region can access high-quality, responsive health care close to home.

This support builds on our decades-long investment in local hospitals. Since 2006, we have donated over \$1.8 million to hospitals across the GTA, including significant contributions to William Osler Health System. These investments help fund vital equipment, infrastructure and frontline services that directly improve patient care and community health.

Beyond its financial impact, Hockey Night in Brampton serves as a point of connection — bringing together local leaders, residents, athletes and partners to rally around a shared commitment to community wellness.

“Hockey Night in Brampton is about bringing our community together to support a cause that touches every family — quality health care. Thank you to 407 ETR for stepping up with such generosity as we build Brampton’s second hospital, strengthening health care for our growing community.”

PATRICK BROWN
Mayor of Brampton



407 ETR presents \$50,000 donation in support of the William Osler Health Foundation

Recognized for Building a Healthier, More Inclusive Brampton

In 2025, we received the [City of Brampton's Healthy Communities Award](#), recognizing our growing impact in expanding equitable access to recreation. Over the past three years, our funding has helped enhance inclusive programs in Brampton such as [ActiveAssist](#), which provides subsidies for families and supports residents living with disabilities, as well as free youth badminton sessions that encourage physical activity and social connection.

This partnership has enabled more than 16,000 youth and 2,600 residents with disabilities to participate in recreational programming each year, strengthening community belonging and healthy living across Brampton. We have contributed over \$60,000 toward accessible programs since 2023 and previously received the City's Community Impact Award for expanding access to youth sports. The award highlights our commitment to removing barriers, promoting inclusive participation and helping build more connected, active communities.

Supporting Families When it Matters Most

For more than two decades, we have partnered with SickKids Foundation to support children and families during some of their most challenging moments. Since 2006, we have contributed more than \$600,000 to help advance patient care and family services, reflecting a long-standing commitment to community well-being across the GTA.

In 2025, we donated \$50,000 to SickKids Foundation's Patient Amenities Fund, which helps families manage essential out-of-pocket expenses while their child is receiving care.

The fund supports costs such as parking, meals and short-term accommodations — expenses that can quickly add up for families travelling back and forth to the hospital or staying nearby during extended inpatient stays.

Beyond corporate giving, 407 ETR employees have also demonstrated a strong commitment to community impact through staff-led fundraising initiatives, raising tens of thousands of dollars in support of SickKids since 2006. Together, these efforts reflect our broader approach to meaningful corporate citizenship.



407 ETR accepts the City of Brampton's Healthy Communities Award



Giving Back Through Meaningful Community Impact

Across the GTA, our community initiatives continue to remove barriers, expand access and strengthen social connection. These efforts reflect our belief that strong, healthy communities are built through equitable access, shared responsibility and opportunities that empower people to thrive.

Route Relief: Expanding Access for GTA Individuals and Families


In 2025, the Route Relief Program continued to play an important role in improving travel access for low-income drivers across the GTA, providing participants with six free trips per month. In 2024 and 2025, the program provided more than \$1.4 million in free travel and supported over 3,500 participants.

Participants share that Route Relief has helped reduce commuting costs, shorten travel times and make daily responsibilities — like work, childcare and essential appointments — easier to manage.



“It has completely changed my ability to accept work opportunities that are in other cities because I need to be home for my kids at certain times before and after school which I couldn’t manage on regular highways due to traffic.”

Michelle from Oakville

 [Learn more about Route Relief.](#)



Employee-Driven Community Support

In June 2025, nearly 400 employees united for our eighth annual [One Big Day](#), a large-scale volunteer effort supporting 25 organizations and non-profits across the GTA. From Brampton and Caledon to Mississauga, Toronto and Vaughan, teams worked to make a meaningful, hands-on impact in our local communities.

Employees contributed their time and skills to a wide range of initiatives, including assembling care kits, building furniture and bicycles, supporting local food banks and shelters, participating in green space and litter cleanups, and assisting with landscaping and community facility upkeep. These activities reflect our commitment to making a measurable difference through direct community involvement.

Continued Partnership with United Way Greater Toronto

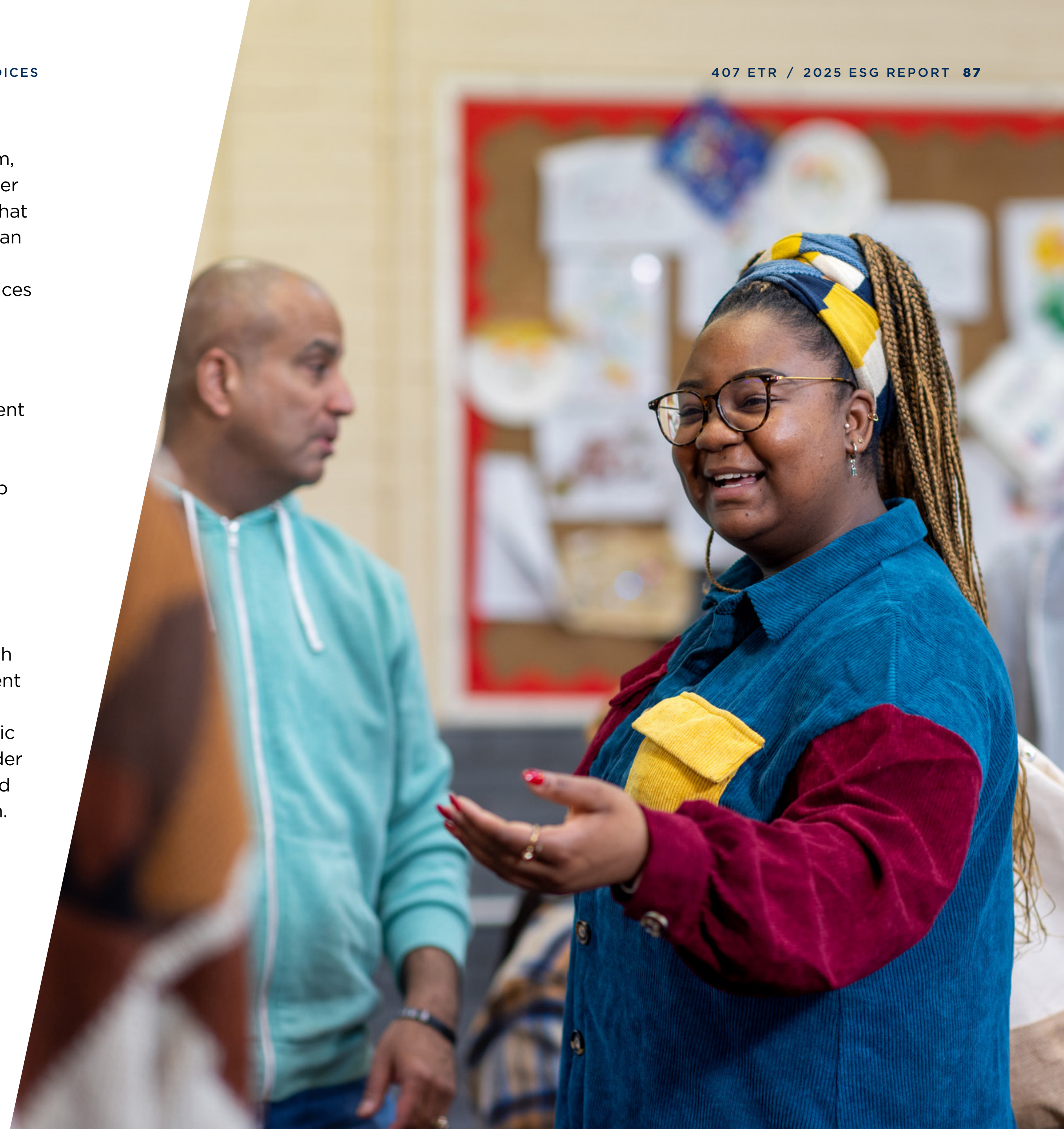
We continue to proudly support United Way Greater Toronto, an organization we have partnered with for a decade. In 2025, we were recognized as a *Local Leader* for the seventh consecutive year — an honour that reflects both our employees' generosity and our company-wide commitment to community impact.

Through our annual employee fundraising campaign and corporate matching program, we donated \$135,000 to United Way Greater Toronto in 2025. These funds help ensure that individuals and families across the region can access essential supports, including stable housing, food programs, employment services and other important community resources.

Supporting Inclusive Leadership Growth Across the GTA

We continued to strengthen our commitment to advancing equity and representation through our sponsorship of [CivicAction's DiverseCity Fellows program](#) — a fellowship that equips high-potential leaders from equity-deserving communities with the skills, networks and civic exposure to drive meaningful change across the GTA.

Through a three-year, \$75,000 partnership (2024-2026), we're helping 25 Fellows each year accelerate their leadership development through skills building, mentorship, personalized coaching and exposure to civic issues. The investment reinforces our broader goal of fostering an inclusive workplace and more inclusive leadership across the region.





Supporting Indigenous Partners

We're committed to building strong, respectful relationships with Indigenous Peoples and communities in the regions where we operate. This includes supporting initiatives that create opportunities, strengthen community connections and help empower the next generation.

Championing Indigenous Youth

In March 2025, we served as a Diamond Sponsor of the 51st annual Little Native Hockey League tournament in Markham with a \$30,000 donation to the event. The occasion brought together over 4,000 Indigenous youth across 270 teams, including a record 47 girls' teams, making it Ontario's largest Indigenous youth hockey gathering. To help remove transportation barriers for families travelling from across the province, we provided \$150,000 in Highway 407 ETR gift cards, helping young athletes and their families get to and from games faster and more conveniently.

This partnership reflects our broader commitment to community and Indigenous relations — supporting accessible, culturally grounded youth programming that fosters connection, pride and opportunity across Indigenous communities.

[▶ See the impact.](#)

Formalizing Our Commitment to Indigenous Peoples

In 2025, we introduced our new *Indigenous Peoples Policy* to formalize our commitment to building respectful, collaborative and mutually beneficial relationships with Indigenous communities. The policy recognizes the diversity, rights, cultures and histories of the First Nations, Inuit and Métis Peoples connected to the land on which we operate and is informed by the United Nations Declaration on the Rights of Indigenous Peoples.

The policy outlines our commitments to meaningful engagement, cultural respect, community investment, inclusive procurement and employment practices, employee education and supporting sustainable land stewardship. By embedding these principles into our operations, partnerships and decision-making processes, we're taking an important step toward reconciliation while strengthening our social responsibility and long-term ESG performance.



\$240,000

Donated to support local Indigenous organizations since 2024



407 ETR proudly supporting the Little NHL, celebrating youth hockey, culture and community at the March 2025 tournament



CASE STUDY

Building Cultural Connection: The Crane Gathering Space Partnership

In 2025, we expanded our commitment to supporting Indigenous placemaking through our partnership with the [Credit Valley Conservation](#) (CVC), [Credit Valley Conservation Foundation](#) (CVCF) and the Credit Valley Trail Indigenous Roundtable.

Together, we celebrated the opening of the Crane Gathering Space at Island Lake Conservation Area, the first Indigenous-led placemaking site along the Credit Valley Trail.



A Meaningful Step Forward

The project reflects a shared desire to create spaces that honour Indigenous knowledge, culture and community presence within the shared lands our highway corridor intersects. The Crane Gathering Space represents a visible, lasting expression of relationship building — not just sponsorship. It's a collaboration guided by Indigenous leadership, grounded in respect and aligned with our goal of strengthening cultural connection and accessibility across the region.

Collaboration Rooted in Indigenous Leadership

Developed in partnership with CVC and the Credit Valley Trail Indigenous Roundtable, the space honours the Crane Clan in Anishinaabeg culture and the significance of sandhill cranes, symbols of leadership and communication. Members of the Mississaugas of the Credit First Nation and The Indigenous Roundtable helped to create a vision that shaped every element,

from the location to the interpretive features, ensuring the space reflects cultural meaning.

A Space for Reflection, Culture & Connection

Unveiled in July 2025, the Crane Gathering Space provides visitors a calm, reflective area overlooking Island Lake — a place to learn, connect and celebrate Indigenous perspectives on land and community. Families, trail users and community groups now have a dedicated site for cultural interpretation and ceremonies, offering opportunities to deepen understanding and build lasting ties between Indigenous communities and residents across the region.

As a long-standing partner of the CVCF, we have contributed over \$160,000 since 2018 to support conservation efforts.



[Learn more about the Crane Gathering Space.](#)

407 ETR's generous partnership is essential to advancing the shared mission of Credit Valley Conservation and the Credit Valley Conservation Foundation to protect and connect the natural spaces within the Credit River Watershed. Their ongoing support not only drives critical conservation projects but also reinforces our shared commitment to environmental stewardship and reconciliation with Indigenous Peoples."



DAYANA GOMEZ
Executive Director
Credit Valley Conservation Foundation



Performance

In 2025, we continued to make meaningful contributions across the communities we serve, investing approximately \$3.4 million in sponsorships, donations and free travel. We supported over 160 organizations and donated \$190,000 to Indigenous organizations and initiatives. We also contributed \$676,000 towards environmental initiatives, completing our \$1.8 million, three-year investment from 2023–2025.

Our Route Relief Program continues to help more drivers access Highway 407 ETR — making travel easier and relieving congestion on alternate routes. Launched in November 2024, Route Relief is the first 407 ETR financial assistance program to offer free monthly trips for a 12-month period, renewable annually. In 2024 and 2025, the program helped more than 3,500 drivers and delivered over \$1.4 million in free travel.

METRIC	2025	2024	2023	2022
Total invested in sponsorships, donations and free travel ³⁵	\$3.4 million	\$1.7 million	\$1.7 million	\$2 million
Number of organizations supported	160+	160+	160+	155+
Total invested in Keep Moving™ by 407 ETR youth sponsorship program	\$150,000	\$135,000	\$130,000	\$100,000
Kids supported through Keep Moving™ by 407 ETR	4,500	3,500	3,300	2,700
Total invested in biodiversity initiatives	\$676,000	\$669,000	\$600,000	\$214,000
Total donated to United Way Greater Toronto through employee fundraising and corporate matching program	\$135,000	\$121,000	\$105,000	\$116,000
Total funding to support Indigenous organizations and initiatives	\$190,000	\$50,000	—	—



³⁵ The increase in total investments in 2025 reflects the inclusion of free travel provided through the Route Relief Program.



APPENDICES

IN THIS SECTION

SASB INDEX

TCFD INDEX

UNGC INDEX

PERFORMANCE
DATA TABLE

DELOITTE
ASSURANCE REPORT



SASB Index

SASB publishes industry-specific sustainability accounting standards, intended to help companies disclose financial and useful ESG information to investors.

As an organization that operates an open access toll highway, we recognize that our business activities are relevant to multiple SASB Standards. To this end, we have reported applicable metrics from the following SASB Standards:

1. Engineering & Construction Services;
2. Road Transportation;
3. Professional & Commercial Services.

Consolidated data across our operations is provided. We have explained any deviations or omissions from the standards, where relevant.





Engineering & Construction Services Standard

SASB CODE	ACCOUNTING METRIC	UNIT	REFERENCE
ACTIVITY METRICS			
IF-EN-000.A	Number of active projects	Number	Omitted. As per the Concession Agreement, Highway 407 ETR has been built to its maximum length. As such, this metric is not applicable to 407 ETR.
IF-EN-000.B	Number of commissioned projects	Number	Omitted. This metric is not applicable to 407 ETR as Highway 407 ETR has been built to its maximum capacity.
IF-EN-000.C	Total backlog	Reporting currency	Omitted. This metric is not applicable to 407 ETR as Highway 407 ETR has been built to its maximum capacity and therefore there are no backlogged projects.
ENVIRONMENTAL IMPACTS OF PROJECT DEVELOPMENT			
IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards and regulations	Number	Page 41 of this report (Environmental Impact & Biodiversity).
IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting and construction	N/A	As per the Concession Agreement, 407 ETR has been built to its maximum length. All current construction activities are related to the maintenance and expansion of existing infrastructure. For more, see page 41 of this report (Environmental Impact & Biodiversity).
STRUCTURAL INTEGRITY & SAFETY			
IF-EN-250a.1	Amount of defect and safety-related rework costs	Reporting currency	Omitted. 407 ETR's construction and maintenance activities are outsourced to third-party vendors. They are responsible for quality assurance of the services provided and are contractually required to resolve any defects related to construction activities. As per contractual agreements with these vendors, 407 ETR may seek to recover costs incurred to address safety defects.
IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	Reporting currency	Page 61 of this report (Health & Safety).
WORKFORCE HEALTH & SAFETY			
IF-EN-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Rate	Page 61 of this report (Health & Safety).



Engineering & Construction Services Standard

SASB CODE	ACCOUNTING METRIC	UNIT	REFERENCE
LIFECYCLE IMPACTS OF BUILDINGS & INFRASTRUCTURE			
IF-EN-410a.1	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	Number	Omitted. This is not applicable to the operations of 407 ETR as this does not apply to road infrastructure.
IF-EN-410a.2	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	N/A	Omitted. This is not applicable to the operations of 407 ETR as this does not apply to road infrastructure.
CLIMATE IMPACTS OF BUSINESS MIX			
IF-EN-410b.1	Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects	Reporting currency	Omitted. 407 ETR is not engaged in any hydrocarbon or renewable energy projects.
IF-EN-410b.2	Amount of backlog cancellations associated with hydrocarbon-related projects	Reporting currency	Omitted. 407 ETR is not engaged in any hydrocarbon-related projects.
IF-EN-410b.3	Amount of backlog for non-energy projects associated with climate change mitigation	Reporting currency	Omitted. 407 ETR does not have a backlog for any non-energy projects associated with climate change mitigation.
BUSINESS ETHICS			
IF-EN-510a.1	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number, Reporting currency	Omitted. This metric is not applicable to 407 ETR as Highway 407 ETR has been built to its maximum capacity and therefore there are no backlogged projects.
IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	Reporting currency	Page 38 of this report (Business Ethics).
IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	N/A	407 ETR maintains policies designed to address and mitigate risk related to bribery, corruption and anti-competitive behaviour. For more, see page 38 of this report (Business Ethics).



Road Transportation Standard

SASB CODE	ACCOUNTING METRIC	UNIT	REFERENCE
ACTIVITY METRICS			
TR-RO-000.A	Revenue tonne kilometres (RTK)	RTK	Omitted. 407 ETR is not a construction or logistics company and we do not move construction material or goods for the purpose of our business.
TR-RO-000.B	Load factor	Number	Omitted. 407 ETR is not a construction or logistics company and we do not move construction material or goods for the purpose of our business.
TR-RO-000.C	Number of employees, number of truck drivers	Number	Omitted. 407 ETR does not employ truck drivers. Our total number of employees can be found on page 73 of this report (Human Capital Management).
GHG EMISSIONS			
TR-RO-110a.1	Gross global Scope 1 emissions	Metric tonnes (t)	Page 54 of this report (Climate Change Metrics & Targets).
TR-RO-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	N/A	Page 54 of this report (Climate Change Metrics & Targets).
TR-RO-110a.3	(1) Total fuel consumed, (2) percentage natural gas, (3) percentage renewable	Litres, Percentage (%)	Page 54 of this report (Climate Change Metrics & Targets).
AIR QUALITY			
TR-RO-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , and (3) particulate matter (PM ₁₀)	Metric tonnes (t)	Omitted. This is not applicable to the operation of 407 ETR as highway construction is completed by third-party companies.
WORKFORCE CONDITIONS, HEALTH & SAFETY			
TR-RO-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Rate	Page 61 of this report (Health & Safety).
TR-RO-320a.2	(1) Voluntary and (2) involuntary turnover rate for all employees	Percentage (%)	Page 73 of this report (Human Capital Management).
TR-RO-320a.3	Description of approach to managing short-term and long-term driver health risks	N/A	Omitted. This is not applicable to 407 ETR as we do not employ any freight drivers. For information about how we manage health and safety for our employees, see Page 61 of this report (Health & Safety).
ACCIDENT & SAFETY MANAGEMENT			
TR-RO-540a.1	Number of road accidents and incidents	Number	Page 61 of this report (Health & Safety). 407 ETR only discloses road accidents and incidents caused by customers.
TR-RO-540a.3	(1) Number and (2) aggregate volume of spills and releases to the environment	Number, Cubic meters (m ³)	Page 41 of this report (Environmental Impact & Biodiversity). 407 ETR only reports on the number of spills and remediations completed, not volume of spills.



Professional & Commercial Services Standard

SASB CODE	ACCOUNTING METRIC	UNIT	REFERENCE
ACTIVITY METRICS			
SV-PS-000.A	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	Number	Page 73 of this report (Human Capital Management).
SV-PS-000.B	Employee hours worked; percentage billable	Hours, Percentage (%)	Omitted. This metric is not relevant to 407 ETR’s business model as we’re not a consulting company.
INFORMATION SECURITY			
SV-PS-230a.1	Description of approach to identifying and addressing information security risks	N/A	Page 67 of this report (Information Security & Customer Privacy).
SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	N/A	Page 67 of this report (Information Security & Customer Privacy).
SV-PS-230a.3	(1) Number of data breaches, (2) percentage that (a) involve customers’ confidential business information and (b) are personal data breaches, (3) number of (a) customers and (b) individuals affected	Number, Percentage (%)	Page 67 of this report (Information Security & Customer Privacy).
WORKFORCE DIVERSITY & ENGAGEMENT			
SV-PS-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, and (c) all other employees	Percentage (%)	Page 73 of this report (Human Capital Management).
SV-PS-330a.2	(1) Voluntary and (2) involuntary turnover rate for employees	Percentage (%)	Page 73 of this report (Human Capital Management).
SV-PS-330a.3	Employee engagement as a percentage	Percentage (%)	Page 73 of this report (Human Capital Management).
PROFESSIONAL INTEGRITY			
SV-PS-510a.1	Description of approach to ensuring professional integrity	N/A	Page 38 of this report (Business Ethics).
SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Reporting currency	Page 38 of this report (Business Ethics).



TCFD Index

The TCFD developed a framework to help companies and investors disclose useful, forward-looking information on climate-related risks and opportunities.

We remain committed to improving our alignment with the TCFD recommendations, as this framework has emerged as the leading framework for climate-related disclosure.





TCFD Index

RECOMMENDATION	RECOMMENDED DISCLOSURES	RECOMMENDED DISCLOSURES REFERENCE
GOVERNANCE		
<p>Disclose the organization’s governance around climate-related risks and opportunities.</p>	<p>(a) Describe the Board’s oversight of climate-related risks and opportunities. (b) Describe Management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>Page 49 of this report (Climate Change Governance).</p>
STRATEGY		
<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning where such information is material.</p>	<p>(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term. (b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning. (c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Page 49 of this report (Climate Change Strategy).</p>
RISK MANAGEMENT		
<p>Disclose how the organization identifies, assesses and manages climate-related risks.</p>	<p>(a) Describe the organization’s processes for identifying and assessing climate-related risks. (b) Describe the organization’s processes for managing climate-related risks. (c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management.</p>	<p>Page 53 of this report (Climate Change Risk Management).</p>
METRICS & TARGETS		
<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<p>(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. (b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks. (c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>Page 54 of this report (Climate Change Metrics and Targets). Our disclosure now includes Scope 1, Scope 2 and applicable Scope 3 GHG emissions. We currently do not have targets for our Scope 3 emissions.</p>



UNGC Index




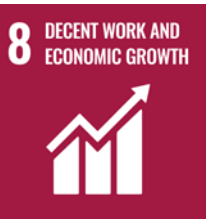

The UNGC is a non-binding United Nations pact to encourage businesses and organizations worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

The UNGC is a principle-based framework for businesses, stating Ten Principles in the areas of human rights, labour, the environment and anti-corruption.





UNGC Index

AREA	UN SDGS	PRINCIPLE	EVIDENCE
Human Rights	 	<ol style="list-style-type: none"> 1. Businesses should support and respect the protection of internationally proclaimed human rights. 2. Businesses should make sure they are not complicit in human rights abuses. 	<p>See page 36 of this report.</p> <p>See page 36 of this report.</p>
Labour Rights	   	<ol style="list-style-type: none"> 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. 4. Businesses should uphold the elimination of all forms of forced and compulsory labour. 5. Businesses should uphold the effective abolition of child labour. 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation. 	<p>See page 73 of this report.</p> <p>See page 36 of this report.</p> <p>See page 36 of this report.</p> <p>See page 38 of this report.</p>
Environment		<ol style="list-style-type: none"> 7. Businesses should support a precautionary approach to environmental challenges. 8. Businesses should undertake initiatives to promote greater environmental responsibility. 9. Businesses should encourage the development and diffusion of environmentally-friendly technologies. 	<p>See page 42 of this report.</p> <p>See page 43 of this report.</p> <p>See page 58 of this report.</p>
Anti-Corruption		<ol style="list-style-type: none"> 10. Businesses should work against all forms of corruption including extortion and bribery. 	<p>See page 38 of this report.</p>



Performance Data Table

ESG FACTOR	INDICATOR	REFERENCE	UNIT	2025	2024	2023	2022
ENVIRONMENTAL							
GHG Emissions	Scope 1 Emission Source						
	Diesel ³⁶	TR-RO-110a.1	tCO ₂ e	1,490	1,021	1,145	1,290
	Gasoline			476	650	598	631
	Natural Gas			263	346	335	341
	Propane			83	64	58	49
	Scope 2 Emission Source						
	Electricity (Market-Based)	TR-RO-110a.1	tCO ₂ e	329	N/A	N/A	N/A
	Electricity (Location-Based)	TR-RO-110a.1		758	493	409	445
	Fuel Source						
	Diesel	TR-RO-110a.3	Litres	546,965	374,964	417,873	470,732
	Gasoline			205,521	280,666	258,109	272,328
	Natural Gas			136,205,000	179,079,000	173,301,000	176,610,000
	Propane			53,553	41,594	37,678	31,786
	Total Fuel Consumed	TR-RO-110a.3	Litres	137,011,039	179,776,224	174,014,660	177,384,846
	Electricity	TR-RO-110a.3	kWh	14,130,424	13,888,933	14,378,594	15,067,703
	Percentage of fuel consumed that is natural gas	TR-RO-110a.3	Percentage (%)	10%	13%	13%	15%
	Percentage of fuel consumed that is renewable fuel	TR-RO-110a.3		0%	0%	0%	0%
Scope 3 Emission Source							
Scope 3 Emissions (Categories 1-7)	TR-RO-110a.1	tCO ₂ e	20,662	N/A	N/A	N/A	

³⁶ Diesel emissions vary depending on the severity of the winter season and the operations required to keep Highway 407 ETR safe during winter events.



Performance Data Table

ESG FACTOR	INDICATOR	REFERENCE	UNIT	2025	2024	2023	2022
Environmental Impact & Biodiversity	Number of incidents of non-compliance with environmental permits, standards and regulations	IF-EN-160a.1	Number	0	0	0	0
	Number of reportable spills and releases to the environment caused by 407 ETR	TR-RO-540a.3	Number	0	0	0	0
	Number of reportable spills and releases to the environment caused by road users	TR-RO-540a.3	Number	4	5	4	4
	Number of site clean-ups/remediation completed	N/A	Number	4	5	4	4
	Aggregate volume of spills and releases to the environment ³⁷	TR-RO-540a.3	Volume (m ³)	0	0	0	1.7
	Number of trees planted along Highway 407 ETR and 407 ETR head office	N/A	Number	30,000	20,000	10,000	N/A
	Waste generated from facilities	N/A	Metric tonnes (t)	235	N/A	N/A	N/A
	Percentage of waste diverted from landfill	N/A	Percentage (%)	34.3	N/A	N/A	N/A
	Asphalt waste generated from road maintenance	N/A	Volume (m ³)	20,715	N/A	N/A	N/A
	Percentage of asphalt waste diverted from landfill	N/A	Percentage (%)	100	N/A	N/A	N/A
	Water consumption	N/A	Volume (m ³)	10,733	N/A	N/A	N/A

³⁷ We report spill volumes caused by 407 ETR employees only. We will continue to clean up spills and remediate contaminated sites within the boundaries of our operations regardless of their cause. Information on the number of all reportable spills and remediations will continue to be included in our ESG Report.



Performance Data Table

ESG FACTOR	INDICATOR	REFERENCE	UNIT	2025	2024	2023	2022	
SOCIAL								
Health & Safety ³⁸	Lost-Time Free Hours ³⁹	N/A	Hours	1,377,833	404,526	206,355	2,854,502	
	Lost-Time Free Days	N/A	Days	519	153	88	1,282	
	Fatality Injury Frequency Rate (FIFR)	IF-EN-320a.1 / TR-RO-320a.1	Rate	0.00	0.00	0.00	0.00	
	Lost-Time Incident Frequency Rate (LTIFR)	N/A	Rate	0.00	0.22	0.23	0.00	
	Medical Aid Injury Frequency Rate (MAIFR)	IF-EN-320a.1 / TR-RO-320a.1	Rate	1.23	1.95	1.59	1.69	
	Total Recordable Incident Rate (TRIR)	IF-EN-320a.1 / TR-RO-320a.1	Rate	1.23	1.95	1.81	1.69	
	Near Miss Reports ⁴⁰	N/A	Number	10	7	5	7	
	Road accidents and incidents index ⁴¹	TR-RO-540a.1	Rate	28.1	26.6	23.5	23.1	
	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	IF-EN-250a.2	CAD	\$0	\$0	\$0	\$0	
	Human Capital Management	Number of full-time employees	SV-PS-000.A	Number	488	492	499	477
Number of part-time employees		SV-PS-000.A	Number	55	58	40	36	
Number of contractors ⁴²		SV-PS-000.A	Number	434	493	523	178	
Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, and (c) all other employees			SV-PS-330a.1	Percentage (%)	(1a) 27%	(1a) 27%	(1a) 20%	(1a) 18%
					(1b) 38%	(1b) 40%	(1b) N/A	(1b) N/A
	(1c) 48%				(1c) 48%	(1c) 48%	(1c) 48%	
	(2) 74%				(2) 72%	(2) N/A	(2) N/A	

³⁸ These safety metrics (lost-time free hours, lost-time free days, FIFR, LTIFR, MAIFR, TRIR, near miss reports) pertain to 407 ETR employees and fixed-term contract employees, and do not include safety information for contractors.

³⁹ This metric pertains to 407 ETR employees and does not include safety information for contractors or customers.

⁴⁰ An incident where no injury or ill health occurs but has the potential to do so.

⁴¹ 407 ETR discloses road accidents and incidents involving customers. The figures have been adjusted from absolute figures to an indexed metric, expressed per 100 million vehicle kilometres travelled. This change enables more realistic year-over-year comparison and alignment with industry practice.

⁴² In 2025 we continued to engage contingent workers with specialized skill sets to increase business capacity and support with the implementation of major strategic initiatives.



Performance Data Table

ESG FACTOR	INDICATOR	REFERENCE	UNIT	2025	2024	2023	2022
	Voluntary turnover rate for all employees	SV-PS-330a.2	Percentage (%)	14%	14%	17%	20%
	Involuntary turnover rate for all employees	SV-PS-330a.2	Percentage (%)	10%	7%	9%	7%
	(1) Total volunteer hours and (2) Average volunteer hours per employee	N/A	Number	(1) 999 (2) 1.7	(1) 899 (2) 1.6	(1) 1,564 (2) 3	(1) 602 (2) 1
	Employee engagement	SV-PS-330a.3	Percentage (%)	67%	65%	64%	63%
GOVERNANCE							
Information Security & Customer Privacy	Number of data breaches ⁴³	SV-PS-230a.3	Number	0	0	0	0
	Percentage of data breaches involving customers' confidential business information (CBI)	SV-PS-230a.3	Percentage (%)	0%	0%	0%	0%
	Percentage of data breaches involving customers' personally identifiable information (PII)	SV-PS-230a.3	Percentage (%)	0%	0%	0%	0%
	Number of customers affected	SV-PS-230a.3	Number	0	0	0	0
	Number of legal proceedings associated with customer privacy	N/A	Number	0	0	0	0
ESG Governance	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	IF-EN-510a.2	CAD	\$0	\$0	\$0	\$0
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	CAD	\$0	\$0	\$0	\$0
	Percentage of female representation on the Board	N/A	Percentage (%)	33%	33%	38%	38%

⁴³ 407 ETR discloses data breaches as required by law and those the Company deems material. Disclosures are limited to information that is not confidential or privileged. There were no such breaches in 2025.



Deloitte Assurance Report



Independent Practitioner’s Limited Assurance Report

To the Board of Directors of 407 International Inc.

We have undertaken a limited assurance engagement of the accompanying selected metrics of 407 International Inc. (“407 International”) for the year ended December 31, 2025 (collectively the “Subject Matter Information”), as reported in Appendix A.

Management’s Responsibility

Management is responsible for the preparation of the Subject Matter Information in accordance with the applicable criteria, as defined in Appendix A (the “applicable criteria”). Management is also responsible for selecting the applicable criteria used and for such internal control as management determines necessary to enable preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical and other procedures) and evaluating the evidence obtained. The procedures also include assessing the suitability in the circumstances of 407 International’s use of the applicable criteria as the basis for the preparation of the Subject Matter Information. The procedures are selected based on our professional judgment which includes identifying areas where the risks of material misstatement of the Subject Matter Information are likely to arise, whether due to fraud or error.

Our engagement included the following procedures, among others:

- Making inquiries of relevant management and staff responsible for the preparation and reporting of the Subject Matter Information as well as inquiries of third-parties involved in the preparation and reporting of the Subject Matter Information;
- Obtaining an understanding of the underlying data that is used as an input into the calculation of the Subject Matter Information, including emission factors and conversion factors;
- Obtaining an understanding of the process used to prepare and report the Subject Matter Information;
- Agreeing, testing, and re-calculating the underlying data related to the Subject Matter Information on a sample basis; and
- Assessing the appropriateness of the GHG emissions factors applied.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with the Canadian Standards on Assurance Engagements. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the applicable criteria.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Significant Inherent Limitations

Environmental and energy use data are subject to inherent limitations of accuracy given the nature and the methods used for determining such data. The selection of different acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information of 407 International for the year ended December 31, 2025 is not prepared, in all material respects, in accordance with the applicable criteria.

Specific Purpose of Applicable Criteria

The Subject Matter Information has been prepared in accordance with the applicable criteria to assist 407 International’s management in meeting its reporting obligations in the First Amendment to the Amended and Restated Credit Agreement dated November 14, 2022 and the Second Amendment dated December 19, 2023 (collectively the “Amended Credit Agreements”). As a result, the Subject Matter Information may not be suitable for another purpose.

While Deloitte acknowledges the disclosure of our limited assurance report that will be made in full only by 407 International at its discretion in their 2025 ESG Report, Deloitte does not assume or accept any responsibility or liability to any other third party in respect of such disclosure and the report therein.

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
March 9, 2026

Appendix A

407 International Inc.
Subject Matter Information
For the year ended December 31, 2025

Subject Matter Information	Criteria	Unit of Measurement	Year ended December 31, 2025 reported value
Scope 1 Emissions (tCO2e)	The criteria are informed by the World Resources Institute and World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (“GHG Protocol”).	Metric Tons of Co2e	2,312
Scope 2 Location-based Emissions (tCO2e)	The criteria are informed by the World Resources Institute and World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (“GHG Protocol”).	Metric Tons of Co2e	758
Scope 2 Market-based Emissions (tCO2e)		Metric Tons of Co2e	329
Diverse Gender Percentage (“DGP”)	Management’s specifically developed criteria as defined in the First Amendment to Amended and Restated Credit Agreement dated 14 th November, 2022 and the Second Amendment dated December 19, 2023 (collectively the “Amended Credit Agreements”): Diverse Gender Percentage means for any Fiscal Year, the ratio (expressed as a percentage) of (a) the aggregate number of persons who self-identify as women holding a Board Position with the Borrower to (b) the aggregate number of persons holding a Board Position with the Borrower, as of the last day of the Fiscal Year. Board Position means, with respect to the relevant person, a director position with the board of directors of such person. “Board Position” means, with respect to the relevant person, a director position with the board of directors of such person.	Percentage (%)	33%
Lost Time Incident Rate (“LTIR”)	Management’s specifically developed criteria as defined in the Amended Credit Agreements as being “Lost Time Injury Rate ¹ ” or “LTIR” which means, for the applicable Fiscal Year, the number of allowed lost time injuries and/or illnesses per 100 derived full-time equivalent (FTE) workers for the injury year specified, where 100 FTE equals 200,000 derived hours. For avoidance of doubt, LTIR will be calculated as such: [(Lost time injuries and/or illnesses)/Derived hours]*200,000.	N/A	0

¹ The definition “Lost Time Injury Rate” is informed by Workplace Safety and Insurance Board Ontario’s (“WSIB”) definition of Lost Time Claims.

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