

2024 ESG REPORT

Future Forward

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MESSAGE FROM THE

President & CEO

At 407 ETR, environmental, social and governance (ESG) principles are deeply ingrained in our corporate culture and decision-making processes. We recognize that our long-term success is connected to generating value for our stakeholders and the communities we serve, especially amid growing uncertainty and global instability.

“After 25 years of helping drivers enjoy a fast, safe and reliable trip, our corporate values of excellence and integrity remain at the core of everything we do.”

This ESG report, marking our sixth year of reporting, reaffirms our commitment to sustainability leadership and provides a comprehensive look at our ESG performance over the past year. On the environmental front, you will find detailed insights into the initiatives we have implemented to reduce our carbon footprint and overall environmental impact. We also share our efforts to support local environmental conservation and biodiversity initiatives along our highway corridor and surrounding Greater Toronto Area (GTA) communities.

Celebrating 25 Years in the GTA

This past summer, to celebrate our milestone anniversary, we invited customers to take part in our 25th anniversary campaign, *Celebrate 25! Upgrade Your Drive*—our biggest customer contest to date. Participants earned entries for taking actions like signing up for My Account and switching to pre-authorized debit, making a gift to United Way Greater Toronto and more.

We received over 225,000 entries and customers raised over \$40,000 for United Way Greater Toronto.

After 25 years of helping drivers enjoy a fast, safe and reliable trip, our corporate values of excellence and integrity remain at the core of everything we do. We’re driven by our commitment to making a positive impact in the communities we serve. From reducing traffic congestion and emissions to supporting local charitable causes, we take pride in connecting people and businesses across this vibrant region. Since taking over operation of Highway 407 ETR in 1999, we have added 525 kilometres of additional lanes to widen the highway, helping us to better accommodate growing traffic demands in the region.

Our service has never been more important. The GTA has grown exponentially and traffic congestion has become a major issue impacting the region. According to INRIX, a company that gathers global traffic data, Toronto is the 17th

most congested city in the world, and the most congested in Canada. As a free-flowing roadway that connects the region, we serve an important role in facilitating movement in Ontario. In fact, we move more than three million people every week – about the size of the City of Toronto or the regions of Peel and York combined. As a member of Toronto Region Board of Trade’s Congestion Governing Council and Task Force, we’re collaborating with leaders in the region to help bring solutions to alleviate this congestion and transform Toronto’s transportation landscape.

Path to Sustainability

We continue to work towards our goal to reduce our Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 25% by 2030. In 2024, our GHG emissions were 19% lower compared to our 2018 baseline. Last year, we introduced our GHG emissions roadmap which will help us in achieving this goal. We’re also maintaining our Sustainability-Linked Loan which is tied to our ESG performance.

In 2024, we conducted a refresh of our ESG Materiality Assessment to ensure that our ESG priorities remain aligned with stakeholder expectations and emerging industry trends. This assessment strengthens our ESG strategy by identifying key areas where we can continue to drive meaningful impact while guiding our commitments to environmental stewardship, social responsibility and robust governance practices.

As we look for ways to reduce our GHG emissions over time, we identified our vehicle fleet as a key area of focus. In 2024, we completed an enhanced green fleet study to explore low emissions alternatives and fuel-optimization opportunities and will take a phased approach as we work towards implementing the key findings. We also completed a flood risk assessment at our head office as we look to safeguard our operations from the impacts of climate change. The results showed a high resilience to flood risks and areas for improvement, which we look forward to implementing, where possible.

In July 2024, the GTA was hit with extreme rainfall that caused flooding, power outages and other damage across the region. Along the highway, 407 ETR crews responded quickly to drain an overflowed culvert and partially collapsed berm in the Burlington area. Crews completed reconstruction work at the site in late 2024. We continue to assess highway infrastructure likely to be impacted by flooding and other extreme weather events, implementing enhancements where appropriate to improve resilience.

As we strive to improve our vegetation management practices and carry out roadside restoration along our highway, we remain committed to protecting biodiversity and green spaces in Ontario through our six key environmental partners — Nature Conservancy of Canada (NCC), Canadian Wildlife Federation (CWF), Conservation Halton, Credit Valley Conservation (CVC), Toronto and Region Conservation Authority (TRCA) and A Greener Future.

Delivering Excellence

2024 was a year of significant change as we upgraded our systems and processes to better serve our customers and improve how we deliver our exceptional customer service. The Customer Service and Business Support Teams earned the distinguished Call Centre World Class First Call Resolution (FCR) Certification from Service Quality Measurement Group (SQM) for the eleventh and eighth consecutive years, respectively, a testament to our commitment to ensuring our customers receive the best service, both on and off the highway.

In 2024, we were proud recipients of the 2024 Diversity, Equity and Inclusion (DEI) award from the International Bridge, Tunnel & Turnpike Association (IBTTA), which recognizes the very best projects and programs the international tolling industry has to offer. We continue to expand our DEI program to help employees feel a sense of belonging at 407 ETR. We launched our first employee resource group (ERG) in 2024, aimed at empowering women at 407 ETR and supporting their personal and professional growth. We’re excited to expand our ERGs in the coming years.

Engaging our Communities

In 2024, we invested \$1.7 million in our surrounding communities through sponsorships, donations and free travel on Highway 407 ETR. With affordability being an issue affecting GTA communities, we introduced Route Relief, a new financial assistance program that helps increase access to Highway 407 ETR for low-income families in Ontario. The program offers up to six free trips each month on Highway 407 ETR to eligible families who meet the Statistics Canada low-income thresholds.

We continue to support youth sports in the GTA through Keep Moving™ by 407 ETR. In 2024, our funding helped over 3,500 kids participate in a variety of programs and activities. We have also increased our sponsorships and donations for Indigenous organizations that are supporting important areas like youth sports, education and cultural awareness and preservation. We're proud to support incredible organizations such as the Little Native Hockey League, Trent University's First People's House of Learning and Indigenous Friends. We continue to support the k2i (kindergarten to industry) academy at York University's Lassonde School of Engineering, which encourages girls and underrepresented groups to pursue careers in science, technology, engineering and math (STEM) fields.

Looking Ahead

While we have made meaningful progress, our ESG journey continues to evolve and remains an integral part of our overall strategy. Our successes are the result of strategic planning and the tremendous hard work and dedication of our employees. We're committed to continue creating value through environmentally and socially responsible business practices as we work towards building a more resilient and equitable future.

Sincerely,

Javier Tamargo
President & CEO, 407 ETR



MESSAGE FROM THE
Chair

On behalf of the Board of Directors (Board), I’m proud to share this report outlining 407 ETR’s comprehensive approach and performance across key ESG areas over the past year. The initiatives and accomplishments highlighted demonstrate our dedication to minimizing environmental impacts, strengthening community ties, upholding ethical business practices and creating long-term, sustainable value.

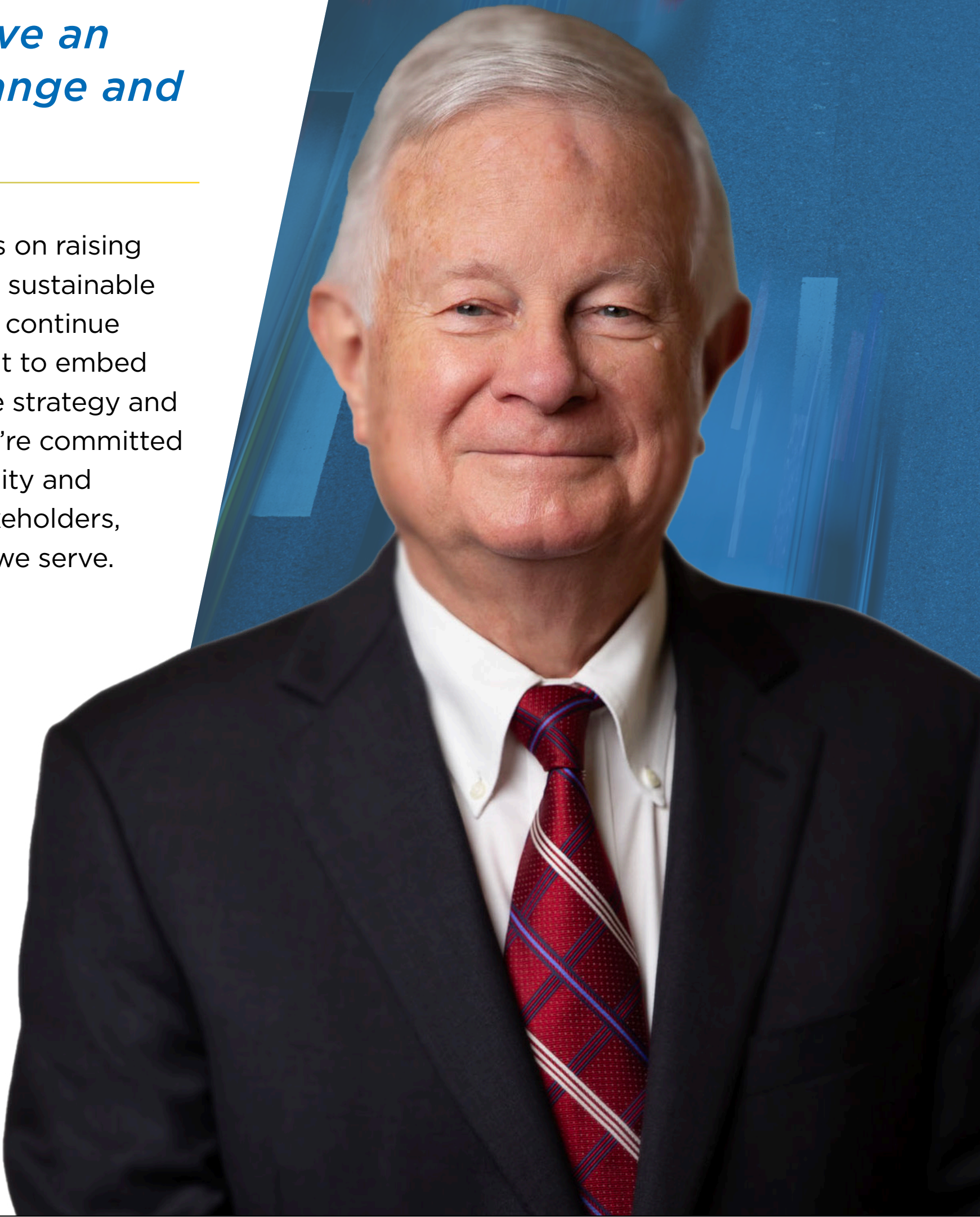
“As the world continues to grapple with profound environmental and social challenges, businesses have an increasingly vital role to play in driving positive change and sustainable progress.”

As the world continues to grapple with profound environmental and social challenges, businesses have an increasingly vital role to play in driving positive change and sustainable progress. We’re committed to being at the forefront of this movement by integrating ESG principles into every aspect of strategy and operations. With a GHG emissions reduction roadmap firmly in place, the Company made significant strides in enhancing its emissions reduction strategy.

People are at the heart of our success, which is why cultivating a diverse, equitable and safe workplace culture is paramount. We made important strides in our DEI strategy, alongside continued investments in training, development and well-being initiatives for our employees. Robust health and safety protocols remain a top priority to protect our workforce and customers both on and off the road.

Looking ahead, our focus remains on raising the bar for ESG performance and sustainable mobility solutions. The Board will continue working closely with Management to embed ESG into our long-term corporate strategy and decision-making frameworks. We’re committed to driving innovation, accountability and creating lasting value for our stakeholders, customers and the communities we serve.

Sincerely,
David McFadden, K.C.
Chair of the Board,
407 International Inc.





About this Report

This report demonstrates our commitment to increasing transparency and accountability surrounding our ESG strategy and performance. It provides comprehensive information intended for our employees, customers, suppliers, stakeholders and investors.

The information in this report applies to 407 International Inc. and its subsidiaries, including 407 ETR Concession Company Limited (407 ETR) and Canadian Tolling Company International Inc. 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, 2024.

Forward-Looking Statements

This document has been prepared and published on a voluntary basis. The information contained herein should not be read as necessarily material to the Company or its 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 the Company’s ESG projections, objectives, vision and goals (collectively, our ESG Objectives) such as net zero and emissions reduction targets.

These forward-looking statements are based on information currently available to the Company. Actual results and developments may differ materially from results and developments discussed in the forward-looking statements as they are subject to a number of 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 the Company's 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 expected consequences to, or 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 above, in which case they will only be updated by the Company where required by law.

In setting and implementing our ESG Objectives, and in preparing this document, the Company has 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 key investor preferred 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 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 current alignment with SASB and TCFD help establish a strong foundation for our continued alignment with industry standard practices and preparedness for new reporting requirements as they emerge.



EMBRACING A
Sustainable
Future

We recognize the global significance of the United Nations Sustainable Development Goals (UN SDGs). We have mapped our business activities to specific goals and outlined related initiatives across our business that help advance each goal using past and current initiatives.

 [Learn more about the United Nations Sustainable Development Goals.](#)

¹ Figure is based on 407 ETR's internally reported collision rate compared to MTO's estimates of collision rates on other 400-series highways in the GTA.

² Learn more in the [2022 Steer Report](#).



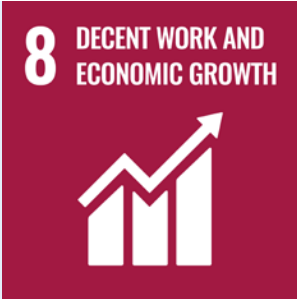
ENSURE HEALTHY LIVES AND
PROMOTE WELL-BEING FOR ALL
AT ALL AGES

- Highway 407 ETR has a 60% lower collision rate compared to alternate 400-series highways in the GTA.¹
- Our Highway Operations Team patrols and monitors the highway 24/7 to help ensure the safety and well-being of our customers and employees out on the road.
- In 2024, we donated \$100,000 to help support road safety initiatives through local not-for-profit organizations.
- We donated \$150,000 across 15 hospitals along the Highway 407 ETR corridor in 2024, including SickKids Foundation and William Osler Health System.
- We partnered with United Way Greater Toronto to help increase access to vital resources for those in need. Through our 2024 employee fundraising campaign and corporate matching program, we proudly donated over \$121,000 to the organization. Customers donated over \$40,000 to the organization through our 25th anniversary contest, *Celebrate 25! Upgrade Your Drive*.
- Our youth team sponsorship program, Keep Moving™ by 407 ETR helped over 3,500 kids participate in various sports programs.



ACHIEVE GENDER EQUALITY
AND EMPOWER ALL WOMEN
AND GIRLS

- We maintained 33% female representation on our Board, exceeding our target of 30%.
- Women are well-represented across all levels of the Company, comprising 27% of our Executive Management Team and 48% of the current workforce.
- We introduced Women-Empowered Community & Network (WE CAN), our first ERG, which held a variety of engagement events throughout 2024.
- We celebrated International Women's Day with a panel of female 407 ETR employees, helping support and empower women at 407 ETR.
- Female members of our Board and the 407 ETR Team joined us for another panel in the fall to discuss navigating careers and overcoming challenges on their professional journeys.
- We continue to support the k2i academy at York University's Lassonde School of Engineering. Our \$400,000 multi-year commitment is helping support initiatives that encourage more girls and underrepresented groups to explore and pursue careers in STEM.



PROMOTE SUSTAINED, INCLUSIVE
AND SUSTAINABLE ECONOMIC
GROWTH, FULL AND PRODUCTIVE
EMPLOYMENT AND DECENT WORK
FOR ALL

- We proudly employed 550 Ontarians in 2024.
- We provide meaningful work for our employees and provide a variety of training and career development opportunities. In 2024, employees completed over 6,500 hours of learning.
- We're helping support the next generation of conservation leaders in Ontario through our sponsorship of NCC's Conservation Internship Program.
- In 2024, we invested \$25 million in highway capital projects and \$2 million in roadside capital tolling infrastructures through third-party contractors.
- Since 1999, we have contributed \$23 billion to GDP, including \$4.7 billion in direct salary earnings and an estimated 73,300 job years of labour generated to construct, maintain and operate company assets.²



**BUILD RESILIENT
INFRASTRUCTURE, PROMOTE
INCLUSIVE AND SUSTAINABLE
INDUSTRIALIZATION AND
FOSTER INNOVATION.**

- Customers travelled a total of 2.6 billion kilometres on Highway 407 ETR in 2024.
- We sponsored a University of Toronto study in collaboration with the Massachusetts Institute of Technology, led by Cintra. The study looked at travel model systems to understand travel demand in the GTA.
- To help us continue providing world-class customer service, we completed a major billing and customer relationship management system modernization.
- We constructed a new stormwater management pond at the Highway 407 ETR/ Highway 400 interchange to capture stormwater runoff and help prevent flooding in the area.
- We introduced AI tools to improve workforce productivity and security (e.g. Microsoft Copilot, internal Chat GPT, AI generated phishing campaigns).



**REDUCE INEQUALITY WITHIN
AND AMONG COUNTRIES.**

- We introduced a new financial assistance program, [Route Relief](#), to help increase access to Highway 407 ETR for low-income drivers through free travel.
- To help us gain insights into the composition of our workforce, we provide a secure portal where employees can voluntarily disclose demographic information such as gender identity, sexual orientation, ethnicity and religious affiliation. This helps us make informed decisions about DEI initiatives, employee development programs and other strategies to help create a more equitable workplace.
- We updated our [hiring and recruitment practices](#) to help increase access to employment opportunities for all candidates. This includes name masking on job applications, publishing positions to diverse job boards and participating in various hiring events, including those specific to women and persons with disabilities.
- We offer comprehensive DEI training programs that cover a range of topics designed to enhance awareness and understanding.
- Our buildings are compliant with *Accessibility for Ontarians with Disabilities Act* requirements.



**TAKE URGENT ACTION TO
COMBAT CLIMATE CHANGE
AND ITS IMPACTS.**

- Our goal is to reduce our Scope 1 and Scope 2 GHG emissions by 25% by 2030. In 2024, we achieved a 19% reduction in Scope 1 and Scope 2 GHG emissions relative to our 2018 baseline³.
- We're continuing to look for ways to reduce vehicle emissions. We have four hybrid-electric vehicles and one fully electric vehicle in our fleet.
- To help reduce vehicle fleet emissions, we completed a [green fleet study](#) to explore low emissions alternate propulsion technologies and fuel-optimization options.
- We refined our GHG emissions reduction roadmap that outlines annual targets and emissions reduction initiatives to help us achieve our emissions reduction goal.
- We completed a [flood risk assessment](#) at our head office to assess vulnerabilities and identify ways to improve flood preparedness and increase building resilience.

³ Results are partly due to a milder winter in 2024.



**PROTECT, RESTORE AND
PROMOTE SUSTAINABLE
USE OF TERRESTRIAL
ECOSYSTEMS, SUSTAINABLY
MANAGE FORESTS, COMBAT
DESERTIFICATION AND
HALT AND REVERSE LAND
DEGRADATION AND HALT
BIODIVERSITY LOSS.**

- We donated over \$600,000 to support biodiversity initiatives and we remain on track to complete our \$1.8 million investment in environmental initiatives over three years (2023-2025).
- In 2024, we planted 20,000 native species along the highway to promote biodiversity and a healthy and sustainable landscape.
- We digitized environmental features along the highway to help monitor impacts of our operations on biodiversity through our Geographic Information System.
- Employees volunteered over 200 hours with environmental organizations in 2024.



1,377

Front and rear
tolling cameras

204

Active
toll sites

66

Closed-circuit television cameras



80

Stormwater
management ponds

236

Bridges

About 407 ETR

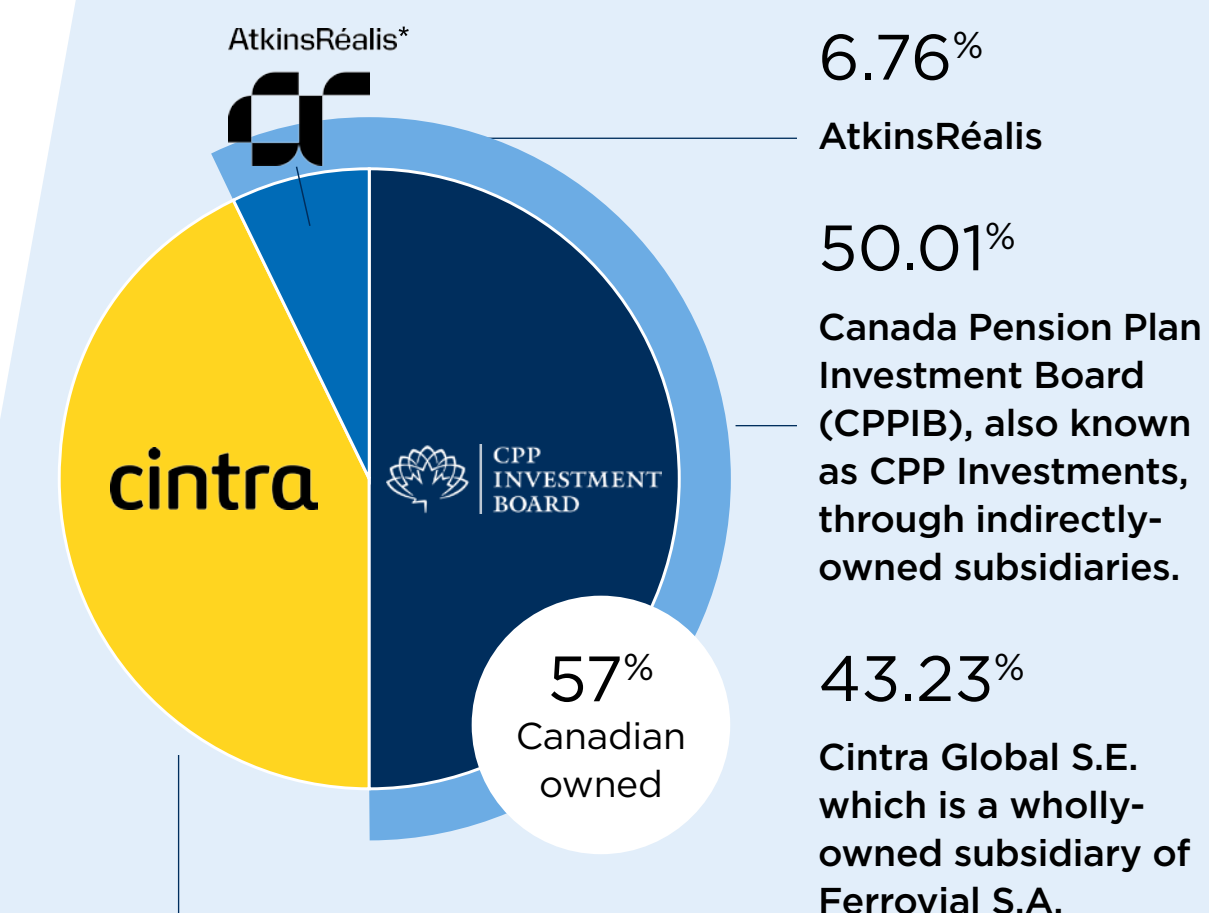
Highway 407 ETR runs 108 kilometres through the GTA, from Burlington in the west to Pickering in the east, spanning Canada's largest urban centre.

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 Company paid

\$3.1 billion for the concession—twice as much as the province's cost to build the highway, which at the time was only 68 kilometres. When the concession began, we were required to extend the existing central section of Highway 407 ETR east and west, for a combined total of 40 kilometres. Over the past 25 years, we have invested approximately \$2 billion toward highway extensions, expansions and customer service.

In addition to paying for all operating and capital costs, we're responsible for all costs associated with the maintenance, policing and Ministry of Transportation Ontario (MTO) enforcement of Highway 407 ETR. We're also responsible for customer service, tolling and billing for Provincially-owned Highway 407, which extends east from Brock Road to Highway 35/115 in Clarington. The revenues we collect for Highway 407 are passed back to the Government of Ontario.

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

MESSAGE FROM THE
PRESIDENT & CEOMESSAGE FROM THE
CHAIRABOUT THIS
REPORTABOUT
407 ETROUR APPROACH
TO ESG

GOVERNANCE

ENVIRONMENT

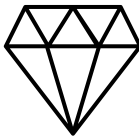
SOCIAL

APPENDICES

Vision

To be the first choice for transportation and to improve the quality of life for the communities we serve.

Values



EXCELLENCE
WE DRIVE RESULTS

Safe

We will 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

Mission

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



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

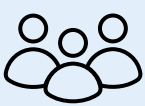


Justine Noonan,
Senior Bridge Inspector

2024

Highlights

WORKFORCE



550
Employees⁴

48% Female workforce
109 Unionized employees

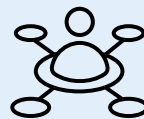


6,565
Hours of training

\$550,000+ Invested in
employee training



\$58.6M
In employee
compensation
and benefits



65%
Employee
engagement
score⁵



80%
Employee
inclusion
score⁶

ECONOMIC IMPACT



\$23.3B
In benefits⁷

\$19B In user benefits
(travel time, reliability,
vehicle operating costs)
\$3.5B In wider economic
benefits (productivity)
\$720M In external benefits
(safety and emissions)

HIGHWAY



\$25M
Investments in
highway capital
projects through
third-party
contractors



\$2M
Investments in roadside
tolling infrastructures



\$8M
Invested in policing
and enforcement



2,250+
Pieces of debris safely
removed from the highway



1
Wide-wing snowplow purchased
to improve efficiency of winter
operations, including lower emissions



5
Electric
and hybrid
vehicles



60%↓
Collision rate compared
to alternate 400-series
highways in the GTA⁸

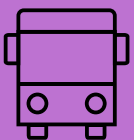
TRAFFIC



2.6B
Total annual
vehicle kilometres
travelled



361,270
Average
workday trips



2,260
Daily trips by
public transit
agencies

⁴ Includes 492 full-time and 58 part-time employees.
⁵ A measure of employee's connection and commitment to the Company and its goals.
⁶ Employees who report "I feel like I belong at 407 ETR" in employee engagement survey.
⁷ 2022 Steer Report.
⁸ Figure is based on 407 ETR's internally reported collision rate compared to MTO's estimates of collision rates on other 400-series highways in the GTA.

ENVIRONMENT & BIODIVERSITY



\$600,000+
Investments to support biodiversity and conservation

\$1.3M Since 2023



19%
Reduction in Scope 1 and Scope 2 GHG emissions relative to our 2018 baseline⁹

⁹ Results are partly due to a milder winter in 2024.



Completed enhanced green fleet study


Completed corporate flood risk assessment at our head office



20,000
Trees planted in 2024

30,000 Since 2023

AWARDS & ACHIEVEMENTS



DEI Award from IBTTA

Recognizes the very best projects and programs in the international tolling industry

OnCon Icon Award


Top 100 Information Security Team

SQM Call Centre World Class FCR Certification

Customer Service **11 years** in a row

Business Support **8 years** in a row

COMMUNITY




\$1.7M
Invested in GTA communities

Sponsorships, donations, environmental investment and free travel, including:

\$120,000+ to United Way Greater Toronto through employee fundraising and corporate matching program

\$100,000 for road safety initiatives

\$150,000 to local hospitals




Held our largest customer contest to date: **Celebrate 25! Upgrade Your Drive**


25 Prizes
Including grand prize valued at almost \$60,000

225,000 Entries


\$40,000 Donated to United Way Greater Toronto by customers




Introduced Route Relief to help low-income drivers access Highway 407 ETR through free travel


3,500 Kids supported through our youth sports sponsorship program, Keep Moving™ by 407 ETR


CUSTOMER SERVICE



1.9M
Transponders in circulation



2,283
Drivers received free roadside assistance




958,607
Total contacts


458,090
Total calls

420,655
Total live chats

79,862
Total emails



90%
Customer service satisfaction rate



82%
First call resolution rate

OUR APPROACH TO ESG

Moving Sustainability Forward

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Strategy

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ESG Materiality Assessment

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Risk Management

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Metrics & Targets



Strategy

At 407 ETR, our ESG strategy is linked to our core strategic objectives. The way we manage ESG factors impacts our business and stakeholders, and the long-term value of our Company.

By embedding ESG factors into our overall business strategy, we aim to strengthen our operational efficiency, reduce risks and explore new opportunities for growth and innovation while satisfying the expectations of our investors and other stakeholders. We remain committed to ensuring that we stay current with the constantly evolving space of ESG, both locally and globally.

Our ESG strategy is guided by our ESG Policy, which integrates ESG factors into our business model and decision making. Effective governance remains a crucial part of our ESG strategy through clear roles and responsibilities for both the Board and Management.

We remain committed to reducing our GHG emissions through strategic emissions reduction initiatives while ensuring we remain resilient to the impacts of climate change and aligning with global climate goals.

Safety remains a top priority and we're committed to ensuring a safe working environment for our employees, contractors and customers. We also recognize that we have a responsibility to protect our customer information and keep data safe through our information security strategy. We value the importance of community engagement and continue to be actively involved in community partnerships to help drive positive change.

Strategic ESG Pillars and Commitments

Our approach to ESG is based on the four strategic pillars below which align to the ESG factors identified as having the greatest potential to impact the Company’s value. These factors were identified through an initial formal Materiality Assessment in 2021 and validated once again through a Materiality Assessment refresh completed in 2024.

Learn more about our Materiality Assessment on [page 19](#).

- 1

Enhance governance structures for the effective oversight of material ESG factors
- 2

Protect the physical health and safety of our employees and customers
- 3

Reduce the environmental impacts of our operations, including our GHG footprint
- 4

Uphold industry-leading information security and customer privacy practices

- 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; and
 - Striving to capture ESG opportunities, including evaluating and implementing innovative technologies to improve our ESG performance.

Governance

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

Learn more about governance on [page 25](#).

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 on [page 21](#).

Metrics and Targets

We’re monitoring 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 setting additional ESG targets over time.

Learn more about our metrics and targets on [page 22](#).

Reporting and Disclosure

Maintaining transparency and accountability for our investors and other stakeholders is a critical priority for 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 supports 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 track developments around local and international reporting requirements.

How we Engage with Stakeholders

GOVERNMENTS



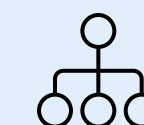
- Quarterly government relations e-newsletter
- Ongoing dialogue with elected officials, provincial and municipal staff to provide briefings and input on industry policies and other matters related to the operation of Highway 407 ETR
- Semi-annual meetings with the Province of Ontario to discuss matters related to the Concession Agreement
- Back-office service provider for Provincially-owned Highway 407

EMPLOYEES



- Surveys and focus groups
- Town halls and employee engagement events
- Committees and employee resource groups
- Employee communication channels including intranet, digital signage, video and other digital communications
- Learning and development
- Volunteer opportunities
- Employee fundraising activities

COMMUNITIES



- Investments to support local biodiversity preservation efforts
- 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 hospitals in the GTA
- Support of road safety initiatives
- Job fairs
- Surveys

CUSTOMERS



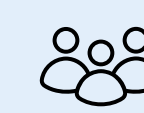
- Customer service interactions
- Bill inserts and other print communications
- Digital communications including email marketing, live chat, mobile app and social media
- Contests and promotions
- Focus groups
- Surveys
- Office of the Ombudsman

INDUSTRY & ASSOCIATIONS



- 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

INDIGENOUS COMMUNITIES



- Membership with Canadian Aboriginal and Minority Supplier Council
- Support for local Indigenous organizations:
 - Trent University's Elders and Traditional Peoples Gathering
 - Indigenous Friends Association
 - Little Native Hockey League
 - Credit Valley Conservation Foundation

SHAREHOLDERS & INVESTORS



- Quarterly Board and Committee meetings
- Conferences and regular meetings with bond investors
- Financial disclosures
- ESG reporting
- Maintenance of Sustainability-Linked Loan



ESG Materiality Assessment

In 2024, we completed a comprehensive refresh of our 2021 ESG materiality assessment.

In line with best practice, we reviewed and updated our prioritized material ESG factors to reflect our current operational realities and stakeholder expectations. In addition to validating the ongoing relevance and effectiveness of our ESG strategy, this process reinforced our commitment to continuous improvement and resilience in navigating the rapidly changing landscape of ESG considerations.

The process involved a single materiality assessment approach which focuses on identifying the most financially material ESG factors from a capital markets standpoint. The assessment involved four main phases:

- **ESG Factors Identification:** We created a comprehensive list of ESG factors that are relevant to our industry and operations using the following sources:
 - **ESG Reporting Standards:** We referred to established frameworks and global best practices to align our ESG reporting, including the industry specific SASB and TCFD standards.

- **Peer Analysis:** We reviewed publicly available ESG reports and disclosures of four companies in similar sectors with similar operational structures to identify common and emerging ESG issues.
- **ESG Rating Companies:** We explored the methodologies and ESG factors considered by ESG ratings providers.
- **Stakeholder Engagement:** We asked select investors and shareholders to identify and prioritize material ESG factors over the short, medium and long term through surveys and interviews.
- **ESG Factors Prioritization:** A list of potentially material ESG factors was assessed based on a weight of evidence approach, which considers information and data from third-party sources, including interviews and other findings. The analysis was based on the matrix of likelihood and impact.
- **ESG Factors Validation:** The material ESG factors were validated by Management through a dedicated session where the results were discussed and validated.

Materiality Process

Our Material ESG Factors

IDENTIFY POTENTIALLY MATERIAL ESG FACTORS



- Peer benchmarking
- Investor and shareholder interviews
- SASB Standards: Engineering & Construction Services, Road Transportation, Professional & Commercial Services
- TCFD recommendations
- Methodologies of ESG research and ratings providers



IMPACT AND LIKELIHOOD ASSESSMENT



- Assessment of the material ESG factors over the short, medium and long term, based on likelihood of occurrence and potential magnitude of impact



VALIDATION



- Validation by Management

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 and 3 GHG emissions and the risks associated with stakeholder (e.g. shareholder) focus on the issue.

Climate Change Physical

Business Ethics

Climate Change Transition

Human Capital Management

Supply Chain Management

Climate Change Opportunities

Community & Indigenous Relations

Risk Management

At 407 ETR, risk management is integral to our corporate strategy and business 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 annual entity risk assessment is completed by Management and the Board through annual enterprise risk surveys and the results are reported to both groups. The entity risk assessment serves as an important step in our annual strategic planning sessions where 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 risks and opportunities are regularly reviewed during bi-monthly ESG Steering Committee (ESG Committee) meetings to ensure they are adequately managed.



Nimit Raval,
Bridge Inspector



Metrics & Targets

We continue to evaluate and determine appropriate metrics and targets to measure our ESG performance. We’re committed to disclosing our progress on these targets annually and setting additional targets as our ESG strategy evolves.

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 the performance of our ESG targets over time and will look towards establishing more targets around other material factors where possible.

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; and
- Developed our GHG emissions reduction roadmap which will support the continued implementation of our Scope 1 and Scope 2 emissions reduction targets.

Summary of ESG Targets and Progress in 2024

- ✔ Completed
- ⋯ In Progress
- ✖ Not Met

Metric	Target	Measurement Frequency/Target Year	Progress in 2024
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	✔ 45.5 cumulative hours of education completed
SOCIAL			
👤 DEI			
Inclusion score: Defined as employees who report that “I feel like I belong at 407 ETR” in employee engagement survey	78% Annual increase by 2% (Stretch 3% from previous year result) (2021 baseline = 65%)	Annually	✔ 80% 2% increase from the target
🛡️ Health & Safety			
Lost-Time Injury Rate	0.00	Annually	✖ 0.22
🔒 Privacy & Security			
Major data breaches ¹⁰	0	Annually	✔ 0
🌐 Community			
Invest \$1.8M into local biodiversity and conservation efforts over three years (2023-2025)	\$1.8M	2023-2025	⋯ Donated approximately \$669,000 of the total \$1.8M in 2024 Total \$1.3M since 2023
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 19% lower relative to 2018 baseline Exceeded our target by 4% (annual target 15%)

¹⁰ 407 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 2024.

GOVERNANCE

Steering a responsible course

25

ESG Oversight

27

ESG-Related Policies

30

Supply Chain Management

32

Business Ethics

ESG Oversight

At 407 ETR, ESG oversight and accountability is managed by leadership at both the Board and Management levels.

These comprehensive governance structures establish accountability and transparency, and enable 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 relations.

- The Environmental, Health & Safety Committee has oversight over ESG strategies related to health and safety, environmental impact and 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. See more information on [page 29](#).



407 International Board of Directors

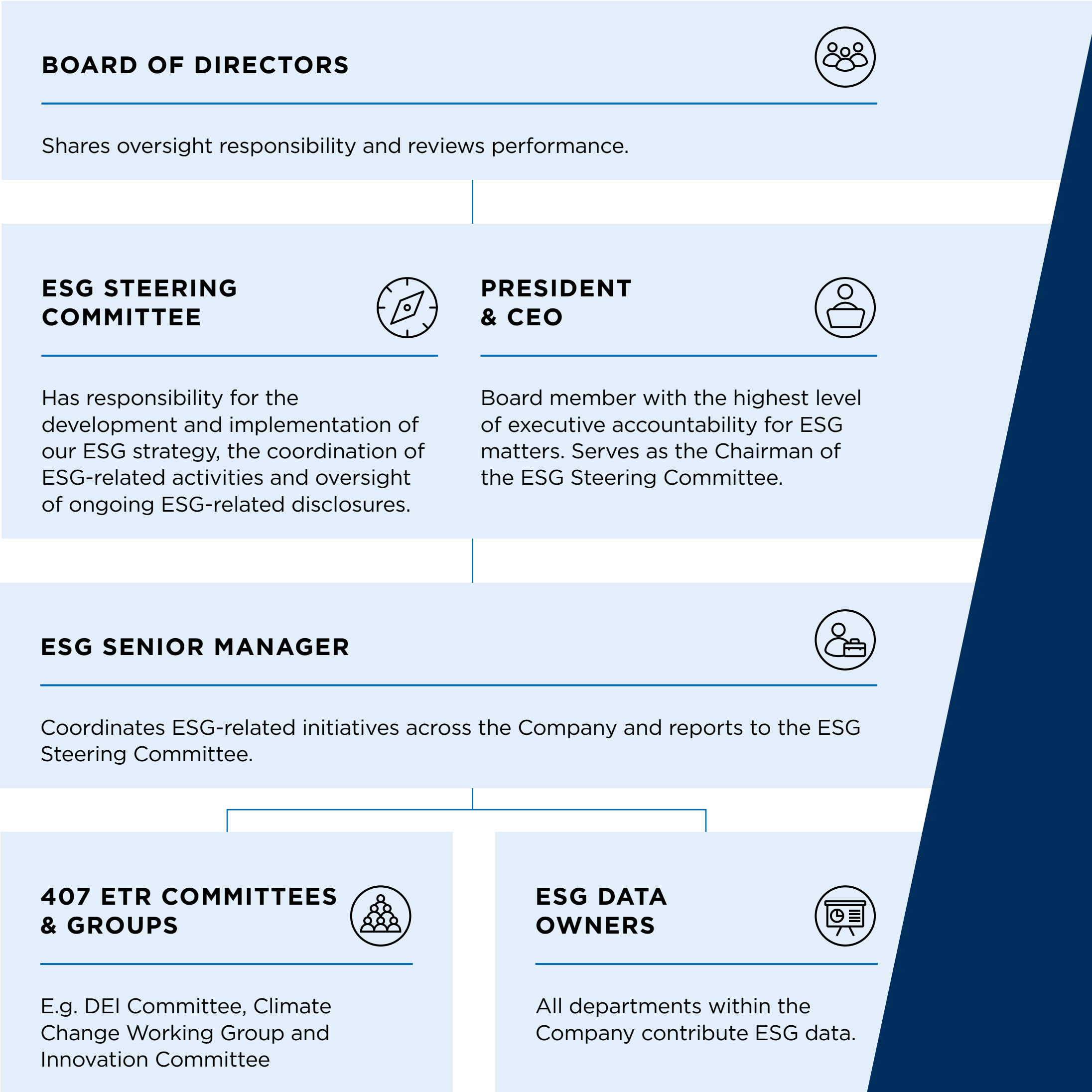
Effective governance is at the heart of our ESG strategy.

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.

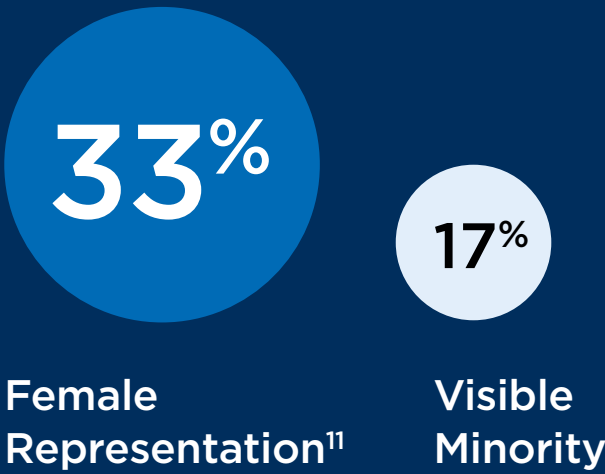
Our ESG Senior Manager serves as the operational lead for ESG initiatives, bridging the strategic oversight provided by the ESG Committee with the day-to-day implementation of efforts across the organization. This role leads the execution of specific ESG projects and tracks key ESG metrics and performance 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 (ESG Data owners), groups and committees to implement the ESG strategy across different areas of the Company.

ESG Oversight



Championing Diverse Leadership

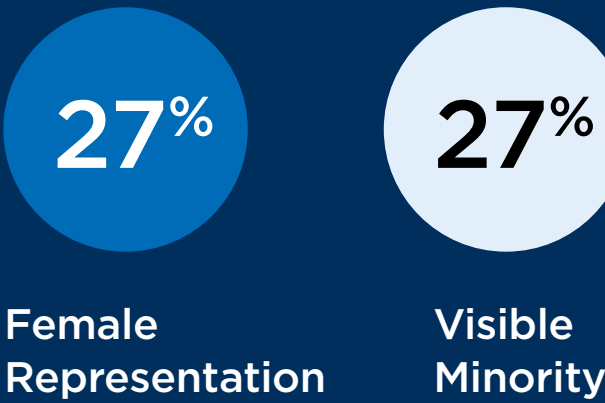
Board Diversity:



Named Executive Officer Diversity:



Management Diversity:



¹¹ The percentage of female Board members decreased from 38% in 2023 to 33% in 2024 due to the departure of one female director from the Board.

ESG-Related Policies

Policy	Purpose	Last Updated
Governance		
Code of Conduct Policy	To express 407 ETR’s commitment to ethical standards of business conduct and behaviour.	June 21, 2024
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	To outline the practices that 407 ETR employs to collect unpaid amounts.	September 24, 2024
Collection Policy	To communicate the collection methods and practices used by 407 ETR.	September 24, 2024
ESG Policy	To drive the implementation of our ESG strategy, approach, commitments and initiatives across the Company.	March 8, 2024
Greenhouse Gas (GHG) Emissions Baseline Recalculation Policy	To outline how 407 ETR treats recalculation of its GHG baseline and historical numbers.	March 8, 2024
Ombudsman Role and Responsibilities Policy	To communicate the role and responsibilities of 407 ETR’s Ombudsman.	November 18, 2022
Privacy Policy	To govern the privacy goals and strategic direction of 407 ETR with respect to customer privacy.	May 15, 2024
Procurement Policy	To communicate 407 ETR’s guidelines and requirements for the procurement of all goods and services.	December 4, 2020
Whistle Blowing Policy	To communicate the ongoing commitment to achieve the highest standards of openness, accountability and security.	June 21, 2024
Business Continuity Plan	To communicate steps required to maintain critical business processes in the event of an unanticipated interruption of normal operations.	January 25, 2024
Environmental Impact & Biodiversity		
Anti-idling Policy	To reduce 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	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	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	To support a working environment at 407 ETR that is safe, healthy and rewarding, and that is free of personal harassment, including implied or express forms of sexual harassment and discrimination.	January 15, 2025
Workplace Violence Prevention Policy	To describe the processes that 407 ETR has put in place to help safeguard employees from workplace violence.	June 18, 2024
Information Security & Customer Privacy		
Information Security Policy	To communicate 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	To describe the approach to safeguarding classified information.	November 6, 2021
Records Management and Retention Policy	To communicate 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 in the course of business.	November 29, 2022



Skills and Experience

Directors are nominated by shareholders who consider the ESG-related experience and expertise of candidates for board positions. In addition to ESG-related training and education provided by 407 ETR, our shareholders each have robust ESG programs in which individual nominee Directors may participate, which directly supports the development of their ESG-related skills and experience.

Board ESG Continuing Education in 2024

Seminar/Course Title	Total Course Hours	Number of Participating Directors	Total Hours
Code of Ethics and Business Conduct	1	1	1
Cultural Competence – Personal Development and Coaching Session	1.25	1	1.25
Cultural Competence Workshop – Part 1	2	1	2
Cultural Competence Workshop – Part 2	2	1	2
Deloitte – ESG Updates (Guest Speaker)	1	11	11
Deloitte – The Role of the Audit Committee in Building Trust	1	1	1
Information Security Awareness Training	1	1	1
Institute of Corporate Directors – Annual Conference	2	4	8
Institute of Corporate Directors – The Board’s Evolving Role in Climate Governance	1	8	8
Institute of Corporate Directors – The Future of Sustainability Reporting with ISSB Standards	1	1	1
Institute of Corporate Directors – Scope 3 Emissions: In Scope for Directors	1	5	5
MaRS Climate Impact	3.25	1	3.25
Nasdaq – Board Stewardship and Climate Governance	1	1	1
Total Hours			45.5

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. In 2024, we exceeded this goal with 45.5 cumulative hours of training completed.





Supply Chain Management

At 407 ETR, we appreciate the essential role our suppliers and contractors play in supporting our business operations.

As such, supply chain management has been identified as one of our material ESG factors. Our *Code of Conduct for Suppliers*, which our suppliers must agree to, reinforces our commitment to working with suppliers who uphold ethical standards and responsible business practices aligned with our ESG strategy.

In 2024, we fulfilled the 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”. [The report](#) affirms our commitment to applying ethical business practices across our highway operations and our supply chain management. 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 the remediation measures we have in place, our employee training program and how we evaluate the effectiveness of human rights training initiatives.

We maintain our membership with the [Canadian Aboriginal and Minority Supplier Council](#) as part of our strategy to diversify our supply chain. The organization facilitates the growth of Aboriginal and minority-owned businesses by connecting them to procurement opportunities with companies and governments committed to promoting a diverse and inclusive supply chain, helping us establish diverse supplier inclusion within our procurement process.

We remain committed to exploring opportunities to improve the integration of our ESG practices into our supply chain management.

Code of Conduct for Suppliers

Our [Code of Conduct for Suppliers](#) requires suppliers, vendors and service providers to comply with basic ethical standards of business conduct and behaviour. We expect our suppliers to communicate these standards to their employees, contractors, agents, sub-contractors and sub-agents engaged in providing goods or performing services for us and to monitor their adherence to the principles of the *Code of Conduct for Suppliers*.

We have various process controls in place to reduce the opportunity for anti-competitive or unethical behaviour, including an ethics reporting hotline, available to employees and suppliers through an independent third-party service provider.

This provides a secure platform for confidential and anonymous reporting of issues or concerns about unethical behaviour as outlined in the *Code of Conduct Policy* and the *Code of Conduct for Suppliers*.





Business Ethics

With millions of drivers relying on Highway 407 ETR each year, we recognize the importance of operating ethically and with the highest level of integrity. We're committed to fair and transparent business practices, which helps us build and maintain positive relationships with stakeholders and paves the way for long-term, sustainable success.

Approach

Our *Code of Conduct Policy* serves as our code of ethics. Each year, new and existing employees and contractors must review and attest to their understanding of the *Code of Conduct Policy*. Through this attestation, employees are trained and refreshed on ethical standards, code of business conduct and our goals and values. All employees are responsible for following our *Code of Conduct Policy* to ensure we operate in the most ethical and efficient manner. The Board is responsible for 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 honouring 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 our activities and financial performance and reporting;
- Ensuring the security of our communications, transactions and information;
- Ensuring the workplace is free from any form of hostility, discrimination, harassment or violence in accordance with our Workplace Harassment and Discrimination Policy; and
- Dealing with confidential and privacy matters.

The Board periodically reviews Management reports on the effectiveness of the *Code of Conduct Policy* and identified compliance issues. Additionally, the Chief Financial Officer and the Chief Legal Officer provide the Board with quarterly updates on any matters reported under our *Whistle Blowing Policy* or other matters that might materially affect our reputation. Any waiver of the requirements of the *Code of Conduct Policy* for Directors and Executive Officers of 407 ETR must be approved by the Board.

Collections Code of Conduct

Highway 407 ETR is an open access toll highway without booths or barriers, which requires us to send an invoice and collect tolls after a customer uses the highway. Because of this, we have developed a *Collections Code of Conduct Policy*, which outlines the practices that we employ to collect unpaid amounts and details the full collections process.

We use various methods to collect unpaid amounts, including internal collections and third-party collection agencies. In addition, the Registrar of Motor Vehicles will deny the renewal of existing licence plates and the issuance of new plates when unpaid amounts are older than 90 days (otherwise known as Licence Plate Denial).

Office of the Ombudsman

The Ombudsman's mandate is to act as an advocate for fairness and review customer concerns in an unbiased and impartial manner, ensuring the outcome is fair and reasonable to both the customer and the Company. The Ombudsman will make recommendations based on good business practices. For more information, see the [2024 Ombudsman Annual Report](#).



Performance

As described above, we hold our employees and suppliers to high ethical standards, which are 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 2024, 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	2024	2023	2022	2021
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

Sustaining the road ahead

36

Environmental
Impact &
Biodiversity

42

GHG Emissions
& Climate
Change



Environmental Impact & Biodiversity

UN SDG Alignment



As a highway operator that moves more than three million people each week, we recognize our responsibility to minimize the impact of our operations on the diverse nature, wildlife, protected areas and waterways that surround our roadway.

Highway 407 ETR passes through a mix of urban and rural landscapes that are critical to our communities. By taking a proactive approach to environmental management, we strive to minimize our impact and contribute to a more sustainable future.

Approach

Environmental stewardship is a core value that guides our business operations. We’re committed to integrating environmental planning and management into every aspect of our work. Promoting best practices and encouraging our employees to prioritize environmental protection are essential to our approach. Our efforts are focused on reducing our environmental footprint and GHG emissions through sustainable solutions, enhancing local biodiversity and optimizing fuel and energy consumption. We continue to meet or exceed all relevant environmental regulations, ensuring that compliance is consistently woven into our practices and processes.

We prioritize environmental protection and sustainability by incorporating industry best practices and standards into our Environmental Management System (EMS). Our EMS is regularly maintained and continually improved to ensure it remains current.

We're committed to:

- Protecting the environment and minimizing our environmental footprint and GHG emissions;
- Fulfilling our compliance and contractual obligations; and
- Continuous improvement of our EMS to enhance environmental performance.

We're aware of the environmentally sensitive and protected areas that surround Highway 407 ETR and we remain committed to monitoring and assessing the impacts of our operations on the surrounding biodiversity. We continue to prioritize responsible operations, ensuring we respect and safeguard protected areas.

In 2023, we consolidated our Highway Operations and Corporate Environmental Management Plans (EMP) and in 2024, we began aligning the consolidated EMP with ISO 14001:2015 "Environmental management systems — Requirements with guidance for use." In 2024, we digitized environmental features such as road and valley crossings, flood lines, protected areas and critical habitats. This information is now available through our Geographic Information System, which helps improve the management and decision-making around these topics.

In 2024, we obtained the Environmental Compliance Approval (ECA) for stormwater management at the 407 ETR East Patrol Yard at Brock Road. The ECA mandates that we develop operating, maintenance and spill procedures for the site, as well as establish monitoring and reporting processes.

407 ETR employees planting native species at head office with St. Williams Nursery

EXPANDING THE HIGHWAY 407 ETR BIODIVERSITY PROJECT

In 2022, we launched the Highway 407 ETR Biodiversity Project, which takes a comprehensive approach to understanding and enhancing the ecological landscape along the highway corridor.

As part of the project, we planted 10,000 trees along the highway in 2023 and an additional 20,000 trees in 2024. The project is a part of a broader vision to create a healthy, ecologically sustainable and biodiverse corridor running through the heart of the GTA.




Along the Highway

We exercise great care in preventing spills on the highway. While spills involving customers are beyond our control, we respond quickly to perform thorough clean-ups and remediate affected areas. Our Highway Operations Team works quickly to mitigate the impact of a spill by employing professional spill response companies to clean and remediate contaminated sites, in accordance with current environmental laws and regulations. Our prompt response and adherence to procedures allows us to address these situations effectively, minimizing any lasting environmental consequences.

Environmental Stewardship in the Community

We continue to support our six key environmental partners, investing over \$600,000 in 2024 to help tackle the growing demands of climate change and biodiversity loss. With this funding, we’re well on track to meet our goal of investing \$1.8 million into biodiversity initiatives over three years (2023-2025).

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



Q CASE STUDY

Climate-Resistant
Drainage Along
the Highway

The stormwater management pond has been designed to effectively mitigate the risk of flooding and help ensure the long-term sustainability of the interchange infrastructure.

In 2024, we worked with a third-party consulting company to undertake a drainage and hydrology assessment of the Highway 400 and Highway 407 ETR interchange.

The study area is within the Humber River Watershed and includes the tributary of Black Creek, a significant watercourse crossing that traverses the interchange within the study area.

After assessing the area, it was determined that measures were necessary to regulate water flow during significant storm events to prevent overwhelming the existing culvert capacity.

To address this need, we constructed a new dry stormwater management pond to capture stormwater runoff. The pond has been designed to effectively mitigate the risk of flooding and help ensure the long-term sustainability of the interchange infrastructure.

New stormwater management pond at Highway 407 ETR/Highway 400 interchange

The Green Team in Action

The 407 ETR Green Team is a group of employees who act as environmental ambassadors and work to create a culture of environmental stewardship and sustainability. The Green Team achieves this by participating in environmental initiatives and events and raising employee awareness. In 2024, the Green Team engaged in a number of events, including ‘One Big Day’ volunteering initiatives, Earth Day litter collection, tree planting and more.




Earth Day litter clean up at 407 ETR head office



**INTRODUCING
“THE BUTTERFLY EFFECT”**

This unique art piece was brought to life by artist Katherine Roesler through a collaborative effort with [A Greener Future](#). The piece is crafted entirely from recycled plastic materials, including litter collected by 407 ETR employees during our annual ‘One Big Day’ community volunteering event and through A Greener Future’s [Love Your Lakes](#) program.

This beautiful piece is proudly showcased at our head office, serving as a constant reminder of the positive impact we can have on our environment through collective efforts and creative repurposing.

 [At 407 ETR, we’re on a journey towards a more sustainable future.](#)

Performance

Our efforts are focused on protecting and enhancing the biodiversity and ecosystems that surround our roadway and neighbouring communities. We do this by following environmental best practices and maintaining ongoing partnerships with local conservation organizations. Our teams work diligently to adhere to environmental protocols and support environmental initiatives through specialized projects and volunteer initiatives.

Occasionally, accidental spills occur along the highway, posing potential harm to the surrounding environment. In 2024, there were no reportable spills caused by 407 ETR employees and five spills involving customers.

Analyst Corner

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

Metric	2024	2023	2022	2021
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	5	4	4	1
Number of site cleanups/remediation completed	5	4	4	1
Aggregate volume of spills and releases to the environment ¹²	n/a	n/a	1.7m ³	0.1m ³
Native species planted along Highway 407 ETR and 407 ETR head office	20,000	10,000	n/a	n/a

¹² 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



As a highway operator, we’re aware of the wide-ranging risks and opportunities presented by climate change. The physical impacts of climate change and the global transition to a lower carbon economy have significant implications for our infrastructure, operations and business model.

Proactively addressing climate-related issues is critical to ensuring the long-term resilience and sustainability of our business.

Approach

We continue to assess the potential risks and opportunities of climate risks on our business strategy and assets. We regularly review and align our strategy with the latest TCFD recommendations to address evolving climate-related risks that are relevant to our operations.

Climate Change Governance

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 management of climate-related risks and opportunities. The Board receives climate change-related updates during the annual strategy session, including climate-related risks, scenario analysis and emissions reduction progress. The Board remains committed to ensuring the continuous integration of 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.

Learn more about our [ESG governance practices](#).

Climate Change Strategy

We have integrated climate-related factors into our corporate strategy to build resilience, explore opportunities and align with the transition to a low carbon economy. This is done through our business strategy, capital and budget planning, as well as revenue and cost projections for projects such as flood management, green fleet upgrades, energy management and operational energy efficiencies at our facilities.

In our [2023 ESG report](#), we identified material climate risks and opportunities specific to our business, and the associated potential financial impacts. We also completed a comprehensive climate change scenario analysis to assess physical and transition climate change risks specific to our business across different time horizons and climate scenarios.

In 2024, we reviewed these risks while adopting the same scenario analysis methodology, assumptions, time horizons, tools and references. The scenarios adopted for the analysis and the potential impacts remain largely unchanged with some updates highlighted below. We remain committed to advancing our scenario analysis towards a more quantitative modeling while aligning with global best practices.



Climate Risk Scenario Models and 2024 Updates

Transition Risk
Scenario Analysis

We adopted three climate risk scenarios under the International Energy Agency’s Global Energy and Climate Model, which align with the [World Energy Outlook 2024 Report](#).

STATED POLICY
SCENARIO

This scenario provides a sense of direction for the energy sector based on a detailed reading of Canada’s latest policy. This scenario is associated with a temperature rise of 2.4°C in 2100 (with a 50% probability).

ANNOUNCED
PLEDGES SCENARIO

This scenario assumes that all climate commitments made by governments and industries around the world, including nationally determined contributions, will be met in full and on time. This scenario is associated with a temperature rise of 1.7°C in 2100 (with a 50% probability).

NET ZERO EMISSIONS
BY 2050 SCENARIO

This scenario sets out a pathway for the global energy sector to achieve net zero CO₂ emissions by 2050. This is consistent with limiting long-term global warming to 1.5°C (with a 50% probability).

Physical Risks
(Acute and Chronic)
Scenario Analysis

To help identify and assess potential impacts of physical risks on our assets, we considered the [Intergovernmental Panel on Climate Change’s Sixth Assessment Report](#), with a focus on Canada and North America.

REPRESENTATIVE
CONCENTRATION PATHWAY 4.5

A moderately optimistic scenario if emissions peak around 2040 and then decline slowly, where the effects of climate change are less severe.

REPRESENTATIVE
CONCENTRATION PATHWAY 8.5

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

Building on our 2023 findings, this year’s review incorporates the following key updates:

Transition Risks

Technology (Fleet): To address this risk, we conducted a [green fleet study](#) to identify low carbon emissions and cost-effective options for our vehicle fleet and ensure we have the relevant infrastructure to support the implementation. For our heavy-duty vehicles, we’re exploring alternative fuels such as renewable diesel. We’re also monitoring dual fuel hydrogen technology as it evolves.

Physical Risks

Flooding (Acute Risks): In 2024, we conducted a drainage study specific to the Humber River Watershed (Highway 407 ETR/ Highway 400 interchange area), which is a potential flooding area because of the Black Creek River. The study recommended drainage improvements, including the construction of a new [stormwater management pond](#) with culvert improvements, which was completed in 2024. The improvements will reduce the likelihood of flooding and provide resilience to future climate change within this interchange area.

We also identified our head office as critical infrastructure that could be impacted by flooding. In 2024, we conducted a [flood risk assessment](#) to implement a more holistic resilience approach against climate risks.



Q CASE STUDY

Safeguarding our Operations

We remain committed to maintaining a robust climate-resilient strategy across all aspects of our business and look forward to improving our resilience through other flood risk adaptation projects.

In 2024, we engaged with [Partners in Project Green](#) to conduct a flood assessment of our head office in Woodbridge, Ontario. Partners in Project Green delivers the [Corporate Flood and Heat Risk Management](#) program, which helps empower businesses and organizations to enhance their climate resilience.

The outdoor assessment evaluated our stormwater management, interior and exterior flood protection and flood monitoring and preparedness. The results were positive and demonstrated resilience to flooding at our head office. It also uncovered opportunities to strengthen our processes and enhance drainage around our parking lot to reduce localized flooding.

Current flood risk management practices:

- On-site stormwater management wetland/pond and natural green space.
- New drainage system at our loading dock.

- Inventory of emergency flood protection and preparedness supplies, including temporary barriers and sandbags.
- Flood warning alarms across the building to ensure no sudden leaks or interior flooding occurs without notice.

Recommendations to improve flood resiliency:

- Redirecting roof runoff to a catchment to control large volumes of stormwater.
- Explore practices like bioswales (a shallow, landscaped ditch that collects and filters stormwater runoff) or bioretention areas (landscaped depressions that collect and filter stormwater) closer to the entrance of the building.
- Consider installation of Wi-Fi enabled breakers to allow remote emergency shutoff in the event of a major flood event either after hours or when offsite.

We remain committed to maintaining a robust climate-resilient strategy across all aspects of our business and look forward to improving our resilience through other flood risk adaptation projects.

Climate-Related Opportunities

We recognize that managing climate-related risks are not only critical to our operations, but also provide opportunities for energy efficiency, innovation and long-term resilience. We have identified climate-related opportunities as material ESG factors. These opportunities are specific to our business and align with our ESG strategy.

- **Resilience – Climate Resilient Infrastructure:** We're aware of the increasing frequency of extreme weather events and their potential impact on mobility in Ontario. Extreme weather events can negatively impact surrounding roads and highways and cause increased travel time. We remain committed to integrating climate change considerations into our corporate strategy to help enhance the resilience of our highway during these events.
- **Energy source – Participation in Renewable Energy Programs:** As part of our efforts towards reducing our Scope 2 emissions, we intend to participate in the [Ontario Clean Energy Credit Program](#). This aligns our business practices with the transition towards a lower carbon economy. This would also contribute to the reduction of our overall carbon footprint, underscoring our commitment and dedication towards responsible environmental stewardship.

Climate Change Risk Management

Effective climate risk management involves a systematic approach to identify, assess, manage and report on climate change-related risks. We have integrated climate considerations into our annual entity risk assessment process to enhance our business resilience and contribute to sustainable, long-term business success. See more details on the integration of climate risk into our business and strategic planning on [page 21](#).

Identification of Climate-Related Risks

Climate risks (transition and physical) and opportunities remain material aspects of our ESG strategy, as shown in our recent ESG materiality assessment results. Climate-related risks that we consider material to our business, sector and geography are documented and aligned with the recommendations of the TCFD. We also monitor emerging trends and regulatory requirements related to climate risks.

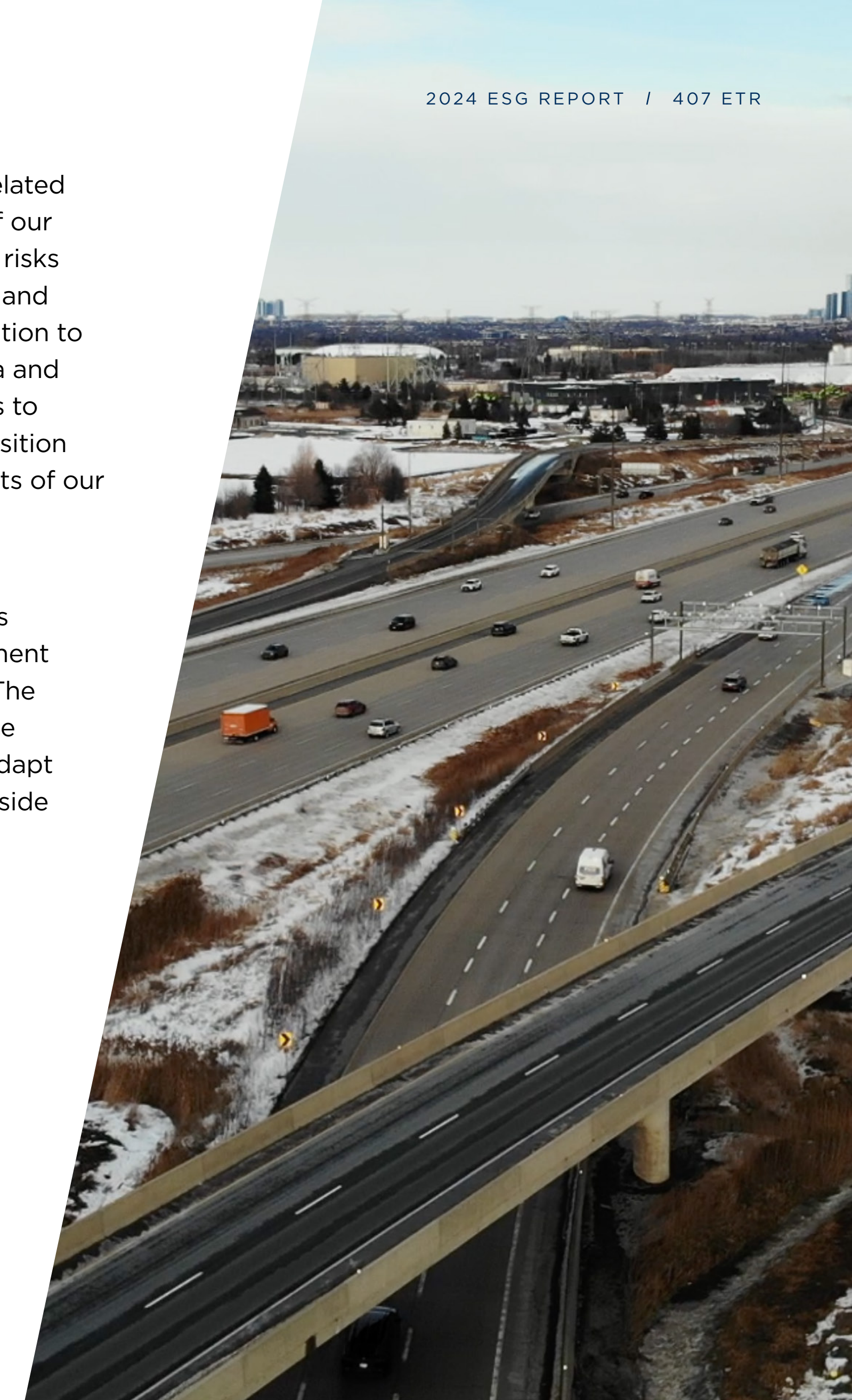
Assessment of Climate-Related Risks

We assess climate-related risks based on the matrix of likelihood of occurrence and scale/nature of impact, while also considering our vulnerability to these risks and their potential financial impacts. We use a risk map to assess risks that could have a material impact on our business. We also use a climate scenario-based tool for assessing our physical risk scenario analysis.

The tool assesses the risks of climate-related impacts as the result of the exposure of our infrastructural assets to climate-related risks while also considering our vulnerability and coping capacity with specific consideration to our geography. As well, we overlay data and information from other relevant sources to better understand and assess both transition and physical climate risks. See the results of our climate risk assessment on [page 42](#).

Managing Climate-Related Risks

The ESG Senior Manager communicates the outcome of the climate risk assessment to the ESG Committee and the Board. The results also inform our strategy, resource allocation and efforts to mitigate and adapt to risks. These risks are managed alongside all other risks through our existing risk management processes.



Climate Change Metrics & Targets

Climate-Related Metrics

We remain committed to tracking and measuring our established climate-related metrics as part of our strategy to mitigate climate-related transition risks. Our climate-related metrics are currently focused on Scope 1 and Scope 2 emissions. Our methodology for calculating our GHG metrics is aligned with The Greenhouse Gas Protocol’s Corporate Accounting and Reporting Standard and our emissions factors are obtained from the most recent Canadian National Inventory Report. We intend to enhance our disclosures and transparency around climate-related metrics over time.

Our Scope 1 and Scope 2 GHG emissions were 19% lower in 2024, relative to our 2018 baseline, and we exceeded our annual emissions reduction target by 4%. This reduction is partly due to a milder winter experienced in 2024, which contributed to similar emissions numbers in 2023. In December 2024, we converted our water heating systems and boiler from natural gas to electricity to optimize the energy efficiency of our facilities. The increase in propane was related to additional utility usage at some of our buildings. In 2024 we installed the [Geotab](#) system in 100% of our vehicles, which has led to more accurate and timely data.

In 2024, we made significant strides towards quantifying our Scope 3 emissions with a focus on certain categories. We have adopted an approach in our calculation methodology which aligns with the [Greenhouse Gas Protocol’s Corporate Value Chain \(Scope 3\) Accounting and Reporting Standards](#).

While we recognize the importance of Scope 3 reporting in providing a comprehensive view of our carbon footprint, we’re still in the process of refining our data collection methodologies and enhancing the accuracy of our calculations. As such, we’re not disclosing our Scope 3 emissions figures for this year. We’re committed to transparent reporting and plan to share these insights in future ESG disclosures as we continue to improve our reporting.



Scope 1 & Scope 2 Emissions

GHG Emissions Scope	Emissions Source	2024	2023	2022	2021	2020	2019	2018 (Base Year)
Scope 1 (tCO ₂ e)	Diesel ¹³	1,021	1,145	1,290	1,144	1,299	1,663	1,569
	Gasoline	650	598	631	667	747	786	874
	Natural Gas	346	335	341	289	299	307	226
	Propane	64	58	49	37	36	28	33
Scope 2 (tCO ₂ e)	Electricity	493	409	445	455	435	464	490
Total GHG Emissions (tCO ₂ e)								
Total Scope 1		2,081	2,136	2,311	2,137	2,381	2,784	2,702
Total Scope 2		493	409	445	455	435	464	490
Total Scope 1 & 2		2,574	2,545	2,756	2,592	2,816	3,248	3,192

Energy Consumption

Total % Consumption	2024	2023	2022	2021
Natural Gas (tCO ₂ e)	13%	13%	15%	13%
Renewable Fuel (tCO ₂ e)	0%	0%	0%	0%
Emissions Source (litres)				
Diesel	374,964	417,873	470,732	417,386
Gasoline	280,666	258,109	272,328	287,878
Natural Gas	179,079,000	173,301,000	176,610,000	149,644,000
Propane	41,594	37,678	31,786	24,070
Total Fuel Consumed	179,776,224	174,014,066	177,384,846	150,373,334
Emissions Source (kWh)				
Electricity	13,888,933	14,378,594	15,067,703	15,403,160

Analyst Corner

SASB TR-RO-110a.1
SASB TR-RO-110a.2
SASB TR-RO-110a.3
TCFD Recommendations

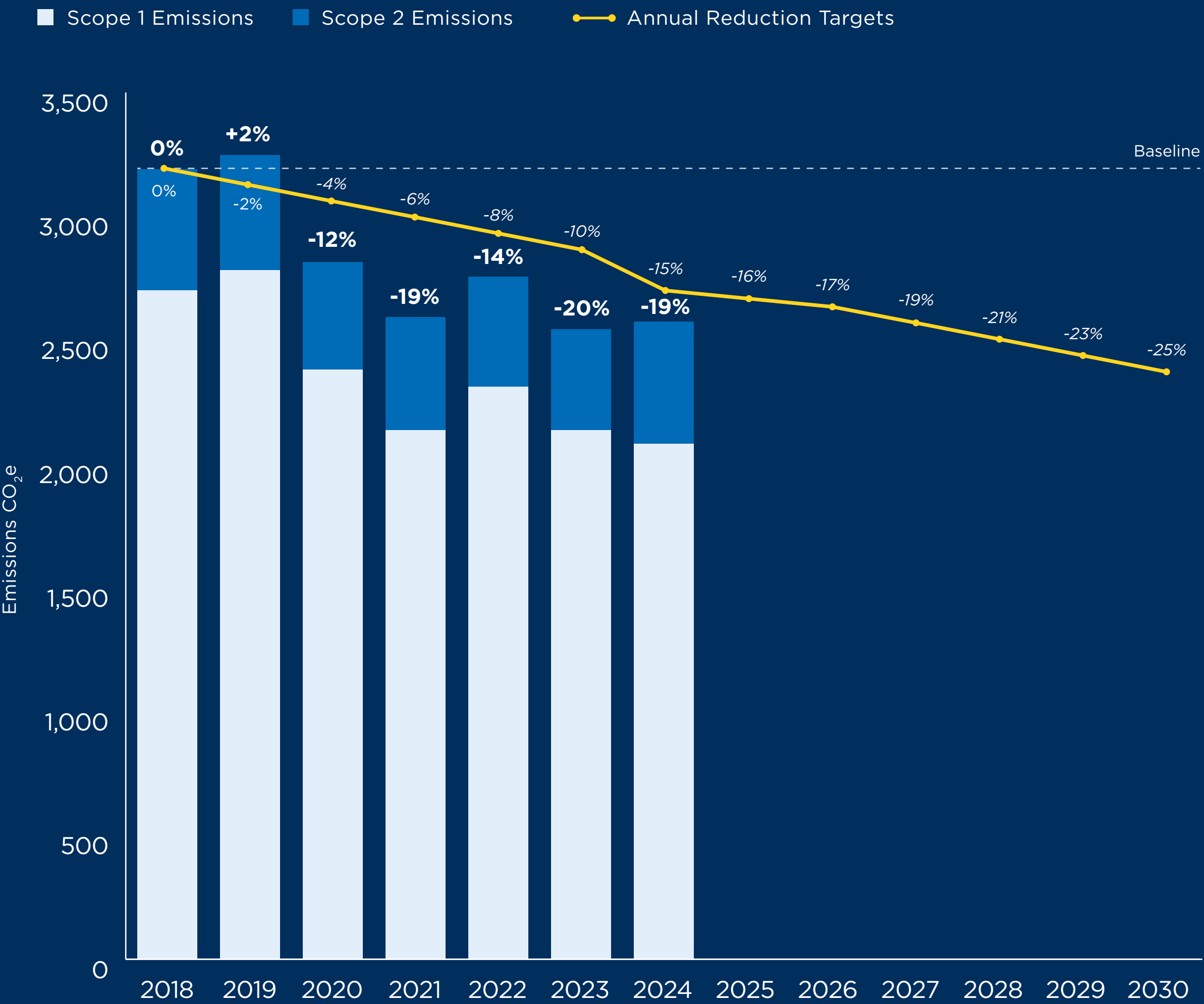
¹³ Diesel emissions vary depending on the severity of the winter and the operations required to keep the road safe during winter events.

Climate-Related Targets

We have set a target to reduce our absolute Scope 1 and Scope 2 GHG emissions by 25% by 2030, relative to our 2018 baseline. This amounts to a reduction of 798 tCO₂e (tonnes of carbon dioxide equivalent) by 2030. We’re increasing our efforts to achieve our target through emissions reduction initiatives, as identified in our GHG emissions reduction roadmap below. We have established annual absolute emissions targets extending to the year 2030. We believe that these annual targets will help us effectively track our progress towards the 2030 target, while helping us reduce our operating costs and further strengthening our reputation as an environmentally responsible company.

We achieved a **19%** reduction in Scope 1 and Scope 2 GHG emissions relative to our 2018 baseline.

Emissions Reduction Target Performance



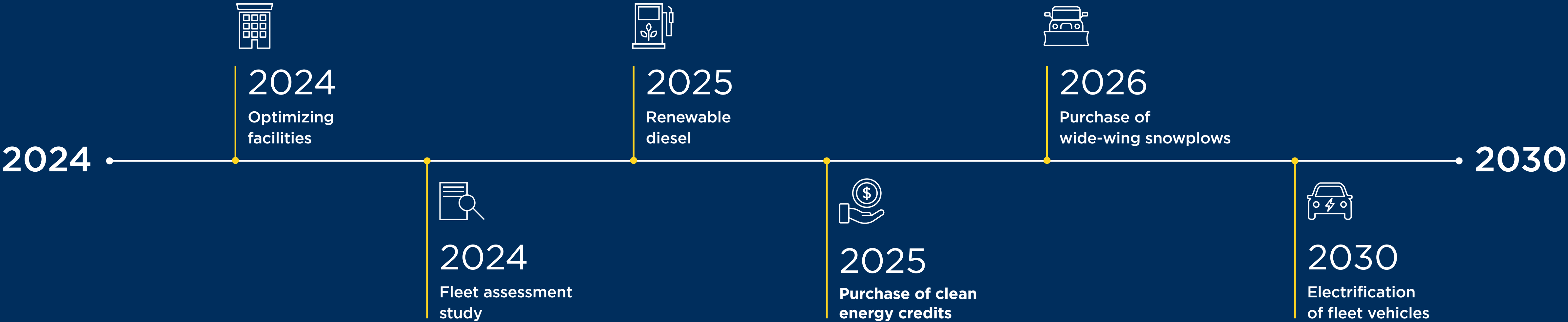
Note: 2018 is the baseline for reporting

GHG Emissions Reduction Roadmap

In 2023, we implemented our GHG emissions reduction roadmap, which serves as a guide to help us achieve our emissions reduction target. In 2024, we further refined the roadmap to reflect recent developments in opportunities. Key 2024 milestones included the completion of an enhanced green fleet study, which explored the feasibility of transitioning our vehicle fleet to lower or zero emissions vehicles. The study provided actionable insights into reducing our Scope 1 emissions through strategies focused on cost optimization, safety and efficiency.

In December 2024, we registered for the voluntary Ontario Clean Energy Credit Program, a pivotal step in integrating renewable energy sources into our electricity consumption. Although we have not purchased any credits for the reporting year, we intend to procure credits in subsequent years to demonstrate our support for renewable energy projects, while directly contributing to reducing our Scope 2 emissions.

We remain open to exploring additional emissions reduction opportunities as technology evolves. By implementing the GHG emissions reduction roadmap, we intend to reduce our carbon footprint, drive innovation and foster alignment with our overall ESG strategy.



Note: We're no longer exploring compressed natural gas for our heavy-duty vehicles due to limitations in operational efficiency. We're now considering renewable diesel.



In line with our roadmap, we have identified fleet vehicles as a key area of focus for reducing our GHG emissions.

To drive improvements in this area we engaged the consulting firm [Fleet Zero Inc.](#) to conduct an enhanced green fleet study aligned with the requirements of [Natural Resources Canada’s Green Freight Program](#).

The purpose of the study was to explore ways to reduce our fleet emissions through low emissions alternate propulsion technologies and fuel optimization retrofits.

The study considered the following:

- Determine the current 407 ETR fleet and GHG profile.
- Identify available technologies compatible with our fleet needs, including battery electric vehicles, hybrids, range extended electric vehicles, renewable diesel and dual hydrogen pilots.

- Evaluate low and zero emissions vehicle options.
- Conduct financial and environmental analysis of different adoption scenarios.
- Compare GHG emissions projections from various fleet adoption scenarios.
- Draft recommendation and implementation report.

The report incorporates recommendations that consider stakeholders, facilities, fleet, infrastructure, environment and economics. Our implementation strategy will include training and awareness, pilot programs, phased transition and an infrastructural improvement to align with the fleet transition plan.

SOCIAL

Putting people first

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Community &
Indigenous Relations



Health & Safety

UN SDG Alignment



Prioritizing health and safety is fundamental to our operations and company culture. We’re committed to providing a safe and healthy work environment for our employees to thrive, and a fast, safe and reliable route for our customers to enjoy.

Highway operations inherently involves complex challenges. We understand that prioritizing employee health and safety not only protects our workforce but enhances the overall productivity and effectiveness of our business.

Approach

Through rigorous training, strict protocols and continual improvement, we aim to proactively identify and mitigate risks, while meeting or exceeding all applicable safety regulations. We adhere to strict regulations set by regulatory authorities and we maintain Highway 407 ETR’s infrastructure to the highest standards, minimizing potential risks to our employees and customers.

We believe that a strong safety culture is achieved through an Internal Responsibility System (IRS), where everyone has a role to play in creating a safe work environment. This includes, Management, leadership team, supervisors, employees and the Joint Health & Safety Committee (JHSC).

We recognize that proactively identifying hazards and managing risks is essential to maintaining a healthy and safe workplace. We aim to continually enhance our Occupational Health & Safety Management System (OHSMS) to improve our safety performance. 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; and
- Managing change and Management review.

In 2024, we introduced our new OHSMS which follows 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 (IHSA).

At our annual one day risk review session, we reviewed the occupational health and safety hazards registry and identified potential risks and opportunities. The session included representatives from across the Company, including JHSC members.

H Health, Safety & Wellness

E Environment

L Learning Opportunity

P Processes & Practices

To help proactively identify hazards and opportunities on and off the highway, employees are encouraged to submit HELP cards.

In 2024, employees submitted 176 cards, surpassing our target of 120 submissions. HELP card suggestions included slip, trips and fall hazards, improvements to employee outdoor spaces, building repairs, parking lot safety and more.



“Health and safety plays a very important role at 407 ETR. As a highway patroller and a member of our Joint Health & Safety Committee, I’m proud of the dedication to safety from my peers and I’m looking forward to continuing our work to promote and enhance safety culture at 407 ETR.”

Evan McMillan,
Field Operation Patroller & Member, 407 ETR Joint Health & Safety Committee

When Incidents Happen

We believe in conducting thorough, unbiased and independent investigations when health or safety incidents occur. This is crucial for identifying root causes and implementing effective corrective and preventative measures. We actively encourage our employees to report all incidents, as well as near misses¹⁴, so that we can initiate the appropriate level of investigation based on the actual or potential severity of the event. We initiate an executive incident review following high potential events¹⁵ that could have resulted in serious injury or extensive property damage. This review includes the President & CEO and other members of Management.

Occupational Health & Safety, Environmental and Wellness (OHSEW) performance is reported to the Board regularly according to the established Board meeting schedule. The Board is updated on major OHSEW accomplishments, performance milestones, key performance indicators, incidents and lessons learned and provides feedback to address concerns and opportunities for improvement. Employees are encouraged to voluntarily participate in various OHSEW committees. These committees encourage engagement by giving employees the opportunity to help improve our current practices and processes.

¹⁴ An incident where no injury or ill health occurs but has the potential to do so.
¹⁵ Any event that could, in other circumstances, have realistically resulted in serious disabling injury/illness, death or extensive property damage.



Evan McMillan,
Field Operation Patroller

Safety at the Forefront

In May 2024, we celebrated Employee Safety Day during North American Occupational Safety and Health Week to recognize our employees for their dedication to working safely. Guests joined us from the [League of Champions](#) and [IHSA](#) to help us celebrate the event. We highlighted our efforts to foster a stronger and safer workplace on and off the road and employees signed the Jerseys of Courage from the League of Champions as a symbol of their pledge to work safely every day.

In 2024, we joined the [IHSA's Fleet Safety Council](#), an association of driver trainers and safety experts dedicated to promoting safety within the transportation, transport, bus and coach industries. We also teamed up with [MySafeWork](#), whose mission is to prevent people from getting killed, injured and harassed on the job.

Commitment to Road Safety

Millions of drivers rely on Highway 407 ETR each year to get to their destination quickly and safely. Highway 407 ETR had 60% fewer collisions compared with MTO's estimates of collision rates on other 400-series highways¹⁶. This demonstrates our commitment to maintaining rigorous safety standards and working to mitigate the risk of accidents,

damage to highway infrastructure and potential injury to customers and employees.

Along the highway, infrastructure is regularly inspected and maintained to ensure it's in good working condition and defects are repaired quickly. In 2024, we invested \$25 million in highway capital projects, including road resurfacing to help ensure a safe and smooth drive. Our Highway Operations Team monitors the highway 24/7 and works quickly and safely to remove debris and help stranded motorists. In 2024, our crews removed over 2,200 pieces of debris and provided free roadside assistance to over 2,200 customers.¹⁷ See our road crew [safely removing debris](#).

We continue to promote safety information through digital signs placed along the highway. These messages include safe driving tips, reminders about distracted and impaired driving, moving over for emergency vehicles and more. In 2024, we invested \$8 million in policing and MTO enforcement services to help keep the highway safe.

To help support public safety along Highway 407 ETR and in surrounding communities, the following vehicles are exempted from tolls:

- Ambulances
- Fire department vehicles
- Ontario government enforcement vehicles
- Ontario Provincial Police



Winter operations on Highway 407 ETR

¹⁶ Figure is based on 407 ETR's internally reported collision rate compared to MTO's estimates of collision rates on other 400-series highways in the GTA.

¹⁷ Roadside assistance is subject to patroller availability and only available on Highway 407 ETR (QEW to Brock Road).



We're proud to support organizations like Teens Learn to Drive and Accident Awareness, which provide young people with resources to become safe and knowledgeable drivers. We also support the Prevent Alcohol and Risk-Related Trauma in Youth (P.A.R.T.Y.) program through Sunnybrook Health Sciences Centre, and our work with Parachute Canada is helping to raise awareness about preventable injuries. In addition, we're helping the Canadian Spinal Research Organization (CSRO) fund spinal cord injury research by donating \$25,000 annually. This research aims to help individuals who've suffered catastrophic injuries regain mobility. In 2024, we donated a total of \$100,000 in support of these road safety initiatives.

Investing in our Workforce

By fostering a culture that prioritizes well-being, we aim to create an environment where employees feel valued, supported and empowered to thrive, both personally and professionally. This translates to improved job satisfaction, reduced absenteeism and increased retention of top talent. A strong commitment to employee well-being helps us attract individuals who align with our values.

We continue to offer a variety of training and engagement opportunities. In 2024, our wellness initiatives included a well-being training session for frontline supervisors and managers, recognition of World Mental Health Day and The Centre for Addiction and Mental Health Worry to Wellness Workshop. Our wellness initiatives are led by our Wellness Ambassador, who works with various stakeholders across the organization to deliver the wellness program.



CANADIAN/AMERICAN
SPINAL RESEARCH
ORGANIZATIONS



Chris Chen, Senior Manager of Engineering and Ashpan Raskar, Agile Software Developer, at World Mental Health Day event

Performance

We aim to reduce incidents by encouraging proactive hazard identification and near miss reporting. In 2024, there were no fatal or critical injuries involving 407 ETR employees, however there was one lost-time incident. We also experienced eight medical aid cases. In general, the Total Recordable Incidents Frequency Rate (TRIFR) for 2024 was comparable to 2023. The slight increase in TRIFR was caused by an additional medical aid case that was reported in 2024.

An incident reported to the Workplace Safety Insurance Board (WSIB) in 2023 as a medical aid event was recently reclassified by WSIB as a lost-time incident. As a result, our cumulative lost-time free hours in 2023 were adjusted to reflect this change. We achieved 3.5 million hours in 2023 prior to the incident. The reclassification also nulled our achievement of four million hours without a lost-time incident in May 2024.

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 2024, there were no monetary losses for claims regarding design defects or safety-related incidents, other than the legal costs incurred to defend such claims.

Metric ¹⁸	2024	2023 ¹⁹	2022	2021
Lost-Time Free Hours	404,526	206,355	2,854,502	2,026,170
Lost-Time Free Days	153	88	1,282	917
Fatality Injury Frequency Rate (FIFR)	0.00	0.00	0.00	0.00
Lost-Time Incident Frequency Rate (LTIFR)	0.22	0.23	0.00	0.00
Medical Aid Injury Frequency Rate (MAIFR)	1.95	1.59	1.69	0.25
Total Recordable Incident Rate (TRIR)	1.95	1.81	1.69	0.25
Near Miss Reports	7	5	7	0
Road accidents and incident ²⁰	537	489	511	435
Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents (CAD)	\$0	\$0	\$0	\$0

Analyst Corner

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

¹⁸ 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 contract employees, but do not include safety information for contractors. Contract employees are on the 407 ETR payroll and covered under WSIB, whereas contractors possess their own insurance. We did not have any reportable safety accidents involving contractors in 2024.

¹⁹ The 2023 numbers have been restated to reflect the reclassification of the lost-time event.

²⁰ 407 ETR discloses accidents and incidents involving customers.



Information Security & Customer Privacy

In the ever-evolving digital landscape, we recognize the importance of information security. We continue to maintain physical, technological, organizational and contractual safeguards designed to prevent unauthorized access, use, disclosure and loss of customer information.

By using a multifaceted approach to data security, including leveraging the latest technologies and industry best practices, we’re working to ensure that customer data remains secure and confidential.

Approach

As we operate and manage Highway 407 ETR and provide tolling and back-office services for Provincially-owned Highway 407, two privacy laws can 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), and
- 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 applies to all systems that store, process and transmit sensitive information. Our GRC program integrates various internal processes to perform risk and control assessment. 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 robust 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.

Raising the Bar on Data Security

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 information security training on a variety of topics, including data privacy, phishing and other emerging issues. Training is completed within 30 days of hire and annually thereafter. We roll out phishing programs to help ensure employees can identify malicious emails. Additional security training 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, end-point detection and response, virtual private networks and cyber threat intelligence.



**INFORMATION SECURITY TEAM
SHINES ON GLOBAL STAGE**

Our Information Security Team was recognized as one of the top information security teams in the world by the OnCon Icon Awards. The finalists, which included major Fortune 500 companies, were selected through public voting.

We continue to enhance our security infrastructure through evolving our third-party risk management, partnering with a managed security services provider, modernizing our VPN and firewall environments and maintaining alignment with security frameworks.

Our approach to identifying and addressing information security risks is based on a comprehensive strategy involving several key steps, including:

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 categorize information based on its sensitivity and criticality. This helps us prioritize protective measures and ensure that resources are allocated appropriately to safeguard our valuable information.

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 TRAINING & 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 training 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.

Approach to Privacy

Our Privacy Officer oversees our privacy management program and keeps us accountable for our privacy obligations. This includes our compliance with privacy policies and procedures designed to ensure that the collection, use and disclosure of personal information is carried out in accordance with applicable laws. For example, our [Privacy Notice](#) informs customers of their privacy rights, while our Privacy Policy advises our employees of their obligations.

Our Privacy Officer works closely with various stakeholders to ensure that safeguards are maintained to help to 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. The Privacy GRC is designed to validate privacy compliance at the operational level. This remediates privacy non-compliances by requiring data stakeholders to annually confirm they are meeting specific privacy law requirements relevant to their roles and responsibilities.

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

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



407 ETR IT employees

🔍 CASE STUDY

Combating
Text Fraud

“Scams are increasingly sophisticated, and our teams work relentlessly to take down fraudulent domains. We want our customers to be aware and to exercise caution by only using official 407 ETR channels to make payments.”

Ali Razavi,
Chief Information Officer, 407 ETR

Throughout 2024, fraudsters targeted customers and non-customers with realistic messages claiming to be from 407 ETR. These messages deceive recipients into clicking on a malicious link, leaving them vulnerable to personal data theft.

Throughout the year, we remind customers to be aware of fraudulent messages through print and digital communications. We stress the importance of checking the legitimacy of a link before clicking and deleting suspicious messages.

We will never ask for personal information such as passwords, PINs or credit cards through any contact method. Customers are encouraged to log into My Account at 407etr.com/myaccount or download the 407 ETR mobile app to view their account and pay their bill. In 2024, we received nearly 12,000 reports from customers about fraudulent text messages and our teams shut down over 470 fraudulent domains.

▶ [See how we’re tackling fraud at 407 ETR.](#)

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 and use of personal information;
- Limit the collection and use of personal information to that which is relevant for legitimate business purposes; and

- Retain personal information for a period required for the purpose it was collected, or as may be permitted or required under applicable laws, regulations or contractual agreements.

Because of our adherence to robust information security and privacy programs, we had no major data breaches in 2024. Additionally, there were no legal proceedings associated with customer privacy.

Metric	2024	2023	2022	2021
Number of data breaches ²¹	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

²¹ 407 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 2024.

Analyst Corner

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





Human Capital Management

UN SDG Alignment



We believe that our workforce is our most valuable asset. We’re proud to be a majority Canadian-owned company and we employ over 500 Ontarians at our head office in Woodbridge, Ontario. We’re committed to encouraging our employees’ personal and professional growth, ensuring they can thrive in their roles and achieve their desired career aspirations.

Approach

We continuously evaluate and refine our policies and practices to align with the core corporate values in our DEI strategy. Creating a fulfilling work environment where every individual is treated with respect, dignity and fairness is core to our Company’s success. Our *Code of Conduct Policy* ensures that all employees, regardless of their position, are valued and appreciated for their unique contributions.

Our Board and shareholders recognize the importance of diversity, both within the Board and throughout our workforce. To ensure we’re truly representative of the surrounding communities we serve, we’re actively working to understand the representation of racial and ethnic groups within our organization. This is a commitment that guides our recruitment practices, employee training programs and ongoing policy reviews.

🔍 CASE STUDY

Ensuring Fair Hiring & Recruitment Practices

Our recruitment efforts are driven by a commitment to identify and attract the most talented individuals, regardless of their background, identity or personal circumstances.

In 2024, we introduced significant updates to our hiring and recruitment practices with the aim of increasing access to employment opportunities for all candidates, ensuring a fair and equitable assessment of a candidate’s qualifications for a role.

Throughout the year, we participated in a variety of external hiring events, including some specific to underrepresented groups such as persons with disabilities; women; and internationally trained professionals. We also worked with the YMCA to hold three 407 ETR career fairs. The YMCA supports potential candidates with refining their resumes and preparing for an interview.

To do this, we launched the following initiatives:

- Published positions to diverse job boards
- Masked names of job applicants
- Included the option to identify with an underrepresented group on the external candidate questionnaire
- Extended anti-bias training to hiring managers
- Implemented a formal anti-bias attestation for hiring managers




Erika Gutierrez,
Customer Advocate

World Class Service - On and Off our Highway

Our Customer Operations Team is integral to our operations, ensuring our customers receive prompt and courteous service on every contact. In 2024, we implemented digital enhancements to our customer service tools and welcomed a new customer relationship management tool. With this change, employees received additional training and participated in focused change management activities in preparation for the transformation. Employees were also provided additional skills development opportunities through training initiatives and various performance tools.

In 2024, our Customer Service Team earned the Call Centre World Class FCR Certification from [Service Quality Measurement Group \(SQM\)](#) for the eleventh consecutive year, and our Business Support Team earned the certification for the eighth consecutive year. This places our contact centre among an elite group of fewer than 30 contact centres (out of the 500 leading North American call centers SQM benchmarks). SQM’s criteria for World Class Call Centre certification includes the requirement that at least 80% of customer calls be at SQM’s world class level for three months or more.

SQM’S WORLD-CLASS LEVEL CRITERIA:



85%

of customers are very satisfied with the Customer Service Representative who handled their call & their call was resolved.

Valuing DEI

We’re committed to creating an environment where everyone feels valued, respected and has a sense of belonging within our organization. This commitment is reflected in our policies, programs and everyday practices. In 2024, we took significant strides to ensure that DEI remains a core focus of our ESG strategy.

Our DEI Steering Committee helps implement our DEI strategy, which is focused on three strategic pillars:

- 1

Increasing awareness
- 2

Leadership and accountability
- 3

Diverse workforce

2024 Highlights and Achievements

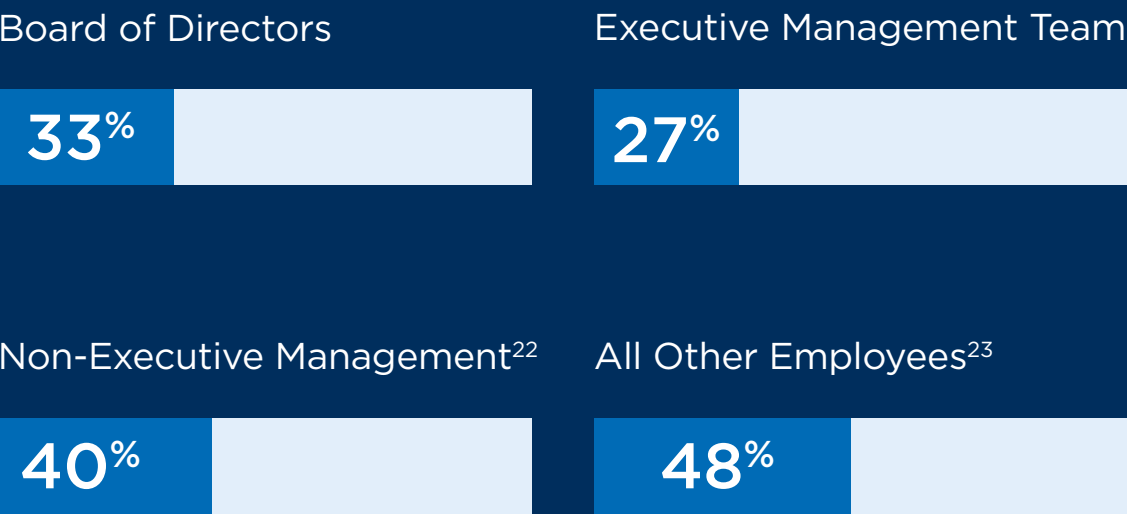
Workforce Representation

We encourage our employees to voluntarily share their demographics through the self-identification features on our secure employee portal. This data helps us accurately measure the impact of our strategy, track and understand the people that make up our workforce and benchmark our progress to refine and enhance our DEI strategy.

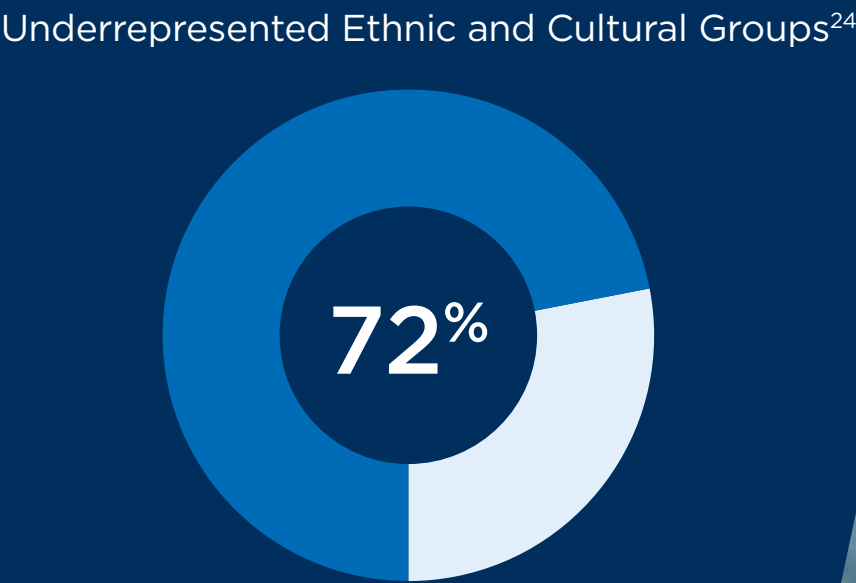
DEI Training

In 2024, we expanded our training programs to support our Leadership Learning Journey program. The training courses include ‘Valuing DEI’ and ‘Fostering a DEI Workplace for Leaders.’ Our training sessions, which are facilitated by our DEI Specialist, remain targeted at empowering all employees with the knowledge and skills to champion DEI at every level.

FEMALE REPRESENTATION:



CULTURAL DIVERSITY:



²² Non-executive management includes senior managers, managers, senior directors and directors.
²³ All other employees includes individual contributors, team managers and supervisors.
²⁴ We currently maintain aggregated employee diversity data only and do not separate this data based on specific groups.



Employee Resource Group (ERG)

In 2024, we took significant steps in fostering an inclusive and supportive workplace by launching our first ERG, WE CAN, a group focused on amplifying women’s voices within the organization. The group is designed to create a sense of belonging and community and is open to all employees who wish to support the group and its initiatives. By providing dedicated platforms for collaboration, networking and shared experiences, we empower our employees to embrace their unique identities while feeling valued and represented.



In 2024, WE CAN engaged its members through a variety of events aimed at building relationships, promoting professional development and celebrating the diverse experiences of our workforce.

Speed Networking

Members connected, shared experiences and built lasting relationships.

The Art of Leadership for Women conference

Nine women attended the conference focused on women in leadership.

Professional Headshots

Members had headshots taken by a professional photographer.

Professional Development Workshop

Members received valuable tips on resume building and one-on-one time with the Talent Acquisition Team for personalized feedback.

Interview Workshop

Our Talent Acquisition Team held an interactive workshop focused on mastering the art of interviewing.

WE CAN launch event at 407 ETR head office



iwecan Women-Empowered Community & Network

407 ETR
Express Toll Route
connect.407etr.com/wecan



International Women’s Day
event panelists



Women’s Career Candidats:
A Fireside Panel event

*“I found the panel very
relatable and offered really
helpful advice.”*

Fireside panel attendees

*“I felt so inspired after
attending. It helped put the
wind back in my sails.”*

In March, we held an International Women’s Day event featuring a panel of 407 ETR employees in the fields of Information Technology, Highway Operations, Organizational Development and Leadership, with special guest [Reni Odetoynbo](#).

Panelists explored issues like fostering an inclusive culture, gender bias, inspiring the next generation of women in STEM, and how we can better support and empower women at 407 ETR. Reni provided valuable insights into her unique experiences around career development, lifestyle and the importance of financial literacy.

In the fall, several of our female Board members joined members of the 407 ETR Team for our Women’s Career Candidats: A Fireside Panel, hosted by WE CAN. The women discussed their personal experiences and unfiltered truths about navigating their careers and overcoming challenges on their professional journeys.


Employee Engagement

Each year, we conduct a comprehensive employee engagement survey, aimed at better understanding our employee’s experiences and identifying areas for improvement. We use the CultureAmp tool to carefully examine the feedback and analyze the results. This data-driven approach allows us to celebrate our successes while also recognizing areas for improvement, which helps drive the refinement of our strategies and program.

Celebrating Pride

We strive to provide a safe and inclusive space that allows all employees to thrive professionally and personally, regardless of sexual orientation, gender identity or expression. In June, our DEI committee and the 407 ETR Team celebrated Pride Month with our annual pride walk, followed by a brunch hosted by Management.

We continued our support for Friends of Ruby, a Toronto organization that provides counselling, housing and social services to 2SLGBTQIA+ youth, with a \$15,000 donation to help the organization deliver these critical services to the community.

 **\$45,000**
donated since 2022

RESULTS FROM OUR 2024 EMPLOYEE ENGAGEMENT SURVEY



84%
407 ETR
values diversity

+ 2% from 2023



80%
I feel like
I belong

+ 4% from 2023



82%
I feel
respected

+ 4% from 2023



82%
People of all backgrounds
have equal opportunities
to succeed at 407 ETR

+ 4% from 2023



Naima Khan-Hew, Human Resources Program Manager and Uche Nwachukwu, Senior Manager, Strategic Initiatives, at Pride breakfast event

Annual Pride walk



Paving the Way for Inclusivity

“Over the past few years, we’ve made a conscious effort to make our workplace inclusive and this award is a testament to the people who have brought these programs and practices to life.”

Lydia Iacovou,
Vice President, Human Resources & Labour Relations, 407 ETR

We’re proud to be the recipient of the [2024 Diversity, Equity and Inclusion \(DEI\) Award](#) for building diversity and inclusivity on and off the road.

This award, presented by [IBTTA](#), honours the most outstanding projects and programs in the international tolling industry. By recognizing the industry’s most creative and impactful projects, IBTTA continues to set new benchmarks for safety, performance and inclusivity across the global transportation landscape.

At 407 ETR, we employ a data-driven approach to track the impact of our DEI initiatives across the organization, examining employee feedback to understand employee experiences and identify areas of success and areas for improvement. This ensures that our DEI strategy is both impactful and responsive to the evolving needs of our workforce.

We’re one of two winners in the DEI category that honours organizations that demonstrate an outstanding commitment to fostering a diverse, equitable and inclusive workplace and community.

Driving Positive Change in our Communities

- \$400,000 multi-year commitment to the Lassonde School of Engineering’s k2i academy at York University to help underrepresented youth pursue careers in STEM
- First-ever sponsor of Soccability Canada’s Blind Soccer program
- \$50,000 donated to local Indigenous organizations
- Over \$1 million invested in youth sports sponsorships since 2015 through Keep Moving™ by 407 ETR

[▶ See how we’re driving DEI at 407 ETR.](#)

Lydia Iacovou, Vice President, Human Resources & Labour Relations, and Jacqueline Dawkins, Director, Organizational Development & Talent, accept the IBTTA’s 2024 Diversity, Equity and Inclusion award

Performance

As of December 31, 2024, four (33%) of our 12 Directors were women. There were two Directors who identified as a visible minority and no one who identified as being Indigenous or as having a disability. Of our 11-person Management Team, three identified as women and three identified as a visible minority. No one identified as Indigenous or as having a disability. Of 407 ETR’s two named executive officers who are male, one identified as a visible minority.

In 2024, we introduced new hiring practices to help increase access to employment opportunities and ensure fair outcomes for all candidates. With this work, we’re improving equity and inclusion at all stages of the recruitment process.

As we continue to navigate major strategic projects, we employ contractors to meet critical milestones and support implementation and change management.

Metric ²⁵	2024	2023	2022	2021
Number of full-time employees	492	499	477	437
Number of part-time employees	58	40	36	25
Number of contractors employed ²⁶	493	523	178	n/a
Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, and (c) all other employees ²⁷	(1a) 27%	(1a) 20%	(1a) 18%	(1a) 20%
	(1b) 40%	(1b) n/a	(1b) n/a	(1b) n/a
	(1c) 48%	(1c) 48%	(1c) 48%	(1c) 41%
	(2) 72%	(2) n/a	(2) n/a	(2) n/a
Voluntary turnover rate for all employees	14%	17%	20%	12%
Involuntary turnover rate for all employees	7%	9%	7%	4%
(1) Total volunteer hours and (2) Average volunteer hours per employee	(1) 899	(1) 1,564	(1) 602	n/a
	(2) 1.6	(2) 3	(2) 1	
Employee engagement	65%	64%	63%	n/a

²⁵ SASB requires a disclosure of temporary employees. This is not a material metric for 407 ETR.

²⁶ We’re in the process of implementing major strategic initiatives. In 2024 we continued to employ a significant number of contractors with specialized IT skill sets to increase business capacity and support with implementation.

²⁷ As of December 31, 2024. 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 includes individual contributors, team managers and supervisors. We currently maintain aggregated employee diversity data only and do not separate this data based on specific groups.

Analyst Corner

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





Community & Indigenous Relations

UN SDG Alignment



Our mission goes beyond providing our customers with a fast, safe and reliable trip. We’re committed to making a positive impact in the communities we serve by investing in initiatives that support important areas of need, including health services, environmental sustainability, DEI, social services and education.

Approach

We believe in the importance of responsible corporate citizenship and contributing to the well-being of our surrounding communities. Our community relations initiatives are guided by a commitment to creating lasting positive change and enriching the lives of GTA residents.

Through strategic partnerships and investments, we support a diverse range of organizations that align with our core values. In 2024, we partnered with over 160 organizations including road safety programs, hospital foundations, educational institutions, environmental groups, youth sports programs and other not-for-profit agencies. We’re proud to be a member of 12 boards of trade and chambers of commerce, continuing to foster positive relationships with GTA’s business communities.

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

Customers Win Big in Celebration of 25 Years

To mark our [25th anniversary](#) we launched *Celebrate 25! Upgrade Your Drive* to celebrate over two decades of providing fast, safe and reliable travel in the GTA. Our largest contest to date featured prizes that help link people to places in the GTA, including three Fan Favorite Prize Packs of one \$1,000 Ticketmaster gift card and a Sightseers Prize Pack with a Toronto CityPASS®, both with one year of free travel on Highway 407 ETR, as well as 20 gift cards for travel on Highway 407 ETR, 10 valued at \$1,000 each and 10 valued at \$100 each.

Preeti Prasad from Oshawa took home the grand prize 2025 Honda CR-V EX-L Hybrid and one year of free travel on Highway 407 ETR, valued at almost \$60,000.



225,000+
Entries



Grand prize
Honda CR-V EX-L Hybrid
+ 1 year of free travel on
Highway 407 ETR



\$40,000
Donated to United
Way Greater Toronto
by customers



Preeti Prasad,
grand prize winner



Driving Development with GTA’s Business Communities

As a member of 12 boards of trade and chambers of commerce, we remain actively engaged with GTA’s business communities. We continue to build relationships and provide valuable insight, serving on various committees and participating in industry events.

We’re proud to be a member of the following organizations:

- Ajax Pickering Board of Trade
- Burlington Chamber of Commerce
- Brampton Board of Trade
 - Member of the Brampton Board of Trade’s Policy and Government Relations Committee
- Milton Chamber of Commerce
- Markham Board of Trade
- Oakville Chamber of Commerce
- Mississauga Board of Trade
 - Member of the Mississauga Board of Trade’s Policy and Government Affairs Committee
- Oshawa Chamber of Commerce
- Toronto Region Board of Trade
 - Member of the Ontario Chamber of Commerce’s Ontario Business Advisory Council
 - Member of The Ontario Chamber of Commerce’s Infrastructure Policy Council
- Vaughan Chamber of Commerce
- Whitby Chamber of Commerce
- Founding Member of Canadian Association of Tolling Authorities



Enhancing Accessibility for Low-Income Drivers

In November 2024, we announced a new financial assistance program, [Route Relief](#), to help low-income drivers access Highway 407 ETR through free travel. The Route Relief Program offers eligible participants up to six free trips each month on Highway 407 ETR.

The Route Relief Program has been added to the roster of financial assistance programs we offer to customers. While the others serve

as short-term financial assistance programs for customers who need assistance paying their bills, the Route Relief Program is the first to offer free trips on a monthly basis for an extended period of time.

Since 2019, nearly 5,000 customers have been accepted into our various [financial assistance programs](#).

“I’ve witnessed firsthand the challenges many families face in finding the time to take their kids to games after work. 407 ETR’s new Route Relief Program is a great step in ensuring that access to safe and reliable transportation is not hindered by financial constraints.”

Kirk Brooks,
Founder of the Seaside Hockey Program, an organization that makes hockey more accessible to youth across the GTA.





407 ETR employees with
members of Toronto Blind Tennis

Empowering Youth Through Sports

We believe that encouraging participation in team sports and physical activities from an early age positively impacts the overall well-being of our communities. [Keep Moving™ by 407 ETR](#) sponsors kids aged four to 18 across the Greater Toronto Area, providing them with opportunities to engage in a wide range of sports including, dance, swimming, hockey and accessible athletic programs.

Since its inception in 2015, we have invested over \$1 million in youth sports. In 2024, we invested \$135,000, supporting over 3,500 youth across more than 130 teams. We're proud to help kids explore their interests, develop teamwork skills and cultivate a lifelong love for an active lifestyle. We continue to look for opportunities to support organizations offering accessible programs so that more children of all abilities can continue to fall in love with sports.

407 ETR Serves Up Support for Vision-impaired Tennis Players

We're proud to support the Toronto Blind Tennis program through [Change Through Sport](#), an organization dedicated to empowering individuals through adaptive athletics, including blind tennis. This summer, at the 407 ETR Family Day Weekend at National Bank Open, we hosted the 407 ETR Keep Moving™ Clinic in partnership with [Tennis Canada](#), featuring Change Through Sport.



[See the impact of our support.](#)

Our Commitment to a Sustainable Future

We recognize that our highway passes through environmentally sensitive areas that are home to a wide variety of plant and animal species. A key part of our sustainability strategy is protecting the natural beauty and healthy ecosystems that surround Highway 407 ETR. From wetlands and woodlands to grasslands and meadows, these natural habitats play a vital role in supporting local biodiversity.

We integrate environmental best practices into our operations and support important environmental organizations to continue helping communities across the GTA flourish. Through initiatives like habitat restoration and invasive species control, we’re working to help protect biodiversity and the delicate ecosystems along the highway for generations to come.

Remediating Soil Through Plant Power

Road salt is a critical component of winter maintenance across Ontario to help ensure safe driving conditions. Understanding the environmental impact of road salt application, we’re committed to supporting innovative research to help reduce the impact of road salt on surrounding environments.

In 2023, as part of a \$300,000 three-year sponsorship, we teamed up with [Toronto and Region Conservation Authority \(TRCA\)](#) to help advance research into using plants to absorb contaminants present in the soil.

More About the Research

In the spring of 2022, TRCA set up experimental plots in Mississauga, Ontario to compare the ability of four native perennial halophytic grasses to remediate soils containing salt from nearby roads.

Key Findings

Plant samples were collected in the fall of 2022 and 2023 and results indicate that all four plant species can take up high levels of chloride. Timelines for remediation were calculated based on plant biomass production, the amount of chloride taken up by each plant and the soil salt concentration. Switchgrass, prairie cord grass and side-oats grama are projected to remediate this location in less than three years.

The results of this study are relatively new, and TRCA will begin testing implementation of this biotechnology with landowners and landscapers in 2025. This testing will contribute to developing guidelines or checklists to help identify what to plant, where to plant it, maintenance requirements and potential limitations and challenges.

[Learn more about the study.](#)

Prairie Cord Grass

Winter maintenance on Highway 407 ETR

Q CASE STUDY

Bending
the Curve on
Biodiversity Loss



Monarch habitat restoration site,
Oakvillegreen Conservation Association

“Biodiversity is critical for healthy ecosystems. The 108 kilometres that make up Highway 407 ETR are surrounded by native plants, wildlife and pollinator species that are essential to our daily lives.”

Javier Tamargo,
President & CEO, 407 ETR

In March 2023, we teamed up with Canadian Wildlife Federation (CWF) to help address biodiversity loss in Canada by restoring 12 hectares of critical pollinator habitats along the Highway 407 ETR corridor – the equivalent of roughly 22 football fields.

This initiative supports species like the monarch butterfly, bees, hummingbirds and other pollinators.

Paving the Way for Pollinators

The monarch butterfly migratory population, along with other pollinator species, has decreased drastically over the past two decades, due in part to the loss of breeding habitat through land conversion and widespread use of herbicides.

Recognizing this pressing issue, CWF set out to collaborate with land managers to restore this critical habitat along rights-of-way, such as roadsides and utility corridors. Through our funding, CWF was able to expand its Rights-of-Way as Habitat Program into the Greater Toronto and Hamilton Area. The organization partnered with 11 municipalities, conservation authorities and community organizations to work to restore native pollinator habitat.

Through CWF’s work, rights-of-way managers and municipalities across the GTA receive technical education and learn about best practices in roadside vegetation management to help support the recovery of monarchs and benefit thousands of other pollinator species.

Current Restoration Projects

- Hydro corridor restoration in Long Sault Conservation Area in Bowmanville, ON
- Roadside meadow plot in Keswick, ON
- Operations depot restoration in Keswick, ON
- Operations depot and roadside meadow pilots in Durham Region
- Pilot with mycorrhizal amendment in Cold Creek Conservation Area in King, ON
- Pocket Sustainable Neighbourhood Action Program, boulevard restoration in Toronto, ON
- Pollinator Pathway expansion in Oakville, ON
- Hydro corridor restoration in Hilton Falls Conservation Area in Milton, ON
- Roadside meadow pilots in Halton Hills, ON

Indigenous Relations

We’re committed to building meaningful relationships with Indigenous Peoples and communities across the regions where we operate. A key part of this commitment is providing support for cultural preservation, education and employment initiatives that create opportunities and empower communities.

In February 2024, we donated \$10,000 to the First Peoples House of Learning at Trent University to support their 48th Annual Elders and Traditional Peoples Gathering. This significant event brought together over 1,500 participants including Elders, knowledge holders, community members, students and allies at the university’s Peterborough and Durham campuses. The gathering centered around the importance of land-based learning and maintaining cultural connections

through traditional teachings, performance arts and foods. Elders shared their wisdom and knowledge in a spirit of cross-cultural understanding, while Indigenous artists showcased their talents through music, dance and storytelling.

We’re proud to be a long-standing sponsor of the Credit Valley Conservation Foundation. In 2024, we donated \$50,000 to help Credit Valley Conservation complete a 100-kilometre pathway through the Credit River Watershed. Part of this construction will include the Crane Gathering Space at Island Lake Conservation Area, which is the first of seven key Indigenous cultural sites along the trail.

We also extended our support to the Indigenous Friends Association, a not-for-profit organization dedicated to reducing education

and employment gaps for Indigenous Peoples within the technology sector. With a donation of \$15,000, we’re helping the association reach its goal of empowering Indigenous communities through digital skills training. The funding is being used to offer the virtual learning program INDIGital free of charge to Indigenous participants. This online program focuses on building digital literacy skills, fostering a sense of community and providing tools for empowerment in today’s technology-driven world.

By supporting cultural events that strengthen identity and connection to traditions, as well as skills training that unlocks economic opportunities, we’re aiming to build bridges and be an active partner in creating a more equitable future.



\$50,000
donated to support local
Indigenous organizations



**Indigenous
Friends
Association**



**FIRST PEOPLES HOUSE
OF LEARNING**





Championing Inclusivity on the Ice



Christina Basil, Vice President, Communications & Government Relations, handing out medals at the 50th annual LNHL Tournament

“We’re proud to expand our Keep Moving™ family to include the Little Native Hockey League. This tournament emphasizes the value of teamwork, respect and education. We’re delighted to celebrate the 50th year of this beloved event and the strong Indigenous athletes who are sure to carry these skills with them as the leaders of tomorrow.”

Javier Tamargo,
President & CEO, 407 ETR

“This funding helps us move closer to removing barriers and ultimately help First Nations youth play a game they love in a fun and positive environment, learn core life skills along the way and represent their communities.”

Chico Ralf,
2024 President, LNHL

In March 2024, we celebrated the 50th Annual Little Native Hockey League (LNHL) Tournament in Markham, investing \$25,000 to support the popular First Nations event. More than 3,500 young Indigenous athletes participated in the four-day sporting event, one of the largest of its kind in Canada.

The LNHL’s 50th anniversary tournament included a gala, player induction ceremony and opening day festival for 245 teams from across Ontario.

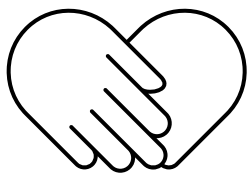
[Hear from LNHL leaders and participants.](#)

Giving Back Through Action

In June, we held our annual company-wide volunteering initiative, ‘One Big Day.’ This year, almost 60% of the company took part, volunteering over 800 hours and supporting over 20 organizations. Employees rolled up their sleeves and joined in on a variety of activities throughout the day, including litter clean up, tree planting, helping local food pantries, caring for four-legged friends at the Toronto Human Society and much more.

Through their actions, our employees built lasting connections and inspired others to embrace the spirit of volunteerism. Outside of ‘One Big Day,’ employees spent another 100 hours volunteering in the community, helping reinforce our promise to support the region in meaningful ways.

We continue to support United Way Greater Toronto and we were recognized by the organization as a [Local Leader](#) for the sixth year in a row. Through our annual employee fundraising and corporate matching program, we donated over \$121,000 to the organization in 2024. Our fundraising efforts are helping provide individuals and families with access to housing, food and employment supports.



\$4.7 million
donated to United Way Greater Toronto
since 2006



407 ETR employees planting trees



407 ETR employees distributing goods at Knight’s Table food bank

Performance

We continue our efforts to make a positive impact in our communities by investing approximately \$1.7 million in sponsorships, donations and free travel in 2024. We also remain on track to complete our \$1.8 million investment in environmental initiatives over three years, which will be completed in 2025. In 2024, we donated \$669,000 towards these initiatives.

In the fall, we introduced a new financial assistance program, Route Relief, aimed at helping low-income drivers access Highway 407 ETR through free travel. To date, we have received over 2,700 applications and over 1,000 customers have been accepted into the program.

Community Investments Through The Years

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



APPENDICES

Roadmap of Excellence

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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; and
- 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 36 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 36 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 53 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 53 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) anticompetitive practices	Reporting currency	Page 32 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 32 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 65 of this report (Human Capital Management).
GHG EMISSIONS			
TR-RO-110a.1	Gross global Scope 1 emissions	Metric tonnes (t)	Page 47 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 47 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 47 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 53 of this report (Health & Safety).
TR-RO-320a.2	(1) Voluntary and (2) involuntary turnover rate for all employees	Percentage (%)	Page 65 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 x of this report (Health & Safety).

Road Transportation Standard

SASB Code	Accounting Metric	Unit	Reference
ACCIDENT & SAFETY MANAGEMENT			
TR-RO-540a.1	Number of road accidents and incidents	Number	Page 53 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 (m³)	Page 36 of this report (Environmental Impact & Biodiversity). 407 ETR will not be reporting on the volume of spills caused by road users but on the number of spills and remediations completed.



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 65 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 59 of this report (Information Security & Customer Privacy).
SV-PS-230a.1	Description of policies and practices relating to collection, usage, and retention of customer information	n/a	Page 59 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 59 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 65 of this report (Human Capital Management).
SV-PS-330a.2	(1) Voluntary and (2) involuntary turnover rate for employees	Percentage (%)	Page 65 of this report (Human Capital Management).
SV-PS-330a.3	Employee engagement as a percentage	Percentage (%)	Page 65 of this report (Human Capital Management).
PROFESSIONAL INTEGRITY			
SV-PS-510a.1	Description of approach to ensuring professional integrity	n/a	Page 32 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 32 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.

Recommendation	Recommended Disclosures	Recommended Disclosures Reference
GOVERNANCE		
Disclose the organization's governance around climate-related risks and opportunities.	(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.	Page 42 of this report (Climate Change Governance).
STRATEGY		
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.	(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.	Page 43 of this report (Climate Change Strategy).
RISK MANAGEMENT		
Disclose how the organization identifies, assesses and manages climate-related risks.	(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.	Page 45 of this report (Climate Change Risk Management).
METRICS & TARGETS		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	(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.	Page 47 of this report (Climate Change Metrics and Targets). Our disclosure is currently focused on Scope 1 and Scope 2 GHG emissions. We intend to include Scope 3 GHG emissions in subsequent reports.

Performance Data Table

ESG Factor	Indicator	Reference	Unit	2024	2023	2022	2021
ENVIRONMENTAL							
GHG Emissions	Scope 1 Emissions Source						
	Diesel ²⁸	TR-RO-110a.1	tCO2e	1,021	1,145	1,290	1,144
	Gasoline			650	598	631	667
	Natural Gas			346	335	341	289
	Propane			64	58	49	37
	Scope 2 Emissions Source						
	Electricity	TR-RO-110a.1	tCO2e	493	409	445	455
	Fuel Source						
	Diesel	TR-RO-110a.3	Litres	374,964	417,873	470,732	417,386
	Gasoline			280,666	258,109	272,328	287,878
	Natural Gas			179,079,000	173,301,000	176,610,000	149,644,000
	Propane			41,594	37,678	31,786	24,070
	Total Fuel Consumed	TR-RO-110a.3	Litres	179,776,224	174,014,660	177,384,846	150,373,334
	Electricity	TR-RO-110a.3	kWh	13,888,933	14,378,594	15,067,703	15,403,160
	Percentage of fuel consumed that is natural gas	TR-RO-110a.3	Percentage (%)	13%	13%	15%	13%
	Percentage of fuel consumed that is renewable fuel	TR-RO-110a.3		0%	0%	0%	0%

²⁸ Diesel emissions vary depending on the severity of the winter season and the operations required to keep the highway safe during winter events.

ESG Factor	Indicator	Reference	Unit	2024	2023	2022	2021
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	5	4	4	1
	Number of site clean-ups/remediation completed	n/a	Number	5	4	4	1
	Aggregate volume of spills and releases to the environment	TR-RO-540a.3	Volume	n/a	n/a	1.7 m3	0.1 m3
	Native species planted along Highway 407 ETR and 407 ETR head office	n/a	Number	20,000	10,000	n/a	n/a
SOCIAL							
Health & Safety ²⁹	Lost-Time Free Hours ³⁰	n/a	Hours	404,526	206,355	2,854,502	2,026,170
	Lost-Time Free Days	n/a	Days	153	88	1,282	917
	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	0.22	0.23	0.00	0.00
	Medical Aid Injury Frequency Rate (MAIFR)	IF-EN-320a.1 / TR-RO-320a.1	Rate	1.95	1.59	1.69	0.25
	Total Recordable Incident Rate (TRIR)	IF-EN-320a.1 / TR-RO-320a.1	Rate	1.95	1.81	1.69	0.25
	Near Miss Reports ³¹	n/a	Number	7	5	7	0
	Road accidents and incidents ³²	TR-RO-540a.1	Number	537	489	511	435

²⁹ These safety metrics (lost-time free hours, lost-time free days, FIFR, LTIFR, MAIFR, TRIR, near miss reports) pertain to 407 ETR employees and contract employees, and do not include safety information for contractors. We did not have reportable safety accidents involving contractors in 2024. The 2023 numbers have been restated to reflect the reclassification of the lost-time event.

³⁰ This metric pertains to 407 ETR employees and does not include safety information for contractors or customers.

³¹ An incident where no injury and ill health occurs but has the potential to do so.

³² 407 ETR only reports accidents and incidents involving customers.

ESG Factor	Indicator	Reference	Unit	2024		2023		2022		2021	
Health & Safety	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 ³³	Number of full-time employees	SV-PS-000.A	Number	492		499		477		437	
	Number of part-time employees	SV-PS-000.A	Number	58		40		36		25	
	Number of contractors employed	SV-PS-000.A	Number	493 ³⁴		523		178		n/a	
	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, and (c) all other employees ³⁵	SV-PS-330a.1	Percentage (%)	(1a)	27%	(1a)	20%	(1a)	18%	(1a)	20%
				(1b)	40%	(1b)	n/a	(1b)	n/a	(1b)	n/a
				(1c)	48%	(1c)	48%	(1c)	48%	(1c)	41%
				(2)	72%	(2)	n/a	(2)	n/a	(2)	n/a
	Voluntary turnover rate for all employees	SV-PS-330a.2	Percentage (%)	14%		17%		20%		12%	
	Involuntary turnover rate for all employees	SV-PS-330a.2	Percentage (%)	7%		9%		7%		4%	
	(1) Total volunteer hours and (2) Average volunteer hours per employee	n/a	Number	(1)	899	(1)	1,564	(1)	602	n/a	
				(2)	1.6	(2)	3	(2)	1		
	Employee engagement	SV-PS-330a.3	Percentage (%)	65%		64%		63%		n/a	

³³ SASB requires a disclosure of temporary employees. This is not a material metric for 407 ETR.

³⁴ We're in the process of implementing major strategic initiatives. In 2024, this resulted in a significant increase of contractors with specialized IT skill sets to increase business capacity and support with implementation.

³⁵ As of December 2024. 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 includes individual contributors, team managers and supervisors. We currently maintain aggregated employee diversity data only and do not separate this data based on specific groups.

ESG Factor	Indicator	Reference	Unit	2024	2023	2022	2021
GOVERNANCE							
Information Security & Customer Privacy	Number of data breaches	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%	38%	38%	31%



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 total Scope 1 and Scope 2 location-based greenhouse gas emissions (“GHG emissions”), lost time injuries (“LTI”s) and diverse gender percentage (“DGP”) of 407 International Inc. (“407 International”) for the year ended December 31, 2024 (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, 2024 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 2024 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
April 7, 2025

Appendix A

407 International Inc.
Subject Matter Information
For the year ended December 31, 2024

Criteria	Subject Matter Information	Year ended December 31, 2024
World Resources Institute and World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) “GHG Protocol”	GHG emissions	2,574 tCO2e
Workplace Safety and Insurance Board Ontario’s (“WSIB”) definition of Lost Time Claims	Lost Time Injuries	1
Management-developed criteria further disclosed in Appendix B in accordance with the Amended Credit Agreements	Diverse Gender Percentage	33%

Appendix B

407 International Inc.

Management-developed criteria for the *Diverse Gender Percentage* metric in the Amended Credit Agreements

407 International Inc. has specifically developed criteria for the diverse gender percentage (“DGP”) as the definition of the metric does not reference a specific established standard, law or regulation. Management has outlined the following as the definition per the Amended Credit Agreements, where the Borrower refers to 407 International Inc. and the Fiscal Year refers to the year ended December 31, 2024:

“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.”



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