

2017 SUSTAINABILITY REPORT

EVOLVING BUSINESS IN AN EVOLVING WORLD



*Committed to
the Community, the Environment,
and Tomorrow's Generations*



Sustainability. It is at the core of our company and has been throughout our multi-generational history. In this, our fifth sustainability report, we reflect upon our progress while looking ahead toward future opportunities. Our value principles continue to guide us, providing a balanced consideration of people, environment, and economy. We understand that sustainability is not an end, but a work in progress.

Our world is ever evolving and we must evolve with it. Our resource recovery and renewable energy businesses continue to grow, turning waste materials into usable products and developing low-carbon fuels for a circular economy. Our aggregate and construction businesses are expanding products and services to support sustainable growth. Our emulsions business is employing research and innovation to produce sustainable solutions through chemistry and technology.

In recognition of our responsibilities to future generations, we have created climate and energy initiatives that empower our operations to act and go beyond measuring their carbon and water footprints. We consciously and actively interact with Indigenous communities where we operate, underscoring our commitment to build lasting relationships and partnerships based upon understanding and respect.

Our people enable us to act sustainably. Whether building homes for those who are less fortunate, supporting programs for people with disabilities, or teaching youth about the importance of pollinators, our employees seek to improve their communities every day. They strive to provide the highest quality products and services to our customers and operate in a manner that is respectful of our neighbours. Above all, our people care about and support each other, creating a safe, healthy and desirable workplace.

We hope that you enjoy our *2017 Sustainability Report*. We trust that the stories and information contained in the report provide meaningful insights into our company, our people and our legacy.



John Fisher, President and CEO



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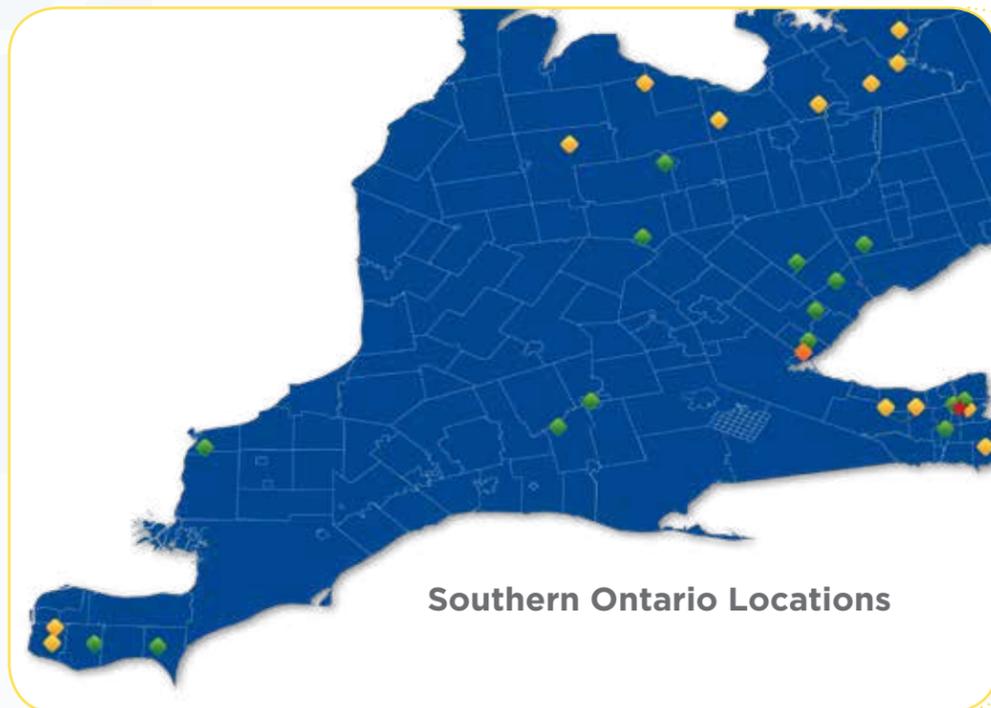
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Our Company

Walker Industries is a fifth-generation, family-owned company headquartered in Niagara Falls, Ontario, Canada. Since 1887, we have proven to be a dynamic and diversified company, while keeping pace with changing markets and continuing to combine traditional values with progressive concepts to meet new and exciting challenges.

At Walker Industries, we are committed to the safety of our employees and dedicated to the environment and our communities. We have a strong reputation for integrity, care and creativity and we take a generational view in our business planning. In 2017, we saw significant growth and advancement, as well as new and innovative opportunities.

We are organized into three distinct divisions – Walker Aggregates, Walker Emulsions and Walker Environmental – and serve markets across North America.



Southern Ontario Locations



North American Locations

Our Value Principles

We firmly believe that in order to continue to grow and prosper we must remain true to the values upon which the company was founded. Several years ago, we took time to carefully reflect upon and document the value principles that have guided us since 1887. Our value principles provide guidance for how we conduct ourselves and make decisions, as well as allow us to speak a common language, share common goals and shape our future.

Safe, Healthy and Profitable

We will maintain a safe, healthy and profitable workplace.

High-Performance Employees

We are committed to an environment that attracts, motivates and recognizes high-performance people.

Customers and Suppliers

We place a high value on customers and suppliers.

Community

We support the needs of our community.

Environment

We practice exemplary environmental leadership.

Long-Term Focus

We maintain a long-term focus seeking sustainability for our business.

Integrity

We practice integrity in all matters.

Innovation

We innovate and continually improve business practices.

Shape Our Future

We embrace a willingness to shape our future.

Walker Industries is committed to an operating philosophy based on more than one hundred years of rock solid business practices.

Our Divisions & Missions

Walker Aggregates

Walker Aggregates and its subsidiary company, Norjohn Contracting, support the infrastructure needs of communities across much of Ontario. Walker Aggregates supplies high quality stone, sand, gravel and asphalt products, while Norjohn Contracting provides underground servicing, site development, road reconstruction and pavement preservation services.

Mission

Socially and environmentally responsible supplier of high quality aggregates, construction materials and services.

Walker Emulsions

Walker Emulsions is an innovative manufacturer of sustainable emulsions and related chemistries for a variety of industries and municipalities across North America. Formulas include wax, asphalt and bio-based emulsions as well as custom formulations.

Mission

Creating innovative sustainable solutions through chemistry and technology.

Walker Environmental

Walker Environmental is a leading resource recovery and waste management company that provides environmental solutions to municipalities and private businesses coast to coast across Canada. Solutions include landfills, waste transfer and haulage facilities, biosolids processing plants, composting facilities, food and residual organic processing facilities and landfill gas renewable energy projects. Our product brands created from resources recovered include N-Rich®, All Treat Farms® and Gro-Bark®.

Mission

Creating a positive impact on our environment, communities and customers by providing critical services and infrastructure for a circular economy.

Our Sustainability Goals

1. Grow and strengthen our company.
2. Focus on sustainable energy and carbon management (conservation, wise use and renewable energy sources).
3. Grow our resource recovery business.
4. Increase the percentage of revenue from innovative and sustainable products and services.
5. Nurture a sense of belonging.
6. Publish an annual sustainability report.

Our Sustainability Model

Our Sustainability Model, consisting of three pillars, Social, Environmental and Economic, is our approach to sustainability. We utilize this model in conjunction with other internal programs to understand how sustainability is integrated throughout our operations as well as to help identify, manage and mitigate risk.

Sustainability: Meeting today's needs without compromising the needs of future generations.

OUR YEAR IN REVIEW

2017

130 years in business.
58 locations across North America.



Pursuing a Safety Culture

Introduced a **colour-coded hard hat system** as part of several initiatives to enhance our Health & Safety Program.

Promoting a Healthy Workforce

267 employees participated in the Walker Wellness Program.

Nurturing a Desirable Workplace

5.9% Voluntary Turnover Rate still below average Canadian rate.

110 employees with over **20** years of service.



The average length of service of an employee is **10** years.

Encouraging Philanthropy

Walker employees spent

1,064 work hours volunteering in their communities as part of the Walker Volunteer Program.

\$434,386* donated to worthy causes in our communities.

*excludes shareholder contributions

Planning for the Future

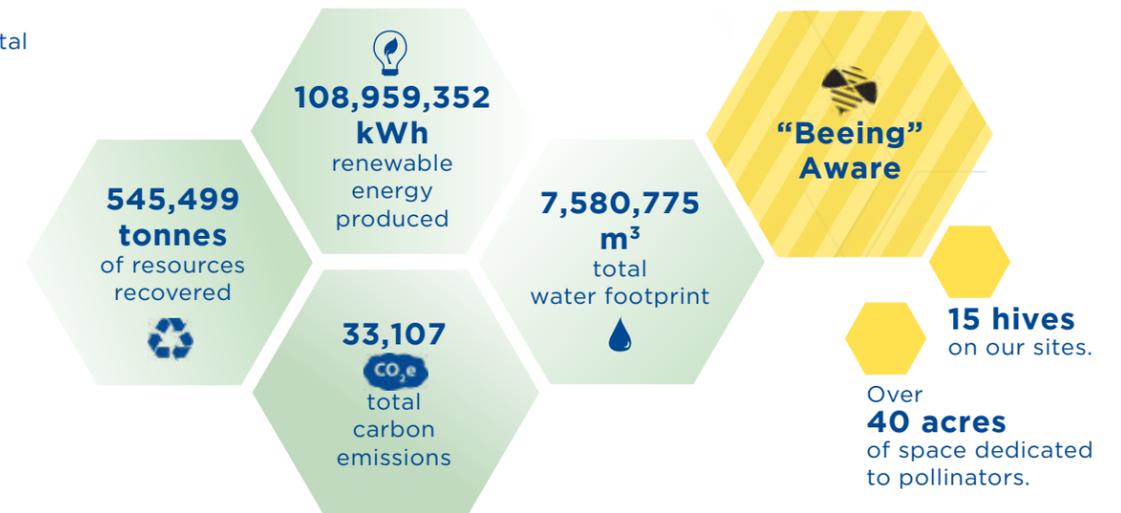


Enhancing Our Enterprise

8% revenue from innovative products & services introduced or sold to new customer segments in the last 5 years.

26% revenue from sustainable products & services introduced or sold to new customer segments in the last 5 years.

Our Environmental Commitment



"Sustainability is not an end, but a work in progress." — John Fisher, President & CEO

SOCIAL

PEOPLE | PARTNERS | COMMUNITIES



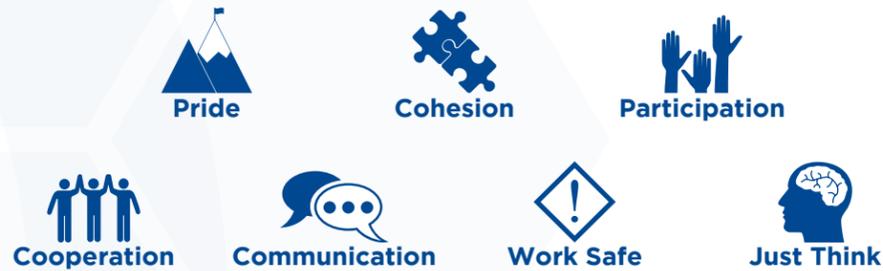
SOCIAL

At Walker Industries, we have a long history of supporting our high-performance employees and the communities in which we work. We work together to foster a healthy, positive and respectful workplace that motivates and recognizes our employees. We encourage innovative ideas by engaging, empowering and appreciating our employees, promoting their growth and development and working to create a sense of belonging. The health, wellness and safety of our employees are paramount. We acknowledge that our success is dependent on thriving communities and, since 1887, have worked to contribute to the social and economic development of them.

Pursuing a Safety Culture

At our company, maintaining a safe workplace is one of our core values. We believe every worker has the right to go home safe and healthy at the end of the day, and we work to improve our program to ensure that happens. In 2017, lost time injury frequency rates across all of our divisions were below the comparable industry rate.

Our Safety Program is Built Around our 7 Health & Safety Philosophies



Joint Health & Safety Committees from across the entire company come together at the Biannual Safety Summit to focus upon our Health & Safety program and components. This is where we explore each of the seven philosophies and what they mean to us as well as identify new ways to help coworkers and others follow and live up to these philosophies.

We are committed to continually improving our Health & Safety performance by maintaining a proactive approach to the management of our Health & Safety program, while adopting and promoting our Superior Safety Culture. We conduct standard and site-specific Health & Safety training across the company on various topics, such as Common Core, Working at Heights, Lockout-Tagout and Fall Protection. Site-specific training needs are discussed quarterly at Joint Health & Safety Committee meetings and conducted on an as-needed basis.

2017 Health & Safety Program Highlights

In 2017, we undertook a variety of initiatives to enhance our Health & Safety Program:

- An updated Hard Hat Policy was introduced, which distinguishes individuals on site by the colour of their hard hat to easily identify visitors (blue), new or probationary employees (green), supervisors (white), general labourers (yellow) as well as members of the emergency response team (red). All new issued Walker Industries hard hats have 360° reflective striping for improved visibility.
- All Walker Industries sites conducted Workplace Risk Hazard Assessments to increase awareness of risks in the workplace and engage employees. Through the assessments, current controls were documented and a gap analysis identified any controls that could be strengthened or introduced.
- Third-party Health & Safety audits were conducted at each site to assess the functionality of the Internal Responsibility System, determine compliance of work practices, review specific high-risk positions or activities and evaluate training and awareness programs. The audits provided us with opportunities for improvement across our Health & Safety program.
- Our Executive Team updated their pledge to the Superior Safety Culture. They have continued their commitment by doing their part in reducing work-related injuries and illnesses by keeping Health & Safety at the heart of our business and providing the resources needed to reduce the impact of Health & Safety related issues for our employees and their families. These continue to be visible at every Walker Industries site to ensure employees are aware that Health & Safety is a top priority at the executive level.

Superior Safety Culture Award

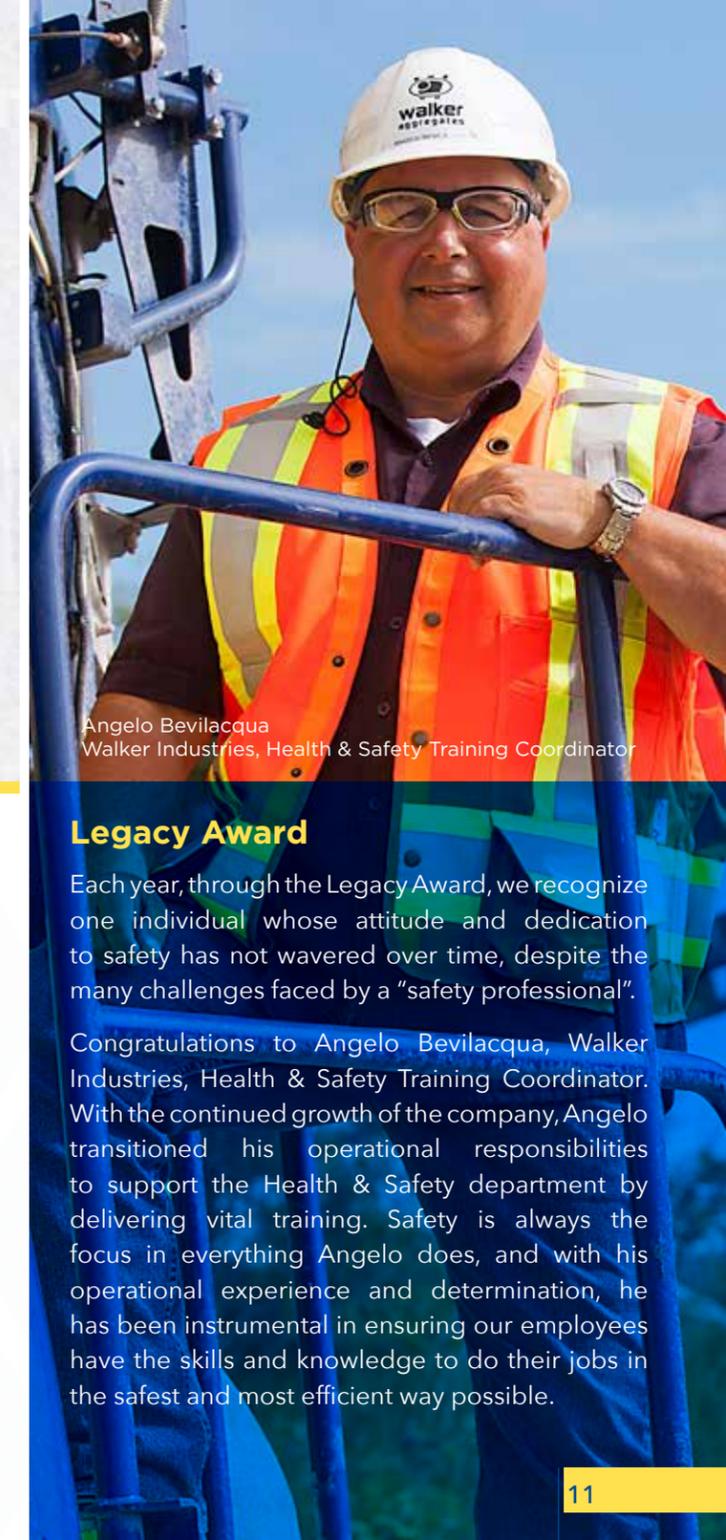
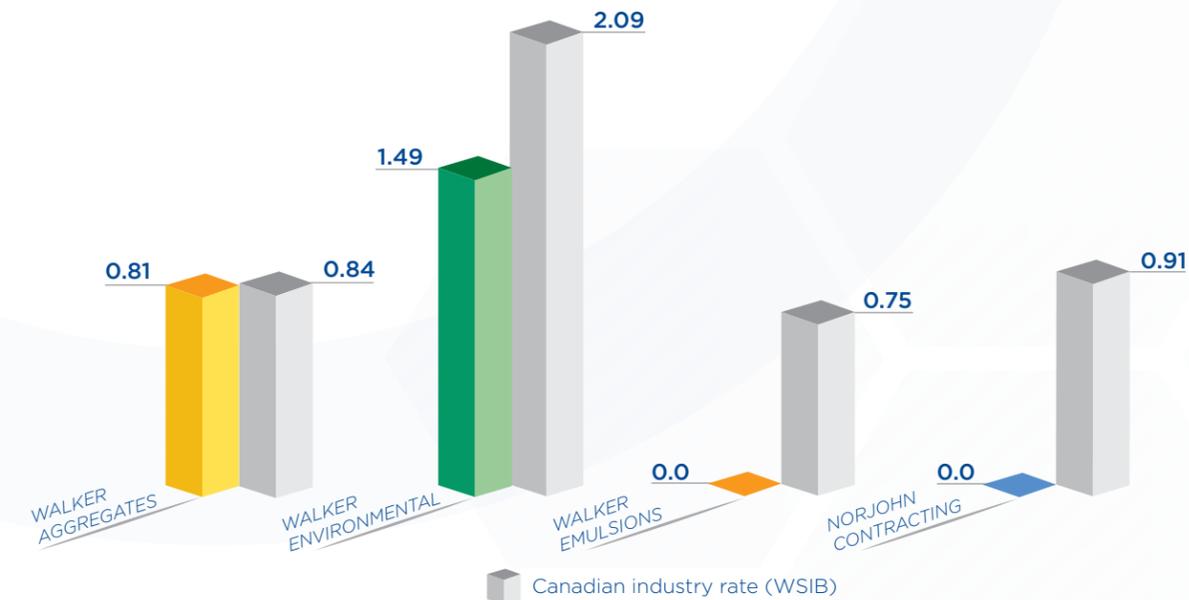
Each year we recognize one individual who truly lives by our philosophies with our Superior Safety Culture Award. The individual is nominated by their peers for leading by example and consistently going above and beyond in terms of Health & Safety. The winner of the award receives recognition across the company and a monetary contribution to their charity of choice.

Congratulations to Tony Kaiser, Operations Manager at Walker Environmental Woodstock, the recipient of the 2017 Superior Safety Culture Award.

Tony was nominated because he consistently looks for ways to improve the safety of the operations, shares his learnings nationally and not only raises issues but also proposes solutions. He goes into the field with his technicians to ensure he has first-hand knowledge of what challenges they face and to ensure that they are operating by the standards that Walker has set. The Canadian Cancer Society and Epilepsy Canada will receive a donation in Tony's name.

Tony Kaiser
Operations Manager, Walker Environmental

2017 Lost Time Injury Frequency Rates



Angelo Bevilacqua
Walker Industries, Health & Safety Training Coordinator

Legacy Award

Each year, through the Legacy Award, we recognize one individual whose attitude and dedication to safety has not wavered over time, despite the many challenges faced by a "safety professional".

Congratulations to Angelo Bevilacqua, Walker Industries, Health & Safety Training Coordinator. With the continued growth of the company, Angelo transitioned his operational responsibilities to support the Health & Safety department by delivering vital training. Safety is always the focus in everything Angelo does, and with his operational experience and determination, he has been instrumental in ensuring our employees have the skills and knowledge to do their jobs in the safest and most efficient way possible.

Promoting a Healthy Workforce

We recognize that in order to have a healthy company, we need to foster an environment to promote a healthy workforce. Walker Industries subscribes to an Employee and Family Assistance Program, through LifeWorks, which provides our employees with resources for managing life's challenges, which focus on topics from family and health, to stress and finances.

We also promote an active lifestyle for our employees through our Walker Wellness Program. This program provides a subsidy of up to \$200 per year to all permanent employees for wellness and fitness related activities. This promotes the development of cardiovascular endurance and muscular strength or flexibility, and healthy lifestyle habits. The Walker Wellness Program provides our employees with an opportunity to partake in physical activities they may not otherwise be able to.

In 2017, with wellness in mind, Walker Emulsions challenged employees to take part in a Walk for Wellness Challenge. Using the Wellness Subsidy, Fitbits were provided to interested employees to track their steps over a five-month period and compete against their coworkers across the division. The winners of the challenge walked almost 4 million steps throughout the challenge and were awarded a weekend getaway for their hard work.



34.5%

In 2017, over a third of our employees participated in the Walker Wellness Program. Some fitness related items subsidized includes bicycles, dance lessons, sports equipment, Fitbit devices, and gym memberships.



267 employees participated in the Walker Wellness Program in 2017

Nurturing a Desirable Workplace

Our company strives to support, guide and exceed requirements to create and maintain a healthy, positive and respectful work environment. The employee culture at Walker Industries can be felt clearly through the respect and cooperation that is demonstrated by each individual. We work with our employees to create a positive and enjoyable work environment. We provide opportunities to develop skills and transition into roles with increasing responsibility. It is because of this encouraging environment that we are able to keep employees happy and maintain a low turnover rate year after year, with an average length of service of 10 years and 110 employees with over 20 years of service.

We are committed to the development of knowledge and capabilities of our employees and we believe that, in order to effectively operate, we encourage our employees to enhance their capabilities within every aspect of our operation. We provide both internal and external training and leadership opportunities for all of our employees, such as our Walker Goodman Leadership Program. In 2015, we collaborated with the Goodman School

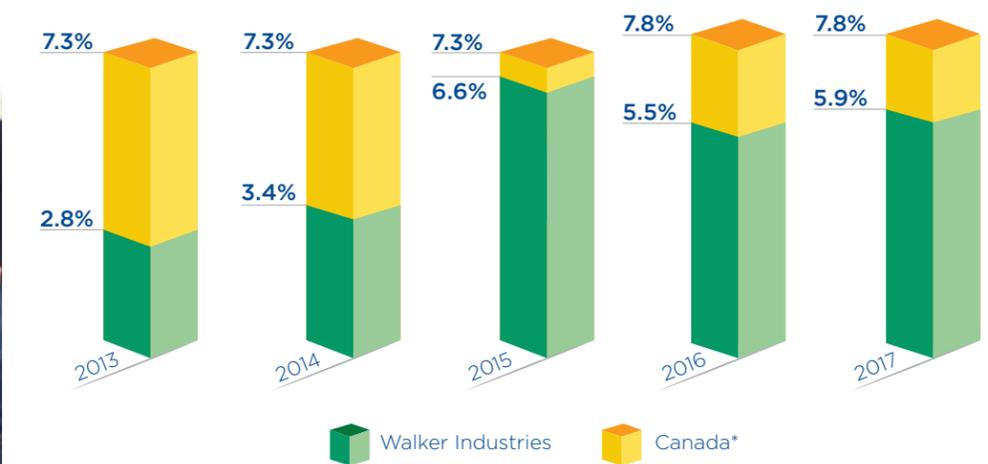
of Business at Brock University to develop a unique program designed specifically for Walker Industries employees who are in supervisory roles or who aspire to fill future management roles. Employees develop leadership skills, understand strategic planning processes and basic financial principles, and further strengthen communication skills and practices. In 2017, the third cohort of Walker Industries employees graduated from the program.

In 2017, many of our employees attended a session that reviewed sustainability at Walker Industries and discussed the three aspects of our Sustainability Model – social, environmental and economic – to highlight key examples of initiatives we are undertaking that make us a leader in sustainability. Our employees were also encouraged to come up with ideas for future sustainability initiatives. Three key ideas were developed through the session: Walker Gives Back, Energy Wise and "Bee" Aware. Initiatives undertaken in 2017 as a result of this session are highlighted in the following sections of this report: Encouraging Philanthropy, Managing Energy Responsibly and "Beeing" Aware.



Walker Executives, Senior Managers and Goodman Leadership Program participants at graduation.

Voluntary Turnover Rate



* Statistics from Conference Board of Canada

Long-Term Employees

We appreciate of the loyalty and faithful service of our employees. Each employee is honoured on important milestones in his or her career and presented with a gift at our annual Walker Industries Christmas Party to provide thanks for ongoing commitment to our company. In 2017, we celebrated a few special long-term employees.

Don O'Connor



31 Years

of service

Don O'Connor says he's been "livin' la vida loca" since retiring from his job as a truck driver for Walker Environmental in 2017. Don had worked for Walker for 31 years, most recently hauling construction and demolition waste to the Niagara Falls landfill from transfer stations across Southern Ontario. He enjoyed the four-day workweek, being on the road and running into friends and acquaintances during stops for coffee. He also appreciated the quality equipment that Walker provides its employees as well as the social functions the company organizes for its workforce.

"It's a real family atmosphere. I always thought it was really nice that the owners knew me by name and would take the time to say hello and ask how I was doing."

Alex Bartfai



45 Years

of service

Alex Bartfai has been a member of the Walker family for 45 years. He joined Walker Aggregates, Vineland Quarries in 1973 as a mechanic and took part in assembling the then-new crushing plant, a project he proudly remembers. Now, as the quarry's lead welder, he is responsible for repairing and maintaining the plant machinery and equipment. His work gives him a sense of ownership and pride, particularly when he sees innovative solutions he has applied throughout the years to fix failing machine frameworks still being used today. Having new responsibilities as equipment evolved over the years kept him going, and he appreciates that there have always been opportunities to learn new things and advance.

"I like coming to work every day; there's never a dull moment."

Tim Milligan Sr.



43 Years

of service

Tim Milligan Sr. has been part of the Walker family for 43 years. A former jockey at the local racetrack, Tim started in maintenance at Walker Aggregates, Vineland Quarries and has performed a handful of quarry jobs during his time here. Now, Tim is a face loader operator, operating the largest loader on site. Part of what he enjoys about working for Walker Industries are the opportunities he has been given to learn new jobs and skills, which he says has kept his job fun and interesting for so many years. He appreciates the sense of humour and camaraderie of the crew that he works with, which makes it easy to go to work every day – and he doesn't plan to retire any time soon.

"If you've got your health and can still do things you enjoy, keep moving."

Leadership Niagara

Leadership Niagara is a program designed to encourage employees to explore and strengthen leadership skills, develop a network of meaningful contacts and learn more about Niagara's unique challenges and opportunities through experiential learning days. With a mission to foster leadership in Niagara, they believe that inspired leaders create strong community. We encourage our employees' involvement, and, since 2007, twenty of our employees have graduated from the program. Our 2017 participants were Alanna Walker and Tara Adams, who both worked with their team to create a transition plan for the Crisis Outreach Counsellor at Gillian's Place.



Alanna Walker

Property Administrator, Walker Aggregates

"The process of completing our community project pushed me to go outside of my comfort zone and find strengths and skills in myself that I did not know I had."



Tara Adams

Marketing Supervisor, Business Development, Walker Environmental

"I feel honoured to work for Walker, a company that commits to, and invests in their employees and provides the opportunity to expand my skills while giving back to Niagara at the same time."

Scholarship Winners



Jessica Baker

Congratulations to Jessica Baker, daughter of Dave Baker, Walker Environmental Technician in Woodstock, Ontario, the recipient of the 9th Annual Walker Industries Scholarship. Jessica will receive \$15,000 per year for four years from the Walker shareholders. She plans to take non-profit management and humanitarian courses and intends to make a career out of working with non-profit organizations.



David Brown

Congratulations to David Brown, son of Devon Brown, Walker Environmental Technician in Toronto, Ontario, the recipient of the 3rd Annual Walker Industries Tradesperson/College Scholarship. David will receive \$7,500 per year for two to four years from the Walker shareholders. He plans to become an auto mechanic and aims to complete the Truck & Coach Technician at Centennial College.

Encouraging Philanthropy



Walker Emulsions - Portland employees continue to give back to the Johnson Creek Watershed Council with a creek clean-up.

It is tradition at Walker Industries that our employees come together to fundraise, volunteer and participate in activities to support the needs of the communities that we operate in. We believe it is important to provide employees with an opportunity to be engaged and help to make a difference in the communities that they live and work. We offer our employees two days per year to dedicate to volunteering and we are committed to improving employee engagement by increasing the percentage of employees who utilize these volunteer hours.

Walker Industries employees live our values every day and push to support various community initiatives. Some 2017 highlights of employee-driven philanthropy include:

- Walker Aggregates employees organized a Canadian Diabetes Clothesline event at our head office, which provided our employees an opportunity to donate old clothing, toys, books and electronics to support Diabetes Canada. This initiative was undertaken to support a Walker Aggregates employee's young nephew who was diagnosed with Type 1 diabetes at 14 months old. A total of 42 bags of clothing and 8 boxes of household items were collected.
- Walker Emulsions supported coastal conservation of South Carolina to assist one of our employees at the Orangeburg facility who was involved in beginning the local Coastal Conservation Association South Carolina Chapter.

- Walker Environmental's Niagara Compost employees assisted a local not-for-profit organization, Links for Greener Learning, to develop a teaching garden. They constructed a compost bin that provides observation opportunities at different stages of the composting process as well as ensured they received enough tree stumps to use as stools.
- Walker Industries challenged all employees to go above and beyond and commit to accomplishing 150 good deeds over a two-week period in celebration of Canada's 150th birthday. Every employee who submitted their act of kindness received an entry for a \$1,500 donation to a charity of their choice, which they had the opportunity to deliver themselves.

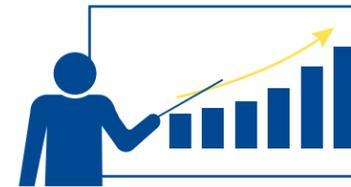
The following charities received donations:

- | | |
|--|--|
| ◆ Ronald McDonald House (2 donations) | ◆ Ernestine's Women's Shelter |
| ◆ Owl Foundation | ◆ Essentials for Excellence for Juravinski |
| ◆ Dunnville Hospital & Healthcare Foundation | ◆ MADD St. Catharines |
| ◆ All Sports All People (The Sledge Hockey Fund) | ◆ Lincoln County SPCA |
| | ◆ Wellington North Fire Service |

Together We Can

For the fourth consecutive year, Walker Industries' Together WE Can program had \$10,000 to give back to our communities from funds previously raised by employees. Employees' names were entered into a lottery and 15 employees won the chance to give money to the charity of their choice. The following charities received donations:

- \$2,000: The St. Catharines Humane Society
- \$1,000: SickKids Hospital, Jubilee Fellowship Christian Reformed Church, Scouts Canada, and Canadian Cancer Society.
- \$500: Heart & Stroke Foundation, Nature Conservancy of Canada, New Song Church, Hospice North Hastings, The Salvation Army, Cancer Research Society, and Home Again.
- \$250: Project Share Niagara Falls and Kristen French Child Advocacy Centre Niagara



9,506 hrs
TRAINING

Walker employees continue training to maintain skills and knowledge in their given fields of work.



1,064 hrs
VOLUNTEERING

Walker employees are encouraged annually to take 2 days to volunteer at a local charity or organization.

#WALKERGIVESBACK

Corporate Giving

Supporting the needs of the communities in which we operate is a founding value of Walker Industries. The value of giving back to the community has been instilled in each of our employees by the Walker family. Our corporate philanthropic focus includes the arts, education, health and community. In 2017, we donated a total of \$434,386 to support the needs of our communities. Not included in this amount are the contributions the Walker family shareholders made to various community initiatives.

43% Community Sponsorships



In addition to the corporate giving, the shareholders of Walker Industries have recently committed to a number of projects including:

- Bethesda (Autism Facility for Children)
- Wellspring Niagara Cancer Support Foundation

Supporting All Sports All People

Following a team-building exercise whereby our Walker Aggregates group had the opportunity to learn to play Sledge Hockey, employees were inspired to give back and run a summer raffle series. The raffle was in support of All Sports All People, a non-profit organization dedicated to developing inclusive programs for people with disabilities, in conjunction with The Sledge Hockey Experience. All proceeds from the raffle went toward the purchase of sledge hockey sleds and equipment for families who could not afford them. Raffle tickets were sold company wide, with a goal of raising \$2,000, which is enough money for the donation of at least two sleds.

Money raised from the raffle along with a Walker Act of Kindness donation as well as a generous donation from Walker Aggregates brought the grand total of the initiative to \$7,000. The total surpassed our goal, and we were able to donate seven sleds and sets of equipment for families who need them.

"We still can't believe how successful the raffles were. The support and generosity from our fellow Walker Industries employees across the entire company, not just the Aggregates division, was overwhelming." – Melanie Smyth, Marketing and Communications Coordinator, Walker Aggregates



Representatives of Walker Aggregates were among those who joined the kids receiving sledge hockey equipment during a special event in December 2017.



Walker Emulsions - Portland teamed up with K-Kids to remove graffiti.

Supporting Portland K-Kids

Five years ago, Walker Emulsions Portland teamed up with an after-school program called K-Kids to develop a solution to the graffiti issue on their site. K-Kids consists of fifth-graders and the local Kiwanis Club, who are involved in many community and school-based service projects in the area. The main goal of K-Kids is to teach leadership skills and responsibility while performing acts of service in the community, schools and at home. Our Portland facility helped coordinate the students and provided painting supplies for the graffiti clean-up project.

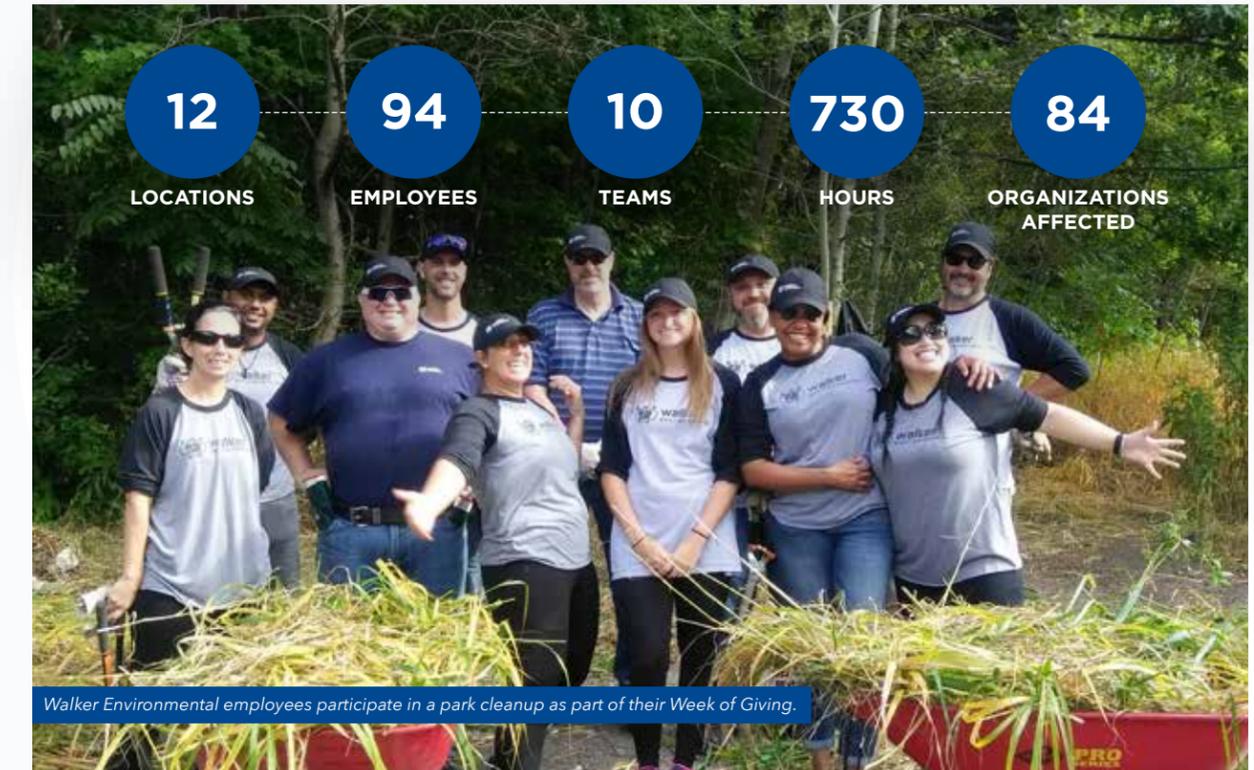
"They are an incredible group of students who genuinely care and want to be of service. They take great joy in helping others and manage to have fun and play all the while. They are our future, and I am so proud of them." – Sydney Lynott, Social Work Intern, Whitcomb Elementary

Week of Giving

In 2017, Walker Environmental held its second annual Week of Giving. Close to 100 employees were put into teams and challenged to give back in unique ways all across Canada. Teams were encouraged to do more than make monetary donations, which sparked some unique ideas.

Some of the initiatives taken by our employees included:

- Distribution of water, lip balm, lotion and activity books to cancer patients at the Walker Family Cancer Centre at Niagara Health System, St. Catharines site
- Hands-on learning with Scouts Canada about pollinator habitats through Land Care Niagara, by constructing natural hives
- Thank-you gifts provided to local heroes such as police, hospital staff and volunteer coaches
- Women's shelters, food banks, blood banks and soup kitchens given a helping hand
- Community clean-ups



Walker Environmental employees participate in a park cleanup as part of their Week of Giving.

Supporting Our Communities

For Walker Industries and our employees, giving back to the communities in which we live and work has been a strong corporate value from the beginning, more than 125 years ago. We are committed to building and nourishing strong relationships within our communities and supporting their needs by producing learning opportunities contributing to charitable efforts as well as contributing to efforts that are important to our employees. We keep money aside that is allocated to employee requests for charitable support for various causes. At Walker Industries, each of our divisions has the opportunity to support charitable efforts such as sponsorships, fundraising assistance, or monetary donations. We admire the hard work that organizations in our communities do to improve social and environmental conditions and are committed to supporting those causes.

In 2017, the Walker Family and Walker Industries supported various causes in our communities. Some highlights include:

- Walker Aggregates contributed to the enhancements of Sullivan Park, in Thorold, Ontario, by donating stone that went to the construction of a new gazebo.

"It is important for us to give back to the community, and knowing that this park will be enjoyed by families for years to come makes it all worthwhile." – Shea Gordon, Sales Manager, Walker Aggregates

- Walker Emulsions sponsored a student to attend South Carolina's Business Week, which is a program for young adults to learn the principles of leadership, teamwork and the American free enterprise system while promoting self-reliance, individual responsibility and entrepreneurship. Pam Barton, our Human Resources Manager, volunteered her time to lead a team of 12 students.

"As a company advisor, it's extremely rewarding to share knowledge and skills with the students and collaborate with them in program activities and daily goals. I encouraged everyone to step up at points during the week and challenged them to be leaders in their own way. It was a terrific surprise for them to be called up to receive an award at banquet night, and I thoroughly enjoyed watching their reactions and resulting pride in teamwork." – Pam Barton, Human Resources Manager, Walker Industries

- Walker Environmental sponsored improvements at the Arthur Community Centre grounds and provided a \$10,000 donation toward the construction of the new splash pad and an additional \$10,000 of in-kind donations.

"Being able to contribute toward something that will bring families together makes it even more rewarding." – John Fisher, President and CEO, Walker Industries

"There is amazing work being done by organizations in our communities. The Walker family is very humbled to be able to play a role in supporting these extraordinary organizations as they work to meet the growing needs of our communities."

*Geordie Walker
Executive Vice President, Finance
& Chief Financial Officer*



WALKER INDUSTRIES

Mental Health Wing

Supporting Mental Health and Innovation

Branscombe Mental Health Centre

In 2014, the Walker Family and Walker Industries pledged to donate \$1 million toward the Mending Children's Minds Campaign for the new home of Pathstone Mental Health. In 2017, we celebrated the grand opening of the new facility.

The new mental health centre provides many services such as counselling, crisis intervention, family preservation as well as school-based residential and mobile intensive treatment. The new facility will also allow for treatment in specially designed treatment areas, accommodate the Pathstone Children's Mental Health Research Institute and include the Pathstone Education and Training Centre for mental health practitioners. The new Pathstone Mental Health facility has named this wing the Walker Industries Mental Health Wing.

"As a family and business with strong roots in the Niagara community for more than 125 years, we are pleased to be able to contribute to the mental well-being of children and their families in our region. Our family members are committed to the communities in which we do business. We continually look to find ways to improve social and environmental conditions in those communities." – Sheila (Walker) Bonapace, Walker Industries Shareholder



Representatives of Walker Industries attend the ribbon cutting event for the Walker Advanced Manufacturing Innovation Centre.

Walker Advanced Manufacturing Innovation Centre

In 2015, the Walker Family and Walker Industries donated \$1.2 million to Niagara College's Achieving Dreams Campaign to support the development of the Innovation Centre. In 2017, we celebrated the Walker Advanced Manufacturing Innovation Centre's grand opening.

The new Centre provides students with more than 15,000 square feet of lab space for hands-on applied learning, innovation space for companies to work on-site, and office space for Niagara College students and industry employees. It will also offer local manufacturers access to much-needed research facilities and equipment as well as the technical expertise and business services of faculty and students.

"On behalf of our family and our employees, we are incredibly proud to invest in Niagara College through its Achieving Dreams Campaign. For businesses like ours, that depend on skilled workers which the college educates and trains, it's important that we support this campaign. The future of our region depends on it."

– Sheila (Walker) Bonapace on behalf of Walker Industries' shareholders

Partnering with Habitat for Humanity

Over the years, Walker Industries has developed a successful working partnership with Habitat for Humanity, a non-profit organization working towards a world in which everyone has a safe and decent place to live. At one time or another, through donations or volunteering, each of our operating divisions has been involved with this great organization.

In 2017, the Walker family and Walker Industries contributed financial support to the Edisto Habitat for Humanity in Orangeburg, South Carolina. Volunteers from across the Walker Emulsions division travelled to Orangeburg to volunteer for the Edisto's 78th build.

"Walker has always had a strong corporate value of giving back to the communities in which we operate. This was our first build in the United States, but Walker has been a supporter of Habitat in Canada with several builds. It's been an honour to be able to help out in Orangeburg and watch the Clark family's dream of owning a home come true." – Scott White, General Manager of Operations, Walker Emulsions

Our Walker Emulsions Burlington facility was also recognized by Habitat for Humanity, Halton-Mississauga, for their generous donations and hard work in assisting in the building of their 2016 Plains Road development.

Also in 2017, the Walker family and Walker Industries donated \$50,000 to Habitat for Humanity Ontario Gateway North (OGN) in support of the ongoing



Walker Emulsions - Orangeburg employees meet the new owner of the Habitat for Humanity home the company helped to fund.

build on Bay Street in Orillia, Ontario. This gift will help provide two families with safe and affordable housing.

"We continually look to find ways to improve the social and environmental conditions in these communities and are so pleased to support Habitat for Humanity in helping families in need to purchase their own homes." – Sheila (Walker) Bonapace, Walker Industries Shareholder

Walker Industries Philanthropy Recognized

In November 2017, the Walker family and Walker Industries proudly accepted the award for Outstanding Organization, for demonstrating outstanding commitment and leadership in all aspects of philanthropy.

"Success for Walker Industries is not measured just in volume or shareholder profits. Their institutional commitment to be a 'good corporate citizen' inspires others and has served to make a profound impact on communities throughout Niagara and across North America. Their generosity and leadership have strengthened healthcare, enabled greater access to creative arts, and built stronger communities as a whole through improved education, growth in the local economy and protection of the environment." – OneFoundation for the Niagara Health System

Family members Sheila (Walker) Bonapace, Robert Bonapace, Dave Walker and Norris Walker proudly accepted the award. At the ceremony, Dave Walker explained that everything he learned about philanthropy came from his late father, John Walker, and his uncle, Norris. At a very young age, he came to understand what it meant to give back. He went on to share a few stories and explained that philanthropy runs deep at Walker Industries. It's a philosophy that is ingrained into the culture throughout the Walker organization.

"We were truly honoured to celebrate Walker Industries. Dave's remarks were truly moving and helped us all understand Walker Industries' motivation for philanthropic work." – Lacey Kempinski, Chair, National Philanthropy Day AFP Golden Horseshoe

Building Indigenous Relations



Walker Environmental hosted a Métis Education Session with Brian Kon, Chair of the Niagara Region Métis Council.

We aim to build and maintain strong, respectful and successful relationships with Indigenous peoples while acknowledging and respecting their unique constitutionally protected rights. We recognize and respect the inherent relationship between Indigenous peoples and the land's natural resources. It is our goal to incorporate Indigenous peoples' unique views and perspectives early and often during new project development while remaining adaptive and flexible throughout the process. We look to our Indigenous Relations Statement of Principles to guide us forward in restoring mutually respectful relationships with all First Peoples.

For generations, approximately 150,000 Indigenous children were sent to residential schools, away from their families, to be instructed in how to live a non-Indigenous lifestyle. The first residential school began operations in 1828, with mandatory enrollment beginning in 1884 for children under 16 years old, and the last residential school closed in 1996. In these schools, many children suffered abuse and punishment for speaking their language or practising their culture. During this time, both Indigenous and non-Indigenous children were taught that Indigenous culture and languages were irrelevant, paving the way for the inequality and racism still prevalent in Canada today.

The truth of the residential school system and its multi-generational effects were reported in depth by the Truth and Reconciliation Commission (TRC) of Canada, with the aim to document the experiences of victims and recommend a way forward.

"Because it took so many generations to get to this point, it's going to take us a few generations to be able to say we are making progress. Reconciliation is about forging and maintaining respectful relationships. There are no shortcuts."

— Justice Murray Sinclair, TRC Chair

In the spirit of reconciliation, we are taking action on the three recommendations for businesses from the TRC *Calls to Action* report:

1. Meaningful consultation on projects

We engage and consult with Indigenous peoples on our large development projects, such as the Southwestern Landfill proposal. Through this dialogue, we are respecting Indigenous peoples' constitutionally protected rights to be consulted. This also enables us to incorporate Indigenous input and create better projects, learn about Indigenous history and culture and form respectful relationships that we can build on to create new partnerships.

2. Equal access to jobs and training

We connect with employment services at Indigenous communities and attend job fairs and provide access to our job postings. We also actively consider how our projects could create new employment and economic or partnership opportunities with Indigenous peoples and communities.

3. Employee education

As in most areas of life, education and awareness are critical for positive change. Employees are gaining knowledge about Indigenous rights, history and culture, as well as forging personal connections. We provide opportunities like lunch-and-learns, casual interactions through supporting Pow Wows and other initiatives, attending events and hosting tours.

Taking the time to learn more about one another and share knowledge with others is the first step toward reconciliation.

Métis Education Session

In 2017, we provided our employees with an opportunity to learn about the rich culture and history of the Métis Nation. Brian Kon, Chair of the Niagara Region Métis Council, shared some stories, created dialogue and answered our employees' questions. We maintain a strong relationship with the Niagara Region Métis Council and work closely in assisting the Council to promote the historical values, culture, language and traditions of the Métis Nation.



Neegann Aawaakshin
Vice-President and Partner of First Peoples Group

First Peoples Group

Neegann Aaswaakshin is the Vice-President and Partner of First Peoples Group (FPG), an Indigenous owned and operated company that provides a host of professional services including Indigenous awareness training, partnership advice as well as economic reconciliation initiatives and projects with Indigenous Nations.

Walker and FPG partnered in 2017 to collaborate in designing and implementing meaningful outreach, engagement and partnership opportunities with Indigenous Nations concerning Walker projects and community development. Our goal has been to make Walker a leader among proponents in reconciliation and partnerships with Indigenous peoples, and we are on our way!

ENVIRONMENTAL

AIR | WATER | LAND

ENVIRONMENTAL

At Walker Industries, our employees have been taking action to support our environment through our EARTH 1st program, at work and at home, since 2003. EARTH 1st is our environmental management system. It acknowledges that, as a company and as individuals, we are part of the environment. Every step that we take to create a healthy environment is a step towards creating a healthy self, a healthy community and a sustainable future.

Since its inception, EARTH 1st has continued to evolve, and Walker Industries has introduced several tools to ensure our business takes a holistic approach to operational management, such as our internal environmental performance reviews. EARTH 1st empowers our employees to commit, create and participate to improve our environmental performance.

OUR ENVIRONMENTAL COMMITMENT

Stewarding Our Environment

We acknowledge our responsibility to preserve the quality of our land, water and air and actively work to protect and conserve the land we own and operate. In 2017, we managed a significant amount of farmed and conservation land as well as forests. Since 2013, we have maintained our conservation land and forests; however, we have reduced the amount of farmed land to expand some of our operations.

At Walker Industries, we work to find ways to create solutions that benefit the environment, the community and the economy, while leaving a positive legacy for future generations. An example of this is our Atlas Landfill site. Walker Environmental's partnership with the City of Welland took an environmental liability and turned it into a municipal and private sector asset. Once Atlas Landfill reaches capacity, it will be turned into a public space called Welland Vista Park, which will feature 360-degree panoramic views of the Welland Canal, Welland River, and Niagara Falls, Ontario.

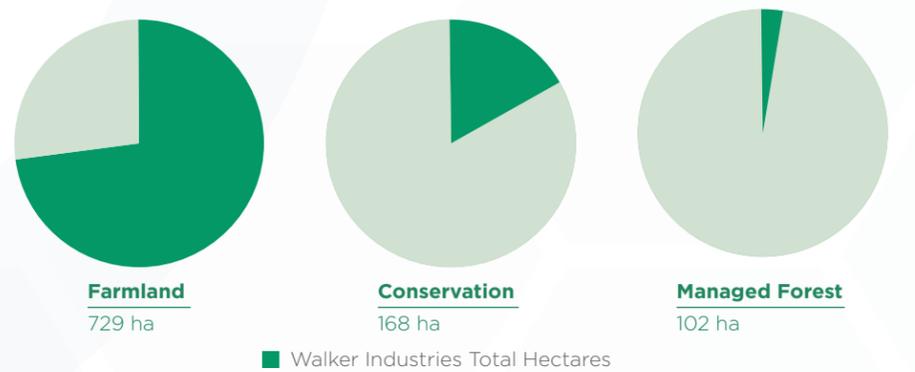
We strive to be leaders and responsible stewards of the land. Our Duntroon Quarry recently established a new forested area that became home to a new research study site for the University of Waterloo's School of Environment, Resources and Sustainability. The study's objective is to determine if soil removed from a forested area can be relocated to add to the health of a young forest and preserve the species within the soil. The test soil is being moved to an area of the quarry that is being rehabilitated, and, if successful, new plantings will thrive not only in terms of how we physically see them, but also in terms of species and tree composition. The hope is that this will help to speed up the typically long process of establishing a new, natural forest.

As an environmental services provider, we also acknowledge that we have a responsibility to educate our customers and our communities on environmental issues. In 2017, our Niagara Compost facility held a workshop for ECO Club students from a local public school to teach them the importance of waste separation and the process of compost. By teaching the kids to compost, they are learning how nature recycles.

Our Walker Emulsions Burlington facility toured the local Girl Guides Brownie Unit through their own site's pollinator garden. This enabled the Brownies to earn their Key to My Community and Help Our Planet badge. The Brownies were also able to learn how Walker Emulsions, a company whose business has nothing to do with bees or pollinators, recognizes the important role we all play in our community to create a better world.

Walker Aggregates' McGregor Quarry also hosted students from a local public school for a tour, which provided the students an opportunity to assess the social and environmental impacts of human uses of rocks and minerals as well as investigate, test and compare their physical properties.

Total Hectares of Farmland, Conservation Land and Managed Forest Owned by Walker Industries in 2017



Walker Industries owned a total of 999 hectares of farmland, conservation land and managed forest area in 2017.

Tonnes of Resources Recovered in 2017



Growing Resource Recovery

As a privately owned company, we recognize our role in making Ontario more efficient and resilient. It is important that we support Ontario's efforts in building a low carbon, circular economy. With that, we have worked to improve existing activities and create new processes that recover resources.

In 2016, we received approval to repurpose a section of our closed East Landfill into a Resource Recovery Area, which became fully operational in 2017. The main objective of the Walker Resource Recovery Area (WRRRA) is to identify materials that are typically disposed of in landfills and to instead process and reintroduce them as new products into the marketplace. Materials currently diverted from landfill and stored or processed at the WRRRA include wood, railway ties and asphalt shingles, which will be processed into various products including low-carbon fuels and recycled asphalt blends. This type of facility supports continued opportunities to work with companies looking to alternative low-carbon fuel as a replacement for coal. The WRRRA also blends clean clay or soil with organic materials into a manufactured topsoil for landfill capping and agricultural or landscape markets.

"The Resource Recovery Area provides an opportunity for us to create new products and fuel sources, all while lowering greenhouse gas emissions and repurposing the land on top of our East Landfill." – Tim McVicar, Vice President Transfer and Disposal, Walker Environmental

In 2017, we invested in technology that helps to improve compost product quality and reduce waste material at our All Treat Farms location in Arthur, Ontario. The new equipment separates mixed waste into various components to decrease the amount of overs, plastic or non-compostable material in the final product. The processed material is separated into five categories (sticks, stones, fines, metal and plastic), which provide a number of environmental benefits. Washed sticks and stones are reused on site for processing and construction purposes, respectively. Metals and plastics are disposed of correctly and fines continue through the composting process. Trials will continue into 2018 to decrease contamination in the composting process and improve overall compost quality.

Managing Energy Responsibly

We continually strive to manage energy responsibly at Walker Industries. In 2017, we hired an Energy Lead who guides and supports initiatives in energy efficiency, demand management, renewable energy and fleet management across the company. The Energy Lead also spearheads our Energy Leadership Group.

We also participated in the Independent Electricity Systems Operator's (IESO) Industrial Conservation Initiative (ICI) program. The program is a form of demand response that

allows large customers to manage their Global Adjustment cost by reducing their demand during peak periods. Helping Ontario reduce load at peak times helps the province avoid building additional expensive generation.

In addition, we continued our efforts under Integrated Gas Recovery Services (IGRS), a partnership between Walker Environmental and Comcor Environmental, who is the largest landfill gas utilization project developer in Canada, and creates renewable energy that provides electricity back to the grid.



Walker Industries hosted Ontario Centres of Excellence announcement and tour of Walker Environmental's landfill gas plant.

Green Energy Production

Renewable energy reduces our carbon footprint, lessens the load on our electrical grid and reduces our demand on fossil fuels. At a number of landfills in Ontario, we collect landfill gas, condition the gas and produce electricity by using internal combustion reciprocating engines. In 2017, we produced enough electricity from our landfill and our partnership landfills to power approximately 8,000 Canadian homes.

Electricity Exported to Grid (kWh)



Category	2015	2016	2017
Partnership Landfills	88,345,610 kWh	90,695,162 kWh	83,104,826 kWh
Organic Collection and Recycling	11,851,186 kWh	13,493,614 kWh	18,881,196 kWh
Walker Environmental Landfills (Niagara Falls)	7,440,632 kWh	7,545,016 kWh	6,973,330 kWh

Innovative Solutions to Reduce Emissions

Industries across Ontario are looking for new and innovative ways to remove carbon from their processes. The Government of Ontario's TargetGHG program, administered by Ontario Centres of Excellence, provides funding to projects that will help Ontario meet its Greenhouse Gas (GHG) emission reduction targets. The Government of Ontario funding helps Ontario industries adopt leading-edge technology and develop innovative solutions to reduce GHG emissions while staying competitive. This funding also encourages Ontario's entrepreneurs to develop creative new solutions in the clean-tech sector.

In December 2017, we hosted the Government of Ontario announcement event at our Head Office in Thorold, Ontario. Funding for nine Industrial Demonstration Projects was announced, including two separate projects between Integrated Gas Recovery Services (IGRS) in partnership with General Motors of Canada, and Walker Environmental in partnership with Stelco. The event welcomed many special guests and dignitaries, including the Honourable Chris Ballard, Minister of the Environment and Climate Change; the Honourable Reza Moridi, Minister of Research, Innovation and Science; Parminder Sandhu, Chair of the Green Ontario Fund Board of Directors and St. Catharines Member of Provincial Parliament, Jim Bradley.

General Motors Landfill Gas Utilization Project

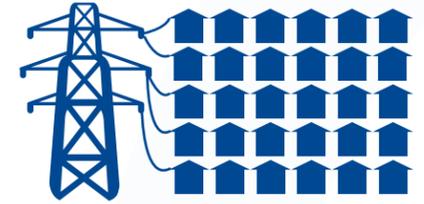
IGRS and General Motors of Canada (GM) are collaborating on a renewable energy project. The project proposes to process and transport renewable landfill gas through a dedicated pipeline to fuel a 6.4-megawatt co-generation plant at GM's plant in St. Catharines, Ontario. This project is projected to supply about 32% of the St. Catharines plant's energy needs, reduce GHG by about 77%, and significantly lower electrical costs, which will improve the facility's long-term competitiveness.

Stelco Bio-carbon Project

Walker Environmental has partnered with Stelco's steel manufacturing plant in Hamilton, Ontario. The project proposes to replace a portion of coal in Stelco's coking process with a low-carbon fuel alternative produced by Walker Environmental. Walker Environmental will produce a bio-carbon material by processing recovered railway ties. This initiative is projected to reduce carbon emissions produced by the steel mill by up to 64,500 tonnes annually.

Converting Landfill Gas into Energy

The Trail Road landfill gas-to-energy plant takes methane gas, generated from decomposing waste, and converts it into renewable energy. The result is enough electricity to power 6,000 homes each year.



Enough ELECTRICITY to **POWER 6,000 HOMES** each year.

"Our partnership with Energy Ottawa on the Trail Road Landfill for the last 10 years is one of many projects that provide us the opportunity to contribute to the circular economy.

By creating renewable energy, we are reducing our carbon footprint, lessening the load on the electrical grid and lowering our demand for fossil fuels. It just makes sense." – Mike Watt, Executive Vice President, Walker Environmental

Methane gas capture is equivalent to taking



330,000 cars off the road

Electric Vehicle Charging Station

In an effort to reduce our dependence on fossil fuels, we installed two electric vehicle charging (EVC) stations at our Head Office parking lot in Thorold, Ontario. Each EVC station has dual hookups, allowing up to four vehicles to charge at once. This onsite charging service is provided at no cost to visitors and employees.



Acting on Climate Change

In order to remain a successful business, we recognize that we must not only work to reduce our contribution to climate change, but also adapt to a changing climate and plan for a climate-altered future. Walker Industries is committed to integrating climate change management, with respect to mitigation, adaptation and resilience, into overall business planning to ensure the company remains successful in an unknown climate future.

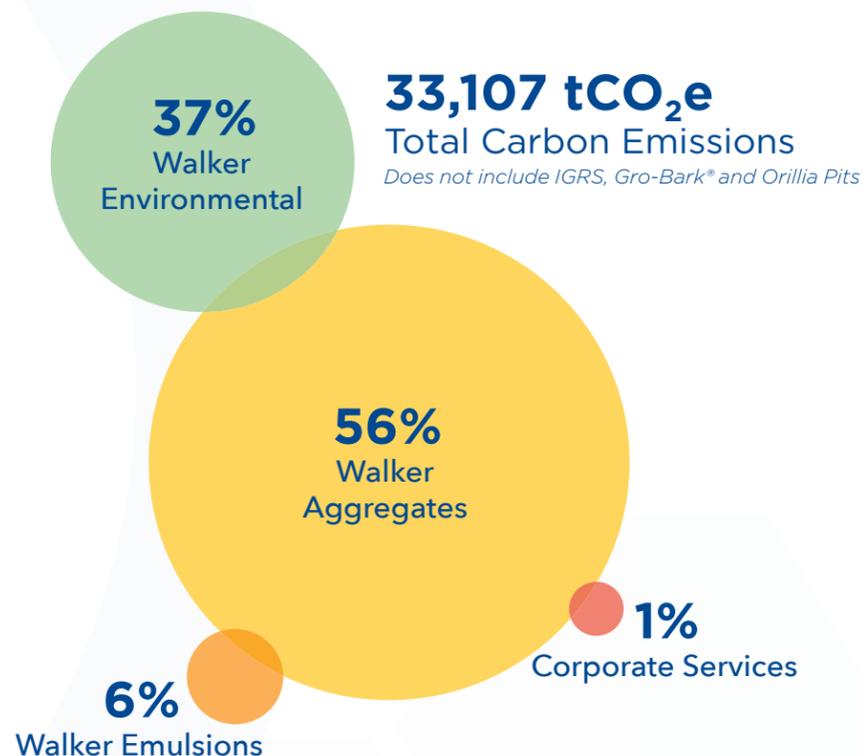
Carbon Footprint

Through our mitigation efforts, it is important that we continue to measure our Carbon Footprint and use the data to create reduction strategies. Our Carbon Footprint includes both Scope 1 and Scope 2 emission sources. Scope 1 emissions are released from sources owned or directly controlled by the company, including propane, gasoline, diesel and natural gas. Scope 2 emissions are released by the indirect production of energy, such as electricity that is purchased by the company. In 2017, our total footprint was just over 33,000 tCO₂e, which has decreased from 2016, but increased over the last five years due to the growth of our operations. In 2017, our Walker Aggregates' Vineland Asphalt site insulated its Asphalt Cement tanks and lines. This project has benefited the site by reducing natural gas usage and overall carbon footprint by about 9%.

2017 Carbon Footprint by Source:



2017 Carbon Footprint Total Emissions:



Water Footprint

We acknowledge that our business faces uncertainty due to our changing climate. Water is a resource that must be used wisely within our processes. At Walker Emulsions Burlington, we have achieved a closed-loop system by capturing hot process water for reuse in the production of asphalt emulsion, replacing fresh water that would have had to be heated before use. This allows us to recover not only the wastewater itself, but also the waste heat energy from other production processes. In the past, this hot water would have been sent to the sewer as waste.

At Walker Industries, we measure our Water Footprint across the company; this includes blue and green water. Blue Water Footprint is the volume of water consumed from the municipal water supply, delivered cisterns, bottled water and groundwater taken for the purpose of dewatering. The process of dewatering does not consume water; it simply moves the water from one place to another. Green Water Footprint is the volume of rainwater consumed or collected and used in a process. Processes could include rainwater used for dust control, aggregate wash plants as well as leachate generation.

In 2017, we saw an increase in our Water Footprint due to extremely wet and humid conditions at most of our operating sites. Walker Aggregates has a large blue and green water footprint due to dewatering activities required for flood prevention, continuing operations as well as for dust suppression. Due to precipitation in 2017, Walker Environmental also saw an increase in their Green Water Footprint from leachate generation and storm water management.

Water Footprint in 2017

Summary	Blue Water (m ³)	Green Water (m ³)
Walker Aggregates	5,369,512	1,744,142
Walker Emulsions	44,989	0
Walker Environmental	55,639	366,135
Corporate Services	358	0
Totals	5,470,498	2,110,277

Total Water Footprint: 7,580,775 m³
Does not include IGRS, Gro-Bark®, Orillia Pits and N-Viro

Climate Management

In 2017, we developed a Climate Management Strategy that consists of three key aspects: mitigation, adaptation and resilience. The goals of our Climate Management Strategy include:

1. Reduce our contribution to climate change.
2. Adapt operations to the changing climate to minimize risks and maximize opportunities.
3. Develop business resilience by planning for and responding to climate impacts.

We work to provide education to our employees on climate change and climate change management as well as the relationship between business and climate change. Our approach to proactive climate management consists of conducting site-specific assessments to understand climate risks by engaging employees at the site level. We document our current controls and identify any gaps, which are managed through an ongoing action plan to mitigate risks. This provides each site with a plan to adapt operations to the changing climate.

In 2018, we plan to improve climate management resources across the company as well as information sharing to enhance our adaptation and resilience efforts.

Blue Water Footprint

The volume of water consumed from the municipal water supply, delivered cisterns, bottled water and groundwater taken for the purpose of dewatering. The process of dewatering does not consume water; it simply moves the water from one place to another.

Green Water Footprint

The volume of rainwater consumed or collected and used in a process. Processes could include rainwater used for dust control, aggregate wash plants as well as leachate generation.

“Beeing” Aware



Walker Industries is proactive in creating and supporting pollinator habitats.

Pollinating species are experiencing global decline due to the loss of habitats and flowering plants, pathogens, parasites and pesticides. Without pollinators, much of the food we eat and the natural habitats we enjoy would not exist. Improving the health of bees and other pollinators is a necessity. At Walker Industries, we are working to protect these species by educating people on the importance of pollinators, planting pollinator habitats and beekeeping, as well as partnering with experts to protect bee colonies. Each of our divisions has taken action in one way or another to promote, support or protect pollinators.



Pollinator Projects

- Walker Aggregates' Duntroon Quarry created a bear-proof beehive in a decommissioned service truck, which provides access to the bees but keeps the bears out.
- Norjohn Contracting teamed up with a pollinator expert from Niagara College to save a hive from a tree that was set to be removed from a job site. The pollinator expert shared best practices for removing the hive to ensure protection of the bees. To ensure no bees went missing, the hive was removed at night and then quarantined until it reached its final destination - the agriculture study area on our closed East Landfill.
- Walker Emulsions Burlington created a pollinator garden and built two Warre style beehives. Alex Buchan, Plant Operator, built the hives himself and has become the site's beekeeper. He developed beekeeping skills through a course offered by Niagara Farm Project, an organization for promoting interest in local sustainable farming practices.
- All Treat Farms in Arthur, Ontario, planted pollinator flowers and plants on the berms surrounding their site, increasing our pollinator footprint.
- Walker Environmental transformed the closed areas of the East Landfill in Niagara Falls, Ontario, into a pollinator habitat and is recognized as a productive agriculture land by the Ministry of Environment and Climate Change. We partnered with Beaverloch Farms, a local family farming business that practices 100% insecticide-free farming, to prepare, plant and manage the crop of winter wheat and red clover for the 2017-2018 growing seasons. A 12-seed pollinator mix was applied to a 1,000 m³ area of the agricultural field, providing a significant food source for pollinators. The research and actions taken on this site alone have identified Walker Environmental as a leader in its industry for providing sustainable pollinator habitats on a waste site.
- Walker Environmental partnered with Niagara College to support its Commercial Beekeeping program. The students manage nine hives on our Niagara Campus by following the normal annual lifecycle of a honeybee, from winter slumber, to honey extraction, to overwintering the hives and more.

More than
40 acres
of pollinator habitats
across North America



15 Hives
across 3 locations

ECONOMIC

QUALITY | RESPONSIBLE GROWTH

ECONOMIC

The key to our economic success is our long-term view. To grow and prosper, we firmly believe that we must remain true to our founding values. Our employees are innovative and look to maximize value from our operations, and our customers and suppliers are key partners in our economic success. Participating in the circular economy and providing sustainable options are imperative moving forward. We take a generational approach to decision making and look for conservative business growth based on innovating our existing operations and acquiring related businesses.

OUR ECONOMIC GROWTH

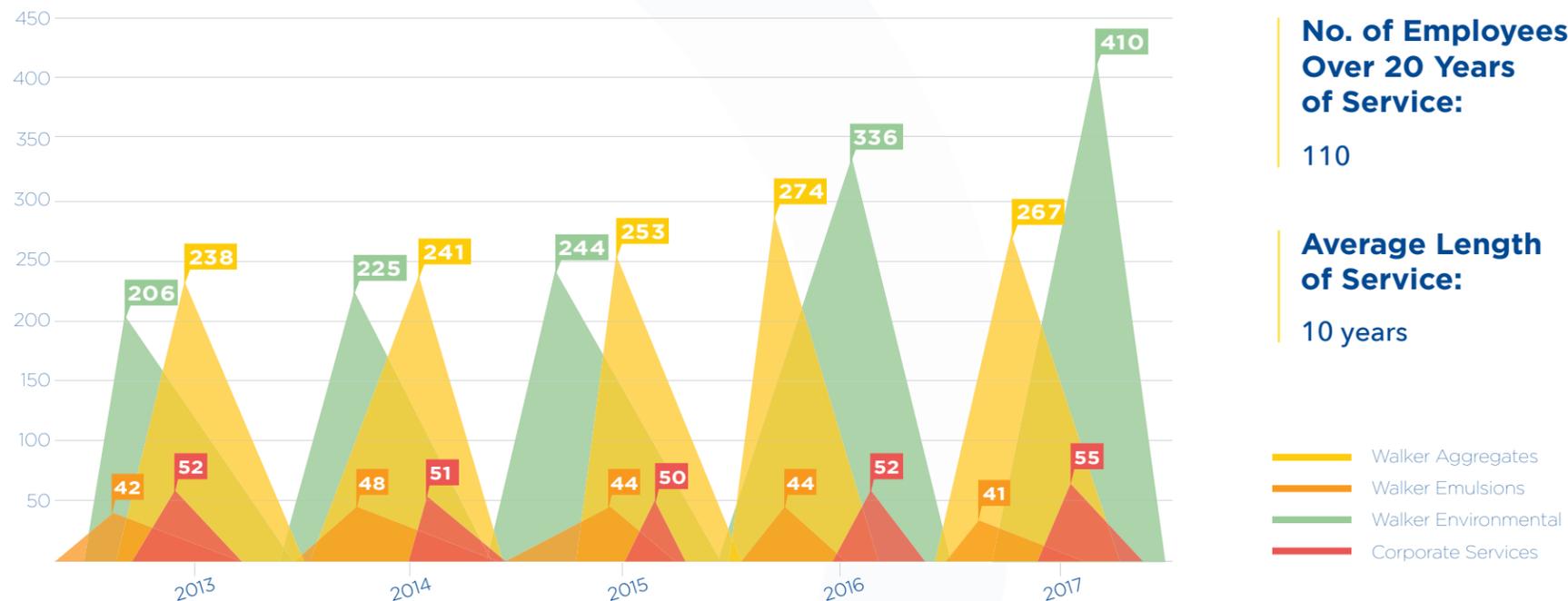
Planning for the Future

As a fifth-generation family business, strategic planning for the long-term future is vital. In 2017, we concluded one five-year planning cycle and conducted a process to develop a new five-year plan. This effort took place over many months and involved employees across the organization, including people in operations, sales, finance, human resources, information technology, health and safety, environmental performance and executive. In the process, we assessed the continued relevance of our divisional missions, visions, goals and objectives, and we revised them accordingly to reflect each group's future aspirations. We also created suitable metrics to measure our future performance, paying particular attention to critical elements that support the ongoing strength of our businesses, such as research and innovation, competitive advantages and productivity. We completed the process in late 2017 when we presented the plan to our Board of Directors.

"Planning for the future is an important element of the way we do business at Walker Industries. It allows us to shape our future and maintain the long-term view in all that we do".

— John Fisher, President & CEO

Number of Employees by Division



No. of Employees Over 20 Years of Service:

110

Average Length of Service:

10 years

- Walker Aggregates
- Walker Emulsions
- Walker Environmental
- Corporate Services

Production Rates



Walker Aggregates

	Aggregate Produced (t)	Materials Recycled (t)
2015	7,040,225	121,646
2016	7,936,700	119,743
2017	8,625,950	79,435



Walker Emulsions

	Emulsions Produced (t)	Materials Reworked (t)
2015	39,911	92.77
2016	45,415	49.50
2017	44,204	0



Walker Environmental

	Waste Managed (t)	Materials Recovered (t)
2015	1,663,509	105,304
2016	1,580,496	337,817
2017	1,656,174	466,064

Property Taxes Paid

Division	2015	2016	2017
Walker Aggregates	898,215	946,889	968,475
Walker Emulsions	278,311	298,552	318,732
Walker Environmental	582,745	908,557	728,303
Corporate Services	184,432	283,672	184,549
Total	\$1,943,703	\$2,437,670	\$2,200,059

2017 Landfill Host Community Fees

\$2,297,968

2017 Aggregate Levy

\$972,813



OUR JOURNEY 2013-2017

Number of Employees up
44%
Since 2013

Increase in number of employees over 20 years of service from **81 to 110**

Our business grew from **32 locations** in 2013 to **58 locations** in 2017.



Water Footprint



In 2017, we saw an increase in our water footprint due to extremely wet and humid conditions at most of our operating sites.

Carbon Footprint

In 2017, our total footprint was 33,107 tCO₂e, which decreased from 2016, but increased over the last five years due to the growth of our operations.



While growing our business across North America, we have continued to work towards lowering our overall carbon footprint.

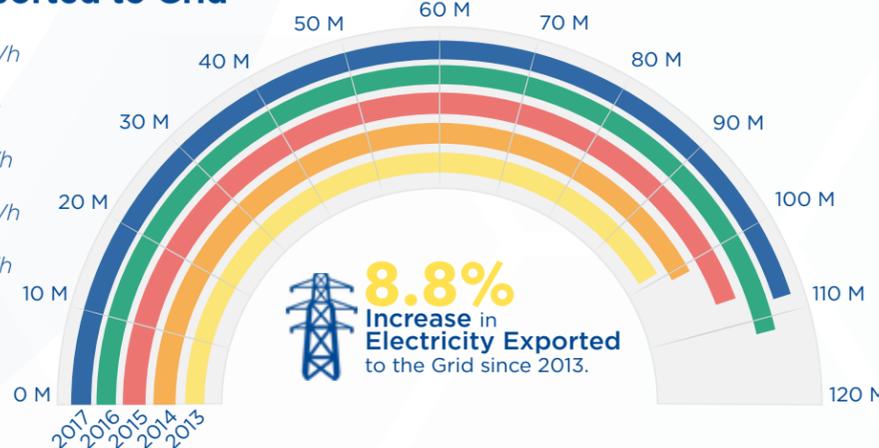
Materials Recovered

48% Increase in resources recovered since 2013.



1.2 Million Tonnes of Resources Recovered in 5 years.

Electricity Exported to Grid



As we grow and strengthen our company, we continue to focus on sustainable energy and carbon management.

Growing Our Business



At Walker Industries, the key to our economic success is our long-term view, which supports our responsible growth. Over the last five years, we have seen tremendous growth with the expansion of our businesses in all divisions.

In December 2017, Walker Environmental acquired Gro-Bark®, the leading mulch and potting soil manufacturer in Ontario. Based in Caledon, Ontario, the addition of Gro-Bark® makes Walker the largest fully-integrated organics recovery company in Canada. Gro-Bark® services the Ontario and US Great Lakes region's horticultural industry with high-quality, sustainable and innovative materials that help plants grow.

Gro-Bark® has over 80 employees who were welcomed into the Walker family. In addition to the soil-blending facility in Caledon, there are four composting

sites, five mulch production sites and several aged bark reclamation sites throughout Ontario.

"Gro-Bark® shares the Walker view that end product quality is the key to the successful recovery of organics in the developing circular economy. Their dedication to servicing the customer first and ability to execute on logistics and materials movement provides Walker with an unparalleled advantage in the marketplace." – Mike Watt, Executive Vice-President, Walker Environmental

We continue to invest in recovering and repurposing organic waste into high-quality products for retailers, nurseries and greenhouses, and together, we distribute and sell over 500,000 tonnes of finished products from recovered organics each year.

Enhancing Our Enterprise

We continually work to enhance our business enterprise and make necessary changes to operate more efficiently and effectively. In 2017, we undertook a number of enterprise enhancement activities, including upgrading auto-routing capabilities within Walker Environmental and introduced tire retreading, across the company.

Auto-routing

Walker Environmental organics recycling and grease trap operations upgraded their Customer Relations Management (CRM) software and auto-routing capabilities to enhance customer service and reduce their environmental footprint. Auto-routing increases route density, profitability and efficiencies, while reducing drive time and potential for missed services. This program also helps with aspects of logistics, such as validating service requirements, rebalancing schedules based on available resources and identifying service issues. Auto-routing has helped us shift focus to create a better experience with our customers when issues arise or service requirements change.

Tire Retreading

We have adopted the technology of modern tire retreading across Walker Industries. The process of retreading includes re-manufacturing tires to replace worn tread, while preserving the majority of material, resulting in a high-quality tire. Retreaded tires are similar to brand new tires, but at a significantly lower cost. Retreading the tires on our fleet of vehicles is more cost-effective than purchasing new tires. Tread designs and compounds can be customized for specific applications, which improve the performance and longevity of the retreaded tire. This enables us to extend the life of the tire, reduce disposal fees and keep tires out of the waste stream.

"If we can divert those tires and extend their lives, then that's great – less energy goes into retread tires than into purchasing new tires The longer you can keep a tire in service, the less waste you have in the long run."

Ken Lucyshyn
Executive Vice President
Aggregates and Construction

Innovative and Sustainable Products

One of our sustainability goals was to increase our sustainable and innovative products and services. Sustainable products and services are those that not only support economic prosperity, but also environmental and social prosperity. Some of our sustainable products include recovering and grinding waste shingles and introducing them into new products, emulsion products utilizing renewable oils as well as our cold recycled asphalt mix. These products not only have economic benefits, but also social and environmental benefits such as preserving non-renewable resources and diverting waste from landfill.

Innovative products and services are those that have been introduced to new customer segments in the last five years. Some innovative products and services include our Walker Aggregates' kitty litter, Walker Emulsion's bio-based emulsion products and Walker Environmental grease trap services. These products and services are considered innovative as they are new to our company in the last five years or have reached new customers or markets.

Over time, changing market conditions have created fluctuations in our level of innovative product and service offerings. Our successes in broadening our resource recovery services and diverting wastes from landfills has contributed to an increase in our sustainable products and services.



A Walker Environmental technician prepares to clean out a grease trap.



Sustainable products or services are those that support not only economic prosperity but also environmental and social prosperity.

Innovative products or services are those introduced or sold to new customer segments in the last 5 years.

INVOLVEMENTS

MEMBERSHIPS | **RECOGNITION**



INVOLVEMENTS

At Walker Industries, we acknowledge that we operate as essential services within various industries, as well as create products that span many supply chains. In recognition of our critical role across many sectors, we are committed to demonstrating active leadership through various industry associations and organizations to enhance knowledge-sharing and advancement of standards and solutions. We aim to ensure our products and services are innovative and on the leading edge, while ensuring the satisfaction of our customers.

Engaging with Organizations

At the corporate and divisional level, we recognize the importance of corporate engagement to demonstrate active leadership through various industry associations and organizations. We proudly partner with the following associations and organizations to enhance knowledge-sharing and advance standards and solutions, within and across industries.

- ◆ Aggregate Re-cycle Ontario
- ◆ American Chemical Society
- ◆ American Coatings Association
- ◆ American Oil Chemists' Society
- ◆ American Society of Civil Engineers
- ◆ Amherstburg Chamber of Commerce
- ◆ Asphalt Emulsion Manufacturers Association
- ◆ Association of Administrative Assistants
- ◆ Association of Ontario Road Superintendents
- ◆ Barrie Construction Association
- ◆ Canada Green Building Council
- ◆ Canadian Brownfields Network
- ◆ Canadian Concrete Masonry Producers Association
- ◆ Canadian Federation of Independent Business
- ◆ Canadian Land Reclamation Association
- ◆ Canadian Nursery Landscape Association
- ◆ Canadian Pension and Benefits Institute
- ◆ Canadian Produce Marketing Association
- ◆ Canadian Technical Asphalt Association
- ◆ Canadian Wood Waste Recycling Business Group
- ◆ Coast Waste Management Association
- ◆ Collingwood Chamber of Commerce
- ◆ Composite Panel Association
- ◆ Composting Council of Canada
- ◆ Concrete Ontario
- ◆ Construction Safety Association
- ◆ Contract Landscapers of Eastern Ontario
- ◆ Credit Institute of Canada
- ◆ Engineered Wood Panel Association
- ◆ EPE Innovations
- ◆ Georgian Triangle Development Institute
- ◆ Greater Niagara Chamber of Commerce
- ◆ Heavy Construction Association of Regional Niagara
- ◆ Human Resources Professionals Association
- ◆ Industrial Accident Prevention Association
- ◆ Industrial Gas Users Association
- ◆ Infrastructure Health and Safety Association
- ◆ Ingersoll Chamber of Commerce
- ◆ Landscape Ontario
- ◆ MERX - Canadian Public Tenders
- ◆ Mines and Aggregates Safety & Health Association
- ◆ Municipal Waste Association
- ◆ National Asphalt Pavement Association
- ◆ National Brownfield Association
- ◆ National Horticultural Credit Association
- ◆ Niagara Centre Board of Trade & Commerce
- ◆ Niagara Construction Association
- ◆ Niagara Parks Commission-School of Horticulture
- ◆ Niagara Peninsula Road Builders Association
- ◆ Ontario Association of Certified Engineering Technicians and Technologists
- ◆ Ontario Environmental Industry Association
- ◆ Ontario Good Roads Association
- ◆ Ontario Hot Mix Producers Association
- ◆ Ontario Pollution Control Equipment Association
- ◆ Ontario Public Works Association
- ◆ Ontario Road Builders Association
- ◆ Ontario Stone, Sand, and Gravel Association
- ◆ Ontario Waste Management Association
- ◆ Ontario Wheelchair Sports Association
- ◆ Our Youth At Work Association
- ◆ PAC West Association
- ◆ Pavement Preservation and Recycling Alliance
- ◆ Professional Engineers Ontario
- ◆ Railway Association of Canada
- ◆ Recycling Council of Alberta
- ◆ Recycling Council of Ontario
- ◆ ReThink Green - Green Economy North
- ◆ Simcoe County Heavy Equipment Association
- ◆ Society for Human Resources Management
- ◆ Solid Waste Association of North America
- ◆ South Carolina Chamber of Commerce
- ◆ St. Catharines Business Club
- ◆ Sustainable Hamilton Burlington
- ◆ The Ontario Aggregates Resources Corporation
- ◆ Toronto Construction Association
- ◆ Water Environment Association of Ontario
- ◆ Windsor Heavy Construction Association
- ◆ Workplace Safety and Insurance Board

Demonstrating Industry Leadership

In 2017, our association partners recognized us with the following awards and grants:

Ontario Stone, Sand and Gravel Association

Award of Excellence

The Award of Excellence recognizes past and ongoing commitment to industry improvement. A site is eligible for this award after it has won at least one award each for Community Relations, Progressive Rehabilitation and Property Enhancement.

Walker Aggregates

- ◆ Walker Brothers Quarries – Niagara Falls, Ontario
- ◆ McGregor Quarry – McGregor, Ontario

Community Relations Award

The Communities Relations Award recognizes neighbourly activities, community involvement, strong media relations and dedication to education and awareness of the aggregate industry.

Walker Aggregates

- ◆ Walker Brothers Quarries – Niagara Falls, Ontario
- ◆ McGregor Quarry – McGregor, Ontario
- ◆ Ridgemount Quarries – Stevensville, Ontario
- ◆ Vineland Quarries & Crushed Stone – Vineland, Ontario
- ◆ Duntroon Quarry – Duntroon, Ontario

Sustainable Hamilton Burlington

Best Sustainability Report Award

The Best Sustainability Report Award recognizes the organization that best meets criteria set by the Global Reporting Initiative and Sustainable Hamilton Burlington for effective sustainability reporting among community members.

- ◆ Walker Emulsions – Burlington, Ontario

Ontario Centres of Excellence (OCE)

The OCE connects entrepreneurs, start-ups, industry, academia and investors to commercialize innovation and compete globally by streamlining the funding application process. Walker and their partnership company, Integrated Gas Recovery Services, are the solution providers for two projects that received GreenON grants in 2017. Our innovative solutions decrease greenhouse gas emissions from large industrial emitters.

- ◆ Walker Environmental – Niagara Falls, Ontario
- ◆ Integrated Gas Recovery Services – Niagara Falls, Ontario





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