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CEO message

Welcome from Michael

Welcome to Andlauer Healthcare Group (AHG)'s first sustainability report. I'm excited and proud to share this update about the work our team is doing to safely deliver healthcare for our clients, partners and communities.

Being part of the healthcare supply chain means earning trust every day. It means caring about what's in the box and who we're delivering it for. Even though we've been doing this for over 20 years, we never forget that we're helping people receive pharmaceuticals, vaccines, blood products and other therapeutic goods that save and sustain lives.

The importance of being a people-focused business is a lesson I learned early in my career in transportation and it's one I've continued to be guided by as we've grown client by client, team by team across the continent.

We're proud to be trusted partners providing specialized transportation and logistics solutions to the healthcare sector in Canada and the USA. Through our network of dedicated vehicles, facilities and services, we provide expertise in temperature management, quality assurance, supply-chain visibility, compliance and security. We're taking steps to make sure we can keep delivering with integrity in the future too. Our vision is to be recognized as a North American leader in responsible healthcare supply chains by 2030.

Our responsible business approach starts and ends with our people – our professional drivers, owner-operators and teams working across our distribution centres and throughout our network. Their commitment, passion and creativity are the engine of our success. I'm incredibly grateful to everyone in the AHG family and I'm proud of our strong team culture. We'll do everything we can to ensure AHG remains a place where people want to work, enjoying purposeful careers, inclusive teams and competitive rewards. We're committed to supporting AHG team members so they feel safe and supported to find better ways to deliver.

Over the years we've developed longstanding relationships with clients across the healthcare sector, including major pharmaceutical manufacturers, wholesalers, distributors and third-

party logistics providers. We're grateful for this trust and will build on it by finding ways to serve our clients and partners with even greater efficiency, assurance and value. This includes taking steps to reduce environmental impacts and share more information about our sustainability approach, while never losing sight of our commitments to supply-chain integrity.

Being a responsible business also means being a good neighbour. Our teams are proud members of the communities where we live and work, and we're always looking for ways to give back, supporting initiatives and causes that build shared strength and wellbeing.

The healthcare sector is constantly evolving, including through the development of new kinds of pharmaceuticals or innovative approaches to patient care. We all learned so much during the recent pandemic, including how companies like ours, governments and healthcare providers need to work together. I'm excited about the shifts underway to move from reactive care to more preventative models. I see a bright future for the sector and amazing potential for AHG.

As you read this report, I'd love to hear what's top of mind for you and any ideas you have for how AHG could do even better as a sustainable, responsible business. Please get in touch and thank you again for being part of the journey.



Micheal Andlauer
Chief Executive Officer
Andlauer Group



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About us: Integrity delivered

Andlauer Healthcare Group Inc. ("AHG", "we", "our" and "us") (TSX:AND) is a leading and growing supply-chain management company with a platform of customized logistics and specialized transportation solutions for the healthcare sector in Canada and the USA. We have delivered for our clients and communities for over 20 years and counting, becoming a trusted partner of choice for leading healthcare companies. We differentiate our service offerings and deliver value to our clients through our competitive strengths in temperature management, quality assurance and regulatory compliance, technology-enabled visibility throughout the supply chain and security.

Five dedicated healthcare product lines ...







Packaging solutions



Ground **Transportation**



Air freight forwarding



Dedicated and last-mile delivery

... delivering a range of healthcare products and services



Pharmaceuticals





Biologics



Blood products



Medical devices



Nutraceuticals



Health and beauty accessories



Consumer healthcare



Animal healthcare



Quality assurance consulting services

AHG entities

Our entities include expert teams who together deliver end-to-end healthcare logistics solutions.



ATS Healthcare

Canada's largest temperature-controlled transportation provider for the healthcare sector.



Boyle Transportation

Secure, temperature-controlled transport solutions for the healthcare sector in the USA.



Skelton Truck Lines

Providing cold chain expertise in transporting healthcare products across Canada and the USA.



Logistics Support Unit

Third-party logistics services for the healthcare sector in Canada.



Credo

A reusable solution for the delivery of temperaturesensitive medical and pharmaceutical materials.



Accuristix

Canada's leading third-party service provider delivering logistics solutions to the healthcare sector.



MEDDS

Same-day delivery of prescription pharmaceuticals from pharmacy to home.



Nova Pack

One-stop partner for healthcare co-packing, display assembly and secondary packaging solutions.

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Our values



Integrity

We are open, honest and respectful to our colleagues, stakeholders, partners and clients.

Trust is at the core of everything we do to ensure the safety of our customers and products.



Accountability

We are not just a provider. As a trusted partner, we take control of situations with confidence. We own our successes and our setbacks. We do everything in our power to help our clients put their customers first.



Collaboration

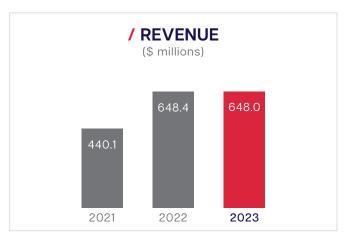
We only win when we work together. With our team-first thinking and open dialogues, we break down barriers, sharing resources, knowledge and expertise. We surround ourselves with great minds. If there is a better way, we find it.

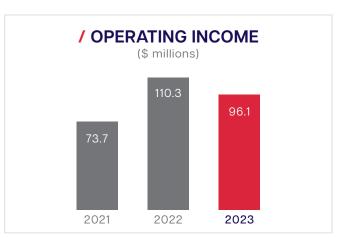


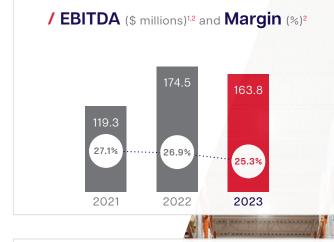
Empowerment

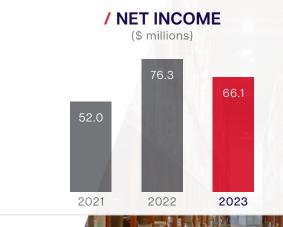
We are all empowered to make calculated decisions to ensure our clients are taken care of. Empowerment is the fuel that helps us share, learn and improve.

Financial performance









'EBITDA is defined as net income for the period before: (i) income tax expense; (ii) interest income; (iii) interest expense; and (iv) depreciation and amortization

²The EBITDA, EBITDA Margin and net income figures provided above exclude the gain of \$37.9 million on the step acquisition of 51% of Skelton USA Inc. in fiscal 2021. Including the gain, EBITDA for fiscal 2021 was \$157.2 million, EBITDA Margin was 35.7%, and net income was \$90.0 million.



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Boundaries

This report covers fiscal 2023, from January 1, 2023, to December 31, 2023, unless otherwise stated. It represents the sustainability commitments, approach and progress of Andlauer Healthcare Group, focusing on material environmental, social and governance (ESG) factors for AHG and our entities Accuristix, ATS Healthcare, ATS Dedicated, Boyle Transportation, Credo Canada, Logistics Support Unit, MEDDS, Nova Pack and Skelton Truck Lines.

AHG is a leading and growing supply-chain management company with a platform of customized third-party logistics ("3PL") and specialized transportation solutions for the healthcare sector. We offer services to healthcare manufacturers, wholesalers, distributors and 3PL providers, among others, through a comprehensive platform of high-quality, technology-enabled supply-chain solutions for a range of products, including: pharmaceuticals, vaccines, biologics, blood products, narcotics, precursors, active pharmaceutical ingredients, over-thecounter, natural health, animal health, consumer health, cosmetics, health and beauty aids, and medical devices. We integrate our uniquely designed Canada-wide network of facilities, vehicles, personnel and technology systems into our clients' businesses to offer holistic solutions that span all of our clients' logistics and distribution needs and satisfy the requirements of the highly regulated Canadian healthcare sector. We also provide specialized ground transportation services, primarily to the healthcare sector, across the 48 contiguous U.S. states.

All monetary figures are in Canadian dollars.



Frameworks

This report includes disclosures in alignment with the Sustainable Accounting Standard Board (SASB) standards for the road transportation and logistics industries, crosschecked with GRI standards where possible. In addition to this report, we also disclose sustainability information through EcoVadis and CDP (Carbon Disclosure Project).



Materiality

The information included in this report is based on the topics that are deemed material to AHG's sustainability performance. For more information, see the **ESG strategy** and materiality section.



Feedback

For related inquiries and the latest updates on our sustainability programs and commitments, please contact investor.relations@andlauer.ca.





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Employer of choice



89% favourable score in 2023 AHG **Employee Engagement Survey**



~27% of AHG workforce are women, significantly higher than Canadian industry average (7.4%)



71% of Directors are independent



Employee safety: Lost Time Injury Rate (LTIR) 2.3



Dependable and sustainable delivery



6.7M shipments delivered in 2023, helping millions of people in Canada and the USA



15+ years average client relationship (among top 20 clients by revenue)



GHG emissions reductions: 2.16% decrease in Scope 1, 2 and 3 emissions in 2023 versus 2022



Over 44,000 saplings planted in growing forests



Sustainability disclosures



Sustainability Report (2023 inaugural)



CDP Disclosure (2022 inaugural)



EcoVadis bronze medal 2023

Recognition













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ESG vision

By 2030, Andlauer Healthcare Group will be recognized as a North American leader in responsible healthcare supply chains.

ESG pillars



Employer of choice

Being an employer of choice in healthcare supply chains by providing a safe, collaborative and inclusive workplace for the Andlauer Healthcare Group family.



Dependable and sustainable delivery

Championing dependable and sustainable delivery of life-giving and life-saving products to meet our healthcare partners' needs.



Social impact

Amplifying our social impact in the healthcare ecosystem to support the health and wellbeing of more communities.

Competitive Strengths

We prioritize ongoing engagement with our key stakeholders to learn about their evolving views on ESG priorities, enabling us to update our materiality assessment and amplify our social impact.



AHG family

Professional drivers // Owner-operators // Warehouse teams // Office teams // Management // Board // Employees' families



Customers and partners

Public health providers (e.g., blood services and hospitals) // Pharmaceutical manufacturers // Wholesalers and distributors // Suppliers



Healthcare ecosystem

Patients // Pharmacies // Regulators // Industry associations // Community organizations



Capital markets

Shareholders // Ratings agencies (CDP and EcoVadis)



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Material topics

In 2021, we conducted our first materiality assessment, identifying and prioritizing material topics to establish our ESG strategy – kickstarting our sustainability journey. In 2023, we refreshed our materiality assessment through stakeholder interviews and surveys. Using a quantitative model, interview and survey results, and a comprehensive list of internal and external data, we identified 13 material topics. We've organized the topics into three groups:

- Primary impact areas (areas where the most significant impact can be exerted to Andlauer Healthcare Group and its stakeholders)
- Core focus areas (areas crucial to Andlauer Healthcare Group and its stakeholders)
- Other important topics (areas to keep under close observation and control, as these could change and increase in importance over time)

These material topics have helped to inform the ESG strategy and determine our approach to sustainability disclosures and reporting.



LOW // IMPACT ON ANDLAUER HEALTH GROUP // HIG

Pillars		Material topic	ESG
	Employer of choice	1. Employee health, safety and wellness	S
		2. Diversity, equity, inclusion and accessibility (DEIA)	S
		3. Attracting and retaining talent	S
9	Dependable and sustainable delivery	4. Delivering safe and controlled healthcare supply-chain solutions	S
(H)		5. Environmental sustainability and climate change	E
	Social impact	6. Investment in local communities and strategic partnerships	S
		7. Business ethics	G



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ESG governance

From board-level oversight to the shared commitments all AHG team members uphold, we have the structures in place to ensure strong ESG governance. We're also taking steps to make ESG governance even stronger in the future, including driving greater alignment in policies and approaches across our companies.

AHG Board of Directors

Provides oversight of AHG's sustainability risks, policies, programs and performance. Ensures that ESG risks are clearly assigned to management, that discussion of ESG factors is a standing agenda item and that there are processes in place to ensure the board receives timely information on important ESG factors.

Compensation, Nominating & Governance (CNG) Committee

Assists the board in overseeing ESG initiatives. Reviews and discusses ESG strategies and programs with senior leadership quarterly. Also ensures that ESG-related experience is part of the Board's skills matrix.

Audit Committee

Assists the board by reviewing management's process to identify and manage the significant risks associated with AHG's financial disclosure. Also reviews the effectiveness of the internal control systems for monitoring compliance with laws and regulations.



AHG Executive Team

Responsible for operational oversight and leadership of AHG's approach in managing sustainability risks and performance, including implementing shared policies and setting standards for programs.



AHG Entities

Responsible for managing sustainability risks and implementing aligned policies and programs at the entity level.

Action Committees

Assisting the executive team by driving alignment and progress across our companies:

- DEIA Committee
- Health and safety committees
- · ESG Committee
- Social and event committees



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Employee health, safety and wellness

Diversity, equity, inclusion and accessibility

Attracting and retaining talent

Employee health, safety and wellness

Why this matters

Everyone deserves to feel safe at work and go home to their loved ones every day. We focus on the health, safety and wellness of our people to prevent harm and to empower team members to deliver.

Highlights



Skelton Canada won the Northbridge Insurance National Transportation Safety Award in 2023



2.3 lost time injury rate (LTIR) in 2023



Employee health, safety and wellness

Diversity, equity, inclusion and accessibility

Attracting and retaining talent

Our approach

We prioritize workplace health and safety because it's the right thing to do for our people, our business and the people who count on us to deliver healthcare logistics. Our approach to environment, health and safety (EHS) is that compliance is the bare minimum. Taking care of each other means always doing things the safe, dependable way, ensuring our employees feel safe (both physically and psychologically) in all areas of our workplaces. We aim for a preventative and holistic approach that combines strong safety systems with health and wellness supports for team members. We track our safety performance to identify areas for continuous improvement and to share information with our clients for their assurance and compliance needs. Our commitment to safety is embedded at every level of our organization, from board oversight to executive champions - accountability is shared by every AHG team member. Our Joint Health and Safety (JHSC) teams include employees representing many functional areas, roles and demographics. Our belief is that each of us holds unique perspectives and lenses on what health and safety means to each of us. Our JHSC teams help foster those ideas into tangible actions.

EHS Roadmap



Hazard Recognition

Identify and understand the biggest risks within our business



Corrective Actions

Create a plan for eliminating identified hazards and holding ourselves accountable



Worker Wellbeing

Develop and implement programs that promote our physical and mental wellbeing



Incident **Analysis**

Collect and analyze incident data to identify incident root causes and meaningful trends



Safety **Objectives**

Define how we measure our safety performance using leading indicators and set target goals

In 2023 we introduced an Environment, Health and Safety Roadmap (starting with a select group of companies) to help guide our safety culture, commitments and practice. Through this roadmap we began a journey in ensuring our safety programs are more than just compliance.

All AHG safety systems are in compliance with relevant national, provincial and state legislation including occupational health and safety acts and safety codes. Our entities also comply with a range of safety and quality certifications including ISO 9001, ISO 14001, Customs Trade Partnership Against Terrorism (CTPAT), Certified Vehicle Operator Registration (CVOR) safety ratings, and the Workplace Safety and Insurance Board (WSIB)'s Health and Safety Excellence Program.

Every AHG team member, whether on the road, in a facility or in the office, is equipped to follow safe work practices through a combination of targeted training and defined expectations. For example, we offer professional driver training programs and one-onone driver safety checkins and coaching that reinforce critical road safety skills. We also invest in technologies including training platforms, cameras, tire-pressure monitors and performance-tracking systems that enhance safety in our fleets and facilities. All employees are empowered to stop all work processes if a safety concern exists at any time.

We recognize our people for their commitment to safety in a range of ways including offering bonuses for strong safety performance. We also offer access to programs and services that support healthy minds and bodies. In our commitment to protect our employees in and out of the workplace, AHG team members can call our Employee Assistance Program when they need confidential counselling services. In Canada, team members can take advantage of benefit programs offering unique paramedical services and support and corporate discounts at GoodLife Fitness and Energie Cardio gyms.

Our commitment to safety extends beyond our teams and workplaces too. AHG leaders and employees take part in a range of industry-level health and safety groups focused on sharing learnings and best practices, including the CEO Health and Safety Leadership Group and Workplace Safety & Prevention Services™ (WSPS) committees.

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National safety award

Skelton Canada Inc. was the recipient of the prestigious Northbridge 2023
National Transportation Safety Award. To celebrate this achievement,
Northbridge Insurance hosted a luncheon at the Skelton terminal in
Sharon, Ontario, on August 18, 2023. In attendance were executives from
Northbridge, the entire staff of Skelton Canada Inc., AHG CEO Michael
Andlauer and the then Ontario Minister of Transportation Caroline
Mulroney. In assessing companies for this recognition, Northbridge
compares hundreds of fleets, considering business operations, safety
practices and incident data. "Over the years through collective
efforts, Skelton and Northbridge have been able to develop and
implement industry-leading safety management practices that we
believe have led us to be one of the safest transport companies in
North America," said fleet president Ron Skelton.





Health and safety leadership

AHG team members take part in several industry groups focused on making our workplaces and services safer for everyone. For example, Accuristix and Nova Pack President Dean Berg represents AHG on the CEO Health and Safety Leadership Group, which brings together Canadian business leaders to champion and share health and safety best practices. Michael Lasko, VP of EHS and Quality at Boyle, takes part in the EHS committee of the American Trucking Association®.





"Safety is our passion! We care deeply about our safety and the safety of others, which is why it's important to be part of the bigger conversations focused on improving safety in our industry."

DEAN BERG, PRESIDENT LOGISTICS, AHG



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Employee health, safety and wellness

Diversity, equity, inclusion and accessibility

Attracting and retaining talent

Diversity, equity, inclusion and accessibility

Why this matters

We're always looking for better ways to make an impact. We believe that nurturing diverse and inclusive teams broadens our ability to find a better way, every day.

Highlights



27.1% of our overall workforce are women. compared to 7.4% industry average in Canada

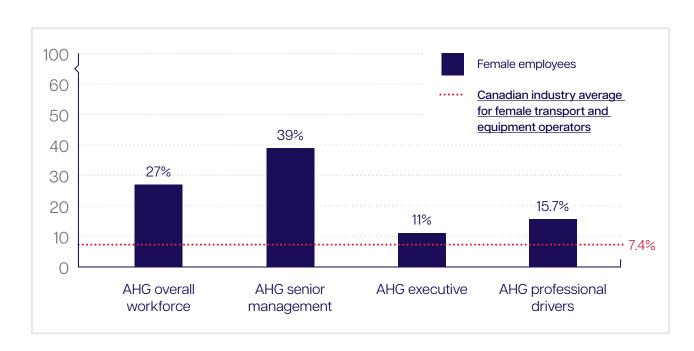


Boyle named 2022 Top Company for Women in Transportation

Our approach

Collaboration, which includes breaking down barriers, is one of our core values at AHG. Fostering Diversity, Equity, Inclusion and Accessibility (DEIA) in our business makes our workforce stronger, helping us attract and retain passionate and innovative team members. We also know that our clients and partners expect us to be doing more to foster DEIA and share our progress as part of their work to build responsible supply chains.

Recognizing the importance of setting the tone from the top, in 2019 our Board of Directors adopted a Diversity Policy to ensure that diversity (inclusive of gender, age and cultural background) is an important factor in how we assess new directors and executive leaders.



Employee health, safety and wellness

Diversity, equity, inclusion and accessibility

Attracting and retaining talent

Logistics in Canada and the USA has traditionally been a male-dominated industry. At AHG, we're proud that almost one-third of our workforce is female and that many other team members identify as belonging to underrepresented groups and communities. In 2023, 27% of our employees were female, compared to less than 7.4% in our industry. We had three female members (or 11%) of our executive team and 15 female members (39%) of our AHG senior management team. Our employees also give high ratings to AHG's approach to ensuring dignity, respect, equity and inclusion in the workplace.¹

To continue building on this momentum, our VP of Human Resources is leading a business-wide DEIA program that's focused on celebrating our diversity in addition to ensuring our culture, policies and processes remain inclusive for everyone. This work includes bringing together a broadly representative DEIA Committee, which meets every two months to help review policies and procedures, improve training, drive team-level engagement and help shape initiatives based on employee feedback. We are also taking steps to focus on accessibility, working to identify and address any cultural or physical barriers to participation in our teams and workplaces.

In 2023 we reviewed 17 company policies to ensure the underlying values and language being used are consistent with our DEIA commitments. We also continued to invest in DEIA training for leaders and team members, offering opportunities to learn more about diversity and inclusion, unconscious biases, maintaining respectful workplaces and enhancing human rights.

Our companies are advancing programs to recruit women and people from traditionally racialized and underrepresented communities - and in some cases are leading the industry in this area. Across the board, we make sure that DEIA is something to celebrate regularly in our workplaces through events recognizing different groups, holidays and cultural practices.



Learn More

Diversity Policy



Mentoring women in trucking

When it comes to welcoming women into the workforce, the Boyle Transportation team are industry leaders. Thanks to a dedicated recruitment and mentoring program, almost 40% of Boyle's professional drivers are female – compared to an industry average in the USA of just 11.9%. The team has been named one of the Top Companies for Women to Work for in Transportation by Women in Trucking in the USA since 2019. Recognizing the team's leadership, Laura Duryea, who started her career at Boyle Transportation as a professional driver and is now the Director of Driver Recruitment and Professional Growth for Boyle, was appointed to the U.S. Department of Transportation's Women of Trucking Advisory Board (WOTAB). Fellow AHG entity Skelton Truck Lines was named one of the Top Companies for Women to Work in Transportation in 2022.



"Opening up to new perspectives is so important so you can continuously improve and see where the industry can go. Building more diverse and inclusive teams helps us see things from different angles and make better informed decisions."

> LAURA DURYEA, DIRECTOR OF DRIVER RECRUITMENT AND PROFESSIONAL GROWTH, BOYLE TRANSPORTATION

In the 2023 AHG Employee Engagement Survey, employees gave an average rating of 4.77 out of 6 for DEIA-related factors including engagement, compliance, dignity and respect, equity, inclusion, psychological and wellbeing.

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Employee health, safety and wellness

Diversity, equity, inclusion and accessibility

Attracting and retaining talent

Attracting and retaining talent

Why this matters

We literally couldn't deliver on our commitments as a leading healthcare logistics partner without the passion, dedication and creativity of our people. As the competition for talented workers intensifies, we remain focused on attracting and keeping great team members.

Highlights



89% favourable score in 2023 AHG **Employee Engagement Survey**



"Best Fleets to Drive For" recognition for Boyle and Skelton teams²

Our approach

We are a people-first business. This approach starts with looking after our team members and doing what we can to be an employer of choice. When we recruit, we search for team members with smart minds and big hearts. We're always on the lookout for people who will help contribute to our strong employee culture and shared passion to deliver with integrity.

We offer AHG team members purposeful careers and competitive total rewards with opportunities to collaborate and grow. Our board's Compensation, Nominating & Governance (CNG) Committee helps set the tone, providing oversight of compensation, nominating policies and succession planning for directors and senior leadership. At the executive level, our CEO is an unwavering champion of our employee culture. Our VP of Human Resources provides operational leadership, working closely with HR teams across our entities to implement our people strategies and succession planning, making sure we continue to identify critical positions and nurture talent.

AHG's recruitment processes are equitable, fair and inclusive. We equip our hiring leaders with the knowledge, tools and criteria they need to ensure we support candidates through the application process and hire people who can make our teams even stronger. This includes conducting emotional intelligence and behavioural assessments for all professional positions. All of our team members are encouraged to help us find great talent through a referral program that rewards employees when they refer a successful candidate.

Fair wages and strong employee relations are essential for AHG's reputation and competitiveness when attracting high-calibre employees. Fair wages reduce turnover and attract quality talent. AHG's growing record of employees exceeding 25 years of service shows our commitment to retaining and valuing our workforce.



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²Boyle named one of the USA's Best Fleets to Drive For for 10th consecutive year in 2024. Skelton named one of the 2023 Fleets to Watch.

Employee health, safety and wellness

Diversity, equity, inclusion and accessibility

Attracting and retaining talent

Once part of the team, AHG employees enjoy a comprehensive total rewards program including:



Annual salary reviews



Performance bonuses



Deferred profit-sharing plan



Registered retirement savings plans in Canada and 401(K) plans in the USA



Comprehensive and robust health and life insurance programs



Access to family discounts for a range of services including auto and home insurance



Wellness, fitness and mental health



Scholarship program for employees' dependents



Tuition reimbursement programs

In addition to performance-based recognition, we aim to make sure to celebrate AHG team members for their longstanding service with ceremonies and gifts for every two, five, 10, 15 and 20 years of service.

We encourage open communication across the AHG family, making sure to listen and act on ideas and concerns raised by team members through quarterly town hall meetings and our annual employee engagement survey. We are firm believers in collaboration and continuous improvement, taking steps to share good ideas and best practices across our organization through initiatives like our IDEAS program. Employees also have opportunities to take part in a range of topic-based committees (e.g., DEIA, professional driver advisory) to share their perspectives and ideas for improvement.

AHG team members are encouraged to continue learning and growing in their careers by improving their skills and acquiring new knowledge and capabilities. We offer a range of apprenticeship and co-op programs and run regular training sessions for professional drivers and facility workers. Employees can access tuition reimbursement for educational opportunities that will help them work better or prepare for career advancement within the company. Following in the footsteps of our CEO Michael Andlauer, who began his career as a dispatcher, many of our leaders joined AHG as professional drivers or frontline workers. We are committed to supporting our people to develop and take on new responsibilities within the business, helping them pursue their passions and use their talents to the fullest.

Our social and events committees and organizing teams develop events throughout the calendar year to help celebrate the cultures and traditions of our people. Celebrations focus on multiculturalism, International Women's Day, driver appreciation and other important events, strengthening our culture of inclusion and belonging. Learn more >



Employee health, safety and wellness

Diversity, equity, inclusion and accessibility

Attracting and retaining talent

"The safe delivery of freight, while upholding the integrity of our ambient services, owes its success to the cohesive synergy among every facet of our team. From our esteemed customer service team to the dedicated drivers, extending all the way to our dock staff, each member plays a pivotal role in upholding our standards of excellence. Our high completion rate of company training further helps in assuring our team follows proper procedure and protocol, adding to our success."

ASHLEY SHOLER, BRANCH MANAGER DUNDAS, ATS HEALTHCARE





Learn more

Staffing and Recruitment Program Commitment

Employee Referral Commitment

Tuition Reimbursement Commitment

Onboarding Program Commitment

Scholarship Program Commitment



Best fleets recognition

Boyle Transportation has been named one of America's Best Fleets to Drive For® for the last 10 years in a row (2015 to 2024), including two times as Overall Best Fleet and another two inclusions in the competition's Hall of Fame. Best Fleets to Drive For® is an annual survey and contest that identifies the for-hire carriers providing the best workplace experiences for their drivers. As part of the process, candidate fleets take part in best-practice interviews and extensive driver surveys, meaning that the award reflects high levels of team engagement and industry leadership. In 2023, AHG's Skelton team were named one of Best Fleets to Drive For®'s Fleets to Watch, reflecting Skelton's commitment to continuous improvement and the benefits of shared learning between AHG entities.



Planting trees for our people

As a symbol of our commitment to our AHG team members and our drive to nurture long-lasting careers, we partner with the non-profit organization One Tree Planted to plant one tree for every new hire and on employee birthdays. To date over 44,000 saplings have been added to growing forests in honour of our people.

Delivering safe and controlled healthcare supply solutions

Environmental sustainability and climate change

Cybersecurity and data protection



Why this matters

Many vaccines, biologics and other healthcare products require specialized temperature controls and secure handling during storage and shipping.

At AHG, our temperature management expertise and end-to-end logistics solutions set us apart.

Highlights



15+ years average client relationship (among top 20 clients by revenue)



Delivering safe and controlled healthcare supply solutions

Environmental sustainability and climate change

Our approach

Trust is at the core of everything we do to ensure the safety of our customers and products. That's why delivering with integrity and always being accountable are core to our values and how we work.

Across our operations, from logistics and distribution to packaging solutions, ground transportation, air freight forwarding, and dedicated and last-mile delivery, our commitment to rigorous quality control procedures has resulted in consistently reliable and safe temperature-controlled transportation and storage.



Temperature management

Dedicated facilities // Specialized vehicles // Customized packaging



Quality assurance

Highly regulated environment // Significant GMP and GUI-0069 experience // Longstanding relationships



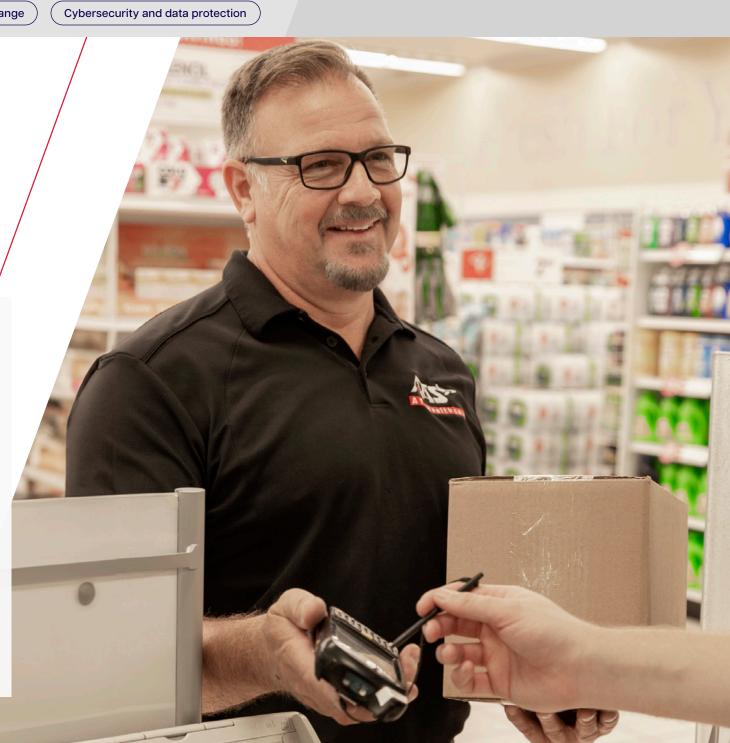
Supply-chain visibility

Proprietary IT systems // Reporting and regulatory compliance // Purpose-built monitoring system



Security

Specialized management protocol for high-value and controlled products // Compliant and secure storage



Environmental sustainability and climate change

Cybersecurity and data protection

We deploy stringent product handling requirements across the board, including real-time temperature monitoring and 24/7 shipment visibility in our fleets and facilities. Our trailers, trucks and facilities are fully temperature mapped with winter and summer profiles. Features include:



Equipment that's compliant for ambient +15°C to +25°C, cold chain +2°C to +8°C, frozen -20°C to -30°C and ultra-low temperatures below -70°C.



Sensors are calibrated on an 18-month cycle against a NIST traceable device, with multiple sensors located in all of our trucks, trailers and facilities. A manual backup datalogger is used in the event of a system failure.



Our trailers use bulkheads to better reduce temperature fluctuations during transit.

We apply redundancy measures to ensure temperature-sensitive shipments remain in range of the designated temperature requirement throughout the whole journey. Temperature is monitored by our transportation professionals and our 24/7 operations teams. Using advanced telematics, any exceptions of routing, temperature deviation or ETA are immediately called out as alerts to our professional drivers, who can take necessary action at once. Following our client's requirements and policies, our team may quarantine or, when safe to do so, return or dispose of products.

We act as a partner in risk management and HAZMAT transport protocols. Our safety record is unparalleled in the market, and we continually invest significant resources in training, equipment and safety technology to ensure that your healthcare products are delivered safely and securely.

Over the years, AHG has achieved the highest level of security in the North American healthcare sector. We've accomplished this through a multilayer security program involving all facets of facility reinforcement, access control, wide area monitoring, employee training, systems alerts and alarms, and information protection. Our customers' healthcare products are continually safeguarded by stringent, high-level security protocols including chain-of-signature, 24/7 tracking, data capture and retention, geofencing, rigorous facility sign-in procedures, and the use of personal detectors.

To achieve a true partnership, we assign dedicated client solution managers to ensure there is routine and ongoing communication with our clients across all departments at all levels of the business. The client solution managers are charged with having a global view of their accounts.

Our leading IT capabilities allow each client to view their entire supply chain in real time. From order management, warehouse transactions and inventory availability with lot and expiry control to shipped order status, booked appointment times and proof of delivery, we can provide our clients with secure access to all their information 24/7 online.



Delivering safe and controlled healthcare supply solutions

Environmental sustainability and climate change

Cybersecurity and data protection

We comply with all relevant government guidelines including:

- Health Canada guidelines for healthcare products and devices³
- Food and Drugs Act and its regulations, including the Food and Drug Regulations and Natural Health Product Regulations
- Cannabis Act and its regulations
- · The United States Pharmacopeia (USP) chapter <1079> Good Storage and Distribution Practices for drug products for U.S. distribution
- The United States Pharmacopeia (USP) chapter <1079> Good Storage and Distribution Practices for Drug Products for U.S. distribution
- Transported Asset Protection Association (TAPA) Facility Security Requirements (FSR)
- U.S. Department of Transportation (DOT) regulations
- Security Action Items from the Transportation Security Administration (TSA)
- GMP-compliant facilities

Our commitment to reliability has led to long-term client partnerships built on the confidence garnered from customers and consignees who depend on our services for life-saving and life-sustaining products. Looking ahead, we are driven to develop and expand long-term strategic relationships with our clients to provide improved operational efficiencies and access to value-added services.



Driver-assisting technologies

Investments in scanning technology at ATS Healthcare give our professional drivers the capability to check trailer temperatures while also accessing any special handling instructions, delivery route sequencing information, signature tracking and alerts when a shipment doesn't match to a delivery location.



Tracking apps

Boyle Transportation clients can use our dedicated web and mobile app to get secure, end-to-end visibility of shipments including temperature history, exceptions and handling stages.



MEDDS

In addition to working with major healthcare sector clients like pharmaceutical companies and hospitals, we also deliver directly to consumers. With a fleet of over 50 professional drivers in the greater Winnipeg region, our MEDDS team collects prescription orders from pharmacies and brings them to people's homes and workplaces.



"As we like to say here: on fait ce que l'on peut, et cela veut toujours dire de notre mieux (we do what we can, and that always means our best)! This mentality allows us to provide personalized solutions and collaborate closely with customers, to the point that we become part of their business and teams."

ANDREIA BORGES, QUEBEC CITY BRANCH MANAGER, ATS HEALTHCARE

"I'm proud of how our team has a major impact on the success of ATS and, along with the collaboration of other internal stakeholders, we ensure that ATS is always striving for continual improvements through quality standards and best practices."

PAUL RAMBAJAN, DIRECTOR, QUALITY ASSURANCE, ATS HEALTHCARE

Including: Good Manufacturing Practices Guide for Drug Products (GUI-0001); Guidance on Drug Establishment Licenses and Associated Fees (GUI-0002); Guidelines for Environmental Control of Drugs During Storage and Transportation (GUI-0069); Guidance Document on the Import Requirements for Health Products Under the Food and Drugs Act and its Regulations (GUI-0084); Guidelines for Active Pharmaceutical Ingredients (GUI-0104); Guidance Documents for Medical Devices; and Guidance Documents for Natural and Non-Prescription Health Products.

Delivering safe and controlled healthcare supply solutions

Environmental sustainability and climate change

Cybersecurity and data protection

Environmental sustainability and climate change

Why this matters

Climate change is one of the most pressing global issues, placing greater pressure on healthcare systems while contributing to more frequent supply-chain disruptions. We need to do our part to tackle the problem while making sure we never compromise on the integrity of our healthcare logistics solutions.



Learn more

Environment and Social Responsibility Policy

Highlights



Total GHG emissions decreased by **2.16%** in 2023*



Scope 2 GHG emissions decreased by 1.7% in 2023*



Scope 1 natural gas emissions decreased by 11.6% in 2023*



Scope 3 GHG emissions decreased by 6.3% in 2023*



Delivering safe and controlled healthcare supply solutions

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Environmental sustainability and climate change

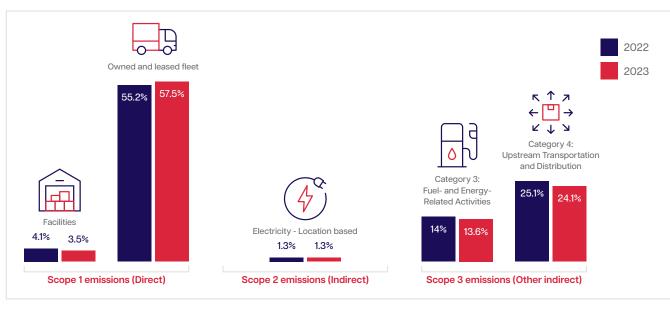
Cybersecurity and data protection

Our approach

We are doing our part to tackle climate change and being an environmentally responsible business partner and neighbour in the communities where we work. We recognize that our clients and partners expect us to be acting and sharing our progress as part of their work to build responsible supply chains. We are improving the sustainability performance of our operations and working to understand future opportunities for action.

To understand our GHG emission baseline, we built a GHG inventory calculating our Scope 1, Scope 2 and Scope 3 GHG emissions. Our inventory approach aligns with the World Resources Institute (WRI) and the World Business Council for Sustainable Developments (WBCSD) Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard (Revised Edition), Scope 2 Guidance, and Corporate Value Chain (Scope 3) Standard. We account for all seven GHGs covered by the GHG protocol (CO2, N20, CH4, HFCs, PFCs, SF6 and NF3) and we do not generate biogenic carbon emissions. AHG's main sources of direct operational emissions include the combustion of fuel by our transport fleet (Scope 1), the use of heating fuels such as natural gas in our buildings (Scope 1), and the electricity purchased for our facilities' operations (Scope 2 - market based). So far, we have assessed two Scope 3 categories: upstream transportation and distribution, and fuel and energy-related activities. The upstream transportation and distribution includes our third-party partners domestic ground, domestic air, and international ground transport, while fuel and energy-related activities accounts for well-to-tank emissions from the natural gas used in our offices and the diesel fuelling our fleet. Our initial focus has been on the largest emitting Scope 3 categories. We will assess other categories in the future.

Andlauer Healthcare Group greenhouse gas emissions



GHG emission sources (t CO₂e)	2022	2023	% Change
Gross global Scope 1 emissions (Direct)	79,808.28	80,279.99	0.59%
Facilities	5,533.68	4,594.68	-17.00%
Owned and leased fleet	74,274.60	75,685.31	1.90%
Gross global Scope 2 emissions (Indirect)	1,712.99	1,682.96	-1.75%
Electricity - Location based	1,712.99	1,682.96	-1.75%
Gross global Scope 3 emissions (Other indirect)	52,969.64	49,624.26	-6.32%
Category 3: Fuel- and Energy-Related Activities	18,865.19	17,901.66	-5.11%
Category 4: Upstream Transportation and Distribution	33,757.90	31,722.60	-6.03%
Total Scope 1, 2 and 3	134,490.91	131,587.26	-2.16%

Total GHG emissions were lower in 2023 compared to 2022 due to warmer weather, which resulted in lower energy consumption across our operations.

Delivering safe and controlled healthcare supply solutions

Environmental sustainability and climate change

Cybersecurity and data protection

Our emissions reduction journey

Using the GHG inventory baseline, AHG is on a journey of establishing a 2030 roadmap and emissions reduction targets.

Through our Environmental and Social Responsibility Policy, we commit to comply with all applicable environmental laws and regulations and to assess sustainability-related risks and opportunities. Our Board of Directors and its Compensation, Nominating & Governance (CNG) Committee have oversight of this policy and periodically assess how our operations teams are putting it into effect. The AHG executive team works closely with the leadership teams in each of our entities to ensure progress is being made in support of environmental sustainability. Our environmental management systems comply with all relevant federal, provincial and state laws, and our entities align with various standards including ISO 14001.

Areas of focus

In recent years we've reduced our Scope 1 GHG emissions from our fleets through investments in low-emission and aerodynamic vehicles, idle-reduction technologies, route optimization and refrigeration unit upgrades, such as the use of hybrid reefers that alternate between diesel and battery power to reduce fuel consumption. We use electric forklifts in our facilities and we're exploring options to use EV trucks and alternative fuels on shorter routes where it makes sense. Based on current technology, EV trucks are limited in their range and unable to perform reliably at colder

temperatures. This is a particular challenge as we continue to see more volatile and extreme winter conditions in Canada and much of the USA. Given this, we also continue to monitor developments that could help to decarbonize long-haul transportation while ensuring we can still provide reliable temperature controls and other safe-handling requirements for our clients and partners.

Making our existing and new facilities more environmentally sustainable is also a priority across AHG to reduce operational Scope 1 and Scope 2 emissions. We continue to invest in renewable energy consumption, both by taking part in clean energy purchasing programs and by installing solar generation in some of our major locations. We're focused on energy efficiency and waste-reduction programs too. This involves ongoing programs to install LED lights and motion sensors, automated temperature management tools and HVAC upgrades, and investments in spill-prevention systems and comprehensive recycling programs - including a zero waste-to-landfill initiative in the Greater Toronto Area.

Looking ahead, we continue to monitor for the increased likelihood of extreme weather and major health-system impacts resulting from the changing climate. As floods, fires and deep freezes become more common, we're making sure our fleets and facilities are equipped to deal with greater volatility and potential disruptions to routing or energy supply.



Delivering safe and controlled healthcare supply solutions

Environmental sustainability and climate change

Cybersecurity and data protection



SmartWay certified

Both AHG's Boyle and Skelton teams are participants in SmartWay, an initiative of the United States Environmental Protection Agency. SmartWay helps companies advance supply-chain sustainability by measuring, benchmarking and improving freight transportation efficiency. Boyle has been awarded a three green star rating from the U.S. Department of Defense for its environmental program, and has been consistently named a SmartWay High Performer for the team's work to reduce emissions and improve efficiency.

Boyle has also been named 2023 Top Green Fleets by HDT magazine, recognized for its efforts in sustainability.



Reducing packaging waste with Credo

AHG has helped save thousands of tonnes of packaging waste from going to landfill thanks to the reusable Credo Cube – a passive and reusable shipping container that's certified to hold chilled medical materials at a safe temperature for up to five days. In addition to providing excellent temperature control, Credo shippers are highly durable and can be reused many times, contributing to even greater reductions in packaging inputs and waste. Clients particularly appreciate the Credo Cube's remarkable ease of use, emphasizing how its user-friendly features have simplified their logistics, saving time and resources while ensuring safe delivery of their products.





Stepping up during extreme weather

In late 2021, British Columbia (B.C.) declared a state of emergency following extreme storms and extensive flooding. Many roads were blocked and bridges destroyed, making the Vancouver region inaccessible on the ground. To overcome this challenge and ensure vital healthcare products were delivered, the ATS Healthcare team stepped up air shipments to B.C.'s lower mainland. In recognition of going above and beyond, ATS Healthcare was awarded the 2022 Canadian Carrier of the Year Award from Abbott Nutrition.

Temperature sensitive healthcare products en-route to British Columbia that would otherwise have been stranded due to highway closures were redirected to our Calgary facility and safely offloaded.



LEED Gold certified

Accuristix's fulfillment centre in Brampton, Ontario, has been certified as meeting LEED Gold – one of the highest global standards available for green buildings. The facility, which Accuristix shares with other logistics companies, earned this accolade thanks to the careful recycling of building materials on-site during renovation and the installation of materials and technology that improve energy efficiency while reducing other environmental impacts. We've also invested in safe-drain infrastructure at the facility to prevent any potential spilled contaminants going into the waste-water system or the environment.



"Credo Canada leads the way in environmental sustainability for pharmaceutical packaging, offering cutting-edge, reusable, temperature-controlled solutions. Our offerings are seamlessly integrated into the ATS Healthcare closed-loop network, reflecting our dedication to shaping a greener, more responsible future in pharmaceutical logistics."

Delivering safe and controlled healthcare supply solutions

Environmental sustainability and climate change

Cybersecurity and data protection

Cyber security and data protection

Why this matters

In an era where digital threats are ever evolving, safeguarding our systems and client information against online attacks is paramount. This commitment not only builds trust with our partners but also maintains our position as a leader in the healthcare logistics sector.



Learn more

Privacy Policy



Case studies

"Our vigilance in cybersecurity and information protection is unwavering. With the rapid evolution of digital risks and technologies, including Al, it's imperative that we stay ahead. The introduction of a group-wide Al Policy underscores our commitment to guiding our teams on the ethical and responsible use of Al tools, ensuring that we leverage these advancements to enhance our services while maintaining the highest standards of data protection."

AHMAD MAQSOODI, CIO, AHG

Our approach

Ensuring the security of our operations and the protection of client data through rigorous data security and privacy practices is not just a necessity; it's a cornerstone of our competitive advantage. Our comprehensive cybersecurity measures safeguard our digital infrastructure and sensitive customer data, reinforcing our reputation as a trusted logistics provider.

Under the leadership of AHG's Chief Information Officer (CIO), a multi-year, group-wide initiative is in place to harmonize cybersecurity and data privacy standards across all AHG entities. In 2023, this initiative involved an extensive assessment of our current tools and practices, setting the stage for informed future planning and exploration of cybersecurity certifications for AHG.

To ensure the security of our operations and the protection of client data, our entities follow a range of cybersecurity best practices that comply with all relevant laws and regulations. For example, in the USA Boyle Transportation is cleared to handle and ship sensitive goods for several government agencies including the Department of Defense (DoD), meaning the team's approach to cybersecurity and other areas meets the highest standards required by the U.S. DoD.

Regular software updates and diligent patch management are fundamental to our strategy to mitigate vulnerabilities. Additionally, we employ strict, role-based access controls and multi-factor authentication to ensure that only authorized personnel can access our systems and data.

Equally important is our focus on cybersecurity training and awareness. Through regular cybersecurity training conducted in partnership with our HR teams, we educate our employees about phishing attacks, malware and other common threats, ensuring they understand the importance of being safe online and protecting sensitive information.



Investing in local communities and strategic partnerships

Business ethics

Investing in local communities and strategic partnerships

Why this matters

Our commitment to community engagement is a reflection of our values and our dedication to making our industry stronger while giving back to the places we call home.

Our approach

Across the board, AHG's people share a passion for giving back to our community and industry. While we do not currently have a formalized program for corporate partnerships and giving at the AHG level, our various teams continue proud traditions of supporting local causes and community partnerships, including:

- · American Red Cross
- Canadian Blood Services
- Canadian Cancer Society
- · Children's hospitals and charities
- · Local food banks
- Hema-Quebec
- Royal Canadian Legion
- Sports and events sponsorships

In addition to corporate giving, our team members also volunteer their time and resources to support a range of local causes.



Business ethics



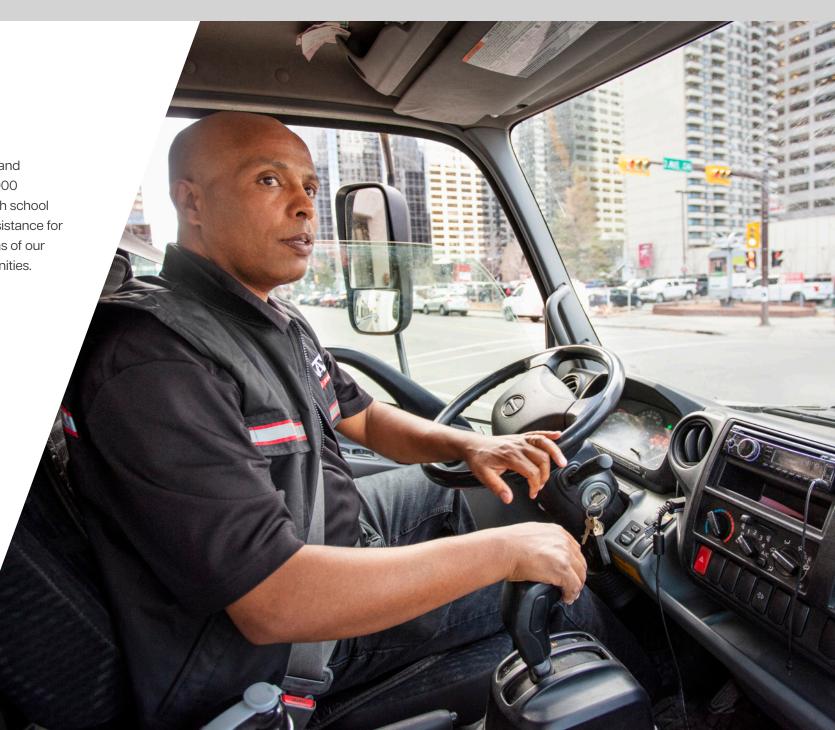
Fostering learning

Every year AHG celebrates our team members' dependents and supports them on their learning journeys. We provide 10 \$5,000 scholarships for young people who are either completing high school or just starting university. This program provides financial assistance for higher education, helping to support the academic aspirations of our employees' families and investing in the future of our communities.



Building a stronger industry

Our team members take part in industry groups focused on sharing best practices and building shared standards for safety and inclusion. This collaboration helps all boats to rise, giving our people exposure to better ways of working while also sharing our learnings and success stories with our industry peers. Groups we participate in include the American Trucking Association, the Truckload Carriers Association and the Canadian Association for Pharmacy Distribution Management, as well as other forums focused on diversity and cybersecurity.



#Andlauer 2023 Sustainability Report

Sustainability at Andlauer

Employer of choice

Dependable and sustainable delivery

Social Impact

Sustainability performance data

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Investing in local communities and strategic partnerships

Business ethics

Business ethics

Why this matters

We pride ourselves on being a trusted healthcare logistics partner. Earning that trust means always acting with integrity and transparency.

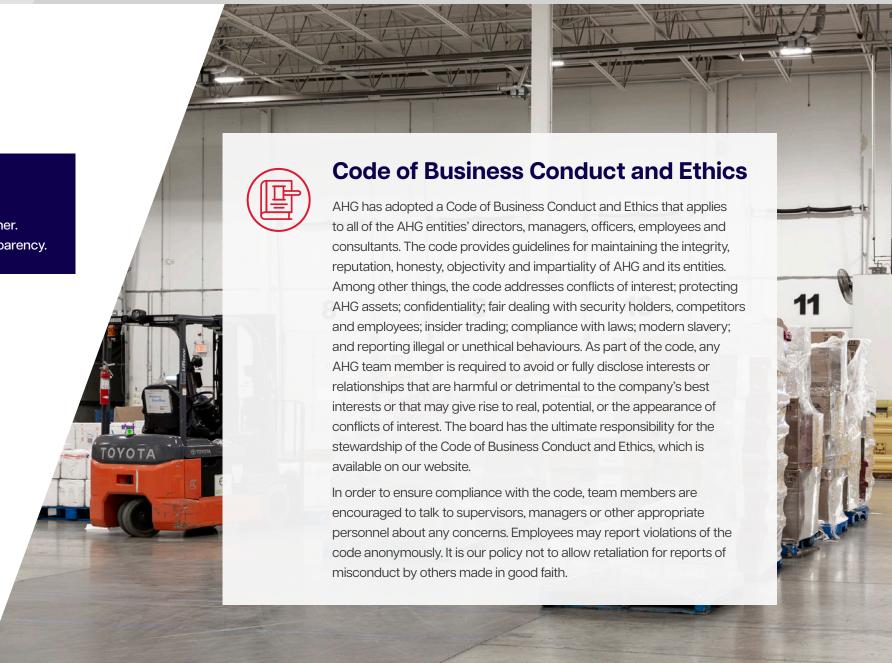


Learn more

Code of Business Conduct and Ethics Whistleblower Policy

Our approach

Acting ethically is an important part of how we work and continue to build trust with our teams, clients, partners and communities. From our Board of Directors to our leadership teams and frontline workers, we are committed to maintaining high standards of integrity and transparency in all aspects of our governance and operations.



Business ethics



Whistleblower policy

AHG has also adopted a Whistleblower Policy that sets out how our team members can confidentially and anonymously submit concerns to the Chair of the Audit Committee (who is independent of the company) or to a third-party reporting system regarding any matter that the individual believes to be in violation of the Code of Business Conduct and Ethics.



Stakeholder engagement

We actively engage with our stakeholders, including customers, employees, suppliers and communities, to gather feedback and input on our sustainability practices. This engagement helps us identify areas for improvement and ensures that we are meeting the expectations of our stakeholders.



Compliance and regulatory standards

We adhere to all relevant laws, regulations and industry standards related to transparency and accountability. See the section "Delivering safe and controlled healthcare supply solutions" in this report for more information about our compliance approach.



Training and awareness

We provide regular training and awareness programs for employees to ensure they understand the importance of transparency and ethical conduct. These programs help reinforce our commitment to transparency throughout the organization.



Reporting

We regularly publish reports that provide transparent and comprehensive information about our company's performance and impact. These reports are available to our investors, team members, clients, partners and the public.



Fiscal 2023 sustainability performance data

Environment

SASB Code or GRI Indicator*	Disclosure Topics	Unit	2023
GHG Emissions			
TR-AF-110a.1	Gross global Scope 1 emissions (Direct)	t CO₂e	80,279.99
	Facilities**	t CO₂e	4,594.68
	Owned and leased fleet	t CO₂e	75,685.31
TR-AF-110a.2 Gro	Gross global Scope 2 emissions (Indirect)	t CO₂e	1,682.96
	Electricity - Location based	t CO₂e	1,682.96
TR-AF-110a.3	Gross global Scope 3 emissions (Other indirect)	t CO₂e	49,624.26
	Category 3: Fuel- and Energy-Related Activities	t CO₂e	17,901.66
	Category 4: Upstream Transportation and Distribution	t CO₂e	31,722.60
305-4 (GRI)	GHG Intensity		
	Revenue***	\$MM	\$648.00
	GHG Emissions Intensity (Scope 1 and 2)****	t CO ₂ e / \$ MM	126.49
TR-AF-110a.2	Discussion of long and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets		<u>Page 25</u>
Energy Consumption			
TR-RO-110a.3	Energy consumption from buildings (GJ) - NG and electricity		
	Natural Gas	GJ	80,761.89
	Electricity	GJ	70,992.78
TR-RO-110a.3	Fuel consumed by road transport		
	Diesel	GJ	1,074,654.67
HC-DY-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable		
	Total energy consumed	GJ	151,754.67
	Percentage grid electricity	per cent	100%
	Percentage renewable	per cent	0%
TR-AF-430a.2	Total greenhouse gas (GHG) footprint across transport modes	t CO₂e	107,407.91

^{*}GRI indicators are specified (GRI) and all other metrics are SASB codes

^{**}Facilities include Fugitive emissions and stationary combustion

^{***}Canadian Dollars

^{****}Excludes Scope 3 emissions



Social

SASB Code or GRI Indicator*	Disclosure Topics	Unit	2023
Diversity, Equity, Inclusion & Acce	ssibility		
SV-PS-330a.1	Workforce by Gender		
	Gender - Women	per cent	27.1%
	Gender - Men	per cent	66.7%
	Gender - Not specified	per cent	6.2%
	Diversity of Overall Workforce		
	Representation of people with disabilities**	per cent	5.6%
	Representation of visible minorities	per cent	28.8%
	Representation of Indigenous people***	per cent	0.5%
	Diversity of Executive		
	Gender - Women	per cent	11.1%
	Gender - Men	per cent	88.9%
	Diversity of Senior Management		
	Gender - Women	per cent	39.5%
	Gender - Men	per cent	60.5%
	Diversity of Middle Management****		
	Gender - Women	per cent	35.6%
	Gender - Men	per cent	59.1%
	Gender - Not specified	per cent	5.3%
	Diversity of Non-Management		
	Gender - Women	per cent	25.0%
	Gender - Men	per cent	64.67%
	Gender - Not specified	per cent	10.3%
TR-AF-000.C	Diversity of Professional Drivers		
	Total number of professional drivers	headcount	540
	Gender - Women	per cent	15.7%
	Gender - Men	per cent	84.3%

^{*}GRI indicators are specified (GRI) and all other metrics are SASB codes

^{**}ATS Healthcare and Boyle are excluded and hope to begin to gather information in fiscal year 2024

^{***}Currently only reported by ATS Healthcare

^{****}Grouped management, administrative, and supervisory

Sustainability at Andlauer

SASB Code or GRI Indicator*	Disclosure Topics	Unit	2023
Headcount			
TR-AF-000.C	Total workforce**	headcount	2,182
Employee Hiring & Turnover			
401-1 (GRI)	Total new hire***	headcount	304
	New hire rate	per cent	62.3%
	Retention rate	per cent	85.8%
TR-RO-320a.2	Total turnover***	headcount	488
	Turnover rate	per cent	29.1%
TR-RO-320a.3	Description of approach to managing short-term and long-term driver health risks	description	Page 17
Attracting & Retaining Talent			
404-1 (GRI)	Total Training Hours	count	Over 68,000 hours of training
	Total Average Training hours	count	41
Employee Health, Safety & Wellness			
403-9 (GRI)	Lost time injury rate (LTIR)****	rate	2.3
TR-AF-320a.1	Fatality Rate****	rate	0
TR-AF-320a.1	Road Collision Rate*****	rate	0.06
TR-RO-540a.3	# of reportable spills	count	2

Activity Metrics

Activity Metrics			
TR-AF-000.C	Number of employees	headcount	1,642
TR-AF-000.C	Number of truck drivers	headcount	540

^{*}GRI indicators are specified (GRI) and all other metrics are SASB codes

^{**}Including total number of drivers

^{***}Does not include Skelton US

^{****}LTIR= (total LT injuries* 200,000)/ total hrs worked

^{*****}Direct and contract employees

^{*****}Per 100,000 km



Forward-looking Information

This sustainability report contains forward-looking information and forward-looking statements (collectively, "forward-looking information") within the meaning of applicable securities laws. Forward-looking information may relate to the Company's future financial outlook and anticipated events or results and may include information regarding the Company's financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans, objectives and expectations with respect to COVID-19. Particularly, information regarding the Company's growth expectations, performance, achievements, payment of dividends, prospects, potential acquisitions, financial targets or outlook is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "believes", "commencing" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, targets, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Such forward-looking statements are qualified in their entirety by the inherent risks, uncertainties and changes in circumstances surrounding future expectations which are difficult to predict and many of which are beyond the control of the Company.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions, including but not limited to those assumptions described under the heading "Cautionary Note Regarding" Forward-Looking Information" in the Company's MD&A for Q1 2024. Forward-looking information is subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to factors discussed under the heading "Risk Factors" in the Company's annual information form dated March 5, 2024, which is available on the Company's profile on SEDAR+ at www.sedarplus.ca. If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. Accordingly, investors should not place undue reliance on forward-looking information, which speaks only as of the date made. The forwardlooking information contained in this sustainability report represents the Company's expectations as of the date of this sustainability report and are subject to change after such date and the Company disclaims any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

(1) Non-IFRS Financial Measures

This sustainability report contains certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. AHG uses non-IFRS measures including "EBITDA" and "EBITDA Margin". These non-IFRS measures are used to provide investors with supplemental measures of the Company's operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. AHG also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. AHG management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and to determine components of management compensation.

EBITDA

AHG defines EBITDA as net income for the period before: (i) income tax expense (recovery); (ii) interest income; (iii) interest expense; and (iv) depreciation and amortization.

AHG believes EBITDA is a useful measure to assess the Company's financial performance because it provides a more relevant picture of operating results by excluding the effects of expenses that are not reflective of the Company's underlying business performance.

EBITDA Margin

AHG defines EBITDA Margin as EBITDA divided by revenue. EBITDA Margin represents a measure of the Company's profitability expressed as a percentage of revenue.

AHG believes EBITDA Margin is a useful measure to assess the Company's financial performance because it helps quantify the Company's ability to convert revenues generated from clients into EBITDA.

