



2025 Sustainability Report

Building Stronger Connections

INTRODUCTION

At Cando Rail & Terminals, sustainability is about more than meeting expectations—it is about creating lasting value for our people, our customers, our communities, and the environment. As a proudly Canadian, employee-owned company, we recognize that the decisions we make today shape the future of the communities where we live and work.

Throughout 2025, we continued to strengthen our commitment to responsible growth by advancing environmental stewardship, investing in our people, deepening relationships with Indigenous communities, supporting local initiatives, and maintaining the highest standards of safety, ethics, and governance. These efforts are guided by our belief that long-term success depends on balancing economic performance with social and environmental responsibility.

This report highlights the progress we have made, the lessons we have learned, and the opportunities ahead. While sustainability is an ongoing journey, our commitment remains clear: to operate safely, responsibly, and with integrity while creating meaningful benefits for future generations.

Together, we are building stronger connections—between industry and community, business and environment, and today's actions and tomorrow's possibilities.



MESSAGE FROM THE PRESIDENT & CEO

At Cando Rail & Terminals, our success has always been built on people, relationships, and a commitment to doing the right thing. As an employee-owned company, we understand that long-term success depends on creating value not only for our customers and stakeholders, but also for our employees, our communities, and the environment.

This inaugural Sustainability Report highlights the progress we have made in integrating environmental, social, and governance (ESG) principles into the way we operate. While sustainability has always been part of who we are, this report represents an important step in sharing our journey more transparently and demonstrating our accountability to the people who place their trust in us.

Safety remains at the heart of everything we do. Through our TrackSmart culture and the dedication of our team members across North America, we continue to strive for excellence in protecting our people, our customers, our communities, and the environment. Every day, our team demonstrates that safety is not simply a priority—it is a core value.

We are also committed to being responsible stewards of the environment. Through our Environmental Management System, ongoing efforts to improve efficiency, reduce waste, and strengthen environmental performance, we are working to minimize our impact while supporting sustainable growth. We recognize that environmental responsibility is essential to the long-term health of our business and the communities where we operate.

Equally important are the relationships we build. Many of our operations are located near

Indigenous communities and on traditional lands. We are committed to fostering respectful, mutually beneficial partnerships that support economic opportunity, reconciliation, and shared prosperity. We also continue to invest in the communities where we live and work through initiatives such as the Cando Cares Fund, local sponsorships, employee volunteerism, and educational programs that help future generations succeed.

As we look ahead, we recognize that sustainability is not a destination but a continuous journey. We remain committed to learning, improving, and holding ourselves accountable through transparent reporting, strong governance, and measurable performance. The challenges facing our industry and society are evolving, and we will continue to adapt while staying true to the values that have guided Cando for more than 45 years.

I am proud of what our team has accomplished and grateful for the dedication of our employees, customers, partners, and communities. **Together, we are building a stronger, safer, and more sustainable future.**

Sincerely,

Brian Cornick
President & Chief Executive Officer



Platinum member

ABOUT CANDO

The North American market leader in first- and last-mile rail operating services and terminal infrastructure.

Integrated coast to coast network delivering first- and last-mile rail services and terminal infrastructure to our customers and Class I partners. Custom service provided at our customers' sites (In Yard Operations) or at one of our owned terminals including:

- Infrastructure Design & Development
- Industrial Rail Switching
- Terminals & Transload
- Haulage Operations (Virtual Short Line)
- Unit Train Assembly & Air Testing
- Railcar Staging & Storage
- Railcar Fleet Management & Logistics
- Trucking & Marine



STRONG OPERATIONAL FLEET

~2K 

Employees

36 

Rail Terminals

80 

First & Last Mile Rail Service Operations

3 

Short-Line Railways

16.4K+

Railcar Staging & Storage Spots

165 

Locomotives in Fleet

SUSTAINABILITY AT A GLANCE

CANDO IN ACTION

GREENING COMMUNITIES

To offset our carbon footprint and improve the communities where we operate, we provided \$35,000 to Tree Canada's National Greening Program to plant 7,000 trees in British Columbia, Alberta, and the Northwest Territories.

Since 2021, Cando has given Tree Canada \$166,625 to plant a total of 33,325 trees.

Six trees = 1 tCO₂e, which is the equivalent of driving 3,355KMs in a gas pickup truck.

BOYS AND GIRLS CLUBS

We partner with multiple Boys and Girls Clubs (BGC) in Alberta and Ontario. In 2025, we donated \$10K to the BGC which helps to keep after school programming running in the community.

CANDO SPIRIT SCHOLARSHIP PROGRAM

Cando believes in strong work ethic, determination, leadership and a can-do attitude. We support high school students who embody these attributes and use them toward their educational endeavors. Working with high schools in all of the communities we operate within, Cando provides approximately 45 \$1,000 scholarships annually to students with the "Cando Spirit." Local managers and employees attend the grad ceremonies and hand out the Cando scholarship which gives us further exposure in the community. We also provide scholarships to SAIT's Railway Conductor Program and athletic scholarships to Assiniboine Community College. Lastly, we partner with Indspire's Building Brighter Futures program providing two scholarships annually for Indigenous youth to pursue post-secondary studies in conductor programs, engineering, and commerce.

OUR COMMUNITIES

COMMUNITY INVESTMENT

Using our four pillars of social responsibility – Safety/Protection of the Community, Environmental Conservancy, Leadership Development, and The Cando Spirit – we took action and contributed back to the communities we operate in.

- Cando Cares Donations: \$150,000
- Sponsorship: \$100,000
- Cando Spirit Scholarships: \$65,000
- Corporate Matching: \$10,000
- Total Amount We Gave: \$325,000

SUPPORTING SAFETY, HEALTH & WELLBEING

- 5K – STARS Foundation
- 5K – Heart and Stroke
- 7.5K – School Food Programs

OUR PEOPLE

- 70% of eligible employees are shareholders in Cando's Employee Ownership Program which creates a unique culture of responsibility, commitment, and engagement.
- 282 team members took Canadian Rail Operating Rules through Cando's Technical Trainer.
- 137 employees took Cando's Leadership Development Training.

TRUTH & RECONCILIATION

We strive to be good neighbours and play our role in advancing truth and reconciliation. We spent approximately \$160K at Indigenous-owned businesses and on Indigenous scholarships, community events, and programming in 2025.

ENVIRONMENTAL STEWARDSHIP

From pioneering Canada's first battery-powered locomotive to implementing a comprehensive Environmental Management System (EMS) across our operations, **Cando is taking bold**

ZERO EMISSION FLEET OF THE FUTURE

Cando is redefining what is possible in Canadian rail operations.

- Cando successfully developed a Lithium-Ion (Li-Ion) battery-powered switching locomotive and unveiled it on September 10, 2025.
- By retrofitting a legacy, non-tier-compliant diesel locomotive into a zero-emission, fully electric unit, Cando engineered a scalable and high-performance alternative tailored to closed-loop rail systems across NA.
- Each unit reduces up to 470 tonnes of CO₂e per year, cuts energy costs by 60%, and decreases maintenance needs by 40%.
- The retrofit and Phase 1 testing performed at Cando's Winnipeg Terminal.
- Phase 2 field testing being performed at Cando's Southlands Terminal, which is located in Edmonton and provides service to Imperial's Strathcona refinery.
- Quick charger at Southlands Terminal – largest in Canada.
- Charging time is less than 2 hours.
- Average energy usage is 625 kilowatts in a 24-hour period.
- Equivalent to 22 Tesla cars.
- Government of Alberta provided \$2 million through Emissions Reduction Alberta's Industrial Transformation Challenge.
- Cando is currently working on a commercialization plan for the future.

steps to reduce our environmental footprint and build a more sustainable future for the communities we serve.



NEW PROCESSES, REJUVENATED FOCUS

In 2025 we launched a comprehensive Environmental Management System (EMS) that is designed to streamline processes for waste management, lowering fuel consumption, and protecting the communities where we work.

We also launched a revised Environmental Policy in 2025.



ENVIRONMENTAL POLICY

At Cando Rail & Terminals, environmental responsibility is integral to our success and the well-being of the communities and ecosystems we operate in. Stewardship is embedded in our decisions, culture, and values.

Action With Integrity

We comply with all applicable environmental laws and standards across all jurisdictions. Our proactive approach focuses on reducing waste, limiting emissions, and using energy and natural resources efficiently and responsibly.

Evolving With Purpose

Continuous improvement drives our environmental strategy. We regularly assess performance, adapt to best practices, and respond to emerging challenges, including climate change. We're focused on cutting emissions, reducing exposure to climate-related impacts, and contributing to long-term sustainability.

Protecting What Matters

We recognize our role in protecting biodiversity and minimizing impacts on natural habitats. Our teams work to limit ecological disturbance and are supported by tested environmental emergency response plans.

Shared Responsibility For Real Impact

Environmental responsibility is shared across our workforce. We foster awareness, accountability, and leadership through education, training, and open communication. We actively engage with clients, regulators, Indigenous communities, and the public to share knowledge, address concerns, and support sustainable practices. By reviewing our performance regularly and maintaining transparent reporting, we remain accountable and focused on continuous improvement.

Through leadership, collaboration, innovation, and a strong environmental ethic, Cando is committed to protecting the environment and building a more sustainable future.

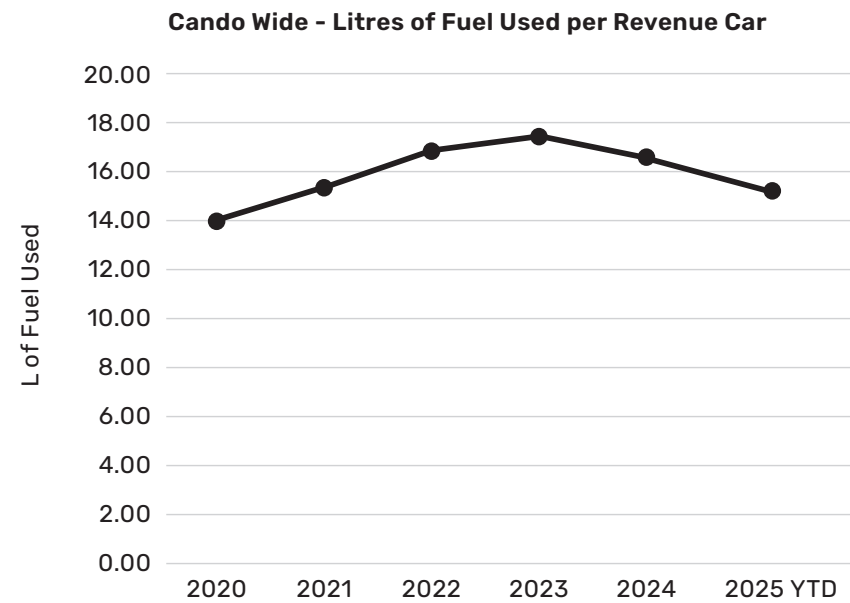
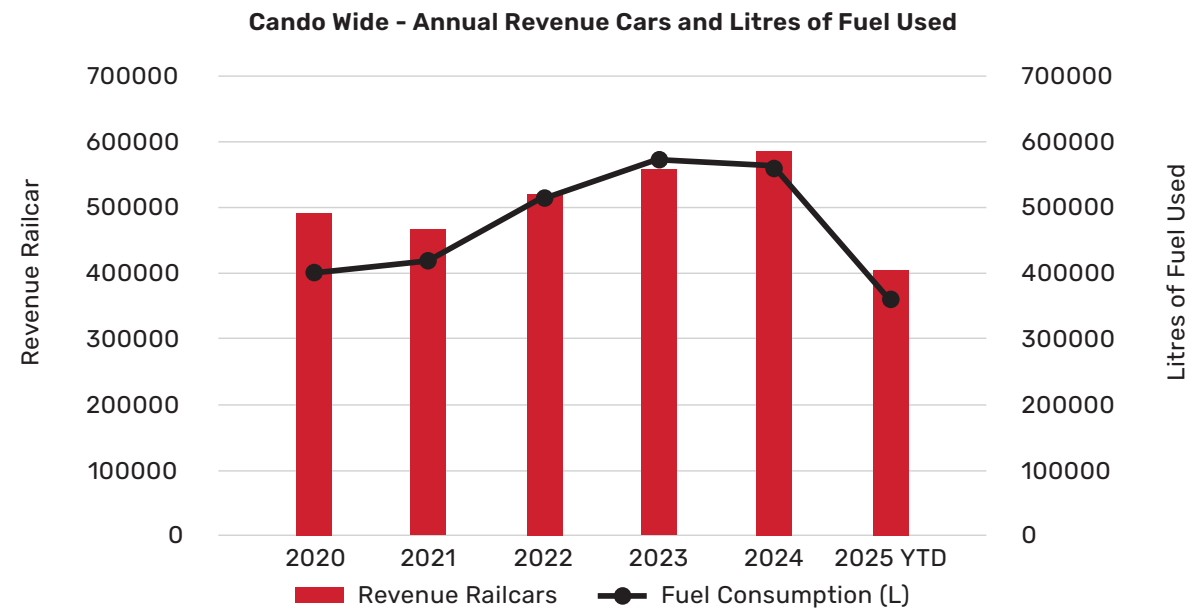
Brian Cornick
Brian Cornick
President & CEO

The track to a green future.

April 2026

REAL RESULTS

RAIL OPERATIONS - MONTHLY RAILCARS HANDLED



EMISSIONS REDUCTION IN 2025



Cost Savings
\$1,024,558.26



Fuel Reduction
Fuel usage was 11% lower.
788,121 less litres of fuel consumed.
Fuel used per revenue railcar was down 5.26% YOY.



Carbon Reduction
Reduction of 2,125 tonnes of CO₂ in 2025.

ENVIRONMENTAL BENEFITS



Reduction equivalent to 651 cars off the roadways.



35,137 trees planted and growing for 10 years.



Reduction equivalent to the energy usage of 498 homes.

Emissions are calculated using the GHG Protocol.





SAFETY: EVERY ONE, EVERY DAY, EVERY JOB

Safety is a core value at Cando Rail & Terminals and is integral to our commitment to responsible and sustainable operations. We are dedicated to protecting the health, safety, and well-being of our employees, customers, partners, and contractors.

Detailed safety performance metrics and initiatives are reported separately in Cando's annual Safety Report. Within this inaugural Sustainability Report, we highlight select safety accomplishments and awards that demonstrate our continued focus on building and maintaining a strong safety culture.

AWARD-WINNING SAFETY CULTURE

In 2025, Cando received two Safety and Environment Awards from the Railway Association of Canada.

Our Passing Knowledge initiative won a Safety Award for reshaping how we learn, connect, and grow our safety culture together. Through storytelling and real conversations from the field, we have created a platform where experiences are shared openly, lessons are passed forward, and our safety culture continues to strengthen in meaningful ways.

Our Lithium-Ion locomotive won an Environment Award for redefining what is possible in Canadian rail operations.

Two awards. One team. A shared commitment to culture, sustainability, and leading the rail industry into a safer, cleaner future.

Cando also won a Safe Handling Award from CN for 2025.

CN's Safe Handling Awards recognize customers who demonstrate excellence in the safe loading and transportation of regulated products by rail.

Recipients are evaluated based on established criteria, including meeting stringent safety requirements.



The photo on the left features our team receiving the Environment Award while the photo on the right is for the Safe Handling Award from CN.



LOOKING AHEAD

We understand that ESG is a journey and we will continue to review, measure, and evolve our practices to ensure we're creating value for our stakeholders and the world around us. We are excited to continue to strengthen our commitment to responsible growth by advancing environmental stewardship, investing in our people, deepening relationships with Indigenous communities, supporting local initiatives, and maintaining the highest standards of safety, ethics, and governance.

GOALS FOR 2026

STRONGER BENCHMARKING

Cando is a GRESB Infrastructure Member, receiving an annual Infrastructure Asset Benchmark Report on our environmental, social, and governance (ESG) activities. We strive to improve our score each year. In 2025 our GRESB score was 85, a significant improvement from our 2024 score of 71.

ADVANCE OUR FLEET OF ZERO EMISSION LOCOMOTIVES

We are looking at the next steps for our battery powered locomotive and how we can bring more into service, reducing emissions and fuel consumption for our customers.



TRUTH & RECONCILIATION

Finalize the development of an Indigenous supplier list/database across our network to help us source indigenous businesses as suppliers. Achieve a minimum of \$150,000 of spending and investment into Indigenous-owned businesses and communities/causes annually. Launch Indigenous Cultural Awareness Training across the company with a focus on the leadership team.

COMMUNITY INVESTMENT

Expand our Cando Spirit High School Scholarship Program and Cando Cares contributions into new communities and operations.



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