

Sustainability Report

Safety

Our first priority is to create and sustain a workplace free of injuries. As a result, we set out many years ago to create a culture of shared vigilance.

The starting point was to make a commitment at the highest levels of our Company to protect our employees. We did that. Our Board of Directors have long provided active oversight through their Human Resources and Compensation Committee and safety is reviewed at every meeting of that Committee as well as every regular meeting of the full Board. We introduced regular branch health and safety audits to track results against leading safety indicators and ensure compliance. We tied a portion of our managers' variable compensation to safety outcomes to reinforce management accountability.

We also invested steadily. We provided thousands of hours (including 13,550 in 2015) of safety training for our employees that is customized to the various workplaces found in the Equipment Group and CIMCO and gave every employee ready access to personal protective equipment ("PPE") and online safety manuals that are specified for the jobs they perform.

Most important, we made safety a pre-occupation and promoted it as a shared responsibility for all Toromont employees. Every work day at Toromont starts with a daily "safety talk" to encourage the right behaviours. We mandated the use of pre-job hazard assessment checklists to focus employees on how to avoid/mitigate specific risks. We recognized employee safety excellence, including at Toromont Cat with the annual presentation of the Safety Bucket

Award to the branch with the best score across 14 safety indicators (awarded in 2015 to Musselwhite branch). We also encouraged employees to suggest new safety program ideas and refinements.

The payoff for these and many other activities is clear. Since 2011, Lost Time Injuries have declined 39%, while our Total Recordable Injury Frequency Rate has been cut by 68%. These results show that our culture is improving.

Even so, we were not satisfied with our safety results and to further elevate safety as a cultural norm and a shared obligation, in 2015 we took a significant step toward greater accountability: the introduction of our Five Cardinal Safety Rules – be fit for duty, assess all hazards prior to starting the job, control all hazardous energy (electrical, hydraulic, pneumatic, gravity etc.), wear the right PPE, and report all incidents. Any employee – at any level – who fails to comply with these rules – is subject to disciplinary action up to and including dismissal. Since introducing the policy, several suspensions have been served, proving that we are serious about working safely at all times.

Toromont Cat was the first to implement our Five Cardinal Safety Rules, followed closely by AgWest and CIMCO. Plans are in development to roll out a similar program at Battlefield in 2016.

We feel confident in adopting the policy now because of the strides our employees have made in adopting safe practices as part of our culture.