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I am pleased to present Finning’s 2018 sustainability report. Through this report, we aim to be transparent about our approach and performance in sustainability and to provide information that is useful to our stakeholders. Safety is a key priority for all of us at Finning. After five years of significant improvements in our performance, we were devastated by the deaths of two technicians while performing maintenance tasks in the field in 2018. Maintenance is a major part of our work and it is a testament to our commitment to safety. These incidents remind us of the importance of continuing to drive an embedded safety culture across the company. The entire organization is dedicated to preventing and eliminating incidents in the workplace. In 2018, we also made great strides in many areas. To set a strong foundation for our company’s sustainable growth, we launched a global sustainability policy and, as a company, we committed to endorse the United Nations Sustainable Development Goals. We also trained our employees in respectful and inclusive behaviours, reached a goal of more than 30 percent female representation on our Board, reduced our absolute GHG emissions by 12 percent, and we were recognized as a climate leader by CDP. We are committed to continue our work together on this journey. I want to thank all Finning employees and our shareholders and partners for their support. The Finning leadership team and I are aligned and motivated in our commitment to continue our work together on this journey.

L. SCOTT THOMSON
President and Chief Executive Officer
Finning International Inc.
ABOUT FINNING

Finning, the world’s largest Caterpillar dealer, has been delivering unrivalled service for 85 years. We sell, rent and provide parts and service for equipment and engines to help customers in a wide range of industries maximize their productivity.

Since 1933, when Finning was founded in Vancouver, Canada by Earl B. Finning, our name has conveyed integrity, reliability and resourcefulness. Over the years, the company has grown as a result of a genuine commitment to earning customer loyalty.

With our broad product support infrastructure and unmatched service capabilities, we deliver solutions that enable customers to achieve the lowest equipment owning and operating costs while maximizing uptime.

Finning employs 13,146 people worldwide with a head office in Vancouver, B.C. and operates in Western Canada, Chile, Argentina, Bolivia, the United Kingdom and Ireland. Finning shares are traded on the Toronto Stock Exchange under the symbol FTT.
SUSTAINABILITY AT FINNING

We know that the world is changing and to be successful in the future we must be ready to adapt and innovate to build and power a better world. We focus on building solid partnerships, developing safe and inclusive teams, conducting our business in a way that protects the environment, and acting ethically in everything we do.

In the past two years, we have made progress in our sustainability journey. We began officially supporting the United Nations Sustainable Development Goals, strengthened the governance foundation for our sustainability programs including the development of a global sustainability policy, identified our most relevant environment and social impacts, and conducted a gap analysis of our practices to inform the road map that has been developed for our path forward.

OUR APPROACH TO SUSTAINABILITY

Sustainability is an integral part of our business, and is woven through our strategy and operations. We live our values every day, and they guide our behaviours in every interaction we have. Living our values means that how we do things is just as important as what we do.

We focus on what matters. Our approach to sustainability is closely aligned with our company’s purpose and covers all of our material sustainability topics. Read more about the process to define material topics on page 6.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

As part of our purpose, we aspire to create a better world now and for generations to come. Considering the needs of future generations, we join the 190 countries and large number of not for profit organizations and corporations that support the UN Sustainable Development Goals (SDGs). The SDGs are 17 global goals, set by the United Nations General Assembly in 2015 to be achieved by 2030. These goals aim to protect the planet, reduce inequality and ensure prosperity for all.

Finning actively supports this global commitment. As a provider of equipment and a partner to our customers, we have a role in fostering economic progress for all. Our global presence amplifies this opportunity. Finning supports and contributes, directly or indirectly, to all of the goals.

Some of the important ways that we can work towards the SDGs in our operations are by:

• Maintaining a safe and inclusive workplace
• Monitoring, reporting and managing our greenhouse gas (GHG) emissions
• Increasing our investment in technology and training
• Promoting science, technology, engineering and math (STEM) education and helping to develop STEM skills
• Reducing waste by extending the life of heavy equipment

In partnership with our customers, we can further strengthen our contribution by:

• Enabling vehicle and fleet optimization to reduce emissions on a larger scale
• Providing equipment that delivers energy and infrastructure solutions that raise the standard of living

As we progress in our journey, we will continue to evaluate additional opportunities to align our contributions and reporting with the SDGs.

“Building and powering a better world is Finning’s purpose, and a concept that cannot be separated from sustainability. We see a better world as one where everyone goes home safely after a day of work, where people feel included and productive, and where society and the environment thrive. That is the better world we want to live in, and are working toward, for us and for generations to come.”

SCOTT THOMSON
President & CEO
GOVERNANCE FOR SUSTAINABILITY

Our Board of Directors has a safety, environment and social responsibility (SERS) committee that oversees our sustainability efforts at the highest level. The Finning leadership team is ultimately responsible for our strategy in this area. To help us implement our sustainability strategy, we have one global and three regional sustainability committees (Canada, UK & Ireland, and South America). Each committee meets regularly to define, coordinate and monitor our activities to advance our sustainability journey. The committees collaborate on specific tasks with existing teams that follow up with implementation.

We track key performance indicators (KPIs) and report progress on our actions quarterly to the Board’s SERS committee. This process fosters accountability to all our stakeholders and allows us to report externally each year.

Global sustainability policy

Fostering the right behaviours starts with setting the right expectations. In 2018, we developed a global sustainability policy that outlines our beliefs and commitments on sustainability. The policy was approved by our leadership team and SERS committee in 2018 and was communicated to all employees. Our global sustainability policy can be found here.

Other corporate policies

Other supporting policies and documents provide guidance in fulfilling our commitments. Read about our policies in the Board and Governance section on page 37.

Stakeholder engagement

We are aware that many groups can influence and be affected by our operations, decisions and actions. We foster productive relationships with customers, suppliers, investors, and community members near our branches. In all of our relationships, we are guided by our values of acting ethically and being collaborative.

MATERIALITY ASSESSMENT

In November 2017, our global sustainability committee conducted a materiality assessment and stakeholder mapping exercise. The group discussed and prioritized 30 sustainability topics. Because our operations vary by region, each regional committee conducted a preliminary materiality exercise that contributed to the global sustainability committee discussion. The following topics are deemed material:

PEOPLE
- Safety and health
- Inclusion and diversity
- Employees and leadership development
- Labor relations

ENVIRONMENT
- GHGs and energy
- Environment (spills, wastewater and waste)

PRODUCTS
- Customer performance and loyalty
- Customer safety
- Product stewardship
- Responsible supply chain

ETHICS & GOVERNANCE
- Ethics/anti-corruption

COMMUNITIES
- Community investment

Material topics include those that can have a significant impact on our business success and also represent the interests of our stakeholders. We plan to review our material topics regularly to make sure they reflect stakeholder expectations and the changing business environment.

REPORTING SCOPE

The terms “Finning”, “our”, “we”, “us”, “the company”, and “the organization” refer to Finning International Inc. and its subsidiaries, as a whole.

This report describes initiatives related to our material topics and supporting metrics for the year ended December 31, 2018. Unless a different date or time period is stated, the information in this report is as of December 31, 2018. When available, additional years of historical data are provided for reference.

Financial data is in Canadian dollars and environmental data is in metric tons.

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SUSTAINABILITY ROAD MAP

In 2018, we conducted a gap analysis of our practices in each of our sustainability material topics to make sure they align with our peers, and with internationally recognized guidelines and best practices. Based on the gap analysis, we defined metrics and programs for the next five years. Below are some of our focus areas and planned activities for the next five years. We will report on our progress on these focus areas in future sustainability reports.

MATERIALITY TOPIC

- Safety and health
- Inclusion and diversity
- Environmental management
- Customer safety
- Product stewardship
- Supply chain
- Community investment
- Ethics
- Anti-corruption

FOCUS AREA (2018-2023)

- Advance and embed our safety culture
- Reduce significant incidents and injuries year-over-year
- Strengthen global assurance of safety systems and standards
- Embed inclusion in our human resources and operational processes
- Standardize our human resource processes, including learning management
- Continue the roll out of our leadership training
- Develop and issue global environmental standards and protocols
- Monitor, manage and work to reduce our GHG emissions
- Identify reduction, reuse, and recycle strategies for our waste
- Promote equipment automation/autonomous operation
- Continue our focus on data connectivity and providing insights to our customers
- Continue our focus on remanufacturing and other contributions to the circular economy
- Develop and roll out Supplier Code of Conduct
- Strengthen criteria to evaluate suppliers, including environmental and social factors
- Refine our community investment strategy
- Develop Indigenous engagement strategy
- Develop enhanced online ethics training and train employees
- Enhance risk assessment process for corruption

GAP ANALYSIS & SUSTAINABILITY ROAD MAP

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prevent incidents that can result in fatal or life-altering injuries and are therefore called significant incidents. Global standards address lifting and hoisting, vehicle safety, overhead doors, and energy isolation. Monitoring the correct implementation of these standards across our organization will continue to be our top priority.

Fatal incidents
With profound sadness we share that two fatal incidents occurred in 2018. Both incidents involved technicians performing maintenance tasks in the field. In May, one of our employees suffered fatal injuries at a mining customer site in the north of Chile and in October, a Finning employee was fatally injured at a customer site in Saskatoon, Canada.

While these tragedies generate sadness and sorrow, they have also reminded us of the importance of our ongoing commitment to fully embed our safety culture, which will help us to prevent and eliminate incidents in the workplace.

Safety performance
Monitoring and understanding our safety performance is essential in assessing how effective we are in implementing our annual plans and continually improving our processes. We manage our safety performance data and progress on annual plans through a global data management tool called FinEHS. Performance on leading and lagging indicators is monitored daily at the branch and regional level, monthly at the global level and quarterly with the Board’s SESR committee.

SAFETY & HEALTH
At Finning, we have a shared responsibility to keep ourselves, and those who work around us, safe and healthy. We are working to create workplace environments where injuries and occupational illnesses can be prevented. We believe there is always time to do a job safely. It is possible and essential to excel in meeting our customers’ needs while at the same time keeping a strong, non-negotiable focus on safety, health and operational excellence.

Through 2018, we worked to accelerate our progress towards: Finning’s environment, health and safety (EHS) and corporate social responsibility (CSR) vision: “We have a fully embedded culture of health and safety, environmental commitment and community partnership where we operate.”

Safety & health approach
Finning employees manage our safety and health according to our EH&S and CSR management system, which defines the different management requirements that need to be performed at all levels (global, regional and branch) and are organized in 12 elements (below) that work in an integrated manner. The management system is implemented through annual action plans.

Global Standards
A key area of focus for Finning has been the definition and implementation of global standards for critical operations. These standards are designed to prevent incidents that can result in fatal or life-altering injuries and are therefore called significant incidents. Global standards address lifting and hoisting, vehicle safety, overhead doors, and energy isolation. Monitoring the correct implementation of these standards across our organization will continue to be our top priority.

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HAZARDOUS ENERGY ISOLATION

Hazardous energy refers to any form of energy that has the potential to cause injury. Stored energy that is relevant to Finning can be electrical, mechanical, hydraulic, pneumatic, chemical, thermal or gravitational. When hazardous energy is not properly assessed and dissipated, it can seriously injure individuals working with heavy equipment or tools. Additionally, some energy sources are not obvious or may be hidden if not thoroughly assessed, further increasing the likelihood of injuries.

All of our operations have put tremendous effort into mitigating hazardous energy risks. In 2018, this work included:

- **CANADA: INCREASE AWARENESS**
  - Our Canadian operations provide varied monthly safety topics to keep safety education relevant. In 2018, we emphasized the importance of energy isolation. For workers with a higher risk exposure, we provided additional online training focused on identifying, isolating and dissipating energy.

- **UK & IRELAND: REINFORCING THE MESSAGE ON HAZARDOUS ENERGY**
  - We are firm believers in the power of toolbox talks. These short interactive sessions provide employees with information and guidance on particular safety and environmental topics and an opportunity to discuss the application in the workplace. A variety of topics were covered in 2018 including energy isolation. In 2018, we improved our existing toolbox talk materials on hazardous energy to reinforce this message across the organization.
  - As soon as equipment arrives at our sites, the last person who interacts with it must conduct a LockOut TagOut (LOTO) procedure. To ensure everyone is following this rule, we issued new energy isolation kits to employees and made them available to contractors visiting our sites.

- **SOUTH AMERICA: RELAUNCHING LOCKOUT-TAGOUT**
  - We thoroughly revised our energy isolation procedures and found two areas for improvement: energies pre-assessment and training.
  - To ensure procedures are applied consistently, we reinforced our Energy Isolation procedure at all sites and branches. A main focus was applied to the pre-assessment of all energies involved and the preparation of standard operational procedures for critical interventions.
  - We are currently developing improved energy isolation training which explores the use of virtual reality to simulate high risk scenarios and verify the understanding and consistent application of energy isolation.
The majority of our workforce is male. We are working to increase the number of females in our organization and create a culture of inclusion.

Diversity refers to all the ways we differ from one another, including our experiences, backgrounds, values and beliefs. Finning team demographics, in age, gender and nationalities, reflect the global nature of our operations and customer base. Our goal is to recruit, develop, and promote talent inclusively, to ensure our workforce reflects the global supply of talent. We are striving to achieve a more balanced gender composition across our workforce, leadership levels, and Board director roles, where the representation of any one gender does not exceed 70%.

Standing up for respect
The foundation of an inclusive culture is to build respectful teams who collectively share the responsibility to prevent, identify, and respond appropriately to incidents of harassment. We believe all employees deserve to work in a safe, respectful workplace free of harassment and bullying. A culture of respect creates a climate for employees to behave appropriately and contribute in a meaningful way.

In 2018, we expanded on our commitment to a respectful workplace by implementing the following:

• EDUCATING OUR LEADERS & EMPLOYEES: In 2018, employees were required to complete a mandatory eLearning module to learn how to identify, respond appropriately to, and prevent incidents of harassment. We used this opportunity to collect feedback about our Standing Up for Respect campaign. We also held sessions with executives and senior leaders that reinforced the need for active, visible leadership on this topic, and trained more than 20 HR leaders so they can deliver face-to-face sessions with mid-level and frontline leaders throughout 2018 and 2019.

• TRAINING THE HR TEAM: In early 2018, 35 leaders participated in Conscious Inclusion training. In 2018, 34 executives and 18 senior leaders participated in storytelling workshops to connect the ‘why’ back to leaders’ personal stories, equipping leaders to champion Finning’s Inclusion Journey in a more authentic and compelling way with employees.

• INCLUSION WEBSITE AND TOOLS: We launched an internal website that houses resources, videos, toolkits, training materials, leader updates, quarterly metrics, and other information to empower everyone to discuss Finning’s Inclusion Journey and for leaders to host conversations with their teams. The site has been visited over 8,000 times by more than 2,200 employees.

Multi-year inclusion strategy
We are creating a company culture that values and practices inclusion through the intentional design of our processes. We started with internal processes to develop talent and manage operations. As we evolve our culture, we will focus our efforts externally and use inclusion as a competitive differentiator with our customers and shareholders.

In 2018, we focused on building awareness of and belief in Finning’s inclusion journey, with our leaders, human resource teams, and employees. The goal was to engage the head, heart and hands to drive progress towards our inclusion goals. Through the year our team participated in:

• INCLUSION AND AWARENESS WORKSHOPS: In 2018, we continued delivering Conscious Inclusion training to increase leaders’ knowledge of:
  + Why inclusive and diverse teams matter to Finning,
  + How unconscious biases undermine our decision quality, and
  + What Finning is doing to build inclusive and diverse teams.

• INCLUSION AND AWARENESS TRAINING: In early 2018, 35 leaders completed Conscious Inclusion training. To date, 30 executives and 29 senior level leaders have completed Conscious Inclusion training.

At Finning, we are keenly aware that diversity is a fact but inclusion is a choice. We believe inclusive teams value diverse perspectives lead to better outcomes for all of our stakeholders, making us a stronger company overall.

An inclusive culture is one where people don’t feel that they have to bend themselves out of shape to fit in. In an inclusive organization, everyone works to welcome differences, makes fair decisions about people based on facts, and brings people together. We believe people feel included and valued when they are celebrated for their uniqueness and enjoy a sense of belonging at Finning.

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• TRAINING THE HR TEAM: In 2018, we facilitated a webinar for over 170 HR team members to discuss our approach to inclusion and their individual contribution. Additionally, we facilitated a training session for the recruiting team in Canada to help them recruit inclusively, and identify opportunities to reduce systemic barriers for underrepresented talent through the candidate selection process.

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Our business thrives when we have people in our team with a diversity of thoughts, experiences and perspectives. Turning those experiences into innovation requires us to be intentional about our choices and behaviours. Inclusion is a choice we make every day.”

CHAD HILEY
Chief Human Resources Officer
EMPLOYEE & LEADERSHIP DEVELOPMENT

Talent is our competitive advantage and our people are what set us apart. As a heavy equipment solutions provider, continually developing our employees is crucial for the sustainability of our company. As our customers’ challenges become more complex, we must continue to develop both traditional and digital knowledge, and foster innovation throughout the organization. In developing our employees, we also retain talent, which is key in our increasingly competitive industry.

Our talent development plan consists of:

• TECHNICAL TRAINING: 6,834 technicians work at Finning and in 2018, our technicians received an average of 23 hours of training each. We also continually develop the expertise of our technicians and invested more than $5 million in technical training in 2018. Read more details in the In Focus feature on page 15.

• LEADERSHIP TRAINING: As we build and improve the skills of our entire workforce, we must also enhance the capabilities of our leaders to develop their teams and make better data-driven decisions. Our leadership training includes our global program, Power to Lead, in conjunction with a selection of targeted programs and opportunities that further enhance the Finning competencies by helping leaders cultivate innovation and develop talent.

• SALES TRAINING: It is essential that we continue building relationships with new and existing customers, and that our sales team is able to communicate our value proposition. In 2018, members of our salesforce received an average of 17 hours of training per person.

Power to Lead

One of the innovative ways we develop our leaders is through Power to Lead. The program enables Finning’s leaders, at all levels in the organization, to translate the company’s strategy into action. Power to Lead also serves as a template for how we will develop a more strategic pipeline of leaders year over year.

In late 2017 and through 2018, we conducted eight pilot training sessions for 151 leaders. The training takes three to six months to complete and is primarily instructor-led, facilitated by an expert based in each region. After improving the training based on attendee feedback, in September 2018, we started regular delivery sessions of the program in each region. We configured the training for different levels of leadership:

• Senior leaders attend three three-day global events that give them the opportunity to learn from each other and bring together their regional experiences and perspectives through a global, strategic network of peers.

• Mid-level leaders participate in two three-day long regional-based sessions.

• Front level leaders participate in one three-day regional session and take additional follow-up learning modules delivered virtually.

This global leadership development program will reach nearly 1,800 leaders by 2022.

Workday: optimizing processes

In 2018, we completed our global implementation of Workday as our human resources management system. Workday provides the enabling technology to manage the full hire-to-retire lifecycle in one simple, easy-to-use system. By being able to access consistent, reliable data, we can improve how we manage and more importantly how we develop our people.

LABOUR RELATIONS

We respect the rights of our employees to join an employee association or trade union of their choice, consistent with national law and practice. We strive to develop constructive and stable relationships with our employees and the organizations that represent them, and to negotiate the terms of our agreements in good faith. At the end of 2018, approximately 60 percent of our employees were covered by bargaining agreements. In the past three years, we have signed 12 agreements covering all of our operations, without any interruptions to our operations during the negotiation process.

2018 AVERAGE TRAINING HOURS PER EMPLOYEE, BY TRAINING TYPE

<table>
<thead>
<tr>
<th>Training Type</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical</td>
<td>23</td>
</tr>
<tr>
<td>Sales</td>
<td>17</td>
</tr>
<tr>
<td>Leadership</td>
<td>30</td>
</tr>
</tbody>
</table>

DEVELOPING A TALENT PIPELINE

Every year, we invest heavily in technical training, and adjust our approach by region, based on the size of the business and differences in availability of skilled workforce.

FINSA: FINNING TECHNICAL INSTITUTE (FIT)

In 2012, we built a state-of-the-art 25,000 square feet training centre in the mining region of Antofagasta, Chile. The main purpose is to train apprentice mechanics and operators. Our mechanics start as apprentices and can take up to seven training modules to become senior technicians. Developing technical expertise requires our employees to continually learn new procedures and technologies.

In 2018, FIT provided 115,260 hours of training to 2,139 Finning apprentices and employees.

UK & IRELAND: TRAINING CENTRE

Our Apprentice Academy is a fully accredited educational institution, and a highly regarded program. Our four-year training is based on Caterpillar’s ThinkBig technical education program. To earn their certificate, students learn to interpret and respect safety procedures, carry out diagnostics, and service and repair a variety of engines and machines. Students are able to obtain certification in areas such as plant maintenance and repair, fork lift operator and apprentice certification. Students alternate between blocks of four to eight weeks of classroom learning, and eight weeks of in-classroom learning, and eight weeks of on-the-job practice, where they assist professional technicians, and apply their recently acquired knowledge. Every year, we receive around 500 applications for the 20 to 25 positions available, which points to its good reputation and recognition. In the last two years more than 20 technicians have graduated from the program and in 2018, Finning welcomed 25 new apprentices to the program.

CANADA: APPRENTICESHIP TRAINING

ThinkBig is a 20-month program where students gain technical knowledge and hands-on skills directly related to Cat® equipment. This program is a partnership between Finning, Caterpillar and Grande Prairie Regional College. It consists of five 16-week blocks divided into eight weeks of classroom theory and labs on campus, followed by a paid eight-week work practicum at a Finning location.

The program covers all four levels of traditional apprenticeship exams to obtain the heavy equipment technician (HET) diploma, as well as Finning’s new hire orientation and Caterpillar-specific courses. The training is delivered in Fairview, Alberta and it is now in its 16th year. In 2018, 34 apprentices graduated from the program and all of them were offered positions at Finning. We also have four women progressing through the ThinkBig program with one to graduate next June.

2018 AVERAGE TRAINING HOURS PER EMPLOYEE, BY TRAINING TYPE

<table>
<thead>
<tr>
<th>Training Type</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical</td>
<td>23</td>
</tr>
<tr>
<td>Sales</td>
<td>17</td>
</tr>
<tr>
<td>Leadership</td>
<td>30</td>
</tr>
</tbody>
</table>

FINNING | SUSTAINABILITY REPORT 2018
Finning operates parts and service facilities, remanufacturing centres, vehicle fleets, and offices, all of which consume resources and have an impact on the environment. We make it our responsibility to understand our environmental impact and work towards minimizing our footprint.

**Environmental Management**

Our environmental initiatives take many different forms, but all come under the oversight of the Board’s SESIR committee and management, who are mandated to ensure Finning’s operations work towards long-term environmental sustainability. Our approach consists of the following elements:

- **Management System:** The environmental component of our EH&S and CSR management system is based on ISO 14001 requirements. Some of our business areas are externally ISO 14001 certified.
- **Policies & Procedures:** Our commitment to manage our most material environmental impacts is outlined in our new global Sustainability Policy. Each region has EH&S policies that comply with regional environmental regulatory requirements.
- **Audits:** Every year we conduct an internal environmental audit at each facility. We also strengthened the criteria for our environmental audits in Canada and trained all Canadian EH&S advisors on conducting the new audits. Additionally, our facilities that are externally ISO 14001 certified are subject to third-party audits in a three-year cycle. To ensure data accuracy and reliability, we conducted an internal audit of our GHG emissions in all three regions in 2018.

**GHG Emissions & Energy Use**

We recognize that climate change is a serious global challenge and we are committed to monitoring, reporting and managing GHG emissions of our operations.

We operate more than 200 facilities and have a fleet of more than 2,500 vehicles, including cars, pick-up trucks, vans and large service trucks. In our facilities, we do equipment repairs and replace parts and large components but we do not manufacture any new equipment. However, as a result of our operations, we generate direct GHG emissions (scope 1) from fuel combustion in our fleet, natural gas use for heating facilities, and diesel use for engine and transmission diagnostics. We also generate indirect GHG emissions (scope 2) from purchased electricity. Read about our reduction efforts in the In Focus feature on page 18.

**greenhouse gas emissions 2017 vs. 2018**

<table>
<thead>
<tr>
<th>Facility Type</th>
<th>2017 Tons of CO₂</th>
<th>2018 Tons of CO₂</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas for heating facilities</td>
<td>47,844</td>
<td>42,245</td>
</tr>
<tr>
<td>Fuel for service trucks and company vehicles</td>
<td>108,708</td>
<td>104,756</td>
</tr>
<tr>
<td>Diesel used during testing and diagnostics</td>
<td>27,892</td>
<td>34,019</td>
</tr>
</tbody>
</table>

Compared to 2017, Finning reduced its absolute GHG emissions by 4 percent.

**In Focus**

“*To reduce our environmental footprint, we have to look at everything from our GHG emissions to our waste and water practices. Reducing our environmental impact is essential to sustainability of our business, and more importantly, is the right thing to do.*”

David Primrose
Managing Director
Finning UK & Ireland
HEATING SYSTEM UPGRADES
Our large industrial facilities, particularly those located in Canada and the UK and Ireland, have substantial heating requirements, and significantly contribute to our energy consumption. In Canada, we replaced boilers with high efficiency systems in two locations.

As a result of these changes, we avoided 175 tonnes of carbon dioxide (CO₂) in 2018.

HEATING CONTROL
In the UK, we installed a heating temperature control system and overhead door sensors that switch the heat off when the door is open. Originally installed in our five largest branches in 2015, we added the system to three more locations in 2018.

In a single year, we realized savings of 350 tonnes of CO₂ from the first five facilities.

POWER PACKS INSTALLATION
Power packs are external generators that use vehicle fuel to enable ancillary equipment use (e.g., air compressors, generators, welders, battery chargers, hydraulic pumps) without requiring vehicle engine idling. This technology, in conjunction with increased driver awareness about idling, can result in significant reductions in diesel consumption.

As of the end of 2018, 56 percent of our 671 service trucks in Canada had power packs. This technology reduced fleet CO₂ emissions by about 430 tonnes in 2018.

LED LIGHTING
Industrial spaces have specific lighting requirements to ensure spaces are bright enough to conduct tasks. At the same time, these spaces have high ceilings and few windows, which makes lighting a challenge. In 2018, we retrofitted four Canadian locations, two UK locations and six South America locations with LED lighting.

This work resulted in 700 tonnes of CO₂ reductions.

AIR COMPRESSORS
Our maintenance facilities have a variety of pneumatic tools that use compressed air. In 2018, we upgraded the air compressors in one large Canadian facility. Reductions from increased CO₂ efficiency are 142 tonnes.

ENERGY CONSERVATION INITIATIVES
We know that we need to see behavioural changes at individual branches to make a lasting energy change. In 2018, we established expectations for each branch in Canada. Examples include establishing ‘switch off’ procedures for equipment and lighting, setting minimum and maximum temperature settings according to the season, as well as reviewing awareness learning materials and facility emissions data. Branches review their utility information monthly to track progress and improve performance.

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SPILLS & WASTEWATER
During heavy equipment maintenance, we fill and empty fuel tanks, replace filters, and repair defective hoses and other hydraulic systems. In most of our facilities, we store diesel and other chemicals such as glycol (used as coolant or heat transfer fluid) in small tanks, which could result in loss of containment and the potential to migrate to water bodies. Effluents or wastewater from our operations are also an environmental concern. To ensure the quality of the water discharged from our operation is acceptable, we have systems to separate oil from water before discharging and monitor our vehicle and equipment washing practices.

All of our repair facilities have spill prevention systems and wastewater management processes in place, which meet or exceed regulatory requirements. In 2018, some of our initiatives to manage spills and wastewater included:

• PROVIDING TRAINING: In Canada, we provided awareness training covering practices around wastewater and storm water management, tank management, and fuel and chemical storage. This year, approximately 300 operational managers and supervisors completed the online awareness training in Canada. In the UK & Ireland, we also provide targeted training on environmental awareness including management of wastewater and spill prevention.

• SPILLS TRACKING & DRILLS: In South America, we track spill volumes and lifecycle costs associated with clean-ups for spill prevention. In the UK & Ireland, all facilities carry out spill drills which are documented and tracked.

• PROTECTING WATER QUALITY: Our largest facility in Canada, OEM Remanufacturing, has an on-site wastewater treatment facility that improves the quality of water before discharging back to the municipal system. In 2018, two branches in South America implemented a closed-loop water system that treats and reuses greywater for internal activities and reduces freshwater use. In the UK, all facilities have wastewater interceptors in equipment wash bays to ensure all oils and silt contaminants are filtered before entering the water system. Additionally, each year we have a third party wastewater sampling program at all of our facilities’ wash bays to ensure we do not exceed discharge limits.

WASTE & PACKAGING
As the world’s largest Caterpillar dealer, each year we sell equipment parts directly to customers. We also use parts in our maintenance facilities. Depending on their size, parts come packaged in wood pallets and crates, cardboard boxes, and plastic. During the maintenance process, we also end up with large quantities of used filters, oily rags, used oil, tires, and scrap metal. We are taking steps toward understanding and improving the management of some of our waste streams. Read more about our waste reduction efforts in the In Focus feature on page 21.

REPORTABLE SPILLS

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of reportable spills</th>
<th>Total volume of reportable spills</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2018</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Each of our regions tackled some of their most pressing waste-related concerns in 2018 reporting data internally on waste by weight, disposal methods, and diversion rates. Additionally, we worked with our waste contractor to increase tonnage per haul efficiency, conduct site waste audits, and to reclassify waste streams to ensure proper disposal.

REDUCING & REUSING WASTE

CANADA: STANDARDIZING OUR WASTE PROGRAM
In 2018, we developed a comprehensive compliance-based program that standardizes the way our branches handle, store, manage and dispose of domestic and hazardous waste. More specifically, we standardized the procedures that cover waste characterization, waste manifests, waste storage and criteria for working with third-party waste management companies. We also began tracking and reporting data internally on waste by weight, disposal methods, and diversion rates. Additionally, we worked with our waste contractor to increase tonnage per haul efficiency, conduct site waste audits, and to reclassify waste streams to ensure proper disposal.

SOUTH AMERICA: RETHINKING WASTE
In 2016, we started Huella Verde (Green Footprint), a program that focuses on finding innovative uses for the waste generated at our facilities. Our efforts are currently focused on diverting valuable materials such as wood and metals from landfills. In 2018, we completed two projects at our maintenance centre in Antofagasta. We reused steel frames and wood panels from shipping crates to build covered bike storage and an outdoor recreational space for employees. These projects not only have an environmental benefit, but they also promote employee health and wellness by encouraging staff to bike to work and to take outdoor breaks during the workday.

UK & IRELAND: MINIMIZING PLASTIC PACKAGING
Our UK & Ireland region is able to recycle a large percent of the waste it generates. To further improve our recycling rate, we analyzed our packaging waste streams in 2018. While the wood and cardboard components of packaging are fully recyclable, we saw an opportunity to rethink plastic packaging, especially packaging of smaller items. To reduce waste at the source, we developed new plastic packaging guidelines. The guidelines include recommendations for plastic bag sizes for different items, and the potential for replacing plastic with reusable cardboard. This work is still in development, and we will report on it further in 2019. Each of our regions tackled some of their most pressing waste-related concerns in 2018 reporting data internally on waste by weight, disposal methods, and diversion rates. Additionally, we worked with our waste contractor to increase tonnage per haul efficiency, conduct site waste audits, and to reclassify waste streams to ensure proper disposal.

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We provide our customers with the equipment that mines minerals, builds roads and harvests trees. Our customers don’t simply buy a machine from us, they purchase a solution to transform their performance and make their business more successful.

For 85 years, we’ve been working to earn our customers’ loyalty by delivering unrivalled service. We actively promote systems that help our customers enhance their safety, achieve efficiencies and reduce their environmental footprint.

CUSTOMER SAFETY
Our proactive approach to safety extends to the safety of our customers. Continued product safety is key to earning our customers’ loyalty, and we work with Caterpillar to ensure the products we sell are safe to operate and maintain. Through operator training, a product recall program, and new technologies, we help our customers improve the safety of their operations.

Manuals & operator training
As a basic expectation, we provide detailed operation and maintenance manuals for all the Cat® equipment we sell. As part of equipment sales, some of our branches provide optional training to safely operate or repair the equipment. In 2018, we provided more than 2,280 hours of training at our Finning Technical Institute in Chile to 602 of our customers’ operators.

Recalls & repairs
If Caterpillar identifies a part, component or piece of equipment that does not meet their standards, they create a service letter. Service letters may refer to unsafe parts or models, or to unmet standards of durability or reliability. They are categorized as safety product improvement programs or priority product improvement programs (PIPs). As a Cat® dealer, we take these service letters very seriously. We ensure any areas of concern are promptly reported to our customers and repaired. At the end of 2018, our PIP completion rate for safety letters was 99.8 percent and 98.6 percent for priority service letters for the letters we received. In addition, if we, or our customers, find any issues with a part or piece of equipment, we promptly inform Caterpillar, to ensure improvements are made to future product designs.

Autonomous technology
The mining industry is on a path to increased automation. Mining companies can use several levels of automation to increase the safety of operations, including operator assist, remote control, semi-autonomous and fully autonomous vehicles. Fully autonomous mining trucks use advanced sensors, intelligence and advanced control systems to navigate the full range of loading, hauling and dumping operations without the requirement of an on-board operator. Finning has been a strong proponent of this technology and is partnering with key customers to deploy it in their mining operations. Read about our involvement in the in Focus section on page 25.

CUSTOMER PERFORMANCE & LOYALTY
As technology evolves so does our definition of what it means to “service what we sell.” That motto has served us well since Earl B. Finning founded our company in 1933. However, technology is evolving at a rapid pace and fundamentally changing our business. Our customers, employees and suppliers have different expectations of us and the integration of technology influences all aspects of our relationships. For instance, eCommerce has changed the way customers buy parts and new technologies give us instant data about equipment performance.

We are committed to evolving our service operations and to continuing to provide comprehensive support for all the equipment we sell. Our value proposition for customers includes:

SERVICE & SUPPORT: In our aim to provide value-added services and foster long-term relationships with customers, we promote customer support agreements (CSAs). Under CSAs, we conduct regular and preventive equipment maintenance to reduce downtime.

ECOMMERCE: Another way we are meeting evolving needs is through eCommerce. For some of our customers and based on their purchasing volume and frequency, Parts.Cat.com gives them the ability to quickly and easily find the part they need any time from any device. For our largest customers, we’re deploying integrated procurement which connects directly into their enterprise business system, so that parts ordering is seamlessly
To help ensure equipment operators stay safe, we promote innovative CAT® equipment and solutions that...

Integrated into their existing processes. Both eCommerce solutions complement our branch network and over the last three years we’ve had 1,500 customers use our platform. In 2018, revenues from eCommerce and integrated procurement were over $175 million.

**Machine Connectivity**: Advances in sensors and wireless communications allow us to transmit valuable data on the performance of our customers’ equipment. All new Cat® equipment comes standard with this technology, but we can also retrofit older Cat® and non-Cat models with this technology, too. In 2018, we now have 68 percent of the Cat® assets in our regions connected and transmitting data. We are using this data to improve our operations and to develop a range of performance solutions that help improve our customers’ safety, equipment health and productivity.

**Performance Solutions**: We provide a wide array of Cat®, Trimbble and third-party products and services to support our customers in keeping their machine fleets running longer, safer, and more efficiently. By combining data, digital technologies and our equipment and industry expertise, we are now able to provide predictive maintenance recommendations to lower repair costs and minimize downtime. These solutions also help customers lower their fuel costs and optimize production to drive efficiency in their operations. Read more about our remote fleet monitoring solutions in the In Focus feature on page 29.

We will continue to use technology to expand our business, enhance our customer service, and, more importantly, transform our customers’ performance. By increasing the ease of doing business with Finning, we continue to increase our customer loyalty. In the last five years we have increased our customer loyalty score by 10 points.

**Product Stewardship**

We do not manufacture products but we recognize that we have an important role to play in helping our customers improve equipment performance and in reducing the environmental impacts of products throughout their lifecycle. We support our customers by providing products and solutions with reduced emissions, supporting alternative energy, and extending the life of equipment.

**Emission-reduced products**

We believe that selling emission-reduced products can contribute to emission reductions on a larger scale. We were at the forefront of the rollout of Caterpillar’s sophisticated Tier 4 line of equipment, which significantly reduces CO2 emissions through improved fuel efficiency. We also promote the sale of Cat® emission-reduced equipment such as D7E electric drive dozer and ultra class electric-drive mining trucks that reduce fuel consumption by up to 20 percent, and hybrid excavators and wheel loaders that reduce energy use and CO2 emissions by more than 25 percent.

**Innovation in alternative energy projects**

We are strong supporters of innovation in renewable and alternative energy projects. Our team helps design and procure equipment for innovative projects around the world. Some examples include:

**Cooking Oil as Fuel**: Finning UK & Ireland helped a client deliver a first-of-its kind project to generate power from used cooking oil at a site in Whitemoor, North Yorkshire. The innovative project uses ten Cat® 3316 engines that run on fuel created from used cooking oil. The oil is collected from restaurants, food processing plants and household waste recycling centres. Besides selling the equipment, we also assisted with meeting environmental compliance requirements, and we will provide ongoing operational support until 2022.

We are proud that this project received a 2016 British Renewable Energy Award.

For over a decade, Caterpillar and its dealers have been working with dealers and customers to develop and test safe autonomous and semi-autonomous (remote) equipment operating systems. When deployed well, autonomy can have significant positive benefits to safety, environmental impact and production efficiency. For these reasons, Finning advocates for autonomous equipment as a better solution for our customers.

An increasing range of existing Cat® and non-Cat® equipment can be made to operate autonomously with a retrofit of Caterpillar’s autonomous systems. In 2018, Finning and Caterpillar converted 14 haul trucks to autonomous operation at two Finning customers’ sites in Canada. To ensure the safe and efficient operation of the trucks, Finning and Caterpillar provide extensive simulation training for mine operators where they learn how to incorporate the autonomous vehicles safely and maximize the benefits associated with autonomous operation.

The safety record of autonomous trucks is impressive. Technology on autonomous trucks allows the vehicle to be operated under strict control on a very defined truck path with accurate speed, object detection and perception systems designed to avoid collisions.

With more than 150 Caterpillar autonomous trucks operating globally, these vehicles have driven 30 million kilometers and hauled over 1 billion tonnes of material, while incurring zero lost-time injuries.

Another important benefit for customers is increased productivity, resulting in reductions in environmental impact per tonne of material moved. When fully optimized individual truck performance is synchronized into a fully orchestrated fleet, customers can see a productivity increase greater than 30 percent for haulage fleets (i.e. 30 percent more tonnes hauled per gross operating hour).

We are advocates of autonomous trucks as a safer solution for mines.
LOCAL SUPPLIERS

Although our company size allows us to work with large global suppliers, in some circumstances we choose to support smaller local suppliers which benefit the communities we operate in. By supporting local suppliers, we not only support the local economy but also help to reduce transportation emissions as these suppliers are closer to our facilities. Some of our local suppliers have grown their businesses with us over the past 20 years. These suppliers provide us quality and service, and further create economic resilience in the communities where we operate. Some of our local suppliers are:

- **CANADA: CARIBOO CHROME & HYDRAULICS:** This company has been servicing Northern B.C. locations since 1980. They provide fabrication and rebuilding of hydraulic cylinders as well as metal resurfacing including chrome plating. Cariboo Chrome has been a key supplier of our Prince George location for almost as long as we have been in the area.

- **SOUTH AMERICA: INVERSIONES FARIAS**
  Founded in 2004, Inversiones Farias is a mobile crane supplier in Chile that has been supporting Finning South America since its inception.

- **UK & IRELAND: SPILLARD SAFETY SYSTEMS**
  Spillard Safety Systems is one of the UK’s largest mobile safety equipment suppliers. They have been in business since 1992 and have been servicing and supporting Finning UK for the last 26 years.

LANDFILL GAS FOR ENERGY: In 2015, we provided design and engineering expertise, along with Cat® equipment, for an innovative project in El Molle, Chile. The project used landfill gas to produce energy, and ultimately generated 14.5 gigawatt hour of power to supply the electric grid in Valparaiso, Chile. Since landfill gas contains large amounts of methane, it has a significant global warming potential. Using landfill gas to produce energy mitigates the climate impact.

Product remanufacturing & exchange

Considerable energy and resources go into making a single machine. Any effort to extend the life of equipment or components results in reduced energy and material consumption from a lifecycle perspective. Extended life also means that fewer machines and components end up in scrap yards. Product remanufacturing and exchange provide several benefits to our customers, while contributing to reducing waste.

Through the Finning Exchange program, customers can return a worn-out component for a like-new component that has the same performance and reliability, at a fraction of the price of a new one. The program includes all types of equipment components, such as engines, final drives, hydraulic pumps, motors, cylinders, torque converters, transmissions, groups, differentials, axles and undercarriages.

We have exchange facilities and a component rebuild centre that are dedicated to extending the life of Cat® equipment and components, greatly reducing resource inputs and minimizing waste. Our remanufacturing efforts prevent thousands of tonnes of scrap metal from going into landfills each year. Read more about OEM Remanufacturing in the in Focus feature on page 30.

RESPONSIBLE SUPPLY CHAIN

Cat® is our main and most strategic supplier, considering that 95 percent of our sales involve Cat® products. Finning is part of a global network of 171 independent Cat® dealers worldwide. Our longstanding relationship with Caterpillar is based on mutual respect and learning.

We are also aware that as a large and global organization, we have considerable purchasing power. Each year we spend approximately $1 billion with more than 6,000 suppliers globally. Our suppliers partner with us to provide products and services such as complementary parts for resale, repair and operations consumables for our own use, personal protective equipment, vehicles to support our field services, transportation, logistics, travel services, professional services, and digital and IT products and support.

Finning aims to work with suppliers that share our values and uphold our standards. Our prequalification process is similar in each region and includes reviewing financial standing, safety records, quality systems, and reputation. We continually update our processes but currently aim to respect:

- **HUMAN RIGHTS & INTEGRITY:** We work to ensure that we do not work with suppliers that use child or forced labour, that disregard basic health and safety provisions, or that misuse the intellectual property of others.

- **ENVIRONMENT:** We favour products and services that are sustainable in nature and will avoid buying from suppliers that willfully damage the environment.

- **SUSTAINABILITY REPORT 2018**
- **REMOTE FLEET MONITORING**
- **PRODUCTS**
- **LOCAL SUPPLIERS**
- **INCLUSION:** We work to ensure that our procurement process does not place any obstacles in the way of small or new companies or those owned or managed by members of minority or disadvantaged groups to partner with Finning. See examples of Finning suppliers in the sidebar story (left).

SERVICES, TRANSPORTATION, LOGISTICS, TRAVEL SERVICES, PROFESSIONAL SERVICES, AND DIGITAL AND IT PRODUCTS AND SUPPORT.

- **EQUIPMENT HEALTH MONITORING:**
  All key mechanical and electrical metrics that represent vital signs of each piece of equipment such as pressure and temperature of different components, vibrations, oil composition, electric flow, and engine parameters.

- **PRODUCTIVITY:** Online production metrics such as tonnage per hour, speed in different hauling profiles, tires temperature, and fuel consumption.

Our remote fleet monitoring solution uses a combination of on-machine hardware and programmable software to collect and analyze data from each of our customers' machines at our monitoring centres. By collecting data on KPIs such as fuel consumption, stop/start patterns, and idle and operational time, our systems build a unique history of each machine.

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Remote fleet monitoring focuses on three areas:

- **POSITION OF THE EQUIPMENT:** GPS signal indicates precise position of the equipment at any given moment.

**INTEGRATED KNOWLEDGE CENTRE**

In 2016, we established the Integrated Knowledge Centre (IKC) in Antofagasta, Chile. The IKC houses experts in the area of equipment health monitoring, development, and maintenance operations. Our experts provide 24/7 remote condition monitoring, develop and monitor maintenance KPIs, develop the strategy for component replacements, and help our customers maximize productivity.

In 2018, we monitored more than 280 assets for six customers across 14 sites in Chile. We combine mining and maintenance expertise to improve equipment reliability, availability and productivity. Through our data-driven insights and actions, we have helped our mining customers achieve five to 40 percent cost reductions per tonne mined, which represents a cumulative of $60 million of savings.

In 2018, we established a new centre in Edmonton and our team is providing similar services across Western Canada.
Finning's OEM Remanufacturing is based in Edmonton, Canada and employed more than 600 people in 2018. OEM is one of the most advanced engine and powertrain component remanufacturing centres in North America.

The OEM production floor follows a lean manufacturing process in which rework and waste are minimized. Engine, cylinder, expanded mining and powertrain components flow through the facility in an optimized production path, allowing employees to provide timely and efficient service. When it comes to remanufacturing, cleanliness is critical. Without effective safeguards, dust and dirt can easily contaminate components, or enter lubrication systems, resulting in early product failure. The pressurized, climate-controlled OEM building ensures that dust and air particles do not enter the facility. An air filtration system provides exceptional contaminant control.

In 2018, we remanufactured more than 10,000 components for our customers which helped them reduce operating costs while renewing their equipment. It also helps Finning grow our business, create specialized jobs, and significantly reduce waste by extending the life of machines.
Our main focus is on developing STEM skills, and then on expanding our internal commitment to inclusion practices to our communities. We provide training and skills development, and support our employees in making meaningful contributions with their skills and time.

STEM EDUCATION

STEM stands for science, technology, engineering and mathematics — disciplines that produce the engineers, analysts, chemists, biophysicists and other technical and scientific practitioners that help drive today’s innovation-oriented world.

This is why we focus the majority of our community efforts on STEM-related programs. We believe our work in this area can create a lasting positive impact on communities and countries, while also developing the talent needed in our industry and company.

We primarily focus on young individuals who don’t have access to STEM programming, resources or mentoring. We continue to engage with organizations who are dedicated to educating and inspiring youth, and breaking down gender stereotypes.

Canada: partnership with Actua

In 2018, we continued our multi-year partnership with Actua, a STEM education outreach organization that aims to inspire and educate young people across Canada. Our partnership helped more than 125,000 youth across Western Canada access STEM programming which added more than 855,000 face-to-face hours of dynamic experiential learning. Our support was focused on the engagement of youth populations underserved and underrepresented in STEM — Indigenous youth, girls, at-risk youth, and children living with significant socio-economic challenges. In addition to providing financial assistance, more than 115 Finning employees volunteered at 10 events across Western Canada.

South America: partnership with ComunidadMujer

Since 2016, we have been partnering with ComunidadMujer and Liceo Mejillones. Our common goal is to inspire girls to follow STEM careers and help change gender stereotypes that impact career choices. ComunidadMujer is a non-profit that works to promote women’s rights and improve public policies for greater equality and equity. Liceo Mejillones is a K-12 educational centre that provides high school diplomas and technical trade apprenticeships for students.

After three years of engagement with more than 300 students, parents, educators, and government representatives, we jointly developed a comprehensive teaching tools manual. The manual suggests activities to spark conversations about gender and inequality in all school subjects, from math to physical education. The activities help students uncover inequality in home activities, as well as gender biases when choosing careers, both of which can prevent girls and women from participating in STEM disciplines. We’ve made the manual publicly available so that other institutions can benefit from the learnings.

UK: STEM Ambassadors

STEM Ambassadors are individuals who have expertise in STEM-related disciplines. Ambassadors volunteer their time to engage and encourage young people to follow STEM careers, sharing their experience and problem-solving skills. In 2018, 15 of our employees served as STEM Ambassadors. Many visited schools and community colleges to promote and explain STEM career choices to students of different ages and different abilities. Others attended a career fair for Armed Forces veterans who are hoping to return to the civilian job market.

In 2017-18, one of our STEM Ambassadors mentored a team of five students to participate in The Ultimate STEM Challenge. This national competition builds confidence and teamwork skills, and inspires young people to consider STEM careers. The Challenge brought together students from 24 schools, each with a business mentor from a local company. The students were required to design and build a product that improved or enhanced the quality of life for disadvantaged people. The team of students designed and manufactured an exercise bike that also provides light therapy for people with seasonal affective disorder. The students attended the competition finals in July.

Beyond our focus on STEM, the drive to support the communities where we live and work is in our company’s DNA.”

MARCELLO MARCHESI
President
Finning South America
COMMUNITIES

SKILLS DEVELOPMENT
We believe technical skills help community members raise their standard of living. Besides educating students about STEM careers, we provide technical training and support to women, students, young offenders, and members of our communities.

Canada: Partnership with Women Building Futures
We have a partnership with Women Building Futures (WBF), located in Edmonton, Alberta, to support their Journeywoman Start program. This program offers fully paid positions rotating every 12 months at different industry partners. This is a traditional heavy equipment apprenticeship with the benefit of receiving work experience at four different locations as they progress through each year of their apprenticeship. Finning sponsored two apprentices in each of the two programs (Edmonton, Fort McMurray) at approximately $44,000 per individual to be considered for apprenticeships.

Finning’s first 12-month apprenticeship started in January 2018 with two apprentices joining our Fort McMurray town shop facility. In September, we expanded into the Edmonton area placing two additional candidates.

In addition to training female apprentices, Finning provided WBF with access to facilities and equipment to develop a virtual reality training module and contributed to a promotional video to encourage Indigenous women and women from rural communities to consider a career in the trades. Finning also participated in the WBF’s first Work Proud Summit, that brought together industry, government, and associations to collaborate on solutions that create respectful and inclusive workplaces where everyone feels safe to contribute.

South America: Training for our communities
The Finning Technical Institute (FIT), located in Chile, is a fully accredited institution that offers training and trade certification. Although its main purpose is to build capacity in our employees and customers (see page 35), we leverage our knowledge, instructors and facilities and committed to diversity and inclusion by providing training to women, people at social risk, immigrants with support from the tax benefits.

We believe technical skills help community members raise their standard of living. Besides educating students about STEM careers, we provide technical training and support to women, students, young offenders, and members of our communities.

- LOCAL COMMUNITY MEMBERS: In conjunction with municipalities, we identify skills gaps in communities near our branches and provide targeted technical training. In 2018, 192 individuals obtained their certificates in forklift operations and logistics.
- WOMEN: We provide training for women who are traditionally homemakers, giving them valuable skills in welding, forklift operations and logistics. These skills enable women to work in a variety of industries, including mining. In 2017-18, 52 women obtained certificates. Four of these women currently work in Finning’s rotating equipment repair centre.
- STUDENTS: We have 22 partnerships with high schools and technical schools in Chile, Argentina and Uruguay. As part of their education, students can receive training at our FIT centre. In 2018, 880 students received instruction at our facilities.
- YOUNG OFFENDERS: Through a partnership with Fundacion Tierra de Esperanza, we provide training to young offenders to help them become employable and productive members of society. In 2018, 40 individuals obtained their certificates in forklift operations and logistics.

EMPLOYEE ENGAGEMENT
Our employees are passionate about getting involved in the community on behalf of Finning. Every year they dedicate their time to help local non-profits and worthy causes in their regions.

Canada
To help instill a positive attitude about nature in today’s youth and help create a future of environmental leadership, we have supported Ducks Unlimited Canada’s education programs. Our two-year sponsorship of Project Wetfoot helped learning come to life for more than 600 students who explored wetlands to apply what they learned in the classroom. Finning employees volunteered with the program accompanying students on their field trips.

South America
Since 2012, we have had an employee-led fundraising program. Individual employees or teams submit proposals for social projects and each winning project receives $3,000 from Finning. All projects require volunteering from the employee and other co-workers, as well as participation of customers in the area. In 2018, we received 34 proposals and selected four in Chile,

UK & Ireland
For several years, through our Safety in the Community program, we’ve encouraged employees to support local schools and community groups by promoting safe practices. We also donate customised high-visibility vests to use during trips or excursions. Part of the program involves our employees giving age-appropriate presentations on safety, and engaging children in related activities, such as drawing posters about road safety.
Finning’s history and success as a company is built on a strong foundation of integrity. We are committed to conducting business in accordance with the highest governance and ethical standards.

**ETHICS & GOVERNANCE**

* 2018 HIGHLIGHTS

- Our five-year average support of our approach to executive compensation is 94.24%
- Four of our twelve Board members, or 33%, are women

**ETHICS & ANTI-CORRUPTION**

Our rigorous standards of business conduct are a key reason why employees work for us, customers and suppliers partner with us, and shareholders invest in us. Our Code of Conduct reflects our commitment to act ethically. It’s how we put our principles of transparency, ethics and professionalism into practice each day. Our values, Code of Conduct, and complementary policies clearly outline how we will achieve our results.

The Code of Conduct applies to all employees. Senior executives and senior employees involved in financial management also sign the Code of Ethics for Senior Executives and Financial Management.

Our shared commitment and accountability involve more than just complying with the Code. Each employee has the right and responsibility to promptly report suspected Code contraventions. They can do this through the ethics hotline or website, through their local supervisor or human resources, legal or risk department. After a thorough investigation, if a report is substantiated, the responsible party may face disciplinary action, dismissal or legal action.

As part of its oversight responsibilities, the Board has approved a number of policies to support Finning’s high standards of governance:

- Board Diversity Policy
- Code of Conduct
- Code of Ethics for Senior Executives and Financial Management
- Corporate Disclosure Policy
- Global Anti-Bribery and Anti-Corruption Policy
- Global Political Contributions Policy
- Policy on Share Trading, Hedging and Use of Material Information
- Whistleblower Policy
- Sustainability Policy

Finning has zero tolerance for bribery or corruption in all business dealings and relationships, in all jurisdictions in which we operate. We have a strong Code of Conduct and Global Anti-Bribery and Anti-Corruption Policy in place. In 2019, we will review our risk assessment processes to ensure they continue to meet applicable global standards.

*High standards of behavior are not just about Finning’s reputation. Rather, they need to be simply who we are. This is the foundation of the trust and confidence of our stakeholders and communities.*

STEVEN M. NIELSEN
Chief Financial Officer
**CORPORATE GOVERNANCE**

We believe that high governance standards are essential to operating effectively and enhancing shareholder value. Finning has an established tradition of excellence in corporate governance, and our Board of Directors is resolute in its commitment to fulfilling its duty of accountability. The Board is also committed to building on its best practices through continual evaluation and improvement. The table summarizes some of their practices and key governance concerns.

Our Board has four standing committees: audit, human resources, corporate governance, as well as safety, environment, and social responsibility (SESR). To find out more about our Board, please refer to our most recent management proxy circular, which is available [here](#).

<table>
<thead>
<tr>
<th>BOARD &amp; GOVERNANCE INFORMATION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of board</td>
<td>12</td>
</tr>
<tr>
<td>Average age of directors</td>
<td>64</td>
</tr>
<tr>
<td>Number of independent directors</td>
<td>11</td>
</tr>
<tr>
<td>Mandatory retirement age</td>
<td>72</td>
</tr>
<tr>
<td>Separate chair and CEO</td>
<td>Yes</td>
</tr>
<tr>
<td>Comprehensive board assessment process</td>
<td>Yes</td>
</tr>
<tr>
<td>Independent chair</td>
<td>Yes</td>
</tr>
<tr>
<td>Average director tenure</td>
<td>6 years</td>
</tr>
<tr>
<td>Annual election of directors</td>
<td>Yes</td>
</tr>
<tr>
<td>Proxy access</td>
<td>Yes</td>
</tr>
<tr>
<td>Majority voting policy</td>
<td>Yes</td>
</tr>
<tr>
<td>Code of Conduct for directors, officers and employees</td>
<td>Yes</td>
</tr>
<tr>
<td>Board meetings held in 2018</td>
<td>6</td>
</tr>
<tr>
<td>Stock ownership guidelines for directors and executive officers</td>
<td>Yes</td>
</tr>
<tr>
<td>Board meeting attendance in 2018</td>
<td>100%</td>
</tr>
<tr>
<td>Policy on share trading and hedging</td>
<td>Yes</td>
</tr>
<tr>
<td>Say on Pay advisory vote</td>
<td>Yes</td>
</tr>
<tr>
<td>Five-year average support of our approach to executive compensation</td>
<td>94.24%</td>
</tr>
<tr>
<td>Women Board members</td>
<td>33%</td>
</tr>
<tr>
<td>Board diversity policy</td>
<td>Yes</td>
</tr>
<tr>
<td>In camera sessions held with independent directors only at every board meeting</td>
<td>Yes</td>
</tr>
</tbody>
</table>
The following table summarizes our performance in key sustainability areas. In most cases, we use standard industry and regulatory calculation methodologies and definitions that may be updated periodically to improve accuracy. The applicable Global Reporting Initiative (GRI) indicator is included for reference.

### Performance Table

<table>
<thead>
<tr>
<th>PERIODS</th>
<th>UNITS</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>GRI REF.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>million $</td>
<td>6,257</td>
<td>5,628</td>
<td>6,256</td>
<td>6,996</td>
<td>102-7</td>
</tr>
<tr>
<td><strong>Number of locations</strong></td>
<td>count</td>
<td>-</td>
<td>-</td>
<td>221</td>
<td>225</td>
<td>102-7</td>
</tr>
<tr>
<td><strong>SAFETY</strong></td>
<td>cases per 200,000 exposure hours</td>
<td>-</td>
<td>2.89</td>
<td>3.21</td>
<td>2.60</td>
<td>405-9</td>
</tr>
<tr>
<td><strong>Significant injury frequency (SIF)</strong></td>
<td>cases per million exposure hours</td>
<td>1.84</td>
<td>1.02</td>
<td>0.72</td>
<td>0.61</td>
<td>405-9</td>
</tr>
<tr>
<td><strong>Fatalities</strong></td>
<td>count</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>405-9</td>
</tr>
<tr>
<td><strong>Vehicle incidents</strong></td>
<td>count</td>
<td>-</td>
<td>-</td>
<td>85</td>
<td>102-9</td>
<td></td>
</tr>
<tr>
<td><strong>All Injuries by activity:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Using hand tools</td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16</td>
<td>403-9</td>
</tr>
<tr>
<td>Manual lifting and carrying</td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13</td>
<td>403-9</td>
</tr>
<tr>
<td>Maintenance and intervention</td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30</td>
<td>403-9</td>
</tr>
<tr>
<td><strong>Near misses and hazard identification</strong></td>
<td>count</td>
<td>26,633</td>
<td>25,354</td>
<td>18,210</td>
<td>22,651</td>
<td></td>
</tr>
<tr>
<td><strong>Supervisory observations</strong></td>
<td>count</td>
<td>NA</td>
<td>NA</td>
<td>51,054</td>
<td>39,375</td>
<td></td>
</tr>
<tr>
<td><strong>Executive walkthroughs</strong></td>
<td>count</td>
<td>NA</td>
<td>NA</td>
<td>194</td>
<td>168</td>
<td></td>
</tr>
<tr>
<td><strong>PEOPLE</strong></td>
<td>count</td>
<td>13,003</td>
<td>11,877</td>
<td>12,544</td>
<td>13,146</td>
<td>102-7</td>
</tr>
<tr>
<td><strong>Employees by region</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>count</td>
<td>5,090</td>
<td>4,657</td>
<td>4,885</td>
<td>5,427</td>
<td>102-8</td>
</tr>
<tr>
<td><strong>Number of employees (includes contractors)</strong></td>
<td>count</td>
<td>14,325</td>
<td>13,039</td>
<td>14,077</td>
<td>14,732</td>
<td>102-8</td>
</tr>
<tr>
<td><strong>Employees covered by collective bargaining agreements</strong></td>
<td>percent</td>
<td>66</td>
<td>67</td>
<td>64</td>
<td>60</td>
<td>102-41</td>
</tr>
<tr>
<td><strong>Number of grievances submitted by the unions</strong></td>
<td>count</td>
<td>-</td>
<td>-</td>
<td>93</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INCLUSION</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20</td>
<td>405-1</td>
</tr>
<tr>
<td><strong>30 – 50 years</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>62</td>
<td>405-1</td>
</tr>
<tr>
<td><strong>Gender diversity</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18</td>
<td>405-1</td>
</tr>
<tr>
<td><strong>Female</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16</td>
<td>405-1</td>
</tr>
<tr>
<td><strong>Male</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>84</td>
<td>405-1</td>
</tr>
<tr>
<td><strong>Women in leadership roles</strong></td>
<td>percent</td>
<td>18</td>
<td>17</td>
<td>25</td>
<td>33</td>
<td>405-1</td>
</tr>
<tr>
<td><strong>Executive</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22</td>
<td>405-1</td>
</tr>
<tr>
<td><strong>Senior level leader</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>28</td>
<td>405-1</td>
</tr>
<tr>
<td><strong>Mid-level leader</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22</td>
<td>405-1</td>
</tr>
<tr>
<td><strong>Spills</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>306-3</td>
<td></td>
</tr>
<tr>
<td><strong>Number of reportable spills</strong></td>
<td>count</td>
<td>2</td>
<td>6</td>
<td>0</td>
<td>1</td>
<td>306-3</td>
</tr>
<tr>
<td><strong>Total volume of reportable spills</strong></td>
<td>litres</td>
<td>360</td>
<td>3,900</td>
<td>0</td>
<td>120</td>
<td>306-3</td>
</tr>
<tr>
<td><strong>Waste</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>306-2</td>
<td></td>
</tr>
<tr>
<td><strong>Hazardous waste</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>306-2</td>
<td></td>
</tr>
<tr>
<td><strong>Non-hazardous waste</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>306-2</td>
<td></td>
</tr>
</tbody>
</table>

### Retention and Engagement

<table>
<thead>
<tr>
<th>PERIODS</th>
<th>UNITS</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>GRI REF.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rate of hiring</strong></td>
<td>percent</td>
<td>NA</td>
<td>NA</td>
<td>17</td>
<td>17</td>
<td>401-1</td>
</tr>
<tr>
<td><strong>Voluntary turnover rate</strong></td>
<td>percent</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>401-1</td>
</tr>
<tr>
<td><strong>Total turnover rate</strong></td>
<td>percent</td>
<td>16</td>
<td>18</td>
<td>12</td>
<td>13</td>
<td>401-1</td>
</tr>
<tr>
<td><strong>Employee experience survey response rate</strong></td>
<td>percent</td>
<td>84</td>
<td>87</td>
<td>85</td>
<td>89</td>
<td>401-1</td>
</tr>
<tr>
<td><strong>Experience index</strong></td>
<td>score out of 100</td>
<td>72</td>
<td>72</td>
<td>75</td>
<td>85</td>
<td></td>
</tr>
</tbody>
</table>

### Retention and Engagement – Employee Development

<table>
<thead>
<tr>
<th>PERIODS</th>
<th>UNITS</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>GRI REF.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employees receiving performance reviews</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>38</td>
<td>404-1</td>
</tr>
<tr>
<td><strong>Executive</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,379,840</td>
<td></td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>556,920</td>
<td></td>
</tr>
<tr>
<td><strong>Leadership</strong></td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,627,793</td>
<td></td>
</tr>
</tbody>
</table>

### Environment

<table>
<thead>
<tr>
<th>PERIODS</th>
<th>UNITS</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>GRI REF.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Greenhouse gas emissions (total)</strong></td>
<td>CO2e tonnes</td>
<td>-</td>
<td>-</td>
<td>108,708</td>
<td>104,756</td>
<td>305-1</td>
</tr>
<tr>
<td><strong>Direct (scope 1)</strong></td>
<td>CO2e tonnes</td>
<td>-</td>
<td>-</td>
<td>60,864</td>
<td>62,511</td>
<td>305-1</td>
</tr>
<tr>
<td><strong>Indirect (scope 2)</strong></td>
<td>CO2e tonnes</td>
<td>-</td>
<td>-</td>
<td>47,844</td>
<td>42,245</td>
<td>305-2</td>
</tr>
<tr>
<td><strong>Direct emissions by source</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Facilities</strong></td>
<td>CO2e tonnes</td>
<td>-</td>
<td>-</td>
<td>26,894</td>
<td>27,892</td>
<td>305-1</td>
</tr>
<tr>
<td><strong>Fleet</strong></td>
<td>CO2e tonnes</td>
<td>-</td>
<td>-</td>
<td>33,970</td>
<td>34,619</td>
<td>305-1</td>
</tr>
<tr>
<td><strong>Energy use</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fuel – gasoline</strong></td>
<td>Gigajoules</td>
<td>-</td>
<td>-</td>
<td>140,316</td>
<td>302-1</td>
<td></td>
</tr>
<tr>
<td><strong>Fuel – diesel</strong></td>
<td>Gigajoules</td>
<td>-</td>
<td>-</td>
<td>374,100</td>
<td>302-1</td>
<td></td>
</tr>
<tr>
<td><strong>Gas Oil</strong></td>
<td>Gigajoules</td>
<td>-</td>
<td>-</td>
<td>1,691</td>
<td>302-1</td>
<td></td>
</tr>
<tr>
<td><strong>Electricity</strong></td>
<td>Gigajoules</td>
<td>-</td>
<td>-</td>
<td>262,441</td>
<td>302-1</td>
<td></td>
</tr>
<tr>
<td><strong>Natural Gas</strong></td>
<td>Gigajoules</td>
<td>-</td>
<td>-</td>
<td>496,735</td>
<td>302-1</td>
<td></td>
</tr>
<tr>
<td><strong>Spills</strong></td>
<td>percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>306-3</td>
<td></td>
</tr>
<tr>
<td><strong>Number of reportable spills</strong></td>
<td>count</td>
<td>2</td>
<td>6</td>
<td>0</td>
<td>1</td>
<td>306-3</td>
</tr>
<tr>
<td><strong>Total volume of reportable spills</strong></td>
<td>litres</td>
<td>360</td>
<td>3,900</td>
<td>0</td>
<td>120</td>
<td>306-3</td>
</tr>
</tbody>
</table>
This report contains statements about Finning's business outlook, objectives, plans, strategic priorities and other statements that are not historical facts. A statement Finning makes is forward-looking when it uses what the company knows and expects today to make a statement about the future. Forward-looking statements may include terminology such as aim, anticipate, assumption, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, project, seek, should, strategy, strive, target, and will, and variations of such terminology. Forward-looking statements in this report are based on a number of assumptions that Finning believed were reasonable on the day the company made the forward-looking statements and include, but are not limited to, the (i) execution of the company's vision and growth strategy; (ii) projected safety performance of the company; (iii) projected employee retention and engagement; and (iv) projected environmental management performance of the company. All such forward-looking statements are made pursuant to the 'safe harbour' provisions of applicable Canadian securities laws. Unless otherwise indicated, forward-looking statements in this report reflect Finning's expectations at the date of this report. Except as may be required by Canadian securities laws, Finning does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Forward-looking statements, by their nature, are subject to numerous risks and uncertainties and are based on several assumptions which give rise to the possibility that actual results could differ materially from the expectations expressed in or implied by such forward-looking statements and that Finning’s business outlook, objectives, plans, strategic priorities and other statements that are not historical facts may not be achieved. As a result, Finning cannot guarantee that any forward-looking statement will materialize. Forward-looking statements are provided in this report for the purpose of giving information about management’s current expectations and plans and allowing investors and others to get a better understanding of Finning’s sustainability efforts. However, readers are cautioned that it may not be appropriate to use such forward-looking statements for any other purpose.

Forward-looking statements made in this report are based on a number of assumptions that Finning believed were reasonable on the day the company made the forward-looking statements including but not limited to (i) that general economic and market conditions will be maintained; (ii) that the level of customer confidence and spending, and the demand for, and prices of, Finning's products and services will be maintained; (iii) Finning's ability to successfully execute its plans and intentions; (iv) Finning's ability to attract and retain skilled staff; (v) market competition; (vi) the products and technology offered by the company's competitors; and (vii) that our current good relationships with Caterpillar, our suppliers, service providers and other third parties will be maintained.

Finning cautions readers that any risks described in this report, or in Finning's MD&A or AIF are not the only ones that could impact the company. Additional risks and uncertainties not currently known to the company or that are currently deemed to be immaterial may also have a material adverse effect on Finning's business, financial condition, or results of operations. Except as otherwise indicated, forward-looking statements do not reflect the potential impact of any non-recurring or other unusual items or of any dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after the date of this report. The financial impact of these transactions and non-recurring and other unusual items can be complex and depends on the facts particular to each of them. Finning therefore cannot describe the expected impact in a meaningful way or in the same way Finning presents known risks affecting its business.

### PERFORMANCE SUMMARY

<table>
<thead>
<tr>
<th>PRODUCTS</th>
<th>UNITS</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>GRI REF.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Improvement Programs (PIP) – completion rate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>99.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Safety Product Improvement Programs percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>98.6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Priority Product Improvement Programs percent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Connected assets (% of addressable population)</td>
<td>-</td>
<td>-</td>
<td>68</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### COMMUNITIES

| Volunteer hours (STEM only) | hours | - | - | - | 875 |

Data for new indicators where no historical data is available is denoted with a ‘-’ symbol.

### PERFORMANCE NOTES:

1. Revenues reported in Canadian dollars. All financial data is consistent with Finning annual reports.

2. Locations include branches, training facilities, distribution centers and OEM.

3. Safety rates are calculated using exposure hours of employees and contractors.

4. Vehicle incidents are incidents caused by a company driver and they include any collision type incident with another vehicle, object or person. 2017 data updated to align with this definition.

5. Global definitions were instituted in 2017 for near misses and hazard identification.

6. Number of employees (excluding contractors) is used for all people, inclusion, retention and engagement calculations in this report and performance table.

7. Number of employees (excluding contractors) is used for all safety calculations in this report and performance table. The definition of contractor is aligned with Canadian Association of Petroleum Producers (CAPP) standards.

8. Percentage of women on our Board is provided following the election of Directors at Finning’s AGM each May.

9. Sustainable engagement scores from the annual survey sent to all eligible employees to measure the engagement levels in the organization. For engagement to be sustainable over time, employees need to be engaged, enabled and energized.

10. Training dollars reported in Canadian dollars.

11. GHG emissions were subjected to internal audits in 2017 and 2018.

12. Fleet emissions also include diesel used for engine diagnostics.

13. Reportable spills include spills that must be reported to regulatory authorities according to each jurisdiction’s regulations.

14. Data limitations exist for hazardous and non-hazardous waste. Canada portion of waste does not currently include facilities that do not fall under our national waste management contract.

15. Revenues reported in Canadian dollars. All financial data is consistent with Finning annual reports.