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SUSTAINABILITY REPORT 2025

JULY 2026



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Driving for a greener tomorrow
En route pour un avenir plus vert

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TOGETHER, WE CREATE SUPPLY CHAIN SOLUTIONS

WHO WE ARE

For over four decades XTL has been creating customized solutions by combining the key strengths of our three distinct service offerings – asset-based transportation, logistics and warehousing & distribution. Our reputation, philosophy and proven track record has been paramount in us establishing many long-term relationships. We train, support and empower our team at all levels to help develop effective, efficient solutions throughout Canada and the USA for our valued customers.

WHY CHOOSE US

XTL Group believes that a strong commitment to transparency, accountability and a strategic approach to procurement are essential for delivering goods and services. Implementation of social responsibility, environmental requirements, and business ethical standards enhance XTL's ability to manage its sourcing process in a sustainable way. XTL actively engages its business partners through the requirement that suppliers adhere to our Supplier Code of Conduct. This Supplier Code of Conduct outlines the minimum performance standard expected from suppliers who participate in any sourcing process.



OUR VISION

Connecting consumers to businesses and international markets by navigating the supply chain to safely and efficiently protect and deliver goods that people rely upon every day.



OUR MISSION

XTL provides customers with fully integrated supply-chain solutions to support their business needs and add value to their core competencies.

Our customers and qualified strategic partners will benefit from our company-wide commitment to understanding and responding to their business needs in a safety-first and regulatory-compliant environment that delivers on-time results.

Our employees will prosper in a challenging and safe environment that embodies our LEAD WITH GRACE values. We encourage and support personal expression, applied expertise and professionalism for the mutual benefit of our customers, employees, and the company.

Our success will be measured by service, safety, retention, environmental footprint, and profitability.

WHO WE ARE



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Business Code of Conduct

XTL places substantial value upon partners who support and respect the behaviors outlined in the Business Code of Conduct.

The provisions of this Code of Conduct set forth XTL's expectations that all partners shall comply with all provisions and with relevant local laws and regulations in the jurisdiction where the partner operates.

Goal #1

Ensure safe and healthy workplaces for all, including the people who make and supply goods and services for XTL, or in partnership with XTL, where conditions meet internationally agreed upon standards as embodied in the [International Labour Organization](#).

Goal #2

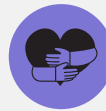
Ensure that XTL maintains its integrity as a business by working only with partners that support ethical business practices.

PERFORMANCE STANDARDS

The following standards represent the pillars that reflect our shared values with partners.



Environmental Standards – pertaining to environmental impacts related to operational practices of suppliers and customers.



Social Responsibility – pertaining to working conditions in supplier and customer facilities.



Business Ethical Standards – pertaining to ethical business practices by the supplier or customer and its directors, officers and employees.



Management Standards – pertaining to management of company-wide operations by suppliers and customers.

There is an expectation of continual improvement with respect to these business practices.



International
Labour
Organization



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WHO WE ARE



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Asset-First Logistics



XTL's Logistics division advances sustainability through smart network design, innovative technology, and strong supply chain partnerships to reduce emissions, boost productivity, and deliver reliable, responsible service.

Network Optimization



Diverse Partner Mix – enables better lane balancing and multi-directional freight flow.



Smart Freight Matching – minimizes deadhead miles and emissions.



Expanding Intermodal (IM) Services – 30% annual growth results in lower-carbon shipping.

Tools & Technology

- **Carrier qualification** includes a comprehensive onboarding process to ensure safety and compliance, while ongoing monitoring tools enable high performance levels and service consistency.
- **Revenova TMS implementation** will enhance route planning, streamline logistics processes, and increase data transparency for improved reporting.

Collaboration in the Supply Chain

XTL actively collaborates with shippers, receivers, carriers, customs brokers, and other stakeholders to ensure seamless and sustainable movement of goods. This integrated approach enhances transparency, reduces bottlenecks, and promotes shared responsibility in achieving sustainability goals.



End-to-End Coordination – for optimized route planning, better communication, improved visibility & fewer delays.



Reduce Detention – Working together to minimize detention & idle equipment improves productivity across the supply chain.



Shared Responsibility – Our success depends on aligned efforts with all players, ensuring service, safety, and sustainability go hand-in-hand.

Our collaborative approach, supported by innovative technology and strategic network design, drives continuous improvements in efficiency and sustainability. By working closely with partners and investing in tools like our Revenova, we're building a logistics network that is not only resilient and productive but also aligned with our commitment to a greener, more responsible future.

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Fleet Program

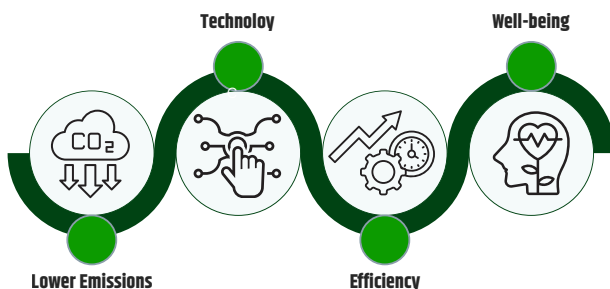
Our **Driving For A Greener Tomorrow Fleet Program** follows an aggressive replacement strategy with annual investments in state-of-the-art equipment featuring the latest in collision mitigation, emissions reduction, and fuel efficiency technologies. This proactive approach keeps our fleet operating at peak efficiency and aligned with industry best practices for safety and environmental performance.

Key Objectives

- Build & spec most fuel efficient vehicles for given task
- Minimize vehicle fuel consumption & exhaust emissions
- Maximize lifetime value generated from fleet assets
- Improve health, safety, & job satisfaction of employees
- Maximize the use of technology

Program Benefits

- Fewer greenhouse gas emissions supports climate goals
- Continuous investment = latest in green technologies
- Leading edge tools mitigate risks & improve public safety
- Operational efficiencies improve overall performance
- Healthier, safer fleets enhance employee well-being



Technology

- Speed limiters (62 MPH)
- Advanced collision mitigation
- Advanced no-idle battery APU's (International's MaxxPower No-Idle Solution)
- Low rolling resistance tires in partnership with Bridgestone
- Engine idle shut down at 3 mins
- Smart Coast with Predictive Cruise GPS based cruise control
- Automated transmissions
- Advanced battery technologies for greater driver comfort without idling
- Aerodynamic cabs and skirts
- Reduced fifth wheel gap between tractor & trailer
- Latest emission system available at purchase (2021 GHG or greater)
- SmartWay certification

Optimized Efficiencies

- Performance optimization with custom, in-house maintenance program reducing environmental impact
- Vehicle utilization and route optimization via satellite
- Fuel efficiency monitored in real time
- Simulator training on fuel efficient driving practices
- Driver performance scorecard continuously monitored
- MPG reward program for drivers

Employee Well-being

- New model fleets provides drivers with latest in comfort
- Healthier air from lower emissions reduces health risks for drivers and surrounding communities
- Reduced idle improves rest for over night stays
- Safety 1st culture provides drivers with peace of mind through leading edge tools & training programs



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Warehousing & Distribution



**LED Lighting & Motion
Sensors**



**Electric
Forklifts**

XTL's commitment to sustainability extends beyond our fleet and into our warehousing and distribution operations.

LED Lighting & Motion Sensors

Energy-efficient LED lighting with motion sensors cut power consumption and reduce emissions, while also supporting a safer, more responsive workplace.

Electric Forklifts

An electric forklift fleet eliminates on-site emissions and reduces noise pollution—improving air quality and advancing our shift toward clean technologies.



**Secure Yard & Access
Control**



GMP Rated Operations

Secure Yard & Access Control

Security and compliance are key priorities. Our distribution centers feature secure yards with advanced access control for enhanced safety and traceability.

AIB Accreditation & GMP

GMP-rated operations through AIB International accreditation, reflects our dedication to the highest standards of hygiene and regulatory compliance.

Learn more about the importance of AIB Accreditation & GMP in logistics [here](#).

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Awards & Certifications



Trucking HR Canada's national [Top Fleet Employer](#) program recognizes trucking and logistics companies for exceptional HR practices, including skill development, workplace culture, employee engagement, recruitment, compensation, sustainability and innovative HR policies.

Top Fleet Employer of Distinction



Recognizing the top fleet in class that exemplifies excellence across all categories.

Ranked #21 in Today's Trucking Top 100

The Today's Trucking Top 100 ranks Canada's biggest for-hire fleets by total equipment counts -- a measure that helps to reflect fleet capacity.

Serge Gagnon, CEO honoured with 2025 OTA-Solera-Omnitracs Service to Industry Award

The STI award – the highest recognition in the trucking industry – pays tribute to an individual who, by their commitment, vision, leadership and unstinting service, has made an outstanding contribution to the development and success of the truck transportation industry.





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Smartway Introduction



XTL is a proud partner of the **SmartWay** Transport Program, an initiative launched by the U.S. Environmental Protection Agency (EPA) in 2004 to help businesses advance supply chain sustainability. The program provides a comprehensive framework for tracking and improving fuel efficiency, reducing transportation-related emissions, and adopting cleaner technologies within freight operations.

As a SmartWay partner since 2008, XTL voluntarily measures, reports, and benchmarks our environmental performance using SmartWay's standardized tools. This enables us to identify areas for improvement and adopt strategies that reduce our carbon footprint while enhancing overall fleet efficiency.

Our continued participation underscores our commitment to data-driven environmental stewardship and leadership in sustainable logistics.

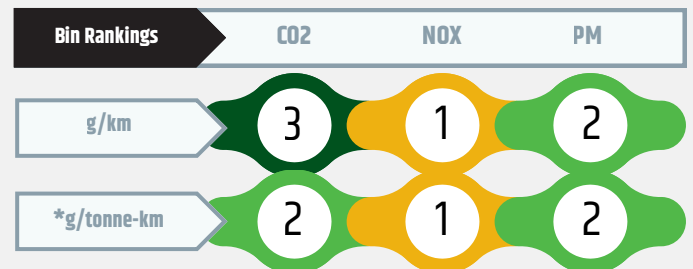
XTL Scorecard: Bin Rankings

SmartWay carriers are ranked across six emissions metrics and grouped into five performance bins.

Bin 1 represents the top 20% within each fleet type (tankers, auto haulers, mixed operations, etc).

Rankings are based on comparisons within similar operations to ensure fairness. Non-SmartWay carriers are assumed to have higher emissions by default.

XTL's Bin Rankings 2025 - Mixed Operations -



*For fleets with heavy payloads, such as XTL, emissions measured in **g/tonne-km** is a more accurate performance indicator than **g/km** metrics.

[View Full Report](#)

ENVIRONMENT



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Environmental Impact Progress Report

XTL Scorecard: Year-to-Year

The table below summarizes 2025 changes over 2023 metrics for both XTL Transport Inc and the average SmartWay Mixed Operation fleets as a whole.

**2024 metrics unavailable due to system issues*

2025 vs 2023 Benchmark Report

View Full Report	2025	2023	% Change
L/100km			
XTL	35.343	34.602	2.14%
Mixed Ops Avg	38.412	34.285	12.04%
Average Idling Hours			
XTL	450	300	50.00%
Mixed Ops Avg	720	625	15.30%
Average Payload (tonnes)			
XTL	21.46	21.46	0.00%
Mixed Ops Avg	24.59	19.80	24.19%
CO2 g/tonne-km			
XTL	46	46	1.95%
Mixed Ops Avg	43	48	-9.61%
NOx g/tonne-km			
XTL	0.06	0.05	12.19%
Mixed Ops Avg	0.09	0.10	-5.60%
PM2.5 g/tonne-km			
XTL	0.00020	0.00020	-0.77%
Mixed Ops Avg	0.00061	0.00083	-26.15%

XTL Scorecard: All Time

The table below summarizes 2025 changes over 2012 metrics for both XTL and the average SmartWay Mixed Operation fleets as a whole.

**2010-2011, 2024 data unavailable.*

2025 vs 2012 Benchmark Report

View Full Report	2025	2012	% Change
L/100km			
XTL	35.343	40.103	-11.87%
Mixed Ops Avg	38.412	40.881	-6.04%
Average Idling Hours			
XTL	450	260	73.08%
Mixed Ops Avg	720	537	34.16%
Average Payload (tonnes)			
XTL	21.46	16.96	26.53%
Mixed Ops Avg	24.59	16.35	50.41%
CO2 g/tonne-km			
XTL	46	64	-27.03%
Mixed Ops Avg	43	67	-35.46%
NOx g/tonne-km			
XTL	0.06	0.07	-21.31%
Mixed Ops Avg	0.09	0.31	-71.27%
PM2.5 g/tonne-km			
XTL	0.00020	0.00096	-79.31%
Mixed Ops Avg	0.00061	0.01110	-94.48%



Community Involvement

Philanthropic Initiatives

At XTL, giving back is a core part of how we create meaningful, sustainable impact beyond our operations. Through intentional partnerships, in-kind donations, and employee-driven initiatives, our philanthropy program supports communities across the country.



\$18,000 in **cash donations** through local and national fundraisers



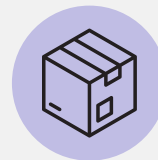
Food sorting & trailer storage for multiple **food bank initiatives** across the country



Gifts donated during annual **Holiday Drives**



In collaboration with our valued partners, our **OS&D program** helped facilitated the donation of 8,832 units across Canada.



donated across Canada

8,832 units



equivalent to

57 skids



weighing in at

32,740 lbs



estimated retail value

+\$50,000





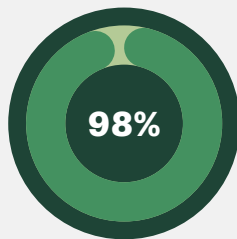
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Business Ethics & Management

Safety, compliance, and ethical management are essential to building a resilient, sustainable organization. Our commitment to these principles protects our people, partners, and communities while reinforcing accountability and transparency across all levels of our business. By fostering a culture of safety and integrity, we strengthen long-term performance and support the broader goals of sustainable logistics.

GAP Audit Score

Key contributors of this high score include investments in equipment, advanced IT systems, high maintenance standards, strong HR policies, and safety diligence.



Border Security Programs

Voluntary participation in national security programs to reduce terrorism, crime and human trafficking

- C-TPAT (Customs Trade Partnership Against Terrorism)
- CSA (Canadian Self-Assessment)
- FAST (Free and Secure Trade)
- PIP (Partners In Protection)

Social Responsibility



Training & Development

Social accountability through workforce training and professional development opportunities.



Safety 1st Policies

Our commitment to ensuring the safety of our people & communities in which we operate is integrated into every aspect of XTL life.



Commitment to Employees

Committed to paying a living wage and maintaining best-in-class standards & benefits for our employees.



Child & Forced Labour Reporting

Developed and implemented due diligence policies and processes with annual risk assessment to identify threats.



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GOVERNANCE



EcoVadis Sustainability Rating



ecovadis

XTL is evaluated through the **EcoVadis Sustainability Rating**, a globally recognized platform that assesses corporate social responsibility across four key areas:

1. **Environmental Impact**
2. **Sustainable Procurement**
3. **Labour and Human Rights**
4. **Ethics**

The assessment process involves a detailed review of policies, practices, and performance, which are scored and compared against global peers. This external evaluation provides valuable insight into our strengths and areas for growth, while offering transparency to our partners.

Participation in EcoVadis supports XTL's ongoing pursuit of high ethical standards, operational integrity, and continuous improvement in sustainable business practices.

EcoVadis Medals:

- **Platinum** - Top 1% (99+ percentile)
- **Gold** - Top 5% (95+ percentile)
- **Silver** - Top 15% (85+ percentile)
- **Bronze** - Top 35% (65+ percentile)

XTL Scorecard: **Bronze**

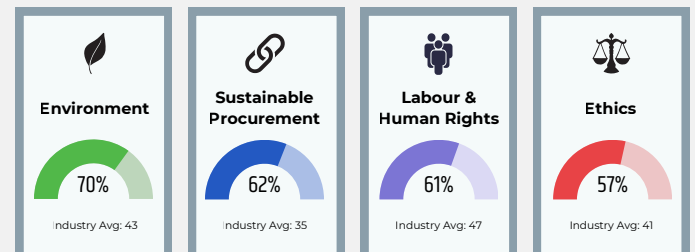
A **Bronze** EcoVadis medal signifies a solid foundation in sustainability practices across all areas.

Overall Score

71st Percentile*

64/100

***71st percentile** means the score is higher than or equal to the score of 71 percent of all organizations assessed by EcoVadis worldwide.



This recognition reflects that XTL has implemented essential policies, taken measurable actions, and demonstrated a commitment to responsible business practices—while also identifying opportunities for further improvement.





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Long-Term Sustainability Goals

A Greener Tomorrow



Paper Free – Move to paper-free digital BOLs by 2028



Emissions – Reduce emissions by 40% from 2005-2030



Electrification – Transition to electric shunt trucks for phase 2 of electrification



Alternative Fuels – Continue to monitor and adopt when viable



Net Zero – Net-zero emissions by 2050

At XTL, we are committed to reducing our environmental footprint through thoughtful investments in clean and efficient technology across all aspects of our operations.

A cornerstone of this commitment is our decision to transition our entire fleet of forklifts and shunt trucks to electric power at all locations. This initiative significantly reduces greenhouse gas emissions, eliminates on-site exhaust pollutants, and contributes to cleaner, safer working environments within our facilities.

We recognize the potential of alternative fuel sources, including electric and hydrogen-powered commercial vehicles. While we are actively monitoring developments in these areas, we are also aware of the practical challenges around infrastructure, range, and cost-effectiveness. Our position is one of readiness—we are prepared to adopt such technologies when they become operationally and economically viable on a broader scale.

In the meantime, we continue to evaluate pilot programs, engage with manufacturers, and monitor regulatory developments to ensure we are well-positioned to transition when the right opportunity arises. Our goal is not only to meet current environmental standards but to lead by example in building a more sustainable future for transportation and logistics.



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