

Environmental, Social & Governance Policy

The Coco Group has incorporated the key elements of an Environmental, Social and Governance (ESG) policy to help focus and guide its everyday decision. Coco Group does not view ESG as a compliance task but an opportunity to create a competitive advantage. Equally important is ensuring we operate in a responsible manner for the clients and communities we serve, including all levels of government.

Our ESG policy includes:

		
<p style="text-align: center;">ENVIRONMENT</p> <ul style="list-style-type: none"> • Managing government policy movements regarding Climate Change; • In addition to our corporate Environmental Policy, we establish and customize individual environmental plans for each of our plant locations to ensure we protect the specific natural environment elements in that setting; • Investments in product innovations in asphalt production, recycling and equipment mobilization, as well as the purchasing of assets: <ul style="list-style-type: none"> – Reducing carbon emissions; – Increasing energy efficiency by adopting plants and equipment with the latest technology; and, – Increased resiliency. 	<p style="text-align: center;">SOCIAL</p> <ul style="list-style-type: none"> • Coco’s culture focuses on workforce health and safety; • Promoting Indigenous Partnerships; • Engagement of the Community in approvals and perpetual monitoring and reporting of aggregate, plant sites and various construction projects; and, • Participating in several governments recognized Industry Associations to ensure the latest standards and regulations are adopted into our operations and reflect our best practices; and, • Promoting a multi-cultural workforce that leverages talent from all backgrounds in society and diversity is our strength. 	<p style="text-align: center;">GOVERNANCE</p> <ul style="list-style-type: none"> • Coco Executive Leadership has developed and promoted strong internal policies and procedures, modelling institutional governance; • Engagement of third party audits to ensure governance compliance, reporting to various government groups; • Ethical standards established for bidding procedures, procurement of subcontractors and material & equipment; • Independent Board oversight with solid experience.

Development of the ESG Policy

ENVIRONMENT

Coco has developed a robust environmental policy, as land and other natural resources are important to our well-being. Coco is committed to minimizing the adverse effects on these resources from its operations.

Our Initiatives include:

Emissions – Plants, Vehicles and Equipment

- GPS monitoring the efficiency in the movement of goods and idling times of all equipment.
- Coco has invested heavily in installing GPS in all equipment and vehicles. Local dispatchers review idling daily, while the Executive Management reviews idling times weekly.
- For heavy equipment, idling times have been programmed to ensure units shutdown after five minutes of idling or provide an audible alarm warning to the operator to shut the unit down.

Recycle and Reuse of Materials

- Coco is a significant producer of recycled concrete in Ontario, which it uses as road base aggregates. To reduce the carbon footprint, Coco has adopted a policy to minimize the amount of virgin aggregates used wherever possible.
- Coco's Asphalt Plants are set up to incorporate a percentage of Recycled Asphalt into asphalt plant production, again reducing the use of virgin aggregates and liquid Asphalt Cement.
- Coco has invested heavily into two mobile Cold in Place recycling trains – which allows the existing road to be milled up and mixed with either emulsion or hot-foamed asphalt and immediately re-laid to provide a road base that is then resurfaced with a lift or two of hot asphalt. This process removed the need to excavate the existing road, hauling the existing asphalt to a landfill and replacing the existing road-base.
- Coco continues to promote the use of Warm Mix Asphalt to clients, reducing the temperature at which the material is mixed, reducing energy consumption.

Asphalt Plant Emissions

- All of Coco's plants meet or exceed the required government noise and emission control measures; in addition, and where possible, Coco utilizes paved yards to reduce the amount of water-saturated in the piles of aggregates, thereby reducing energy consumption. This has proven to be an extremely successful initiative garnering significant rebates from Coco's energy suppliers.
- Coco monitors the moisture content of raw materials used in asphalt production to reduce energy consumption and emissions.



- Key Performance Indicators (KPI's) are used to monitor production facilities weekly, with a focus on monitoring energy consumption.
 - Individual job specific environmental plans are developed and strictly adhered to on the most complex projects, significantly reducing the environmental impact.
 - Engaging our customers and vendors to support, participate and work collaboratively with Coco to enhance our environmental platform.

As many associations are established to assist corporations, municipalities and professionals are working collaboratively to preserve of our environment. We are actively considering participation in the National Zero Waste Council, Construction, Renovation and Demolition (www.nzwc.ca).

SOCIAL

This section covers our commitment to health and safety, partnerships, and community engagement.

Health & Safety Culture

- Coco is committed to delivering world-class performance in Health and Safety and Environmental Management across all operations.
- Each of Coco's Regional offices has its own Health and Safety Department, which is strengthened by the support of the Head Office's Health and Safety Team tasked with overseeing the compliance of company-wide policies.
- Coco field employees receive two safety orientations per year, a pre-season and a mid-season refresher.
- Weekly Safety Talks are sent out company-wide by the Health and Safety Manager.
- Industry-specific Topics of concern are put forward to each regional office and employee.
- Daily toolbox discussions are held on every jobsite and acknowledged by each employee.
- COVID-19 Policy is at the forefront of the Executive and Management Teams, strongly promoting vaccination based upon availability.

Partnerships

Various community initiatives and partnerships have been established:

- Coco engages local residents as advisors for operations of its Pits and Quarries, recognizing the sensitivity to the community thru Community Liaison Committees.
- During the Design-Build phase of planning construction projects, Coco has hosted design charrettes that have proven extremely successful.
- Coco provides maintenance of municipal, provincial highways to ensure public safety and provides notification to the public;
- Coco engages in social media platforms to advise the public on safety.
- Coco has been very proactive in building relationships with Indigenous communities. Coco sees a compelling business case to engage First Nations as business partners and has created an Indigenous Advisory Panel to help build new and strengthen existing indigenous relationships.



As Coco continues to build its workforce, it is paramount to leverage indigenous workers. To succeed, the company has engaged an advisory panel on the best solutions to create employment opportunities, create appropriate training programs for indigenous employees, and importantly, create formal commercial opportunities with the various First Nations to collaborate as partners on specific projects.

Federal contracts throughout Canada mandate Indigenous participation, but Coco's objective is to go beyond the baseline participation mandated.

GOVERNANCE

Although Coco is a private company, its leadership has followed a strict governance policy.

- Coco is governed by an independent board of directors, which has rigorous oversight and reporting mandates. The Coco family believes the business has significantly benefited from this approach, and this is a leading corporate practice.
- Coco's reporting is very robust, and its financial reporting is subject to external audit on a yearly basis.
- In addition, Coco completes ongoing internal control reviews along with some external reporting related thereto provided by third parties.
- The management processes within Coco continue to evolve, be refined and inclusive.

There are many moving components to an effective ESG company policy. Coco has focused on the material factors where we can maximize our performance, including:

- Reducing energy and water consumption, and greenhouse gases to improve air quality,
- Introducing technology to create efficiencies, manage resources and allow for measurable results;
- Promoting health & safety;
- Participating and partnering with the community; and,
- Inclusivity.

Coco sees achieving ESG excellence as a way to build a distinct competitive advantage and support a clear and strong company business case.